

Presentation Notes for the 2020 Outlook Conference Call



December 2, 2019

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FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. The company desires to take advantage of these provisions. This document contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein, and in any other statements made by company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC). Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks and uncertainties. In particular, statements containing words such as “expect,” “anticipate,” “believe,” “goal,” “objective,” “may,” “should,” “estimate,” “intends,” “projects,” “will,” “assumes,” “potential,” “target,” “outlook” or similar words as well as specific projections of future results, generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements.

The company cautions readers that the following factors, in addition to other factors mentioned from time to time, could cause actual results to differ materially from those contemplated by the forward-looking statements:

- decreases in the Company's sales of cancer insurance in the Japan Post Group system
- difficult conditions in global capital markets and the economy
- exposure to significant interest rate risk
- concentration of business in Japan
- foreign currency fluctuations in the yen/dollar exchange rate
- limited availability of acceptable yen-denominated investments
- U.S. tax audit risk related to conversion of the Japan branch to a subsidiary
- deviations in actual experience from pricing and reserving assumptions
- ability to continue to develop and implement improvements in information technology systems
- competitive environment and ability to anticipate and respond to market trends
- ability to protect the Aflac brand and the Company's reputation
- ability to attract and retain qualified sales associates, brokers, employees, and distribution partners
- interruption in telecommunication, information technology and other operational systems, or a failure to maintain the security, confidentiality or privacy of sensitive data residing on such systems
- failure to comply with restrictions on patient privacy and information security
- extensive regulation and changes in law or regulation by governmental authorities
- tax rates applicable to the Company may change
- defaults and credit downgrades of investments
- decline in creditworthiness of other financial institutions
- significant valuation judgments in determination of amount of impairments taken on the Company's investments
- subsidiaries' ability to pay dividends to the Parent Company
- decreases in the Company's financial strength or debt ratings
- inherent limitations to risk management policies and procedures
- concentration of the Company's investments in any particular single-issuer or sector
- differing judgments applied to investment valuations
- ability to effectively manage key executive succession
- catastrophic events including, but not necessarily limited to, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, war or other military action, terrorism or other acts of violence, and damage incidental to such events
- changes in accounting standards
- increased expenses and reduced profitability resulting from changes in assumptions for pension and other postretirement benefit plans
- level and outcome of litigation
- allegations or determinations of worker misclassification in the United States



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Forward-Looking Statement

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Non-U.S. GAAP Financial Measures and Reconciliations

In this presentation, Aflac Incorporated presents certain financial information that is not calculated in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). These "non-U.S. GAAP financial measures" are meant to be supplemental to the U.S. GAAP measures that Aflac Incorporated presents. Refer to slide "2020 Adjusted Earnings Outlook" and the Appendix for definitions of these measures and an explanation of why a reconciliation to the most directly comparable GAAP measures is not provided.

Agenda

- ***Strategic Focus and Value Creation***
Dan Amos
Chairman and CEO, Aflac Incorporated
- ***Operating Segment Outlook***
Fred Crawford
CFO, Aflac Incorporated
- ***Financial Outlook and Capital Management***
Max Brodén
Deputy CFO and Treasurer, Aflac Incorporated

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Strategic Focus and Value Creation

Dan Amos
Chairman and CEO
Aflac Incorporated



Aflac Strategic Points of Leverage

- Recognized and powerful brand
- Diverse and productive distribution
- Product innovation and customized, high-quality service
- Leading market share and scale in Japan and U.S.
- Industry-leading financial strength ratings
 - » Strong capital & liquidity position
 - » Stable earnings & cash flow



Strong Leadership and Governance

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2020 Strategic Focus

Enterprise: Growth & Execution

- **Organization** – leadership role focused on enterprise-wide execution
- **Growth** – strengthen core distribution, product expansion and tactical acquisitions
- **Financial Strength** – balancing growth and returning capital to shareholders
- **Efficiency** – digital investment and improved productivity
- **Innovation** – ecosystem development, business incubation, venture investments

Aflac Japan

- » Driving growth initiatives while reinforcing distribution
- » Product development for the stages in life

Aflac U.S.

- » Strategic move to the “first page” of employee benefits
- » A building year - Aflac Dental & Vision and Consumer Markets

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Operating Segment Outlook

Fred Crawford

CFO, Aflac Incorporated



Aflac Japan Growth Initiatives

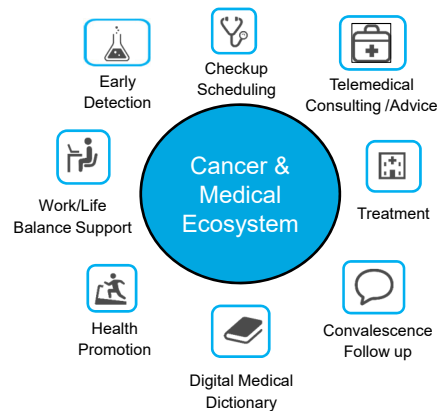
Near-term Focus and Investment

Enhancing Franchise Value

- Leverage cancer and medical franchise
- Strengthening core associate channel
- Expand current product offerings
- Exploring adjacent lines of business

Long-term Growth and Innovation

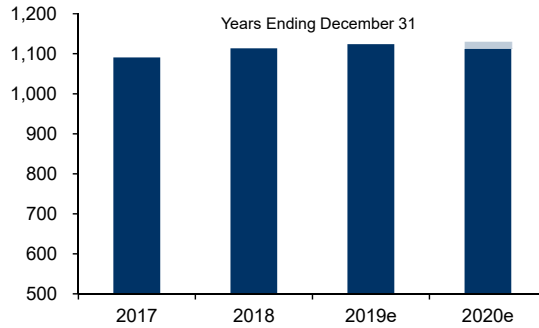
Cancer & Medical Ecosystem



Aflac Japan Net Earned Premium Outlook

Protection¹ Net Earned Premium (in ¥ millions)

Third Sector and First Sector Protection¹ – includes the impact of paid-up policies



Policies In-force ¹	21.89M	22.14M	22.14M	22.18M
Paid-Up Premium ¹	¥ 0.4B	¥ 0.9B	¥ 4.5B	¥ 11.0B

2020 Assumptions

- Japan Post projections remain fluid, driving a range in earned premium expectations
- Total earned premium decline of ~2.6% with “paid-up” policy impact of -2.4%
- Protection¹ earned premium decline of ~0.7% with “paid-up” policy impact of -1%
- Persistency trends modestly positive
- Protection¹ policies in-force projected to grow marginally as compared to 2019

9 ¹ Protection – defined as third sector and first sector protection premium and policies



Aflac Japan Financial Outlook

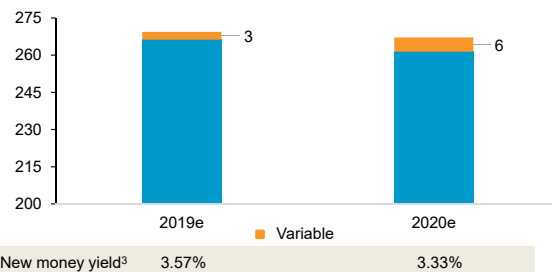
Japan Segment Margins (as reported in ¥)¹

	2019 YTD	2020e
Benefit Ratio	69.3%	68 – 70%
Expense Ratio	20.4%	20.0 – 22.0%
Pretax Profit Margin	21.7%	21.0 – 22.0%

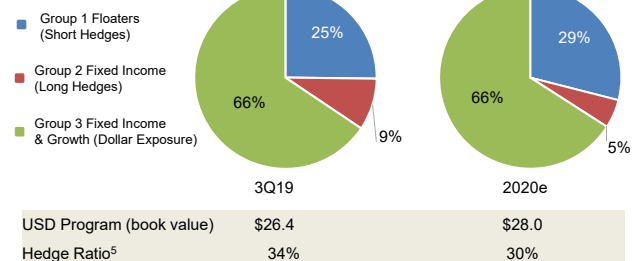
2020 Assumptions

- Strength in benefit ratios reflect mix of business
- Balancing investment with expense reduction to defend pretax profit margins
- 2019 results include ¥4 billion of excess call and alternative investment income

Net Investment Income Forecast (in ¥ billions)²



U.S. Dollar Program (in \$ billions)⁴



10 ¹ Benefit ratios measured to earned premium; expense ratios and pretax margins relative to total revenue; ² Net of investment expenses and amortized hedge costs; ³ Gross yield corresponds to yield reported under US GAAP; ⁴ Collars are utilized to protect the SMR from a weakening yen; ⁵ Hedge Ratio is based on USD Program market value



Aflac U.S. Growth Initiatives

Near-term Focus and Investment

Driving Growth

- Moving to the “First Page” of enrollment
- Building Aflac Dental & Vision
- Consumer-directed business build
- Strengthening the Agent channel

Long-term Growth and Innovation

Small Business Solutions



EMPOWERED
“Powered by Aflac”

Aflac serves the benefit needs of 400,000 small businesses¹

One Digital Aflac

Guided Shopping
Products and peer reviews

Digital Buying
Buy anytime and anywhere

Innovative Products
On Demand



Payment Options
Digital wallets

Digital Experience
Online, Mobile, Chat and Text

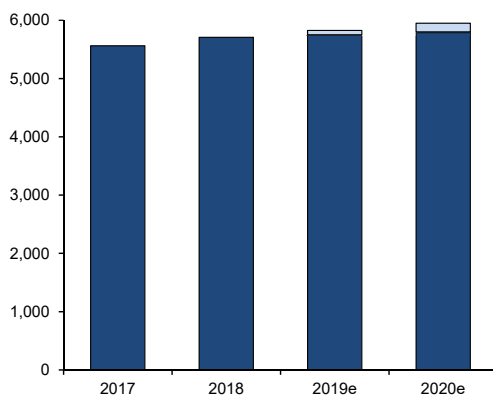
Real-Time, Automated
Customer Service via robotics and AI



11 ¹Less than 100 employees

Aflac U.S. Net Earned Premium Outlook

Net Earned Premium (in \$ millions)



2020 Assumptions

- Earned premium growth of ~ 1%
- Stable persistency ~ 78% range
- Aflac Dental & Vision and Consumer Markets growth contribution in 2021
- Argus benefits administration revenue of \$80 to \$90 million recorded as “Other Income”

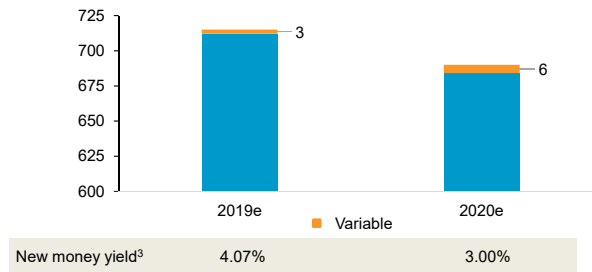
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Aflac U.S. Financial Outlook

U.S. Segment Margins ¹		
	2019 YTD	2020e
Benefit Ratio	49.5%	49 – 51%
Expense Ratio	35.7%	37.5 – 39.5%
Pretax Profit Margin	20.3%	17 – 19%

Net Investment Income² Forecast (in \$ millions)



2020 Observations

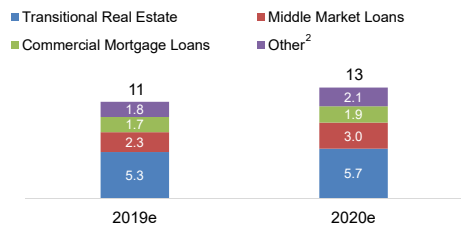
- Continued strength in benefit ratios offset by investment in platform
- Argus and Aflac Dental & Vision buildout:
 - Expense Ratio (80 to 120 basis points)
 - Pretax Profit Margin (-40 basis points)
- Consumer Markets buildout:
 - Expense Ratio (30 basis points)
 - Pretax Profit Margin (-30 basis points)
- Net investment income down year-over-year due to excess capital dividend and lower yields.

13 ¹ Benefit ratios measured to earned premium; expense ratios and pretax margins relative to total revenue; ² Net of investment expenses; ³ Gross yield corresponds to yield reported under US GAAP

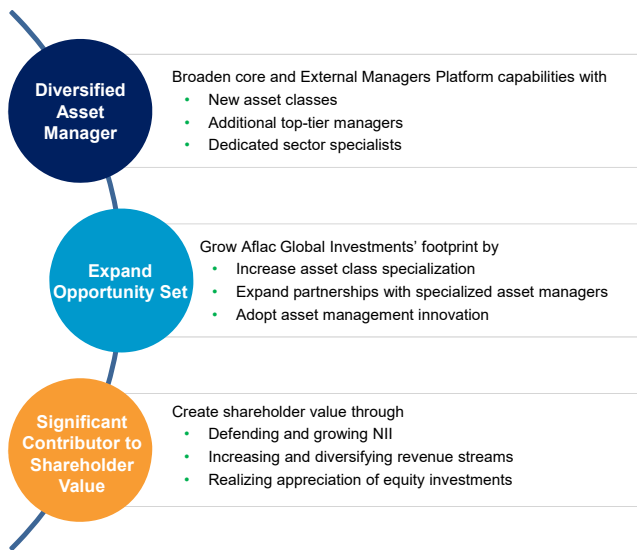
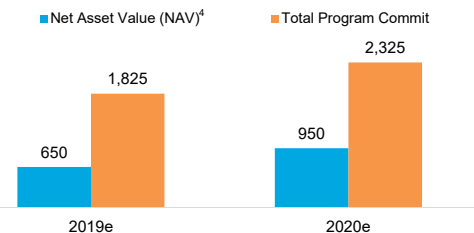


Aflac Global Investments

External Manager Program (in \$ billions)¹



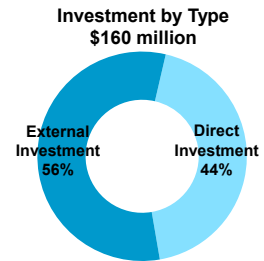
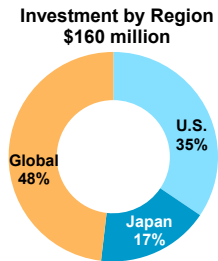
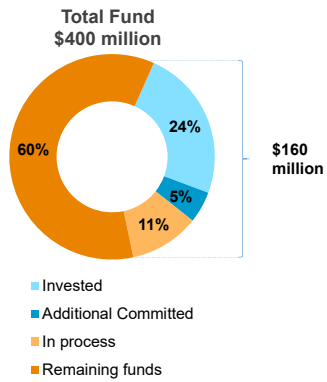
Alternative Investments (in \$ millions)³



14 ¹ Reported book values ² Other includes Infrastructure Debt, Public Equity, Private Equity, and Real Estate Equity ³ Estimated year-end balances ⁴ Net Asset Value projection is an estimate given uncertainty related to the timing and quantum of capital calls, distributions and appreciation.



Aflac Global Venture Capital¹



- Venture fund increased from \$250 million to \$400 million
- Singapore Life investment of \$36 million moved into fund as part of global sleeve
- Anticipate \$40 million to \$50 million of incremental commitments in 2020
- Fund currently running at modest unrealized gain position

15 ¹Figures as of November 1, 2019

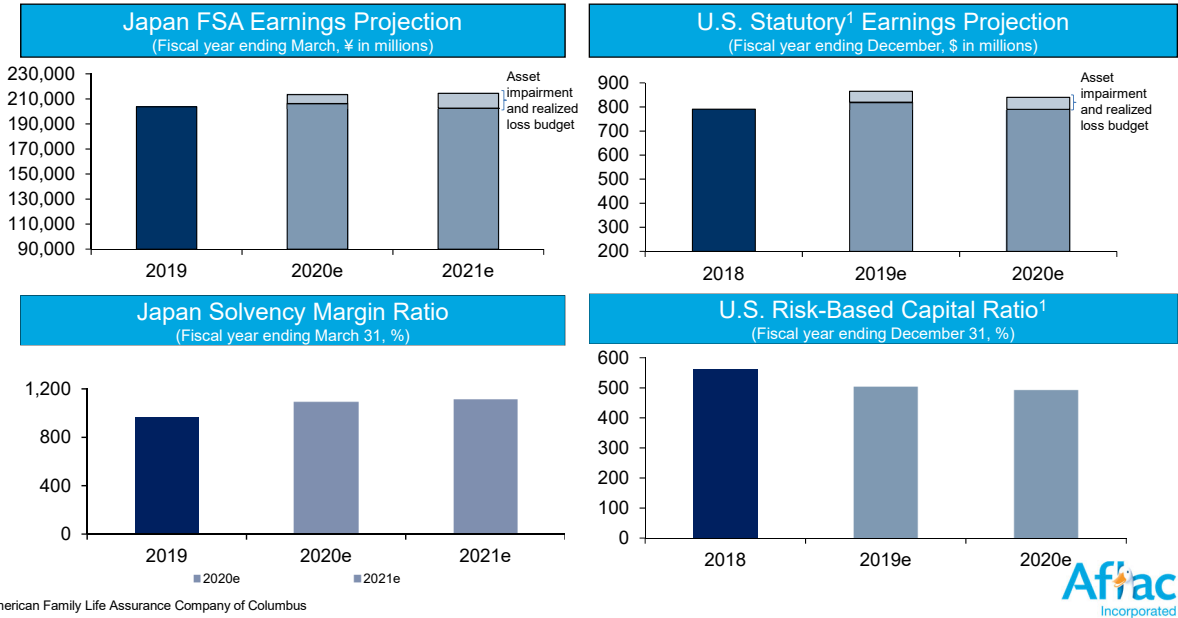


Financial Outlook and Capital Management

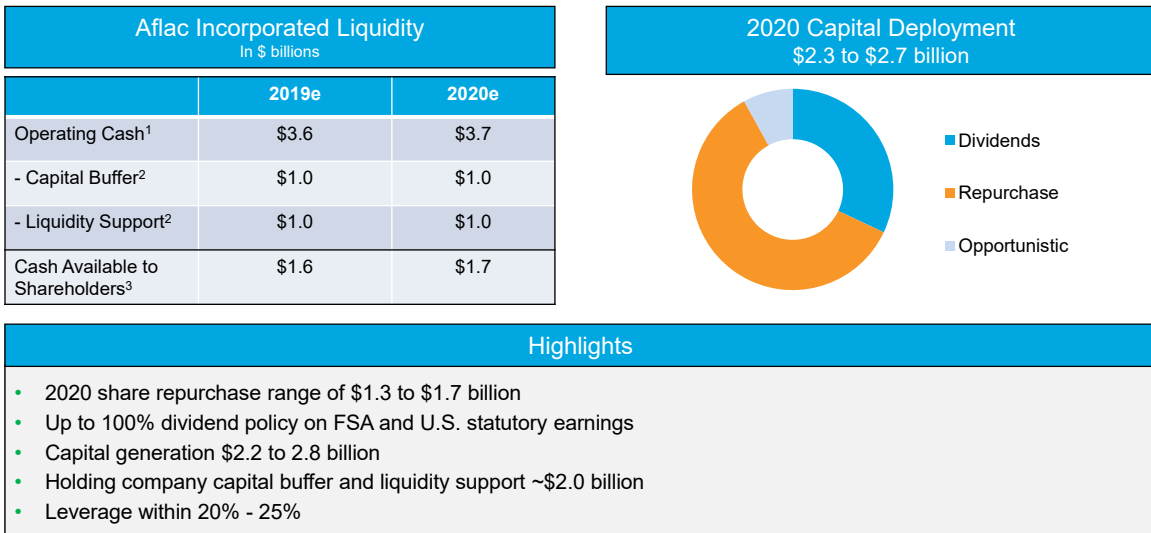
Max Brodén
Deputy CFO, Treasurer
Aflac Incorporated



2020 FSA and Statutory Outlook



2020 Aflac Incorporated Liquidity and Capital Deployment



18 ¹Total cash less non-operating cash; ² Balance based on internal policy; ³ Net cash that may be deployable to shareholders

2020 Adjusted Earnings Outlook

2020 Annual Adjusted EPS Scenarios¹

Weighted-Average Annual Exchange Rate	Annual Adjusted EPS ²	Yen Impact
¥105	\$4.39 – 4.59	\$.09
110	4.30 – 4.50	.00
115	4.23 – 4.43	(.07)

- 2020 EPS flat to 2019 reported excluding currency and up 1% when normalizing 2019²
- 2020 Corporate & Other segment pretax loss of ~\$50 to \$60 million
- Aflac Dental & Vision and Consumer Markets ~1% drag on Adjusted EPS

Adjusted EPS reflects low interest rates, continued strength in benefit ratios, elevated expense ratios tied to the buildout of Aflac Dental & Vision and Consumer Markets and return of capital to shareholders

¹ See appendix for non-GAAP definitions including adjusted earnings and adjusted EPS

² Normalized 2019 adjusted EPS assumes the midpoint of 2019 adjusted EPS guidance at 110 ¥/\$ and removes the partial call of a concentrated exposure, the variable investment income above expectations from alternative investments, and certain positive tax identified in 2019 earnings disclosures amounting to \$0.05 per share

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Questions and Answers

Appendix

Adjusted Earnings

The Company defines adjusted earnings (a non-U.S. GAAP financial measure) as the profits derived from operations. The most comparable U.S. GAAP measure is net earnings. Adjusted earnings are adjusted revenues less benefits and adjusted expenses. The adjustments to both revenues and expenses account for certain items that cannot be predicted or that are outside management's control. Adjusted revenues are U.S. GAAP total revenues excluding realized investment gains and losses, except for amortized hedge costs/income related to foreign currency exposure management strategies and net interest cash flows from derivatives associated with certain investment strategies. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest cash flows from derivatives associated with notes payable but excluding any nonrecurring or other items not associated with the normal course of the Company's insurance operations and that do not reflect the Company's underlying business performance.

Adjusted earnings per share (basic or dilutive)

The Company defines adjusted earnings per share (basic or diluted) to be adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The most comparable U. S. GAAP measure is net earnings per share.

Reconciliations of the foregoing measures to the most comparable respective U.S. GAAP measures are not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of the reconciling items, which would require an unreasonable effort to forecast and we believe would result in such a broad range of projected values that would not be meaningful to investors. For this reason, we believe that the probable significance of such information is low.

Amortized hedge costs/income

Amortized hedge costs/income represent costs/income incurred or recognized in using foreign currency forward contracts to hedge certain foreign exchange risks in the company's Japan segment (costs) or in the Corporate and Other segment (income). These amortized hedge costs/income are derived from the difference between the foreign currency spot rate at time of trade inception and the contractual foreign currency forward rate, recognized on a straight line basis over the term of the hedge. There is no comparable U.S. GAAP financial measure for amortized hedge costs/income.