

# Aflac Incorporated Investor Update

September 9, 2024



# Forward-Looking Statements and Non-GAAP Financial Measures

*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:*

- *difficult conditions in global capital markets and the economy, including inflation*
- *defaults and credit downgrades of investments*
- *global fluctuations in interest rates and exposure to significant interest rate risk*
- *concentration of business in Japan*
- *limited availability of acceptable yen-denominated investments*
- *foreign currency fluctuations in the yen/dollar exchange rate*
- *differing interpretations applied to investment valuations*
- *significant valuation judgments in determination of expected credit losses recorded on the Company's investments*
- *decreases in the Company's financial strength or debt ratings*
- *decline in creditworthiness of other financial institutions*
- *the Company's ability to attract and retain qualified sales associates, brokers, employees, and distribution partners*
- *deviations in actual experience from pricing and reserving assumptions*
- *ability to continue to develop and implement improvements in information technology systems and on successful execution of revenue growth and expense management initiatives*
- *interruption in telecommunication, information technology and other operational systems, or a failure to maintain the security, confidentiality, integrity or privacy of sensitive data residing on such systems*
- *subsidiaries' ability to pay dividends to the Parent Company*
- *inherent limitations to risk management policies and procedures*
- *operational risks of third-party vendors*
- *tax rates applicable to the Company may change*
- *failure to comply with restrictions on policyholder privacy and information security*
- *extensive regulation and changes in law or regulation by governmental authorities*
- *competitive environment and ability to anticipate and respond to market trends*
- *catastrophic events, including, but not limited to, as a result of climate change, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, war or other military action, major public health issues, terrorism or other acts of violence, and damage incidental to such events*
- *ability to protect the Aflac brand and the Company's reputation*
- *ability to effectively manage key executive succession*
- *changes in accounting standards*
- *level and outcome of litigation or regulatory inquiries*
- *allegations or determinations of worker misclassification in the United States*

## Non-U.S. GAAP Financial Measures and Reconciliations

This document includes references to the Company's financial performance measures which are not calculated in accordance with United States generally accepted accounting principles (U.S. GAAP) (non-U.S. GAAP). The financial measures exclude items that the Company believes may obscure the underlying fundamentals and trends in insurance operations because they tend to be driven by general economic conditions and events or related to infrequent activities not directly associated with insurance operations.

Definitions of the Company's non-U.S. GAAP financial measures and applicable reconciliations to the most comparable U.S. GAAP measures are provided as appropriate.

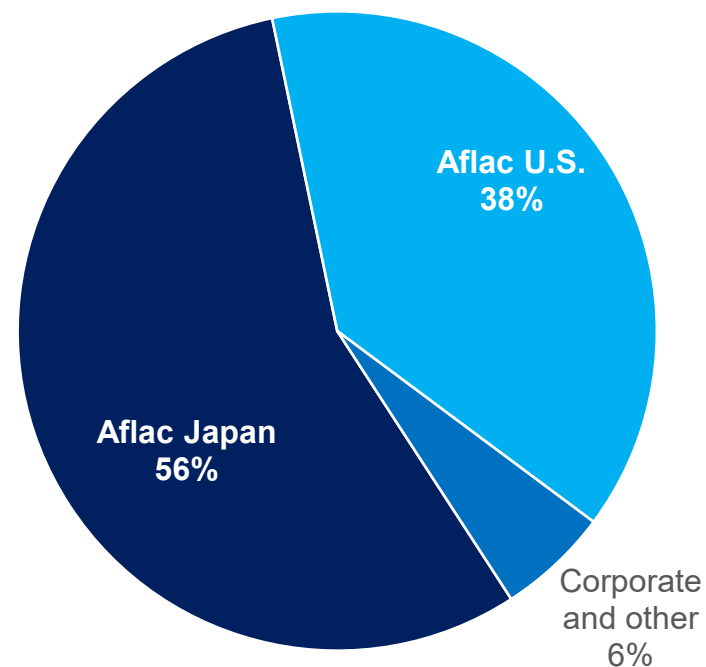
Due to the size of Aflac Japan, where the functional currency is the Japanese yen, fluctuations in the yen/dollar exchange rate can have a significant effect on reported results. In periods when the yen weakens, translating yen into dollars results in fewer dollars being reported. When the yen strengthens, translating yen into dollars results in more dollars being reported. Consequently, yen weakening has the effect of suppressing current period results in relation to the comparable prior period, while yen strengthening has the effect of magnifying current period results in relation to the comparable prior period. A significant portion of the Company's business is conducted in yen and never converted into dollars but translated into dollars for U.S. GAAP reporting purposes, which results in foreign currency impact to earnings, cash flows and book value on a U.S. GAAP basis. Management evaluates the Company's financial performance both including and excluding the impact of foreign currency translation to monitor, respectively, cumulative currency impacts and the currency-neutral operating performance over time. The average yen/dollar exchange rate is based on the published MUFG Bank, Ltd. telegraphic transfer middle rate (TTM).

# Aflac Incorporated Highlights

YTD through 6/30/2024

<b>\$10.6bn</b> Revenues	<b>\$7.4bn</b> Debt <sup>1</sup>			
<b>\$97mm</b> Interest Expense <sup>2</sup>	<b>\$26.0bn</b> Book Value			
<b>\$3.6bn</b> Net Earnings	<b>19.5%</b> Adjusted Leverage*			
<b>\$2.0bn</b> Adjusted Earnings*	<b>14.0%</b> Adjusted ROE*			
<b>a</b> AM Best	<b>A-</b> S&P	<b>A3</b> Moody's	<b>A+</b> JCR	<b>A+</b> R&I
Long-term Senior Debt Ratings				

Adjusted Revenues by Business



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Sustainability Indices

Powered by the S&P Global CSA



<sup>1</sup> Debt refers to the consolidated notes payable and lease obligations of \$7,430 million.

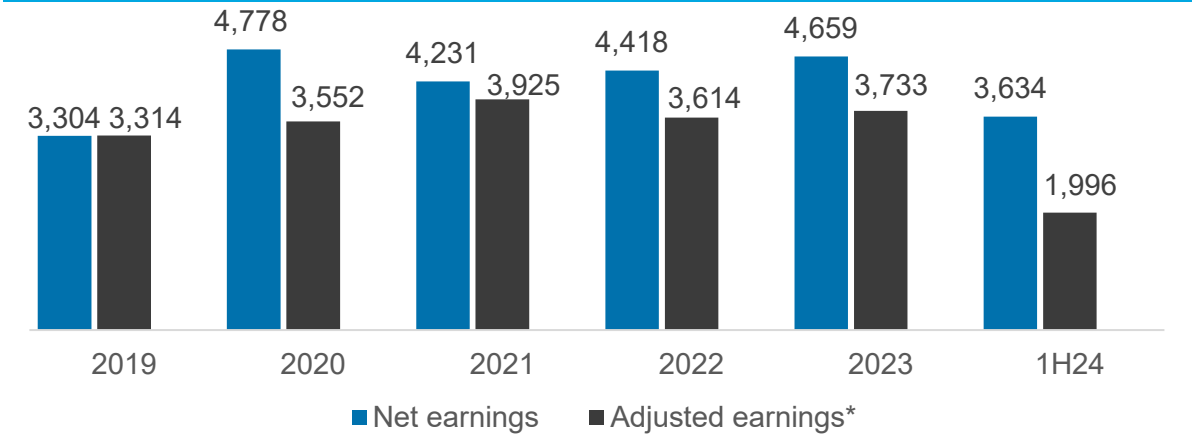
<sup>2</sup> Consolidated interest expense for debt includes \$74 million interest expense at "Corporate and Other".

\* Non-GAAP measure; please see Appendix for definitions and reconciliations. "Adjusted Leverage" is "Adjusted debt to adjusted capitalization ex-AOCI"

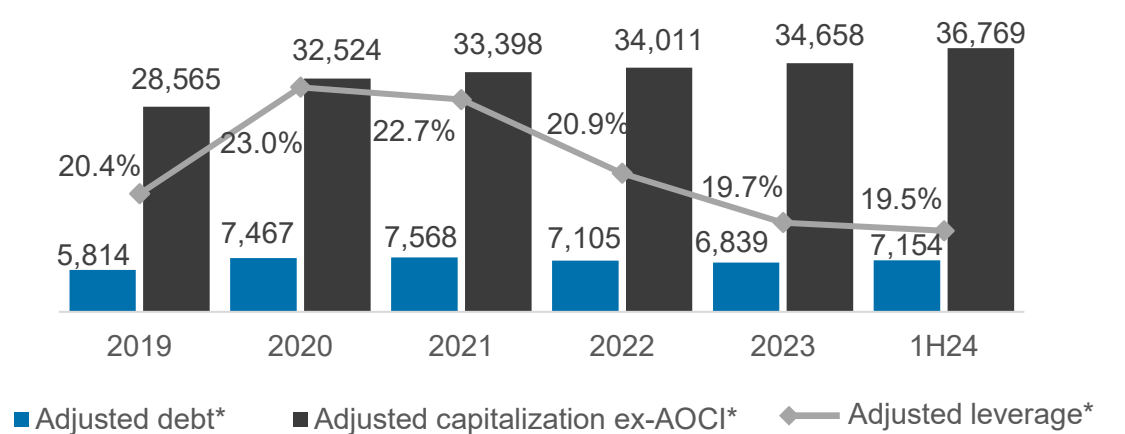
# Aflac Incorporated Financial Performance

In \$ millions

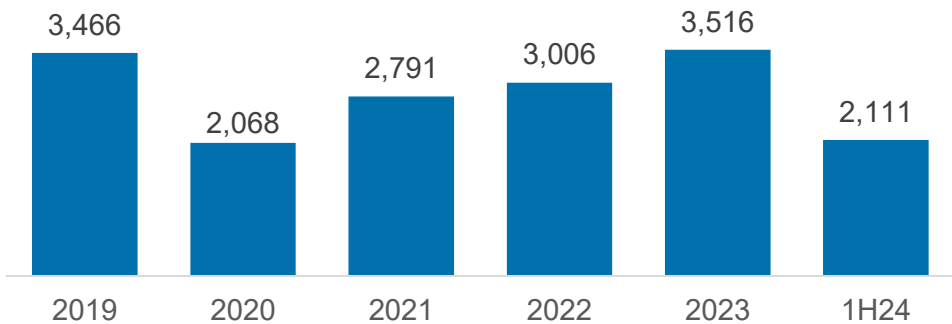
## Consolidated Earnings



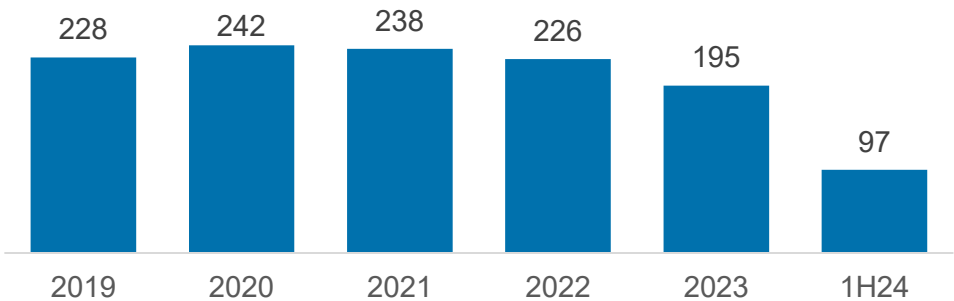
## Adjusted Leverage\*



## Dividends to Holding Company



## Interest Expense



\* Adjusted earnings, Adjusted debt, Adjusted capitalization ex-AOCI and Adjusted leverage (Adjusted debt / Adjusted capitalization ex-AOCI) are non-GAAP measures; please see "Glossary of Non-U.S. GAAP Measures" in the Appendix

# Aflac Japan Segment



# Aflac Japan Insurance Products: Third Sector Leader

**#1 provider of cancer and medical insurance in Japan<sup>1</sup>**

**Creating “Living in Your Own Way” with life cycle solutions**

<b>Medical</b>	<ul style="list-style-type: none"> <li>• Simple product design that appeals to younger policyholders with basic needs and older or existing policyholders who desire additional or updated coverage</li> <li>• Launched mid-September 2023</li> </ul>
<b>Cancer</b>	<ul style="list-style-type: none"> <li>• Provides coverage for the latest medical treatment and early detection, covering costs of thorough exams, genomic profiling tests and medical treatment requested by patients</li> <li>• Launched in stages beginning in agencies and Daido Life (Aug. '22), Dai-ichi Life and banks (Jan. '23) and Japan Post and Japan Post Insurance (Apr. '23)</li> </ul>
<b>Nursing Care</b>	<ul style="list-style-type: none"> <li>• Meets the needs of the aging population to cover out-of-pocket costs incurred while receiving public nursing care services</li> </ul>
<b>Income Support / Work Leave</b>	<ul style="list-style-type: none"> <li>• Provides benefits to policyholders if they miss work due to significant illness or injury or have short-term hospitalization and home care associated with work leave of less than a year</li> </ul>
<b>WAYS / Child Endowment</b>	<ul style="list-style-type: none"> <li>• First sector savings products providing younger customers an earlier introduction to Aflac and potentially third sector policies</li> </ul>

# Reaching More Customers through Diverse Distribution:

## Being Where People Want to Purchase Protection

<b>Core</b>	<b>Traditional Channel</b>
<b>Alliance Partners</b>	<b>Japan Post Group</b>
	<b>Dai-chi Life</b>
	<b>Daido Life</b>
	<b>Banks</b>

- Vital for Aflac Japan sales, with nearly 7,000 agencies

- 
- Japan Post Co., has more than 20,000 post offices nationwide selling Aflac cancer insurance products
  - Japan Post Insurance Co., LTD. offers Aflac cancer insurance products through its 76 directly managed offices

- 
- Nearly 40,000 sales representatives offer Aflac cancer insurance products

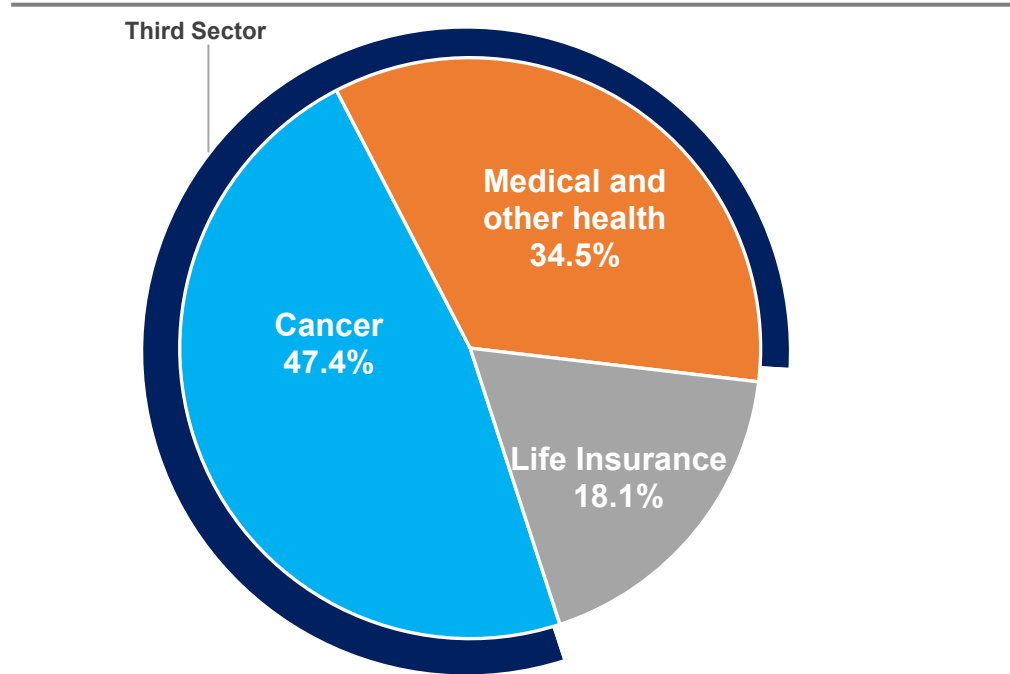
- 
- Selling cancer insurance products in SME association market

- 
- Represented by nearly 90% of the total banks in Japan

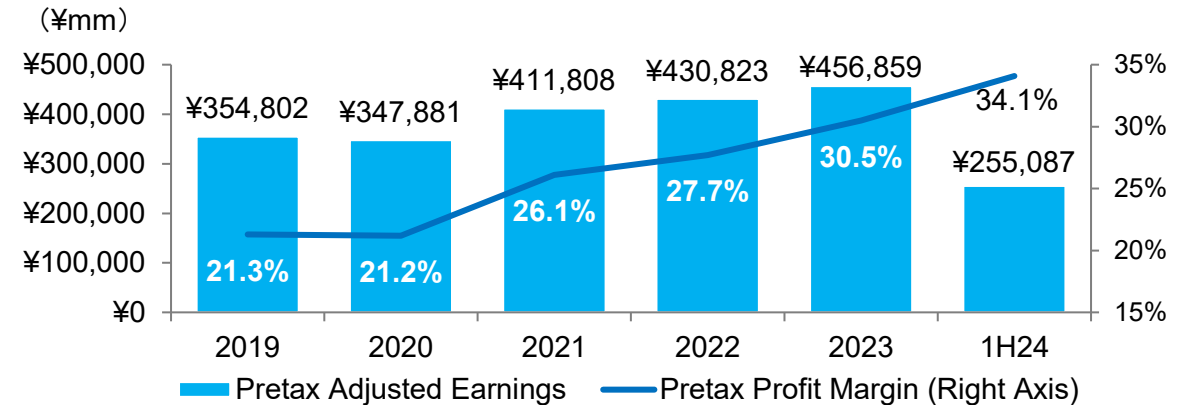
# Aflac Japan Financials Update

## Aflac Japan Net Earned Premiums by Product

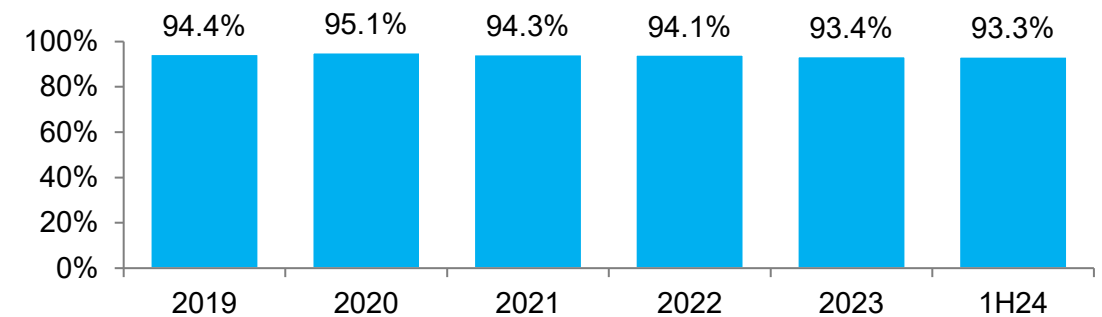
YTD as of 6/30/2024



## Pretax Adjusted Earnings and Pretax Profit Margin<sup>1</sup>



## Premium Persistency (12-Month Rolling)

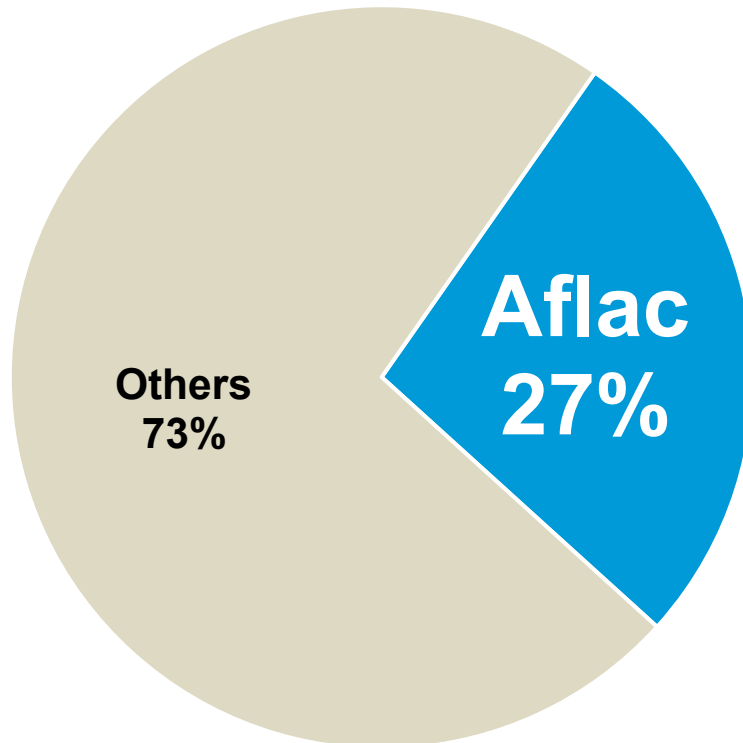




# Aflac U.S. Segment

# Leader in U.S. Worksite Supplemental Health Insurance<sup>1</sup>

## U.S. Worksite Supplemental Health Insurance Sales Market Share<sup>2</sup>



Aflac's market share is over **3x** greater than the nearest competitor

Aflac U.S. maintains its market leadership and expects to grow as we execute our strategy with a robust product portfolio that meets customer needs

- Critical Care (Incl. Cancer)
- Accident
- Short-term Disability
- Hospital Indemnity
- Supplemental Dental & Vision
- Network Dental & Vision
- Group Disability
- Life (Term, Whole)

# Aflac U.S. Growth Opportunities

**U.S. Working Population<sup>1</sup>**  
**161.2 Million**

Self-Employed **16.7M**

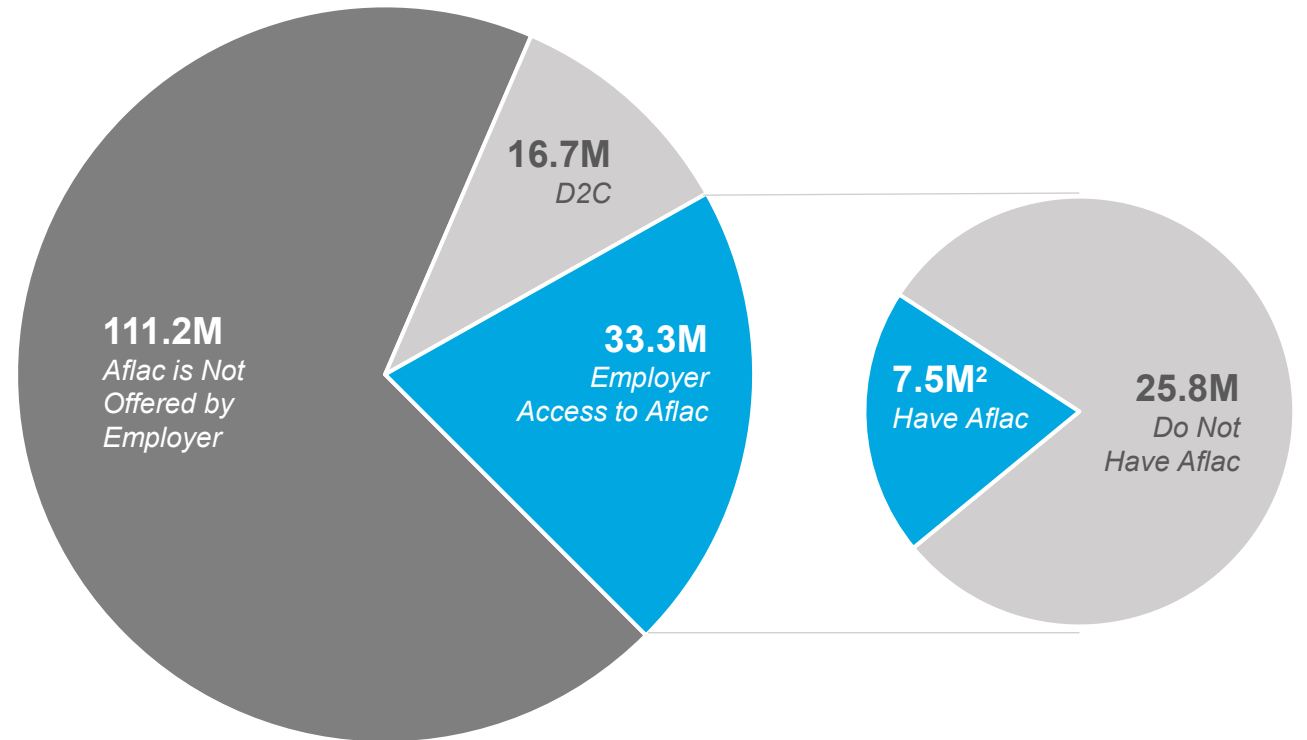
Public Sector **21.7M**

Private Sector **122.8M**

Private Sector Breakdown

Small Employer (1-99)	Med. Employer (100 – 999)	Large Employer (1,000+)
<b>39.9M</b>	<b>23.0M</b>	<b>59.9M</b>

Solving for **Access, Penetration & Retention**



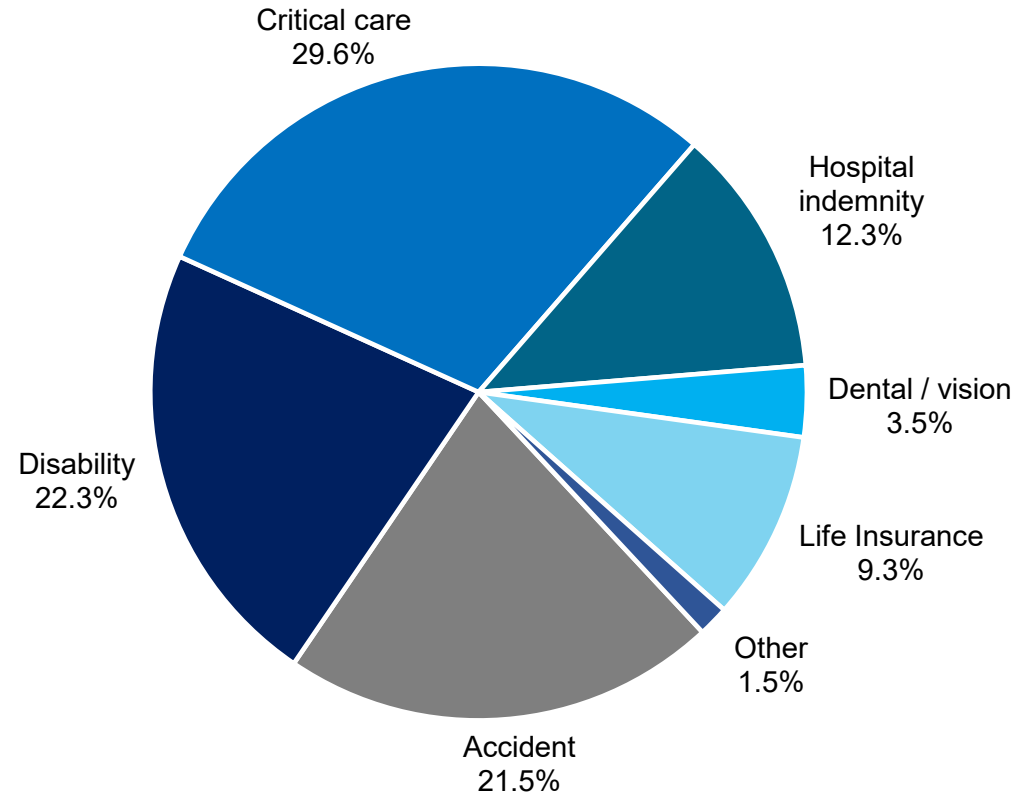
<sup>1</sup> 2023 Bureau of Labor Statistics- Current Population Survey

<sup>2</sup> Aflac policy/certificate holders and covered employees as of Dec. 31, 2023

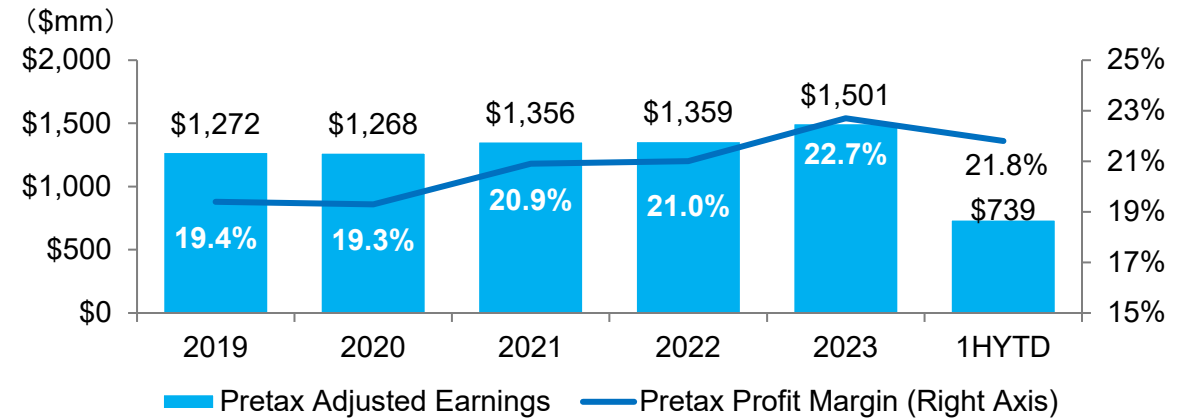
# Aflac U.S. Financials Update

## Net Earned Premiums

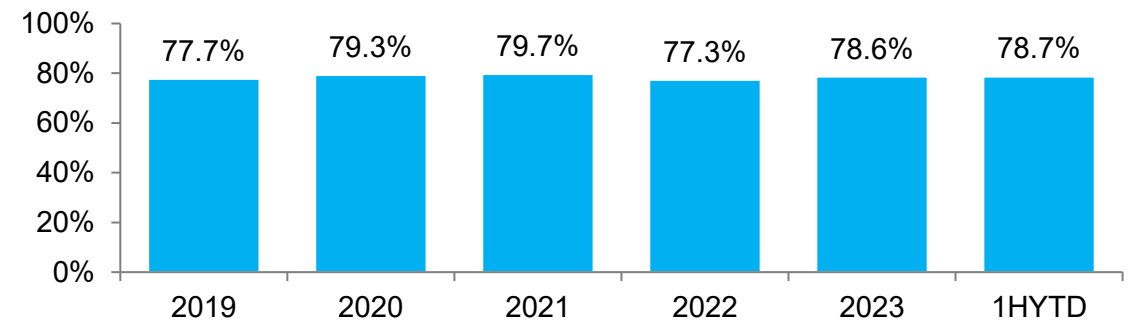
YTD as of 6/30/2024



## Pretax Adjusted Earnings and Pretax Profit Margin<sup>1</sup>



## Premium Persistency (12-Month Rolling)

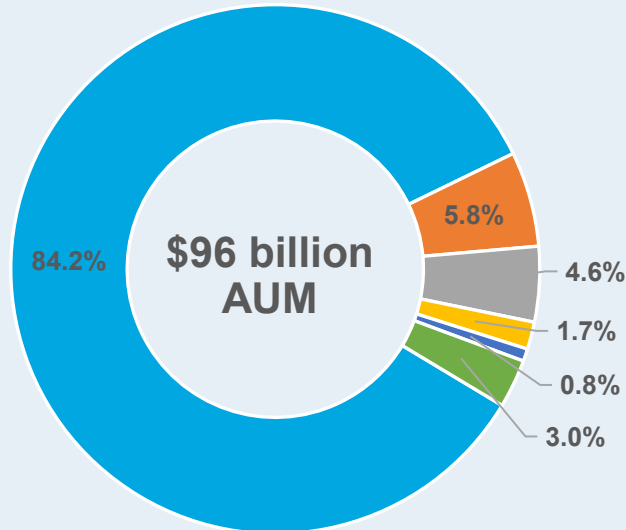


# Investments Portfolio

# Disciplined Asset Allocation and Credit Underwriting

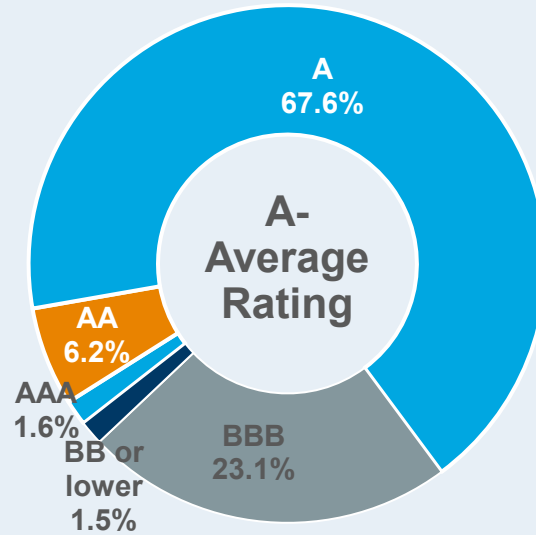
As of 06/30/2024

## Asset Allocation

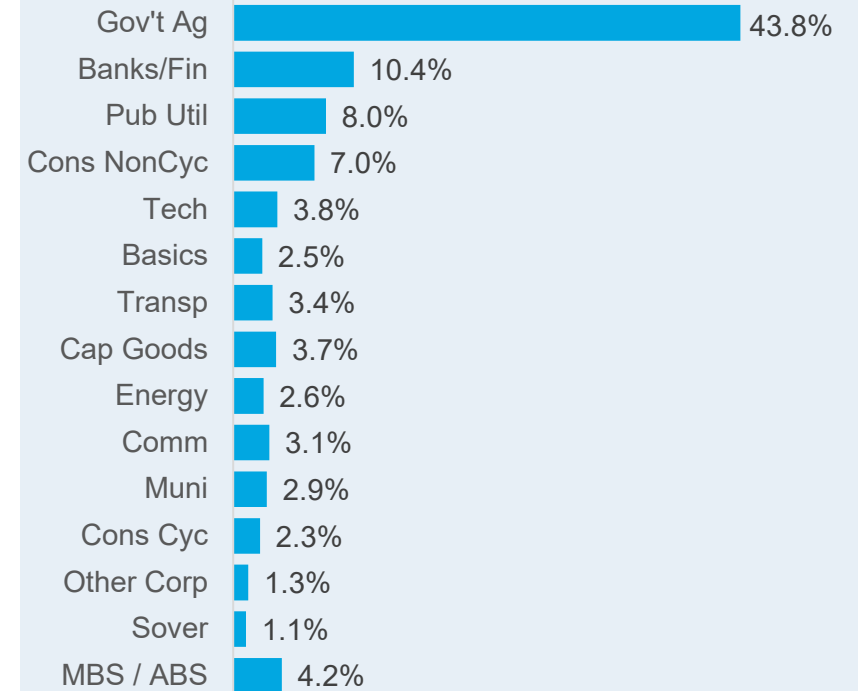


- Fixed Maturity Securities
- Transitional Real Estate (floating rate)
- Middle Market Loans(floating rate)
- Commerical Mortgage Loans
- Equity Securities, at FV through net earnings
- Alternatives

## Fixed Maturities: Quality



## Fixed Maturities: Sector and Industry



# Aflac Commercial Real Estate Loan Portfolio

As of 6/30/2024

**\$7.2bn**

~8% of Total Investment Portfolio

**214**

Unique Issuers

**\$41mm**

Average Loan Size

**7.7%**

Average Book Yield

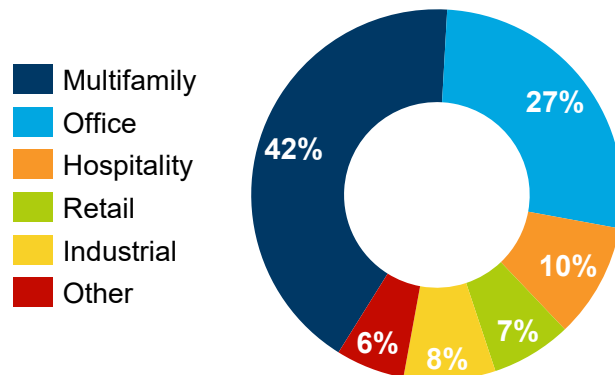
**BBB+**

Average Loan Rating

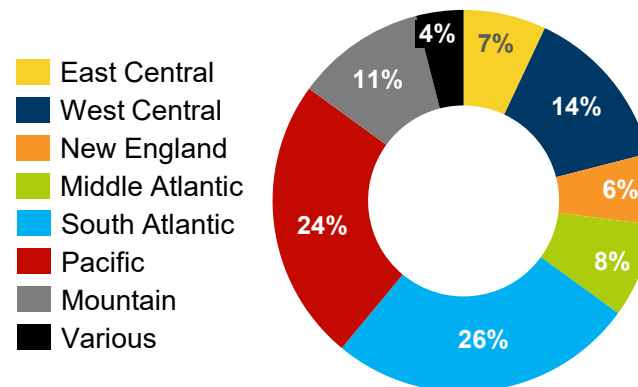
**59%**

Average Loan to Value

**By Property Type**



**By Geography**



- Portfolio consists of first-lien senior secured loans diversified by property type and location
  - 22% longer-term commercial mortgages on stabilized properties with an average A rating
  - 78% in transitional real estate
- **Office market** struggling nationwide on return to office and economic uncertainty
- **Total of fifteen foreclosed properties with carrying value of \$497mm moved to Real Estate Owned**
  - Realized \$54mm loss
- **Foreclosure watchlist of ~\$1bn with ~\$267mm in active foreclosure proceedings**
- **Our strong capital and liquidity** allows us to take ownership, manage through the cycle and maximize recoveries

# Aflac Middle Market Loan Portfolio

As of 6/30/2024

**\$4.4bn**

~5% of Total Investment Portfolio

**299**

Unique Issuers

**\$16mm**

Average Loan Size

**11.1%**

Average Book Yield

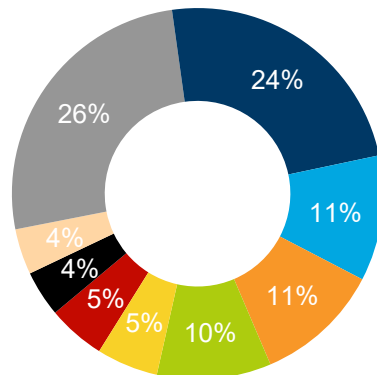
**B+**

Average Loan Rating

**5.1x**

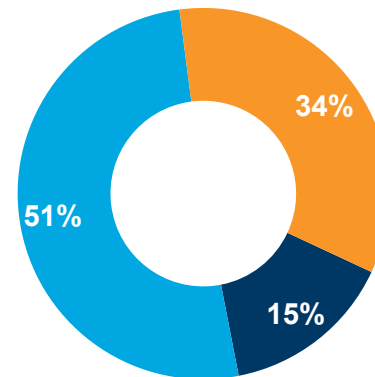
Average Senior Leverage

**By Sector**



Note: Other comprises 23 sectors, of which 16 have <1% exposure

**By Business Size**



- Defensively underwritten and monitored first lien, senior secured floating rate portfolio with strong covenants
  - 100% of loans secured by all assets of the borrowers
  - 100% of borrowers owned by private equity investors
  - Focus on non-cyclical sectors and durable businesses
  - Diversified by borrower, sector and geography
- Portfolio has performed well with losses well below our expectations
  - Monitoring Fed's decision on timing of rate cuts which will reduce borrowers' debt interest burden and strengthen credit quality

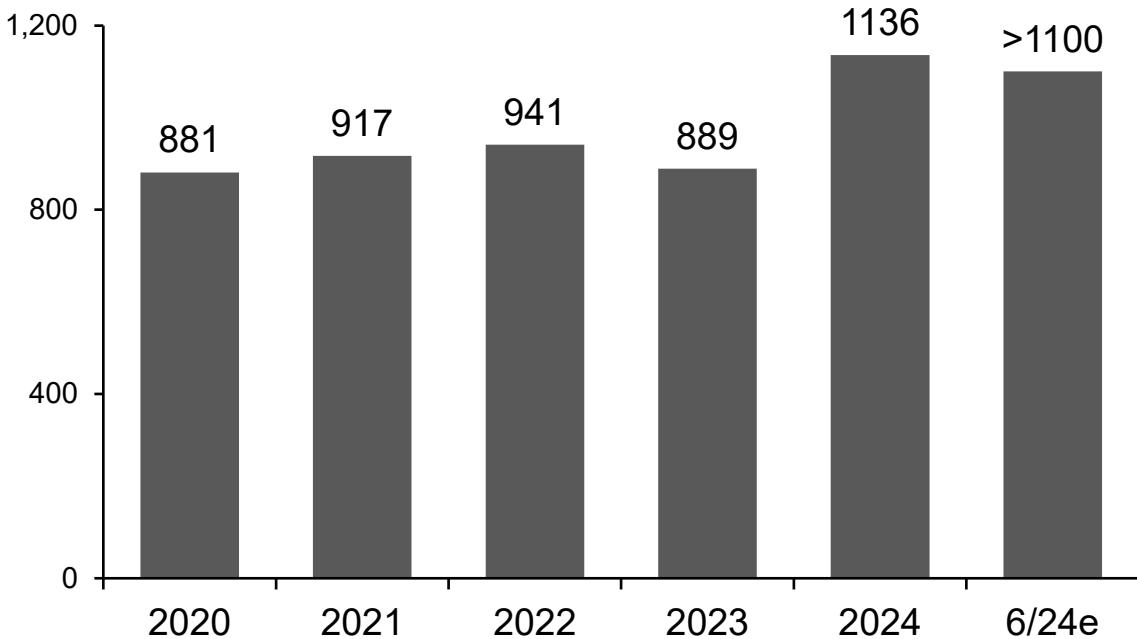


# Liquidity And Capital Management

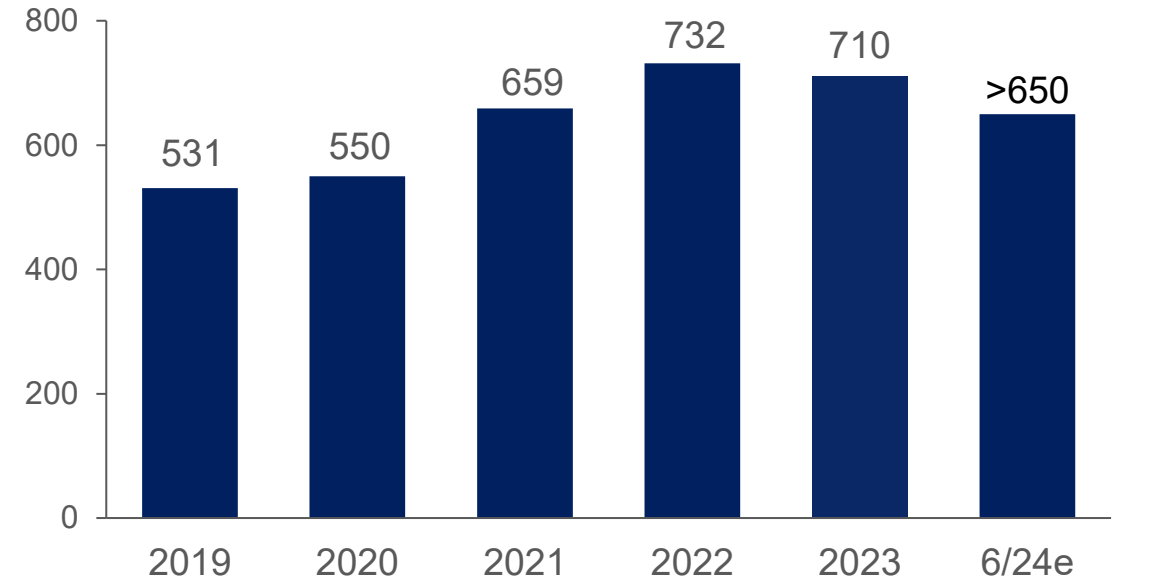
# Strong Capital Ratios

ESR estimated to be slightly above 250%<sup>1</sup>

**ALIJ Solvency Margin Ratio**  
(Fiscal year ending March 31, %)



**Aflac Combined Risk-Based Capital Ratio<sup>2</sup>**  
(Fiscal year ending December 31, %)



<sup>1</sup> Estimated using internal model

<sup>2</sup> Combined RBC ratio is the aggregated ratio of four subsidiaries: American Family Life Assurance Company of Columbus (Aflac); Continental American Insurance Company (CAIC), branded as Aflac Group Insurance (AGI); American Family Life Assurance Company of New York (Aflac New York); and Tier One Insurance Company (TOIC)

# Key Credit Highlights

1

Leading provider of supplemental health insurance in the U.S. and Japan

2

Diversified and broad distribution supported by well-recognized, reputable brand

3

Strong, consistent earnings generation backing the Company's ability to service debt

4

Less capital-intensive liabilities

5

High-quality, diversified portfolio tactically managed within a disciplined, strategic asset allocation framework and credit underwriting policy

6

Conservatively managed financial profile with modest financial and asset leverage and industry leading solvency ratios

# Appendix



# Glossary of Non-U.S. GAAP and Other Measures

The Company defines these non-U.S. GAAP financial measures as follows:

- **Adjusted earnings** are adjusted revenues less benefits and adjusted expenses. Adjusted earnings per share (basic or diluted) are the adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The adjustments to both revenues and expenses account for certain items that are outside of management's control because they tend to be driven by general economic conditions and events or are related to infrequent activities not directly associated with insurance operations. Adjusted revenues are U.S. GAAP total revenues excluding adjusted net investment gains and losses. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest from derivatives associated with notes payable but excluding any non-recurring 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. Management uses adjusted earnings and adjusted earnings per diluted share to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of these financial measures is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The most comparable U.S. GAAP financial measures for adjusted earnings and adjusted earnings per share (basic or diluted) are net earnings and net earnings per share, respectively.
- **Adjusted earnings excluding current period foreign currency impact** are computed using the average foreign currency exchange rate for the comparable prior-year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes. Adjusted earnings per diluted share excluding current period foreign currency impact is adjusted earnings excluding current period foreign currency impact divided by the weighted average outstanding diluted shares for the period presented. The Company considers adjusted earnings excluding current period foreign currency impact and adjusted earnings per diluted share excluding current period foreign currency impact important because a significant portion of the Company's business is conducted in Japan and foreign exchange rates are outside management's control; therefore, the Company believes it is important to understand the impact of translating foreign currency (primarily Japanese yen) into U.S. dollars. The most comparable U.S. GAAP financial measures for adjusted earnings excluding current period foreign currency impact and adjusted earnings per diluted share excluding current period foreign currency impact are net earnings and net earnings per share, respectively.
- **Adjusted book value including unrealized foreign currency translation gains and losses** is adjusted book value plus unrealized foreign currency translation gains and losses. Adjusted book value including unrealized foreign currency translation gains and losses per common share is adjusted book value plus unrealized foreign currency translation gains and losses at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value including unrealized foreign currency translation gains and losses, and its related per share financial measure, important as they exclude certain components of AOCI, which fluctuate due to market movements that are outside management's control; however, it includes the impact of foreign currency as a result of the significance of Aflac's Japan operation. The most comparable U.S. GAAP financial measures for adjusted book value including unrealized foreign currency translation gains and losses and adjusted book value including unrealized foreign currency translation gains and losses per common share are total book value and total book value per common share, respectively.
- **Adjusted return on equity** is adjusted earnings divided by average shareholders' equity, excluding accumulated other comprehensive income (AOCI). Management uses adjusted return on equity to evaluate the financial performance of the Company's insurance operations on a consolidated basis and believes that a presentation of this financial measure is vitally important to an understanding of the underlying profitability drivers and trends of the Company's insurance business. The Company considers adjusted return on equity important as it excludes components of AOCI, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity is return on average equity (ROE) as determined using net earnings and average total shareholders' equity.

# Glossary of Non-U.S. GAAP and Other Measures (cont'd)

The Company defines these non-U.S. GAAP financial measures as follows:

- **Adjusted return on equity excluding foreign currency impact** is adjusted earnings excluding the current period foreign currency impact divided by average shareholders' equity, excluding AOCI. The Company considers adjusted return on equity excluding foreign currency impact important as it excludes changes in foreign currency and components of AOCI, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measure for adjusted return on equity excluding foreign currency impact is return on average equity (ROE) as determined using net earnings and average total shareholders' equity
- **Adjusted book value including unrealized foreign currency translation gains and losses and pension liability adjustment** is adjusted book value plus unrealized foreign currency translation gains and losses and pension liability adjustment. The Company considers adjusted book value including unrealized foreign currency translation gains and losses and pension liability adjustment important as it excludes certain components of AOCI, which fluctuates due to market movements that are outside management's control; however, it includes the impact of foreign currency as a result of the significance of Aflac's Japan operation. The most comparable U.S. GAAP financial measure for adjusted book value including unrealized foreign currency translation gains and losses and pension liability adjustment is total book value.
- **Adjusted debt** is the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding 50% of subordinated debentures and perpetual bonds and all pre-funding of debt maturities. The Company considers adjusted debt important as it measures outstanding debt consistently with expectations of the Company's rating agency stakeholders. The most comparable U.S. GAAP financial measure for adjusted debt is notes payable.
- **Adjusted debt including 50% of subordinated debentures and perpetual bonds** is the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding pre-funding of debt maturities. The Company considers adjusted debt including 50% of subordinated debentures and perpetual bonds important as it measures outstanding debt consistently with expectations of the Company's rating agency stakeholders. The most comparable U.S. GAAP financial measure for adjusted debt including 50% of subordinated debentures and perpetual bonds is notes payable.
- **Adjusted book value** is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet. Adjusted book value per common share is adjusted book value at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value and adjusted book value per common share important as they exclude AOCI, which fluctuates due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value and adjusted book value per common share are total book value and total book value per common share, respectively.

Other Definitions:

- **Adjusted capitalization** is sum of adjusted debt, including 50% of subordinated debentures and perpetual bonds, plus adjusted book value, including unrealized foreign currency translation gains and losses and pension liability adjustment.
- **Adjusted capitalization ex-AOCI** is the sum of adjusted debt, including 50% of subordinated debentures and perpetual bonds, plus adjusted book value.
- **Adjusted Leverage** is adjusted debt to adjusted capitalization ex-AOCI.

# Effect of Foreign Currency on Adjusted Results

Six months ended June 30, 2024

	<u>Including Currency</u>	<u>Excluding Currency<sup>2</sup></u>
Net premium income <sup>3</sup>	(6.6)%	0.1%
Adjusted net investment income <sup>1</sup>	13.3%	16.7%
Total benefits and expenses	(6.6)%	—
Adjusted earnings <sup>1</sup>	4.7%	8.9%
Adjusted earnings per diluted shares <sup>1</sup>	11.5%	16.0%

<sup>1</sup> Non-U.S. GAAP measures, refer to the appendix for the definition.

<sup>2</sup> Amounts excluding currency changes were determined using the same foreign currency exchange rate for the current period as the comparable period in the prior year, which eliminates dollar-based fluctuations driven solely from currency rate changes.

<sup>3</sup> Net of reinsurance

# Reconciliation of U.S. GAAP Return on Equity to Adjusted ROE<sup>1</sup>

Six months ended June 30

	<u>2024</u>	<u>2023</u>
U.S. GAAP ROE - Net earnings <sup>2</sup>	30.3%	27.8%
Impact of excluding unrealized foreign currency translation gains (losses)	(4.9)	(4.0)
Impact of excluding unrealized gains (losses) on securities and derivatives	0.8	0.6
Impact of excluding effect of changes in discount rate assumptions	(0.6)	(3.6)
Impact of excluding pension liability adjustment	—	—
Impact of excluding AOCI	(4.7)	(7.0)
U.S. GAAP ROE - less AOCI	25.6	20.8
Differences between adjusted earnings and net earnings <sup>3</sup>	(11.5)	(6.7)
Adjusted ROE - reported	14.0	14.0
Less: Impact of foreign currency <sup>4</sup>	(0.6)	N/A
Adjusted ROE, excluding impact of foreign currency	14.6	14.0

<sup>1</sup>Amounts presented may not foot due to rounding

<sup>2</sup> U.S. GAAP ROE is calculated by dividing net earnings (annualized) by average shareholders' equity

<sup>3</sup>See separate reconciliation of net income to adjusted earnings

<sup>4</sup>Impact of foreign currency is calculated by restating all foreign currency components of the income statement to the weighted average foreign currency exchange rate for the comparable prior year period. The impact is the difference of the restated adjusted earnings compared to reported adjusted earnings. For comparative purposes, only current period income is restated using the weighted average prior period exchange rate, which eliminates the foreign currency impact for the current period. This allows for equal comparison of this financial measure



# Reconciliation of Net Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share

Six months ended June 30

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Net earnings per diluted share	\$6.35	\$4.64	36.9%
Items impacting net earnings:			
Adjusted net investment (gains) losses	(3.07)	(1.41)	
Other and non-recurring (income) loss	—	(0.06)	
Income tax (benefit) expense on			
Items excluded from adjusted earnings	<u>0.21</u>	<u>(0.03)</u>	
Adjusted earnings per diluted share	\$3.49	\$3.13	11.5%
Current period foreign currency impact <sup>1</sup>	<u>0.14</u>	<u>N/A</u>	
Adjusted earning per diluted share			
excluding current period foreign currency impact <sup>2</sup>	<u><u>\$3.63</u></u>	<u><u>\$3.13</u></u>	16.0%

# Reconciliation of Net Earnings to Adjusted Earnings

Six months ended June 30, in millions

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Net earnings	\$3,634	\$2,822	28.8%
Items impacting net earnings:			
Adjusted net investment (gains) losses	(1,758)	(859)	
Other and non-recurring (income) loss	2	(35)	
Income tax (benefit) expense on			
Items excluded from adjusted earnings	<u>118</u>	<u>(21)</u>	
Adjusted earnings	\$1,996	\$1,907	4.7%
Current period foreign currency impact <sup>1</sup>	<u>81</u>	<u>N/A</u>	
Adjusted earnings			
excluding current period foreign currency impact <sup>2</sup>	<u>\$2,077</u>	<u>\$1,907</u>	8.9%

<sup>1</sup> Prior period foreign currency impact reflected as "N/A" to isolate change for current period only.

<sup>2</sup> Amounts excluding current period foreign currency impact are computed using the average foreign currency exchange rate for the comparable prior year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes.

# Adjusted Leverage Ratios

Six months ended June 30, in millions

	<u>2024</u>	<u>2023</u>
Notes Payable	\$7,430	\$7,087
50% of subordinated debentures and perpetual bonds	(277)	(308)
Pre-funding of debt maturities	—	—
Adjusted debt <sup>1</sup>	<u>7,154</u>	<u>6,779</u>
Total Shareholders' Equity	26,047	20,439
Accumulated other comprehensive (income)loss:		
Unrealized foreign currency translation (gains) losses	5,091	4,249
Unrealized (gains) losses on fixed maturity securities	(401)	(1,978)
Unrealized (gains) losses on derivatives	22	25
Effect on change in discount rate assumptions	(1,425)	5,059
Pension liability adjustment	<u>5</u>	<u>(17)</u>
Adjusted book value <sup>1</sup>	<u>29,339</u>	<u>27,777</u>
Adjusted capitalization ex-AOCI <sup>1,2</sup>	<b>\$36,769</b>	<b>\$34,864</b>
Adjusted debt to adjusted capitalization ex-AOCI	<b>19.5%</b>	<b>19.4%</b>



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