Financial Analysts Briefing Supplement

First Quarter 2021

This document is a statistical supplement to the Financial Analysts Briefing book. Throughout the presentation, amounts presented may not foot due to rounding. As you review the supplement, please note the non-U.S. GAAP financial measures and definitions found at the back of this document.

	Page
Aflac Incorporated	
Share Data	2
Summary of Adjusted Results by Business Segment	3
Statements of Earnings	4
Analysis of Net Earnings and Net Earnings Per Share	5
Balance Sheets	6
Quarterly Financial Results	7
Quarterly Book Value Per Share	8
Return on Equity	9
Adjusted Earnings Per Share Excluding Current Period Foreign Currency Impact	10
Investment Results	11,12,13
Long-Term Debt Data	14
Ratings	15
Aflac U.S.	
Statement of Pretax Adjusted Earnings	16
Balance Sheets	17
Quarterly Pretax Adjusted Earnings	18
Operating Ratios	19
Sales	20,21
Aflac Japan	
Statement of Pretax Adjusted Earnings	22,23
Balance Sheets	24,25
Quarterly Pretax Adjusted Earnings	26
Operating Ratios	27
Sales	28,29,30
Yen/Dollar Exchange Rates	31
Corporate and Other	
Statement of Pretax Adjusted Earnings	32
Non-U.S. GAAP Financial Measures	33

For more information, contact:

David Young
Phone. 706.596.3264
Aflacir@aflac.com
investors.aflac.com

Aflac Incorporated and Subsidiaries

Share Data

(In Thousands)

	Period	Beginning Shares Outstanding	Shares Issued: Stk. Bon. & DRP	Shares Issued: Stk. Opt. & Misc.	Shares Purchased: Treas. Shares	Shares Purchased: Misc. Purch.[1]	Ending Shares Outstanding	QTD Weighted Avg. Shares: Avg. Shares	QTD Weighted Avg. Shares: Dilutive Shares	QTD Weighted Avg. Shares: Avg. Diluted	YTD Weighted Avg. Shares: Avg. Shares	YTD Weighted Avg. Shares: Dilutive Shares	YTD Weighted Avg. Shares: Avg. Diluted
2019	1	755,286	430	1,569	10,237	561	746,487	751,423	4,367	755,790	751,423	4,367	755,790
	2	746,487	406	527	6,942	13	740,465	745,153	3,696	748,849	748,271	4,032	752,303
	3	740,465	396	231	5,947	15	735,130	739,946	3,896	743,842	745,465	3,987	749,452
	4	735,130	378	156	8,868	3	726,793	733,358	4,105	737,463	742,414	4,016	746,430
2020	1	726,793	468	1,613	9,984	508	718,382	724,366	3,146	727,512	724,366	3,146	727,512
	2	718,382	648	100	5,209	13	713,908	717,889	1,875	719,764	721,128	2,510	723,638
	3	713,908	468	134	10,916	20	703,574	711,698	2,095	713,793	717,962	2,372	720,333
	4	703,574	437	235	11,791	1	692,454	701,016	2,843	703,859	713,702	2,490	716,192
2021	**1**	**692,454**	**387**	**1,684**	**13,440**	**378**	**680,707**	**688,938**	**3,002**	**691,940**	**688,938**	**3,002**	**691,940**

[1] Includes previously owned shares used to purchase options (swapped shares) and/or shares purchased for deferred compensation program

Summary of Adjusted Results by Business Segment

(In Millions, except per-share data and where noted)

	Years Ended December 31,					3 Months Ended March 31,		
	2016	2017	2018	2019	2020	2020	2021	% Change
Aflac Japan	$ 3,148	$ 3,054	$ 3,208	$ 3,261	$ 3,263	$ 855	$ **887**	3.7
Aflac U.S.	1,208	1,245	1,285	1,272	1,268	326	**445**	36.5
Corporate and other	(239)	(214)	(139)	(72)	(115)	2	**(26)**	
Pretax adjusted earnings	4,117	4,086	4,354	4,461	4,416	1,183	**1,306**	10.4
Income taxes	1,426	1,370	1,129	1,147	864	301	**248**	(17.6)
Adjusted earnings [1]	2,691	2,716	3,226	3,314	3,552	882	**1,058**	20.0
Reconciling items:								
Adjusted net investment gains (losses)	87	—	(297)	(15)	(229)	(448)	**304**	
Other and non-recurring income (loss) [2]	(137)	(69)	(75)	(1)	(28)	(15)	**(6)**	
Income tax benefit (expense) on items excluded from adjusted earnings	18	24	83	3	72	146	**(62)**	
Tax reform adjustment [3]	—	1,933	(18)	4	—	—	**—**	
Tax valuation allowance release [4]	—	—	—	—	1,411	—	**—**	
Net earnings	$ 2,659	$ 4,604	$ 2,920	$ 3,304	$ 4,778	$ 566	$ **1,293**	128.4
Effective Tax rate	34.6 %	(14.6) %	26.7 %	25.7 %	(14.9) %	21.4 %	**19.4** %	
Earnings per share of common stock:								
Net earnings (basic)	$ 3.23	$ 5.81	$ 3.79	$ 4.45	$ 6.69	$ 0.78	$ **1.88**	141.0
Net earnings (diluted)	3.21	5.77	3.77	4.43	6.67	0.78	**1.87**	139.7
Adjusted earnings (basic) [1]	$ 3.27	$ 3.43	$ 4.20	$ 4.46	$ 4.98	$ 1.22	$ **1.54**	26.2
Adjusted earnings (diluted) [1]	3.25	3.40	4.16	4.44	4.96	1.21	**1.53**	26.4

[1] See non-U.S. GAAP financial measures for definition of adjusted earnings.

[2] Foreign currency gains (losses) for all periods have been reclassified from Other and non-recurring income (loss) to Net investment gains (losses).

[3] The impact of Tax Reform was adjusted in 2018 for return-to-provision adjustments, various amended returns filed by the Company, and final true-ups of deferred tax liabilities. Further impacts were recorded in 2019 as a result of additional guidance released by the IRS.

[4] Tax benefit recognized in 2020 represents the release of valuation allowances on deferred tax benefits related to foreign tax credits.

Consolidated Statements of Earnings - U.S. GAAP

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended March 31,		
	2016	2017	2018	2019	2020	2020	2021	% Change
Revenues:								
Net premiums								
Gross premiums	$ 19,592	$ 18,875	$ 19,018	$ 19,122	$ 18,955	$ 4,772	**$ 4,652**	
Assumed (ceded)	(367)	(345)	(341)	(342)	(333)	(91)	**(59)**	
Total net premiums	19,225	18,531	18,677	18,780	18,622	4,681	**4,593**	(1.9)
Net investment income	3,278	3,220	3,442	3,578	3,638	904	**925**	2.3
Net investment gains (losses) [1]	(14)	(151)	(430)	(135)	(270)	(463)	**307**	
Other income [1]	70	67	69	84	157	40	**44**	
Total revenues	22,559	21,667	21,758	22,307	22,147	5,162	**5,869**	13.7
Benefits and Claims:								
Benefits and claims, net								
Incurred claims -direct	8,780	8,853	9,121	9,279	9,364	2,489	**2,395**	
Incurred claims -assumed (ceded)	(356)	(446)	(421)	(372)	(296)	(96)	**(43)**	
Increase in FPB [2]-direct	4,460	3,628	3,167	2,952	2,707	537	**379**	
Increase in FPB [2]-assumed (ceded)	35	146	133	83	21	9	**4**	
Total net benefits and claims	12,919	12,181	12,000	11,942	11,796	2,939	**2,735**	(6.9)
Acquisition and operating expenses:								
Amortization of DAC [3]	1,141	1,132	1,245	1,282	1,214	333	**311**	
Insurance commissions	1,368	1,316	1,320	1,321	1,316	336	**326**	
Insurance expenses	2,452	2,780	2,988	3,089	3,420	779	**832**	
Interest expense	268	240	222	228	242	55	**62**	
Other expenses	344	—	—	—	—	—	**—**	
Total acquisition and operating expenses	5,573	5,468	5,775	5,920	6,192	1,503	**1,531**	1.9
Total benefits and claims	18,492	17,649	17,775	17,862	17,988	4,442	**4,266**	(4.0)
Pretax earnings	4,067	4,018	3,983	4,445	4,159	720	**1,603**	
Income tax expense (benefit)	1,408	(586)	1,063	1,141	(619)	154	**310**	
Net earnings	$ 2,659	$ 4,604	$ 2,920	$ 3,304	$ 4,778	$ 566	**$ 1,293**	128.4

[1] Foreign currency gains (losses) for all periods have been reclassified from Other income to Net investment gains (losses) for consistency with current period presentation.

[2] Future policy benefits

[3] Deferred acquisition costs

Analysis of Net Earnings and Net Earnings Per Diluted Share

(In Millions, except for per-share data)

	Period	Net Earnings	Net Investment Gains (Losses) [1]	Other and Non-Recurring Items [1][3][4]	Foreign Currency Impact [2]	Net Earnings Per Share	Net Investment Gains (Losses) [1]	Other and Non-Recurring Items Per Share [1][3][4]	Foreign Currency Impact Per Share [2]
	2016	2,659	57	(89)	141	3.21	.07	(.11)	.17
	2017	4,604	—	1,888	(41)	5.77	—	2.37	(.05)
	2018	2,920	(230)	(76)	28	3.77	(.30)	(.09)	.04
	2019	3,304	(13)	3	15	4.43	(.02)	.01	.02
	2020	4,778	(181)	1,407	31	6.67	(.25)	1.96	.04
2019	1	928	80	—	(8)	1.23	.11	—	(.01)
	2	817	(29)	—	(4)	1.09	(.04)	—	(.01)
	3	777	(86)	—	15	1.04	(.12)	—	.02
	4	782	22	4	13	1.06	.03	.01	.02
2020	1	566	(322)	5	9	.78	(.44)	.01	.01
	2	805	(116)	—	5	1.12	(.16)	—	.01
	3	2,456	45	1,418	3	3.44	.06	1.99	—
	4	951	212	(15)	14	1.35	.30	(.02)	.02
2021	**1**	**1,293**	**240**	**(5)**	**13**	**1.87**	**.35**	**(.01)**	**.02**

[1] Items are presented net of tax.

[2] See non-U.S. GAAP financial measures for definition of adjusted earnings excluding current period foreign currency impact

[3] Foreign currency gains/(losses) and amortized hedge costs/income for all periods have been reclassified from Other income to Net investment gains (losses) for consistency with current period presentation.

[4] The impact of Tax Reform was adjusted in 2018 for return-to-provision adjustments, various amended returns filed by the Company, and final true-ups of deferred tax liabilities. Further impacts were recorded in 2019 as a result of additional guidance released by the IRS.Tax benefit recognized in the third quarter of 2020 represents the release of valuation allowances on deferred tax benefits related to foreign tax credits.

Aflac Incorporated and Subsidiaries

Consolidated Balance Sheets
(In Millions, except per-share data)

Assets:	December 31, 2016	2017	2018	2019	2020	March 31, 2020	2021
Investments and cash:							
Securities available for sale:							
Fixed maturity securities available for sale, at fair value	$ 70,203	$ 78,804	$ 78,429	$ 86,950	$ 101,286	$ 92,502	**$ 96,391**
Fixed maturity securities available for sale - consolidated variable interest entities, at fair value	5,190	5,509	4,466	4,312	4,596	3,786	**4,353**
Fixed maturity securities held to maturity, at amortized cost, net of allowance for credit losses	33,350	31,430	30,318	30,085	24,464	23,278	**22,868**
Equity securities, at fair value	1,309	1,023	987	802	1,283	660	**1,174**
Commercial mortgage and other loans, net of allowance for credit losses	1,174	3,002	6,919	9,569	10,554	10,750	**10,847**
Other investments	276	400	787	1,477	2,429	1,843	**2,666**
Cash and cash equivalents	4,859	3,491	4,337	4,896	5,141	4,148	**4,990**
Total investments and cash	116,361	123,659	126,243	138,091	149,753	136,967	**143,289**
Receivables, net of allowance for credit losses	669	827	851	828	796	813	**777**
Accrued investment income	754	769	773	772	780	734	**706**
Deferred policy acquisition costs	8,993	9,505	9,875	10,128	10,441	10,164	**9,835**
Property and equipment, net	433	434	443	581	601	586	**578**
Other assets, net of allowance for credit losses [(1)]	2,609	2,023	2,221	2,368	2,715	2,352	**2,972**
Total assets	$ 129,819	$ 137,217	$ 140,406	$ 152,768	$ 165,086	$ 151,616	**$ 158,157**
Liabilities and Shareholders' Equity:							
Liabilities:							
Total policy liabilities	$ 93,726	$ 99,147	$ 103,188	$ 106,554	$ 114,391	$ 107,552	**$ 107,905**
Notes payable	5,360	5,289	5,778	6,569	7,899	6,758	**8,088**
Income taxes, primarily deferred	5,387	4,745	4,020	5,370	4,661	4,610	**4,350**
Other liabilities	4,864	3,438	3,958	5,316	4,576	6,294	**5,711**
Total liabilities	109,337	112,619	116,944	123,809	131,527	125,214	**126,054**
Shareholders' equity:							
Common stock	135	135	135	135	135	135	**135**
Additional paid-in capital	1,908	2,052	2,177	2,313	2,410	2,334	**2,438**
Retained earnings	25,981	29,895	31,788	34,291	37,984	34,599	**39,277**
Accumulated other comprehensive income (loss):							
Unrealized foreign currency translation gains (losses)	(1,983)	(1,750)	(1,847)	(1,623)	(1,109)	(1,543)	**(1,674)**
Unrealized gains (losses) on fixed maturity securities	4,805	5,964	4,234	8,548	10,361	6,043	**8,794**
Unrealized gains (losses) on derivatives	(24)	(23)	(24)	(33)	(34)	(35)	**(33)**
Pension liability adjustment	(168)	(163)	(212)	(277)	(284)	(277)	**(280)**
Treasury stock	(10,172)	(11,512)	(12,789)	(14,395)	(15,904)	(14,854)	**(16,554)**
Total shareholders' equity	20,482	24,598	23,462	28,959	33,559	26,402	**32,103**
Total liabilities & shareholders' equity	$ 129,819	$ 137,217	$ 140,406	$ 152,768	$ 165,086	$ 151,616	**$ 158,157**

[(1)] Includes goodwill of $268 million in 2021, $269 in 2020, $140 million in 2019, $67 million in 2018, $67 million in 2017 and $67 million in 2016

Quarterly Financial Results

(Dollars In Millions, except per-share data)

Period		Net Premium Income	Net Inv. Income	Total Revenues	Benefits & Claims	Total Acquisitions & Adj. Exp.	Total Pretax Earn.	Net Earn.	Adjusted Earn. [1]	Net EPS		Adj. EPS [1]	
										Basic	Dil.	Basic	Dil.
	2016	19,225	3,278	22,559	12,919	5,573	4,067	2,659	2,691	3.23	3.21	3.27	3.25
	2017	18,531	3,220	21,667	12,181	5,468	4,018	4,604	2,716	5.81	5.77	3.43	3.40
	2018	18,677	3,442	21,758	12,000	5,775	3,983	2,920	3,226	3.79	3.77	4.20	4.16
	2019	18,780	3,578	22,307	11,942	5,920	4,445	3,304	3,314	4.45	4.43	4.46	4.44
	2020	18,622	3,638	22,147	11,796	6,192	4,159	4,778	3,552	6.69	6.67	4.98	4.96
2019	1	4,691	878	5,657	2,967	1,448	1,242	928	849	1.23	1.23	1.13	1.12
	2	4,681	878	5,511	2,964	1,438	1,109	817	846	1.10	1.09	1.14	1.13
	3	4,736	936	5,536	3,027	1,473	1,036	777	863	1.05	1.04	1.17	1.16
	4	4,671	886	5,603	2,985	1,560	1,058	782	756	1.07	1.06	1.03	1.03
2020	1	4,681	904	5,162	2,939	1,503	720	566	882	.78	.78	1.22	1.21
	2	4,664	870	5,407	2,897	1,440	1,070	805	921	1.12	1.12	1.28	1.28
	3	4,623	896	5,665	2,985	1,527	1,153	2,456	994	3.45	3.44	1.40	1.39
	4	4,653	968	5,913	2,974	1,723	1,216	951	755	1.36	1.35	1.08	1.07
2021	**1**	**4,593**	**925**	**5,869**	**2,735**	**1,531**	**1,603**	**1,293**	**1,058**	**1.88**	**1.87**	**1.54**	**1.53**

[1] See non-U.S. GAAP financial measures for definition of adjusted earnings.

Aflac Incorporated and Subsidiaries

Quarterly Book Value Per Share

(Dollars In Millions, except per-share data)

	Period	Equity BV Per Share	AOCI BV Per Share	Adjusted BV Per Share [1]	Adjusted BV Per Share % Change	Adjusted BV Per Share Incl Foreign Currency Translation G/(L)[1]	Adjusted BV Per Share Incl Foreign Currency Translation G/(L) % Change
	2016	25.24	3.24	22.00	9.3%	19.55	11.5%
	2017	31.50	5.16	26.34	19.7%	24.10	23.3%
	2018	31.06	2.85	28.22	7.1%	25.77	6.9%
	2019	39.84	9.10	30.74	8.9%	28.51	10.6%
	2020	48.46	12.90	35.56	15.7%	33.96	19.1%
2019	1	34.90	6.00	28.89	8.8%	26.42	6.2%
	2	38.14	8.59	29.54	8.5%	27.58	10.6%
	3	40.04	9.86	30.18	8.0%	28.17	11.9%
	4	39.84	9.10	30.74	8.9%	28.51	10.6%
2020	1	36.75	5.83	30.92	7.0%	28.77	8.9%
	2	41.21	9.45	31.75	7.5%	29.70	7.7%
	3	46.16	11.25	34.91	15.7%	33.08	17.4%
	4	48.46	12.90	35.56	15.7%	33.96	19.1%
2021	**1**	**47.16**	**10.00**	**37.16**	**20.2%**	**34.70**	**20.6%**

[1] See non-U.S. GAAP financial measures for definition of adjusted book value and adjusted book value including unrealized foreign currency translation gains and losses.

Return on Equity

	Year ended December 31,					3 Months Ended March 31,	
	2016	2017	2018	2019	2020	2020	2021
U.S. GAAP ROE [1] - Net earnings	13.9 %	20.4 %	12.2 %	12.6 %	15.3 %	8.2 %	**15.8 %**
Impact of excluding unrealized foreign currency translation gains (losses)	(1.7)	(2.0)	(1.0)	(1.0)	(0.9)	(0.6)	**(0.9)**
Impact of excluding unrealized gains (losses) on securities and derivatives	3.1	5.8	3.0	3.6	6.2	2.7	**6.1**
Impact of excluding pension liability adjustment	(0.1)	(0.2)	(0.1)	(0.1)	(0.2)	(0.1)	**(0.2)**
Impact of excluding AOCI	1.3	3.6	1.8	2.5	5.1	2.0	**5.0**
U.S. GAAP ROE - less AOCI	15.2	24.0	13.9	15.1	20.3	10.2	**20.7**
Differences between adjusted earnings and net earnings [2]	0.2	(9.8)	1.5	0.0	(5.2)	5.7	**(3.8)**
Adjusted ROE - reported [3]	15.4	14.2	15.4	15.2	15.1	15.8	**17.0**

[1] *U.S. GAAP ROE is calculated by dividing net earnings (annualized) by average shareholders' equity.*

[2] *See separate reconciliation of net income to adjusted earnings.*

[3] *See non-U.S. GAAP financial measures for definition of adjusted return on equity*

Adjusted Earnings Per Share Excluding Current Period Foreign Currency Impact [1]

(Diluted Basis)

	Period	Adjusted EPS[1]	Growth	QTD Foreign Currency Impact[1]	YTD Foreign Currency Impact[1]	Excluding Foreign Currency Impact[1]	Change Excluding Foreign Currency Impact
	2016	$ 3.25	7.3 %	N/A	.17	$ 3.08	1.7 %
	2017	$ 3.40	4.6 %	N/A	(.05)	$ 3.45	6.2 %
	2018	$ 4.16	22.4 %	N/A	.04	$ 4.13	21.5 %
	2019	$ 4.44	6.7 %	N/A	.02	$ 4.42	6.3 %
	2020	$ 4.96	11.7 %	N/A	.04	$ 4.92	10.8 %
2019	1	$ 1.12	6.7 %	(.01)	(.01)	$ 1.13	7.6 %
	2	1.13	5.6	(.01)	(.02)	1.14	6.5
	3	1.16	12.6	.02	—	1.14	10.7
	4	1.03	1.0	.02	.02	1.01	(1.0)
		$ 4.44	6.7 %			$ 4.42	6.3 %
2020	1	$ 1.21	8.0 %	.01	.01	$ 1.20	7.1 %
	2	1.28	13.3	.01	.02	1.27	12.4
	3	1.39	19.8	—	.02	1.39	19.8
	4	1.07	3.9	.02	.04	1.05	1.9
		$ 4.96	11.7 %			$ 4.92	10.8 %
2021	1	$ 1.53	26.4 %	.02	.02	$ 1.51	24.8 %
		$ 1.53	**26.4 %**			**$ 1.51**	**24.8 %**

[1] See non-U.S.GAAP financial measures for definition of adjusted earnings and adjusted earnings excluding current period foreign currency impact

Composition of Invested Assets

(In Millions)

	December 31,					March 31,	
	2016	2017	2018	2019	2020	2020	2021
Fixed Maturity Securities[1]	$ 101,219	$ 106,562	$ 107,174	$ 109,456	$ 116,056	$ 111,096	$ **111,306**
Commercial mortgage and other loans, net of allowance for credit losses [1]							
Transitional Real Estate (floating rate)	—	1,235	4,378	5,450	5,231	5,616	**4,960**
Middle Market Loans (floating rate)	319	859	1,478	2,412	3,635	3,405	**4,171**
Commercial Mortgage Loans	855	908	1,063	1,707	1,688	1,729	**1,711**
Total Commercial mortgage and other loans, net of allowance for credit losses[1]	1,174	3,002	6,919	9,569	10,554	10,750	**10,842**
Equity Securities, at FV through net earnings	1,203	846	987	802	1,283	660	**1,174**
Alternatives[2]	—	113	370	551	919	613	**1,005**
Total Portfolio	$ 103,596	$ 110,523	$ 115,450	$ 120,378	$ 128,812	$ 123,119	$ **124,327**

Unrealized Gains (Losses) on Invested Assets

(In Millions)

	December 31,					March 31,	
	2016	2017	2018	2019	2020	2020	2021
Fixed Maturity Securities							
Available For Sale - Gross Gains	$ 8,608	$ 9,985	$ 7,733	$ 12,266	$ 14,771	$ 10,611	$ **12,715**
Available For Sale - Gross Losses	(1,084)	(804)	(1,694)	(375)	(481)	(2,141)	**(409)**
Total Available For Sale	7,524	9,181	6,039	11,891	14,290	8,470	**12,306**
Held to Maturity - Gross Gains	6,735	6,651	6,470	7,519	5,935	6,069	**5,188**
Held to Maturity - Gross Losses	(64)	(9)	(66)	(10)	—	—	**—**
Total Held to Maturity	$ 6,671	$ 6,642	$ 6,404	$ 7,509	$ 5,935	$ 6,069	$ **5,188**

Credit Ratings on Fixed Maturities

(At Amortized Cost)

	December 31,					March 31,	
Credit Rating	2016	2017	2018	2019	2020	2020	2021
AAA	2.0 %	1.0 %	1.0 %	1.1 %	1.0 %	1.1 %	**1.0** %
AA	5.0	3.9	3.9	4.3	4.5	4.3	**4.7**
A	63.1	65.8	67.9	68.6	69.3	68.6	**68.9**
BBB	24.6	24.0	23.2	23.1	21.9	22.9	**22.2**
BB or Lower	5.3	5.3	4.0	2.9	3.3	3.1	**3.2**
	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	**100.0** %

[1] Presented at amortized cost, net of reserves beginning in 2020

[2] Presented at carrying value; includes asset classes such as private equity and real estate managed by Global Investments; excludes Corporate driven activity

Supplemental Investment Data by Segment

	December 31,					3 Months Ended March 31,	
	2016	2017	2018	2019	2020	2020	2021
Aflac Japan:							
Invested assets (in millions)[1]	¥10,711,399	¥11,017,560	¥11,442,444	¥11,784,586	¥11,936,087	¥ 11,949,699	**¥ 12,220,642**
Return on average invested assets[2]	2.47 %	2.31 %	2.33 %	2.33 %	2.38 %	2.35 %	**2.47 %**
Portfolio book yield at end of period[3]	2.62 %	2.56 %	2.61 %	2.64 %	2.59 %	2.64 %	**2.58 %**
Total purchases for period (in millions)[3]	¥ 1,198,579	¥ 1,078,586	¥1,298,376	¥ 1,003,885	¥ 714,124	¥ 327,838	**¥ 339,598**
New money yield[3][4]	1.40 %	1.98 %	3.06 %	3.83 %	3.75 %	4.06 %	**2.72 %**
Aflac U.S.:							
Invested assets (in millions)[1]	$ 14,124	$ 13,764	$ 13,798	$ 14,036	$ 14,848	$ 14,171	**$ 15,203**
Return on average invested assets[2]	5.04 %	5.07 %	5.16 %	5.70 %	4.90 %	5.01 %	**4.69 %**
Portfolio book yield at end of period[3]	5.60 %	5.52 %	5.55 %	5.40 %	5.18 %	5.34 %	**5.12 %**
Total purchases for period (in millions)[3]	$ 1,144	$ 1,434	$ 2,155	$ 1,835	$ 1,050	$ 305	**$ 373**
New money yield[3][4]	3.89 %	4.49 %	4.55 %	4.51 %	3.04 %	3.73 %	**3.22 %**

Hedge Costs/Income Metrics [5][6]

	December 31,					3 Months Ended March 31,	
	2016	2017	2018	2019	2020	2020	2021
Aflac Japan:							
FX hedged notional at end of period (in billions)[7]	$ 11.8	$ 9.3	$ 9.9	$ 8.8	$ 6.0	$ 9.1	**$ 6.4**
Weighted average remaining tenor (in months)[8]	18.5	27.7	21.4	8.5	13.0	11.0	**9.7**
Amortized hedge costs for period (in millions)	$ (186)	$ (228)	$ (236)	$ (257)	$ (206)	$ (55)	**$ (19)**
Corporate and Other (Parent Company):							
FX hedged notional at end of period (in billions)[7]	$ —	$ —	$ 2.5	$ 4.9	$ 5.0	$ 5.0	**$ 5.0**
Weighted average remaining tenor (in months)[8]	—	—	16.1	13.7	12.1	12.8	**11.5**
Amortized hedge income (costs) for period (in millions)	$ —	$ —	$ 36	$ 89	$ 97	$ 29	**$ 17**

[1] Invested assets, including cash and short term investments, are stated at amortized cost; except for equities, which are at fair value.

[2] Net of investment expenses and amortized hedge costs, year-to-date number reflected on a quarterly average basis

[3] Includes fixed maturity securities, commercial mortgage and other loans, equity securities, and excludes alternative investments in limited partnerships

[4] Reported on a gross yield basis; excludes investment expenses, external management fees, and amortized hedge costs

[5] See non-U.S. GAAP financial measures for definition of amortized hedge costs/income. Further, the metrics in this table are split to show the hedging of the market value of a portion of the USD investments in Japan Segment's "USD Program" in the "Japan Segment Portfolio Allocation by Currency" table on page 13 of this supplement as well as the corporate hedging activities at Aflac Inc.

[6] Aflac Japan and the Parent Company utilize foreign currency forwards and options to hedge foreign currency exchange rate risk. The hedge cost/income on the table above reflects our FX forward protection of the hedged USD portfolio, and hedge costs on one sided options used as caps, and on tail-risk put options. The table does not include the notional amount and weighted average remaining tenor for these options. At March 31, 2021, Aflac Japan caps and put options notional amount was $11.5 billion with a weighted average remaining tenor of 4.6 months. At March 31, 2021, the Parent Company caps notional amount was $1.9 billion with a weighted average remaining tenor of 7.6 months.

[7] Notional is reported net of any offsetting positions within Aflac Japan or the Parent Company, respectively.

[8] Tenor based on period reporting date to settlement date

Japan Segment Portfolio Allocation by Currency [1]

(Dollars In Millions, U.S. GAAP Basis)

	December 31, 2020		March 31, 2021	
	Amortized Cost [2]	Fair Value	Amortized Cost [2]	Fair Value
JGB	$ 55,153	$ 64,657	$ 52,645	$ 60,867
Other	26,013	30,667	24,636	28,813
Total yen denominated	81,166	95,324	77,281	89,680
USD Program	29,380	31,279	28,706	30,593
Other	2,085	3,094	2,010	2,956
US dollar denominated	31,465	34,373	30,716	33,549
Total	$ 112,631	$ 129,697	**$ 107,997**	**$ 123,229**

Distribution of Consolidated Fixed Maturities by Sector

	March 31, 2021	
(In millions)	Amortized Cost [2]	% of Total
Government and agencies	**$ 54,162**	**48.8 %**
Municipalities	**2,778**	**2.5**
Mortgage- and asset-backed securities	**1,134**	**1.0**
Public utilities	**8,527**	**7.7**
Electric	6,916	6.2
Natural Gas	297	.3
Other	583	.5
Utility/Energy	731	.7
Sovereign and Supranational	**1,662**	**1.5**
Banks/financial institutions	**10,179**	**9.1**
Banking	6,034	5.4
Insurance	1,912	1.7
Other	2,233	2.0
Other corporate	**32,864**	**29.4**
Basic Industry	3,182	2.9
Capital Goods	3,320	2.9
Communications	3,975	3.6
Consumer Cyclical	2,786	2.5
Consumer Non-Cyclical	7,018	6.3
Energy	3,833	3.4
Other	1,496	1.3
Technology	3,637	3.3
Transportation	3,617	3.2
Total fixed maturity securities	**$ 111,306**	**100.0 %**

[1] The entire U.S. segment investment portfolio is U.S. dollar denominated.

[2] Net of reserves

Long-Term Debt Data

Adjusted Leverage Ratios

(In Millions)

	December 31,					March 31,	
	2016	**2017**	**2018**	**2019**	**2020**	**2020**	**2021**
Notes payable	$ 5,360	$ 5,289	$ 5,778	$ 6,569	$ 7,899	$ 6,758	$ **8,088**
50% of subordinated debentures and perpetual bonds	(243)	(263)	(268)	(408)	(432)	(411)	**(404)**
Pre-funding of debt maturities	(649)	—	—	(348)	—	—	**—**
Adjusted debt [(1)]	4,468	5,026	5,510	5,814	7,467	6,348	**7,685**
Total Shareholders' Equity	20,482	24,598	23,462	28,959	33,559	26,402	**32,103**
Accumulated other comprehensive (income) loss:							
Unrealized foreign currency translation (gains) losses	1,983	1,750	1,847	1,623	1,109	1,543	**1,674**
Unrealized (gains) losses on fixed maturity securities	(4,805)	(5,964)	(4,234)	(8,548)	(10,361)	(6,043)	**(8,794)**
Unrealized (gains) losses on derivatives	24	23	24	33	34	35	**33**
Pension liability adjustment	168	163	212	277	284	277	**280**
Adjusted book value [(1)]	17,852	20,570	21,311	22,344	24,625	22,214	**25,296**
Adjusted capitalization ex-AOCI [(1) (2)]	$ 22,563	$ 25,859	$ 27,089	$ 28,565	$ 32,524	$ 28,972	$ **33,384**
Adjusted debt to adjusted capitalization ex-AOCI	19.8 %	19.4 %	20.3 %	20.4 %	23.0	21.9 %	**23.0** %
Adjusted capitalization [(1) (3)]	$ 20,412	$ 23,946	$ 25,030	$ 26,665	$ 31,131	$ 27,152	$ **31,430**
Adjusted debt to adjusted capitalization	21.9 %	21.0 %	22.0 %	21.8 %	24.0	23.4 %	**24.4** %

Debt Maturities[(4)]

(In Millions)

March 31, 2021

	≤ 1 year	**1 > 5 years**	**5 > 10 years**	**10 > 20 years**	**20 years +**	**Total**
Senior Notes	$ —	$ 1,450	$ 2,189	$ 2,338	$ 1,207	$ **7,184**
Subordinated debt	—	—	—	—	813	**813**
Total	$ —	$ 1,450	$ 2,189	$ 2,338	$ 2,020	$ **7,997**

[(1)] See non-U.S. GAAP financial measures for definition of: adjusted debt; adjusted book value; adjusted debt, including 50% of subordinated debentures and perpetual bonds; and adjusted book value, including unrealized foreign currency translation gains (losses) and pension liability adjustment

[(2)] Adjusted capitalization ex-AOCI is the sum of adjusted debt, including 50% of subordinated debentures and perpetual bonds, plus adjusted book value

[(3)] 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 (losses) and pension liability adjustment

[(4)] Debt maturity amounts do not include discounts, premiums, deferred charges, or capital lease obligations.

Insurer Financial Strength Ratings

	AM Best	Moody's	S&P	JCR	R&I
U.S. Operating Companies					
Aflac of Columbus	A+	Aa3	A+	AA	AA-
Aflac of New York	A+	–	A+	–	–
Continental American Insurance Company	A+	–	–	–	–
Japan Operating Company					
Aflac Life Insurance Japan Ltd.	A+	Aa3	A+	AA	AA-

Issuer Credit Ratings

	AM Best	Moody's	S&P	JCR	R&I
Aflac Incorporated					
Long-term Senior Debt	a-	A3	A-	A+	A
Junior Subordinated Debt	bbb+	Baa1	BBB	–	BBB+
Aflac of Columbus					
Long-term Senior Debt	aa-	–	A+	AA	–
Aflac Life Insurance Japan, Ltd.					
Long-term Senior Debt	aa-	–	A+	AA	–
Subordinated Bonds	–	–	_	AA-	–

The outlook for all ratings assigned by AM Best, Moody's, S&P and JCR is stable.

The outlook for all R&I ratings are positive.

Statements of Pretax Adjusted Earnings

(Before Management Fee)

(In Millions)

	Years Ended December 31,					3 Months Ended March 31,		
	2016	2017	2018	2019	2020	2020	2021	% Change
Revenues:								
Net premiums								
Gross premiums	$ 5,452	$ 5,563	$ 5,711	$ 5,818	$ 5,762	$ 1,490	$ **1,405**	
Assumed (ceded)	2	—	(3)	(11)	(4)	(7)	**17**	
Total net premiums	5,454	5,563	5,708	5,808	5,758	1,483	**1,422**	(4.1)
Adjusted net investment income	703	721	727	720	705	177	**176**	(.6)
Other income excl. realized foreign exchange gains (losses)	10	5	8	22	102	27	**30**	
Total adjusted revenues	6,167	6,289	6,443	6,550	6,565	1,687	**1,628**	(3.5)
Benefits and claims:								
Benefits and claims, net								
Incurred claims -direct	2,515	2,526	2,560	2,611	2,498	672	**493**	
Incurred claims -assumed (ceded)	(1)	(4)	(4)	(5)	(1)	(2)	**19**	
Increase in FPB -direct	355	363	331	268	271	45	**46**	
Increase in FPB -assumed (ceded)	—	—	(1)	(2)	(3)	(1)	**(1)**	
Total net benefits and claims	2,869	2,885	2,887	2,871	2,765	713	**556**	(22.0)
Adjusted expenses:								
Amortization of deferred policy acquisition costs	497	502	534	573	570	160	**139**	(13.1)
Insurance commissions	580	580	585	590	576	151	**139**	(7.9)
Insurance and other expenses	1,013	1,077	1,152	1,244	1,386	337	**347**	3.0
Total adjusted expenses	2,090	2,159	2,271	2,407	2,532	648	**626**	
Total benefits and claims	4,959	5,044	5,158	5,279	5,297	1,361	**1,182**	(13.2)
Pretax adjusted earnings	$ 1,208	$ 1,245	$ 1,285	$ 1,272	$ 1,268	$ 326	$ **445**	36.5

Balance Sheets

(In Millions)

	December 31,					March 31,	
	2016	2017	2018	2019	2020	2020	2021
Assets:							
Investments and cash	$ 15,223	$ 15,488	$ 14,518	$ 16,141	$ 17,949	$ 15,713	$ **17,417**
Receivables, net of allowance for credit losses	457	505	568	662	685	667	**656**
Accrued investment income	187	184	178	174	172	171	**167**
Deferred policy acquisition costs	3,228	3,355	3,491	3,544	3,450	3,525	**3,320**
Other assets	358	361	345	424	608	450	**717**
Total assets	$ 19,453	$ 19,893	$ 19,100	$ 20,945	$ 22,864	$ 20,526	$ **22,278**
Liabilities and Shareholders' Equity:							
Future policy benefits	$ 8,442	$ 8,806	$ 9,137	$ 9,404	$ 9,674	$ 9,449	$ **9,725**
Policy and contract claims	1,652	1,700	1,727	1,779	2,010	1,790	**1,938**
Other policy liabilities	118	119	116	111	126	118	**145**
Deferred income taxes	721	982	(397)	51	235	6	**81**
Other liabilities	1,471	1,625	1,577	1,803	2,016	1,754	**1,929**
Shareholders' equity	7,049	6,661	6,939	7,796	8,803	7,409	**8,460**
Total liabilities & shareholders' equity	$ 19,453	$ 19,893	$ 19,100	$ 20,945	$ 22,864	$ 20,526	$ **22,278**

Aflac U.S.

Quarterly Statements of Pretax Adjusted Earnings and Percentage Changes

(Restated to conform to current classifications)

(Dollars In Millions)

	Period	Net Earned Premiums	% Change	Adjusted NII	% Change	Total Adjusted Revenues	% Change	Total Benefits	% Change	Amort.	% Change	Total Adjusted Expenses	% Change	Pretax Adjusted Earn.	% Change
	2016	5,454	2.0	703	3.7	6,167	2.2	2,869	(.1)	497	1.8	2,090	1.5	1,208	9.7
	2017	5,563	2.0	721	2.6	6,289	2.0	2,885	.6	502	1.0	2,159	3.3	1,245	3.1
	2018	5,708	2.6	727	.8	6,443	2.4	2,887	.1	534	6.4	2,271	5.2	1,285	3.2
	2019	5,808	1.8	720	(1.0)	6,550	1.7	2,871	(.6)	573	7.3	2,407	6.0	1,272	(1.0)
	2020	5,758	(.9)	705	(2.1)	6,565	.2	2,765	(3.7)	570	(.5)	2,532	5.2	1,268	(.3)
2019	1	1,461	2.4	177	1.1	1,640	2.2	721	3.4	159	8.9	596	4.4	323	(4.2)
	2	1,459	2.3	180	(1.1)	1,641	1.9	732	(1.6)	131	6.5	571	8.6	338	(.6)
	3	1,445	1.3	183	(2.1)	1,630	.9	710	(1.7)	139	4.5	585	4.5	335	.3
	4	1,443	1.1	180	(1.6)	1,639	1.6	709	(2.1)	144	9.1	654	6.5	275	.4
2020	1	1,483	1.5	177	—	1,687	2.9	713	(1.1)	160	.6	648	8.7	326	.9
	2	1.458	(.1)	172	(4.4)	1,656	.9	646	(11.7)	134	2.3	584	2.3	426	26.0
	3	1,407	(2.6)	175	(4.4)	1,606	(1.5)	679	(4.4)	141	1.4	597	2.1	329	(1.8)
	4	1,410	(2.3)	182	1.1	1,617	(1.3)	727	2.5	135	(6.3)	703	7.5	187	(32.0)
2021	**1**	**1,422**	**(4.1)**	**176**	**(.6)**	**1,628**	**(3.5)**	**556**	**(22.0)**	**139**	**(13.1)**	**626**	**(3.4)**	**445**	**36.5**

Operating Ratios
(Before Management Fee)

	Period	12-Mo. Rolling Premium Persistency	Tot. Ben./ Premium	Amort./ Premium	Total Adjusted Expenses/ Total Adj. Rev.	Combined Ratio/ Total Adj. Rev.	Pretax Profit Margin
	2016	78.3	52.6	9.1	33.9	80.4	19.6
	2017	78.4	51.9	9.0	34.3	80.2	19.8
	2018	78.7	50.6	9.4	35.2	80.1	19.9
	2019	77.7	49.4	9.9	36.7	80.6	19.4
	2020	79.3	48.0	9.9	38.6	80.7	19.3
	2021 YTD	**80.0**	**39.1**	**9.8**	**38.5**	**72.6**	**27.3**
2019	1	78.6	49.3	10.9	36.3	80.3	19.7
	2	78.3	50.2	9.0	34.8	79.4	20.6
	3	78.0	49.1	9.6	35.9	79.4	20.6
	4	77.7	49.1	10.0	39.9	83.2	16.8
2020	1	77.6	48.1	10.8	38.4	80.7	19.3
	2	78.3	44.3	9.2	35.3	74.3	25.7
	3	78.8	48.3	10.0	37.2	79.5	20.5
	4	79.3	51.6	9.6	43.5	88.4	11.6
2021	**1**	**80.0**	**39.1**	**9.8**	**38.5**	**72.6**	**27.3**

Aflac U.S. Sales Results

(Dollars In Millions)

Period		Annl. Prem. In Force	% Change	New Annl. Prem. Sales	% Change
	2016	5,896	2.4	1,482	(.3)
	2017	6,052	2.6	1,552	4.7
	2018	6,231	3.0	1,601	3.2
	2019	6,301	1.1	1,580	(1.3)
	2020	6,099	(3.2)	1,093	(30.8)
2019	1	6,181	2.7	340	1.5
	2	6,186	2.3	362	(2.0)
	3	6,148	1.5	344	(4.2)
	4	6,301	1.1	534	(.7)
2020	1	6,224	.7	323	(5.2)
	2	6,079	(1.7)	161	(55.6)
	3	5,969	(2.9)	221	(35.7)
	4	6,099	(3.2)	388	(27.2)
2021	**1**	**6,027**	**(3.2)**	**251**	**(22.1)**

Aflac U.S. Product Mix

(New Annualized Premium Sales, Dollars in Millions)

Period	Disability	% of Total	Life	% of Total	Accident	% of Total	Critical Care[1]	% of Total	Hospital Indemnity	% of Total	Dental/ Vision	% of Total	Total
2016	348	23.5	76	5.1	437	29.5	327	22.1	219	14.8	75	5.0	1,482
2017	356	22.9	78	5.0	456	29.4	354	22.8	229	14.8	79	5.1	1,552
2018	363	22.7	88	5.5	468	29.2	354	22.1	253	15.8	75	4.7	1,601
2019	355	22.5	97	6.1	450	28.5	346	21.9	263	16.6	69	4.4	1,580
2020	243	22.3	80	7.3	285	26.1	242	22.2	197	18.0	45	4.1	1,093
2019 1	80	23.6	22	6.6	98	28.7	71	20.9	52	15.2	17	5.0	340
2	86	23.8	23	6.4	104	28.7	72	19.9	58	16.0	19	5.2	362
3	78	22.6	22	6.4	100	29.0	72	20.9	55	16.1	17	5.0	344
4	111	20.8	29	5.4	148	27.8	131	24.5	97	18.3	17	3.2	534
2020 1	73	22.6	25	7.7	88	27.3	68	21.1	55	16.9	14	4.4	323
2	38	23.9	14	8.6	41	25.7	33	20.6	28	17.1	7	4.1	161
3	54	24.2	16	7.1	58	26.4	45	20.5	37	16.8	11	5.0	221
4	79	20.4	26	6.6	98	25.2	95	24.5	77	20.0	13	3.3	388
2021 1	**58**	**23.1**	**17**	**6.7**	**66**	**26.3**	**57**	**22.6**	**42**	**16.7**	**11**	**4.6**	**251**

Aflac U.S. Sales Force Data

Period	Recruited Agents Career	Recruited Agents Broker	Total	Average Weekly Producer Equivalents	Productivity (Production/ Avg. Weekly Producers)
2016	16,167	2,425	18,592	9,061	163,501
2017	16,817	3,073	19,890	8,808	176,183
2018	15,774	3,380	19,154	8,531	187,720
2019	15,227	3,603	18,830	8,184	193,120
2020	11,826	1,861	13,687	5,655	184,706
2019 1	3,353	1,028	4,381	8,199	41,489
2	4,093	890	4,983	8,121	44,613
3	4,186	799	4,985	7,805	44,132
4	3,594	886	4,480	8,610	61,996
2020 1	3,436	494	3,930	7,411	43,517
2	2,190	381	2,571	4,252	37,814
3	3,136	486	3,622	5,485	40,367
4	3,064	500	3,564	6,523	59,533
2021 1	**2,890**	**1,063**	**3,953**	**5,643**	**44,530**

[1] *Includes cancer, critical illness, and hospital intensive care products*

Statements of Pretax Adjusted Earnings

(Before Management Fee)

(In Millions)

	Years Ended December 31,					3 Months Ended March 31,		
	2016	2017	2018	2019	2020	2020	2021	% Change
Revenues:								
Net premiums								
Gross premiums	¥ 1,534,961	¥ 1,493,299	¥ 1,468,894	¥ 1,450,586	¥ 1,409,134	¥ 357,488	¥ **343,705**	
Assumed (ceded)	(65,456)	(62,873)	(60,198)	(57,974)	(55,926)	(14,434)	**(13,110)**	
Total net premiums	1,469,505	1,430,426	1,408,697	1,392,612	1,353,208	343,054	**330,595**	(3.6)
Net investment income [1]								
Yen denominated	146,180	145,114	141,575	142,473	138,397	35,067	**34,730**	(1.0)
US$ denominated	131,473	131,168	149,801	157,717	167,541	40,831	**42,023**	2.9
Net investment income	277,653	276,282	291,377	300,191	305,938	75,898	**76,753**	1.1
Amortized hedge costs on foreign investments [2]	(20,804)	(24,528)	(25,858)	(28,938)	(22,816)	(6,085)	**(2,132)**	(65.0)
Adjusted net investment income	256,849	251,754	265,519	271,253	283,122	69,812	**74,621**	6.9
Other income excl. realized foreign currency gains (losses)	4,297	4,640	4,636	4,869	4,497	1,179	**1,289**	
Total adjusted revenues	1,730,651	1,686,820	1,678,852	1,668,734	1,640,827	414,045	**406,505**	(1.8)
Benefits and claims:								
Benefits and claims, net								
Incurred claims -direct	679,996	710,251	724,556	727,491	734,471	198,040	**201,734**	
Incurred claims -assumed (ceded)	(56,422)	(55,691)	(51,892)	(45,657)	(37,806)	(11,517)	**(7,926)**	
Increase in FPB -direct	445,933	366,376	313,343	292,444	260,200	53,679	**35,072**	
Increase in FPB -assumed (ceded)	(2,602)	(1,557)	(2,000)	(6,497)	(11,377)	(2,053)	**(2,915)**	
Total net benefits and claims	1,066,905	1,019,378	984,007	967,782	945,487	238,148	**225,965**	(5.1)
Adjusted expenses:								
Amortization of deferred policy acquisition costs	69,839	70,670	78,459	77,286	68,818	18,842	**18,225**	(3.3)
Insurance commissions	85,470	82,495	81,045	79,661	79,036	20,160	**19,758**	(2.0)
Insurance and other expenses	166,846	170,636	181,139	189,203	199,606	43,938	**48,750**	11.0
Total adjusted expenses	322,155	323,801	340,643	346,150	347,460	82,940	**86,732**	
Total benefits and expenses	1,389,060	1,343,180	1,324,651	1,313,932	1,292,947	321,088	**312,697**	(2.6)
Pretax adjusted earnings	¥ 341,591	¥ 343,640	¥ 354,201	¥ 354,802	¥ 347,881	¥ 92,958	¥ **93,808**	.9

[1] *Includes the net interest cash flows from derivatives associated with certain investment strategies*

[2] *See non-U.S. GAAP financial measures for the definition of amortized hedge costs/income*

Statements of Pretax Adjusted Earnings

(Before Management Fee)

(In Millions)

	Years Ended December 31,					3 Months Ended March 31,		
	2016	2017	2018	2019	2020	2020	2021	% Change
Revenues:								
Net premiums								
Gross premiums	$ 14,140	$ 13,312	$ 13,307	$ 13,304	$ 13,193	$ 3,282	$ **3,247**	
Assumed (ceded)	(603)	(561)	(546)	(532)	(524)	(133)	**(124)**	
Total net premiums	13,537	12,752	12,762	12,772	12,670	3,150	**3,123**	(.9)
Net investment income [(1)]								
Yen denominated	1,346	1,294	1,283	1,307	1,296	322	**328**	1.9
US$ denominated	1,208	1,169	1,356	1,446	1,569	375	**397**	5.9
Net investment income	2,554	2,463	2,639	2,753	2,865	697	**724**	3.9
Amortized hedge costs on foreign investments [(2)]	(186)	(228)	(236)	(257)	(206)	(55)	**(19)**	(65.5)
Adjusted net investment income	2,368	2,235	2,403	2,496	2,659	642	**705**	9.8
Other income excl. realized foreign currency gains (losses)	40	41	41	45	42	11	**13**	
Total adjusted revenues	15,945	15,028	15,206	15,313	15,371	3,803	**3,841**	1.0
Benefits and claims								
Benefits and claims, net								
Incurred claims -direct	6,265	6,332	6,566	6,671	6,875	1,818	**1,905**	
Incurred claims -assumed (ceded)	(519)	(497)	(471)	(419)	(354)	(106)	**(75)**	
Increase in FPB -direct	4,106	3,265	2,836	2,684	2,437	492	**333**	
Increase in FPB -assumed (ceded)	(24)	(14)	(18)	(60)	(107)	(19)	**(28)**	
Total net benefits and claims	9,828	9,087	8,913	8,877	8,851	2,186	**2,135**	(2.3)
Adjusted expenses:								
Amortization of deferred policy acquisition costs	643	630	710	709	644	173	**172**	(.6)
Insurance commissions	787	736	735	731	740	185	**187**	1.1
Insurance and other expenses	1,538	1,521	1,640	1,734	1,873	404	**460**	13.9
Total adjusted expenses	2,968	2,887	3,085	3,174	3,257	762	**818**	
Total benefits and expenses	12,797	11,974	11,998	12,051	12,108	2,948	**2,954**	.2
Pretax adjusted earnings	$ 3,148	$ 3,054	$ 3,208	$ 3,261	$ 3,263	$ 855	$ **887**	3.7

[(1)] *Includes the net interest cash flows from derivatives associated with certain investment strategies*

[(2)] *See non-U.S. GAAP financial measures for definition of amortized hedge costs/income*

Balance Sheets

(In Millions)

	December 31,					March 31,	
	2016	**2017**	**2018**	**2019**	**2020**	**2020**	**2021**
Assets:							
Investments and cash	¥ 11,463,613	¥ 11,854,224	¥ 12,031,549	¥ 12,847,994	¥ 13,080,154	¥ 12,697,686	¥ **13,328,567**
Receivables, net of allowance for credit losses	24,102	37,692	37,083	28,219	20,782	25,633	**23,612**
Accrued investment income	65,475	64,439	66,350	65,485	62,722	60,057	**58,246**
Deferred policy acquisition costs	671,563	695,025	708,638	721,341	723,579	722,501	**721,217**
Other assets	339,639	276,050	292,335	308,411	320,351	310,637	**328,347**
Total assets	¥ 12,564,392	¥ 12,927,431	¥ 13,135,956	¥ 13,971,450	¥ 14,207,588	¥ 13,816,514	¥ **14,459,990**
Liabilities and Shareholders' Equity:							
Future policy benefits	¥ 7,955,244	¥ 8,323,560	¥ 8,637,152	¥ 8,924,868	¥ 9,175,501	¥ 8,976,857	¥ **9,207,671**
Policy and contract claims	278,697	304,248	317,043	315,477	328,778	315,939	**333,289**
Unearned premiums	791,992	659,977	552,419	453,133	361,010	427,750	**339,250**
Other policyholders' funds	775,746	784,117	793,148	801,588	808,429	807,598	**814,272**
Income taxes (prim. deferred)	545,640	431,949	510,528	618,901	478,969	540,184	**484,722**
Other liabilities	316,241	150,143	194,949	357,135	253,219	489,879	**421,441**
Shareholders' equity	1,900,832	2,273,438	2,130,718	2,500,349	2,801,682	2,258,306	**2,859,345**
Total liabilities & shareholders' equity	¥ 12,564,392	¥ 12,927,431	¥ 13,135,956	¥ 13,971,450	¥ 14,207,588	¥ 13,816,514	¥ **14,459,990**

Balance Sheets

(In Millions)

	December 31,					March 31,	
	2016	**2017**	**2018**	**2019**	**2020**	**2020**	**2021**
Assets:							
Investments and cash	$ 98,409	$ 104,905	$ 108,392	$ 117,269	$ 126,378	$ 116,675	**$ 120,392**
Receivables, net of allowance for credit losses	207	334	334	258	201	236	**213**
Accrued investment income	562	570	598	598	606	552	**526**
Deferred policy acquisition costs	5,765	6,150	6,384	6,584	6,991	6,639	**6,514**
Other assets	2,915	2,443	2,634	2,815	3,095	2,854	**2,966**
Total assets	$ 107,858	$ 114,402	$ 118,342	$ 127,523	$ 137,271	$ 129,955	**$ 130,611**
Liabilities and Shareholders' Equity:							
Future policy benefits	$ 68,291	$ 73,661	$ 77,812	$ 81,461	$ 88,652	$ 82,485	**$ 83,169**
Policy and contract claims	2,392	2,692	2,856	2,879	3,177	2,903	**3,010**
Unearned premiums	6,799	5,840	4,977	4,136	3,488	3,930	**3,064**
Other policyholders' funds	6,659	6,939	7,145	7,316	7,811	7,421	**7,355**
Income taxes (prim. deferred)	4,684	3,823	4,601	5,650	4,630	4,965	**4,383**
Other liabilities	2,715	1,328	1,756	3,260	2,447	4,501	**3,807**
Shareholders' equity	16,318	20,119	19,194	22,820	27,068	20,749	**25,822**
Total liabilities & shareholders' equity	$ 107,858	$ 114,402	$ 118,342	$ 127,523	$ 137,271	$ 126,955	**$ 130,611**

Aflac Japan

Quarterly Statements of Pretax Adjusted Earnings and Percentage Changes

(Yen In Millions)

Period		Net Earned Premiums	% Change	Adjusted NII	% Change	Total Adjusted Revenues	% Change	Total Benefits	% Change	Amort.	% Change	Total Adjusted Expense	% Change	Pretax Adjusted Earn.	% Change
2016		1,469,505	.8	256,849	(10.3)	1,730,651	(1.0)	1,066,905	1.3	69,839	(.1)	322,155	1.1	341,591	(9.0)
2017		1,430,426	(2.7)	251,754	(2.0)	1,686,820	(2.5)	1,019,378	(4.5)	70,670	1.2	323,801	.5	343,640	.6
2018		1,408,697	(1.5)	265,519	5.5	1,678,852	(.5)	984,007	(3.5)	78,460	11.0	340,642	5.2	354,201	3.1
2019		1,392,612	(1.1)	271,253	2.2	1,668,734	(.6)	967,782	(1.6)	77,286	(1.5)	346,150	1.6	354,802	.2
2020		1,353,208	(2.8)	283,122	4.4	1,640,827	(1.7)	945,487	(2.3)	68,818	(11.0)	347,459	.4	347,881	(2.0)
2019	1	350,397	(.8)	67,120	5.4	418,776	.1	242,250	(2.5)	20,022	10.0	84,656	4.1	91,870	3.9
	2	348,586	(.9)	66,688	.8	416,487	(.7)	240,105	(1.6)	19,484	(.7)	85,179	1.3	91,203	(.1)
	3	347,870	(1.2)	70,380	4.0	419,524	(.3)	243,479	(2.1)	19,168	(5.3)	86,472	(1.4)	89,573	6.1
	4	345,758	(1.6)	67,066	(1.4)	413,947	(1.6)	241,948	(.4)	18,612	(8.8)	89,843	2.6	82,156	(8.8)
2020	1	343,054	(2.1)	69,812	4.0	414,045	(1.1)	238,148	(1.7)	18,842	(5.9)	82,939	(2.0)	92,958	1.2
	2	339,891	(2.5)	68,036	2.0	409,126	(1.8)	237,328	(1.2)	16,697	(14.3)	81,648	(4.1)	90,150	(1.2)
	3	336,488	(3.3)	70,219	(.2)	407,874	(2.8)	240,025	(1.4)	16,001	(16.5)	88,661	2.5	79,188	(11.6)
	4	333,775	(3.5)	75,054	11.9	409,782	(1.0)	229,986	(4.9)	17,277	(7.2)	94,211	4.9	85,585	4.2
2021	**1**	**330,595**	**(3.6)**	**74,621**	**6.9**	**406,505**	**(1.8)**	**225,965**	**(5.1)**	**18,225**	**(3.3)**	**86,732**	**4.6**	**93,808**	**.9**

Operating Ratios
(Before Management Fee)

	Period	12-Mo. Rolling Premium Persistency[1]	Tot. Ben./ Premium	Tot. Ben./ Premiums (3rd sector)	Amort./ Premium	Tot. Adj. Expenses/ Total Adj. Rev.	Combined Ratio/ Total Adj. Rev.	Pretax Profit Margin[2]
	2016	95.2	72.6	61.1	4.8	18.6	80.3	19.7
	2017	94.9	71.3	60.5	4.9	19.2	79.6	20.4
	2018	94.1	69.9	59.2	5.6	20.3	78.9	21.1
	2019	94.4	69.5	59.3	5.5	20.7	78.7	21.3
	2020	95.1	69.9	59.7	5.1	21.2	78.8	21.2
	2021 YTD	**95.0**	**68.4**	**—**	**5.5**	**21.3**	**76.9**	**23.1**
2019	1	94.0	69.1	58.4	5.7	20.2	78.1	21.9
	2	94.1	68.9	58.5	5.6	20.5	78.1	21.9
	3	94.2	70.0	60.0	5.5	20.6	78.6	21.4
	4	94.4	70.0	60.1	5.4	21.7	80.2	19.8
2020	1	94.5	69.4	59.0	5.5	20.0	77.5	22.5
	2	94.8	69.8	59.6	4.9	20.0	78.0	22.0
	3	95.0	71.3	61.7	4.8	21.7	80.6	19.4
	4	95.1	68.9	58.6	5.2	23.0	79.1	20.9
2021	**1**	**95.0**	**68.4**	**58.0**	**5.5**	**21.3**	**76.9**	**23.1**

[1] Premium persistency presented on a 12-month rolling basis for all periods, rather than year to date
[2] See non-U.S. GAAP financial measures for definition of adjusted earnings

Aflac Japan Sales Results

(Yen In Millions, unless otherwise noted)

	Period	Annl. Prem. In Force (Billions)	% Change	Third Sector New Annl. Prem. Sales	% Change	Total New Annual. Premium Sales	% Change
	2016	1,606.1	(.7)	83,992	4.1	113,721	(5.9)
	2017	1,552.2	(3.4)	87,417	4.1	94,851	(16.6)
	2018	1,527.1	(1.6)	88,813	1.6	95,894	1.1
	2019	1,489.3	(2.5)	72,836	(18.0)	79,697	(16.9)
	2020	1,426.5	(4.2)	45,110	(38.1)	50,852	(36.2)
2019	1	1,517.0	(1.7)	17,040	(3.2)	18,797	(2.0)
	2	1,509.5	(2.0)	22,165	(19.3)	23,870	(17.6)
	3	1,449.1	(2.2)	16,832	(21.9)	18,519	(21.5)
	4	1,489.3	(2.5)	16,800	(24.3)	18,511	(23.4)
2020	1	1,474.3	(2.8)	12,486	(26.7)	14,021	(25.4)
	2	1,457.7	(3.4)	8,656	(60.9)	9,827	(58.8)
	3	1,441.9	(.5)	11,167	(33.7)	12,601	(32.0)
	4	1,426.5	(4.2)	12,801	(23.8)	14,404	(22.2)
2021	**1**	**1,410.0**	**(4.4)**	**12,492**	**—**	**13,998**	**(.2)**

Aflac Japan Product Mix

(New Annualized Premium Sales, Yen In Billions)

	Period	Cancer	% of Total	Medical	% of Total	Income Support	% of Total	Child Endowment	% of Total	WAYS	% of Total	Ordinary Life Other	% of Total	Other	% of Total	Total
	2016	53.0	46.6	29.6	26.0	1.4	1.3	7.2	6.4	13.5	11.8	7.0	6.2	1.9	1.7	113.7
	2017	53.0	55.8	32.4	34.1	2.2	2.3	.5	.5	.6	.6	5.6	6.0	.6	.7	94.9
	2018	63.1	65.8	23.9	25.0	1.7	1.8	.3	.3	.5	.5	5.9	6.1	.5	.5	95.9
	2019	47.2	59.2	24.6	31.0	1.0	1.2	.2	.2	.4	.5	5.9	7.4	.4	.5	79.7
	2020	28.8	56.6	15.9	31.2	.5	1.0	.2	.4	.4	.7	4.8	9.5	.3	.6	50.9
2019	1	11.2	59.3	5.6	30.0	.3	1.4	.1	.3	.1	.5	1.5	8.0	.1	.5	18.8
	2	15.6	65.3	6.3	26.5	.2	1.0	.1	.2	.1	.4	1.5	6.1	.1	.5	23.9
	3	9.7	52.2	7.0	37.5	.2	1.2	.1	.3	.1	.5	1.4	7.8	.1	.5	18.5
	4	10.8	58.3	5.8	31.2	.2	1.2	—	.2	.1	.5	1.5	7.9	.1	.7	18.5
2020	1	7.8	55.5	4.5	32.4	.2	1.2	—	.3	.1	.6	1.3	9.3	.1	.7	14.0
	2	5.4	54.7	3.2	32.5	.1	.9	—	.4	.1	.8	1.0	10.0	—	.7	9.8
	3	7.0	55.7	4.0	32.0	.1	.9	.1	.4	.1	.8	1.2	9.6	.1	.6	12.6
	4	8.6	59.7	4.1	28.4	.1	.8	.1	.3	.1	.8	1.3	9.3	.1	.7	14.4
2021	**1**	**6.4**	**45.4**	**6.1**	**43.3**	**.1**	**.6**	**—**	**.3**	**.1**	**.7**	**1.2**	**8.9**	**.1**	**.8**	**14.0**

Aflac Japan Sales Force Data

		Number of Agencies by Type				Sales Contribution by Agency Type				
	Period	Individual/ Independent Corporate	Affiliated Corporate	Bank	Total	Individual/ Independent Corporate	Affiliated Corporate	Bank	Licensed Sales Associates[(1)]	Recruited Agencies
	2016	10,560	1,496	372	12,428	46.7	44.4	8.9	108,721	180
	2017	9,492	1,455	374	11,321	42.8	52.0	5.2	109,197	174
	2018	8,453	1,392	371	10,216	40.1	55.3	4.6	109,482	85
	2019	7,683	1,343	367	9,393	45.7	50.0	4.3	109,265	77
	2020	7,231	1,312	361	8,904	52.3	42.6	5.1	111,886	48
2019	1	8,257	1,380	369	10,006	46.1	49.4	4.5	108,485	20
	2	8,087	1,366	369	9,822	39.2	57.8	3.0	109,154	13
	3	7,875	1,356	367	9,598	48.1	46.3	5.6	109,121	24
	4	7,683	1,343	367	9,393	51.2	44.3	4.5	109,265	20
2020	1	7,537	1,332	364	9,233	52.8	42.7	4.5	110,129	17
	2	7,426	1,329	364	9,119	53.8	42.8	3.4	109,850	5
	3	7,312	1,317	364	8,993	51.7	41.4	6.9	111,016	19
	4	7,231	1,312	361	8,904	51.3	43.4	5.3	111,886	7
2021	**1**	**7,142**	**1,308**	**360**	**8,810**	**54.3**	**40.6**	**5.1**	**112,252**	**13**

(1) Excludes Dai-ichi Life, banks, Japan Post Group and Daido Life

Yen/Dollar Exchange Rates

	Period	Closing Rate[(1)]	Qtr Avg	Yearly Cum Avg	% Change
	2016	116.49	N/A	108.70	11.3
	2017	113.00	N/A	112.16	(3.1)
	2018	111.00	N/A	110.39	1.6
	2019	109.56	N/A	109.07	1.2
	2020	103.50	N/A	106.86	2.1
2019	1	110.99	110.24	110.24	(2.0)
	2	107.79	109.94	110.09	(1.3)
	3	107.92	107.31	109.16	.3
	4	109.56	108.79	109.07	1.2
2020	1	108.83	108.84	108.84	1.3
	2	107.74	107.65	108.25	1.7
	3	105.80	106.23	107.63	1.4
	4	103.50	104.57	106.86	2.1
2021	**1**	**110.71**	**105.88**	**105.88**	**2.8**

(1) Closing rate is based on the latest available and published MUFG Bank Ltd. TTM mid-day exchange rate.

Corporate and Other

Statements of Pretax Adjusted Earnings
(Before Management Fee)
(In Millions)

	Years Ended December 31,					3 Months Ended March 31,		
	2016	2017	2018	2019	2020	2020	2021	% Change
Revenues:								
Total premiums	$ 234	$ 216	$ 208	$ 200	$ 194	$ 49	**$ 48**	(2.0)
Net investment income	20	35	77	88	80	24	**16**	(33.3)
Amortized hedge income [(1)]	—	—	36	89	97	29	**17**	(41.4)
Adjusted net investment income	20	35	113	177	177	53	**33**	(37.7)
Other income	23	21	18	15	13	2	**2**	—
Total adjusted revenues	277	272	339	393	384	104	**83**	(20.2)
Benefits and claims:								
Total net benefits and claims	223	209	199	194	180	40	**43**	7.5
Interest expense	128	122	120	133	164	33	**44**	33.3
Other adjusted expenses	165	154	159	137	155	29	**22**	(24.1)
Total benefits and expenses	516	486	478	464	499	102	**109**	6.9
Pretax adjusted earnings	$ (239)	$ (214)	$ (139)	$ (72)	$ (115)	$ 2	**$ (26)**	(1,400.0)

[(1)] *See non-U.S. GAAP financial measures for the definition of amortized hedge cost/income*

Non-U.S. GAAP Financial Measures

This document may include 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.

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 on book value 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).

The Company defines the non-U.S. GAAP financial measures included in this document as follows:

- **Adjusted book value** is the U.S. GAAP book value (representing total shareholders' equity), less accumulated other comprehensive income (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.
- **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 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 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 cannot be predicted or that are outside management's control. 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 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. 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** is 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 of 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.
- **Amortized hedge costs/income** represent costs/income incurred or recognized as a result of using foreign currency derivatives to hedge certain foreign exchange risks in the Company's Japan segment or in the Corporate and Other segment. These amortized hedge costs/ income are estimated at the inception of the derivatives based on the specific terms of each contract and are recognized on a straight-line basis over the term of the hedge. The Company believes that amortized hedge costs/income measure the periodic currency risk management costs/income related to hedging certain foreign currency exchange risks and are an important component of net investment income. There is no comparable U.S. GAAP financial measure for amortized hedge costs/ income.
- **Adjusted net investment gains and losses** are net investment gains and losses adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity, ii) net interest cash flows from foreign currency and interest rate derivatives associated with certain investment strategies, which are both reclassified to net investment income, and iii) the impact of interest cash flows from derivatives associated with notes payable, which is reclassified to interest expenses as a component of total adjusted expenses. The Company considers adjusted net investment gains and losses important as it represents the remainder amount that is considered outside management's control, while excluding the components that are within management's control and are accordingly reclassified to net investment income and interest expense. The most comparable U.S. GAAP measure for adjusted net investment gains and losses is net investment gains and losses.
- **Adjusted net investment income** is net investment income adjusted for i) amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity, and ii) net interest cash flows from foreign currency and interest rate derivatives associated with certain investment strategies, which are reclassified from net investment gains and losses to net investment income. The Company considers adjusted net investment income important because it provides a more comprehensive understanding of the costs and income associated with the Company's investments and related hedging strategies. The most comparable U.S. GAAP financial measure for adjusted net investment income is net investment income.
- **Adjusted return on equity** is adjusted earnings divided by average shareholders' equity, excluding 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.