



Tokyo Insurance Day
hosted by Morgan Stanley

March 26, 2025



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.

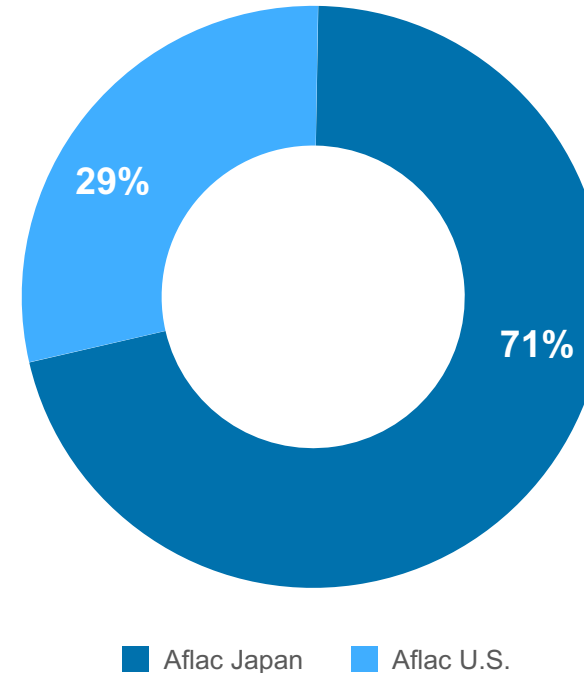
Due to the size of Aflac Japan, where the functional currency is the Japanese yen, fluctuations in the yen/dollar exchange rate can have a significant effect on reported results. In periods when the yen weakens, translating yen into dollars results in fewer dollars being reported. When the yen strengthens, 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

As of 12/31/2024

\$18.9bn Revenues	\$7.5bn Debt ¹			
\$197mm Interest Expense ²	\$26.1bn Book Value			
\$5.4bn Net Earnings	19.7% Adjusted Leverage ³			
\$4.1bn Adjusted Earnings ³	14.4% Adjusted ROE ³			
a AM Best	A- S&P	A3 Moody's	AA- JCR ⁴	A+ R&I
Long-term Senior Debt Ratings				

Adjusted Pretax Earnings⁵



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World's
Most Admired
Companies
2025**

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



¹Debt refers to the consolidated notes payable and lease obligations of \$7,498 million.

²Consolidated interest expense for debt includes \$74 million interest expense at "Corporate and other".

³Non-GAAP measure; please see Appendix for definitions and reconciliations "Adjusted Leverage" is "Adjusted debt to adjusted capitalization ex-AOCI".

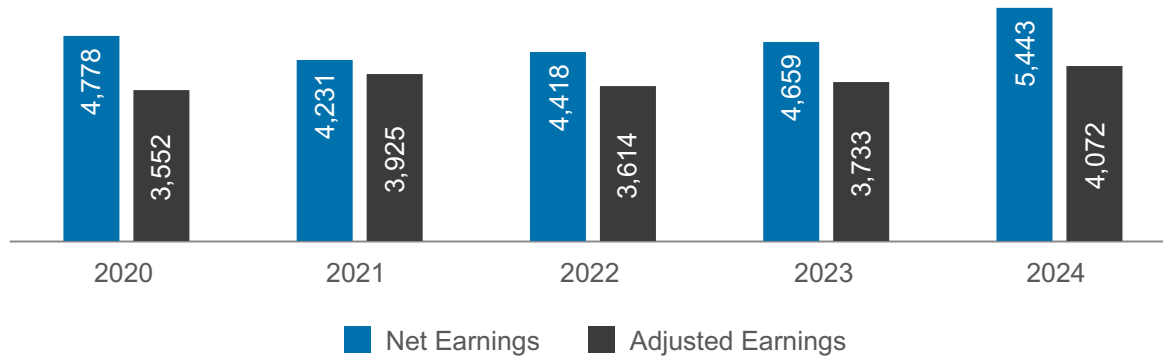
⁴On March 19, 2025, JCR upgraded the ratings of Aflac Incorporated and its rated operating companies; the senior debt rating of Aflac Incorporated was upgraded to AA- from A+

⁵Corporate and Other reported pretax adjusted earnings of \$32 million in 2024.

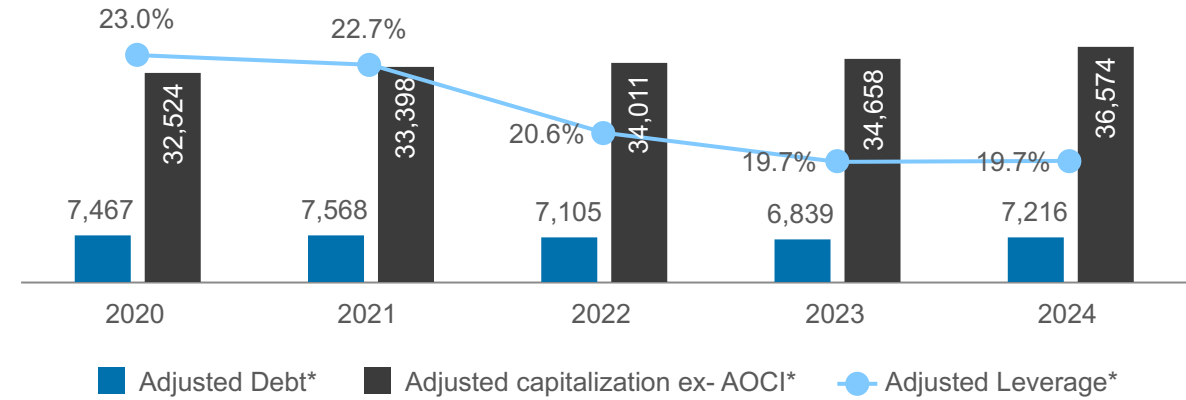
Aflac Incorporated Financial Performance

In \$ millions

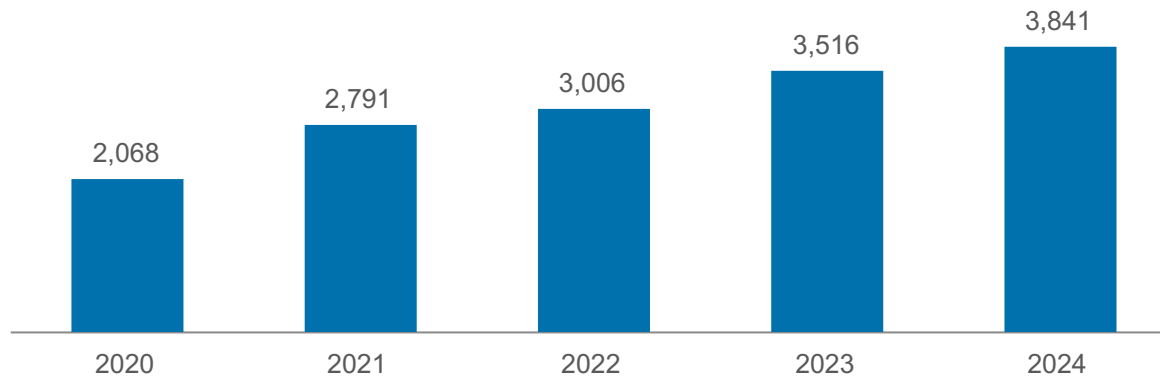
Consolidated Earnings



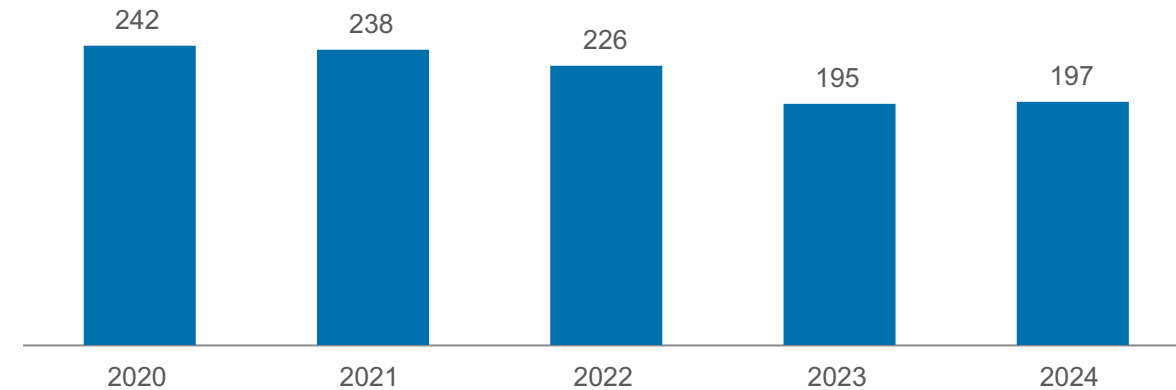
Adjusted Leverage¹



Dividends to Holding Company



Interest Expense



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Aflac Japan



Aflac Japan: The Leader in Cancer and Medical Insurance in Japan

Over 50-years
of success in
Japan

Demographic
trends
contributing
to increased
awareness

Aflac Japan
takes a
strategic
approach to
market
development

- **Since its establishment in Japan in 1974**, Aflac has developed an attractive product line-up and broad distribution network to become Japan's leading provider of cancer and medical insurance with over **22 million** individual policies in-force.
- **Japan's shrinking and aging population** is placing increased financial strain on the country's social security and national health insurance systems and helping **create awareness of the need** for Aflac's core third sector cancer and medical policies
- In this rapidly changing and increasingly competitive business environment, Aflac has remained **disciplined and focused** on its core third sector business
- Aflac Japan's three-year **Management Strategy** provides direction for achieving the Company's mid- to long-term objectives
- The 2025 rollout of a **Marketing and Sales Transformation** will further tailor our marketing efforts to our core product areas - cancer, medical, and asset formation and nursing care - to **meet customer needs** and **acquire new** and **younger** policyholders



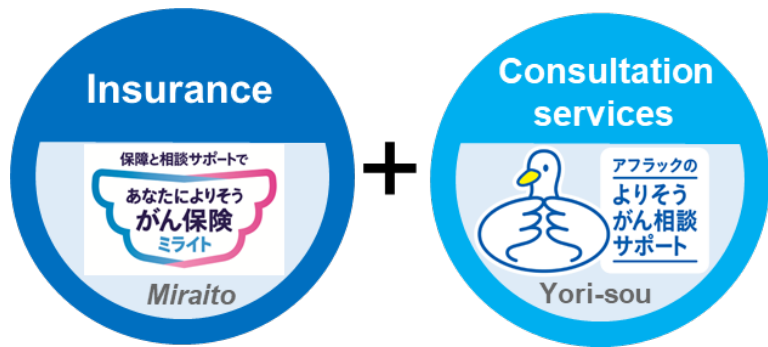
Aflac Japan's Long-term Vision

By Creating
"Living in Your Own Way,"
Create New Shared Value



Product Innovation - Integrating Services for Different Stages of Life

Cancer Insurance



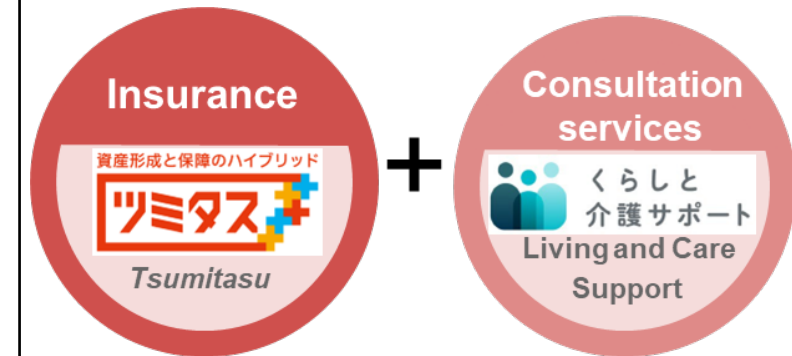
- Maintaining #1 positions in the cancer insurance market
- Launching a new product in stages from March to April, which includes insurance coverage that offers enhanced protection before, during and after cancer treatment providing comprehensive protection flexibly to meet our customer's needs
- Provides customers with value that no other company can offer, through a product that integrates our unique "Yori-sou Cancer Consultation Support" services along with cancer insurance

Medical Insurance



- Integrated the innovative feature of monthly coverage in accordance with the national system, along with strengthened services that offer comprehensive support for customers' entire lives
- Continue to enhance coverage with new, more attractive medical products and services

Asset Formation / Nursing Care



- To meet the young and middle-aged customers' growing need to build their assets, launched as asset formation product, Tsumitasu that also provides future nursing care coverage in June 2024
- Promote comprehensive protection proposals by combining the asset formation product with our main third-sector products

Broad Distribution¹ to Reach More Customers

Traditional Sales Channel (Associates / Agencies)

Aflac-preferred / Exclusive



- Aflac Japan's main sales channel
- Consists of approximately 6,900 agencies, including ~3,300 exclusive agencies
- Strengthening support for the recruitment and training of agents in exclusive agencies

Large Non- exclusive



- Nationwide non-exclusive agencies targeting customers, who want to compare products from multiple insurance companies, especially young and middle-aged customers

Alliance Partners (Cancer Insurance)

Japan Post Group



- Initiated in 2013, selling Aflac's cancer insurance through Japan Post Co. and Japan Post Insurance (JPI)
- Expanded sales distribution includes
 - ~20,000 post offices
 - 76 JPI branches for corporate sales
 - 623 JPI service department for individual sales

Dai-ichi Life



- Initiated in 2000, with approximately 37,000 sales representatives nationwide providing face-to-face consultations and offering Aflac cancer insurance

Daido Life



- Initiated in 2013, approximately 3,600 sales representatives nationwide offer Aflac's cancer insurance to small and medium-sized business owners, executives and employees

Financial Institutions

Banks

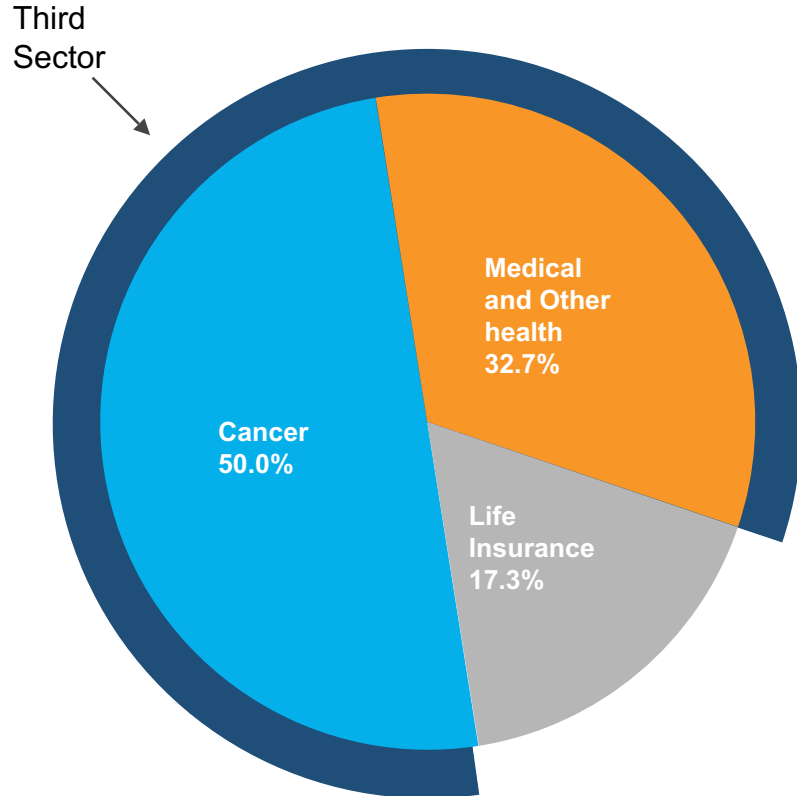


- Partnered with 360 financial institutions, among the most in Japan's life insurance industry
- Offering cancer insurance, medical insurance, etc., primarily through regional banks and shinkin banks

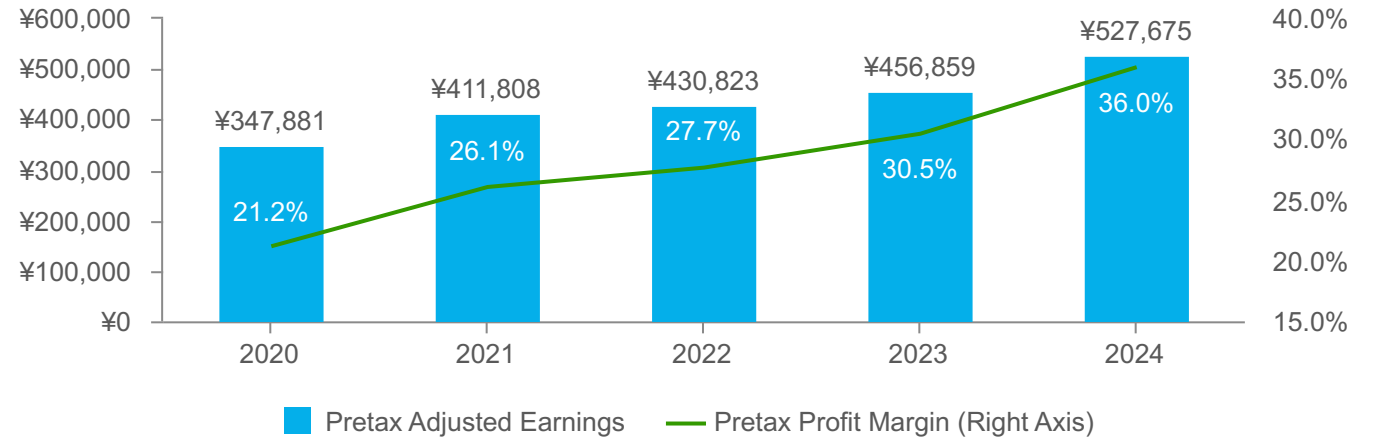
Aflac Japan 2024 Financial Update

Aflac Japan Net Earned Premiums by Product

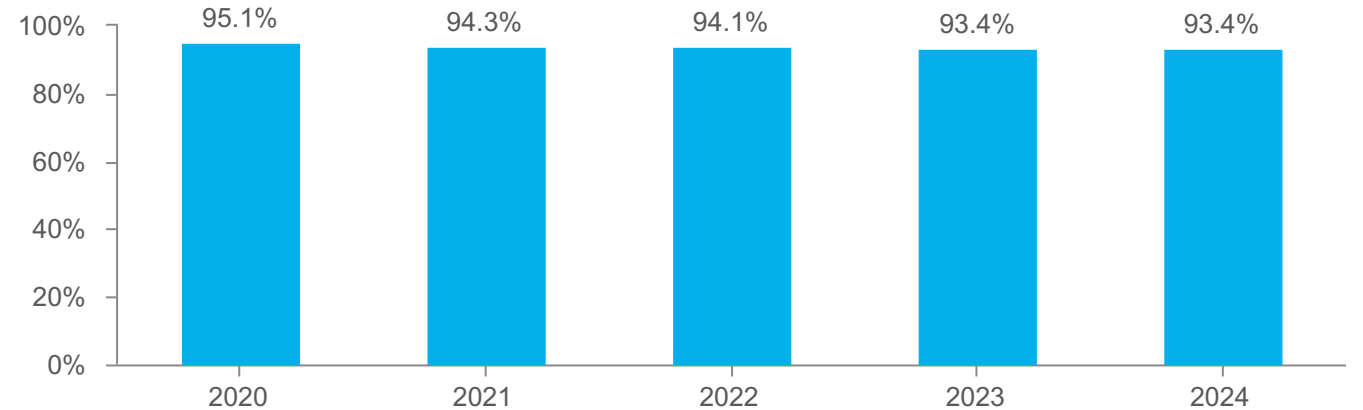
YTD as of 12/31/2024



Pretax Adjusted Earnings and Pretax Profit Margin¹



Premium Persistency (12-Month Rolling)



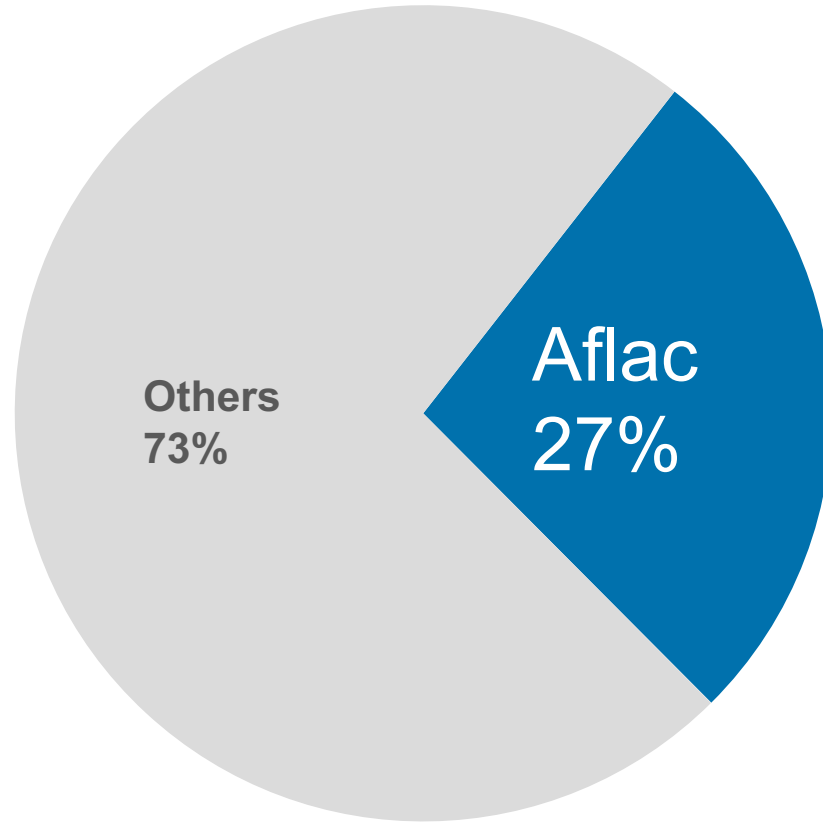
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Aflac U.S. Segment



Leader in U.S. Worksite Supplemental Health Insurance¹

U.S Worksite Supplemental Health Insurance Sales Market Share²



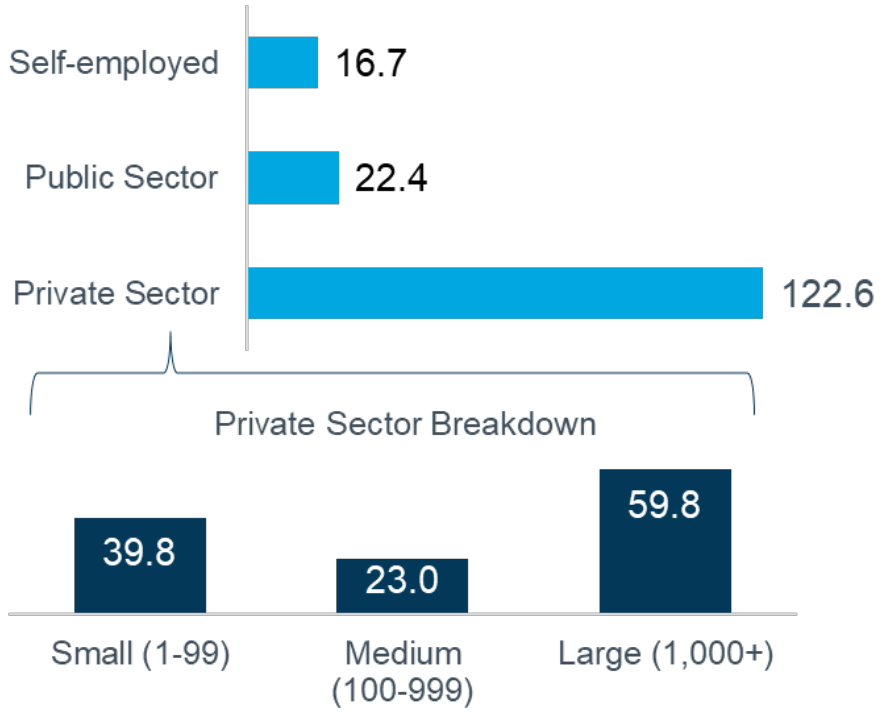
Aflac's market share is over 3x greater than the nearest competitor

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

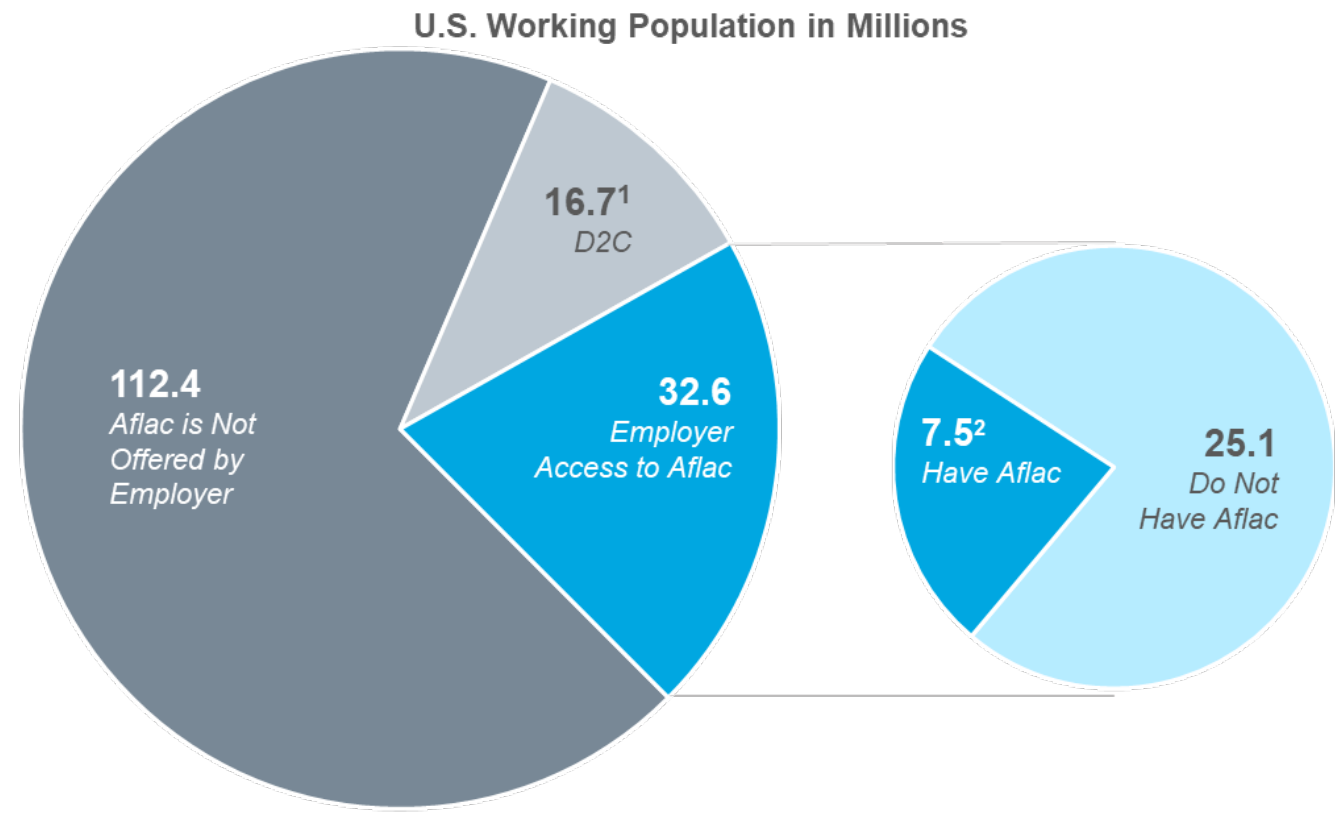
- Cancer
- Critical Illness
- Accident
- Short-term Disability
- Hospital Indemnity
- Supplemental Dental & Vision
- Network Dental & Vision
- Group Disability
- Life (Term, whole)

Aflac U.S. Growth Opportunities

U.S. Working Population
161.7 million



Solving for **Access, Penetration & Retention**

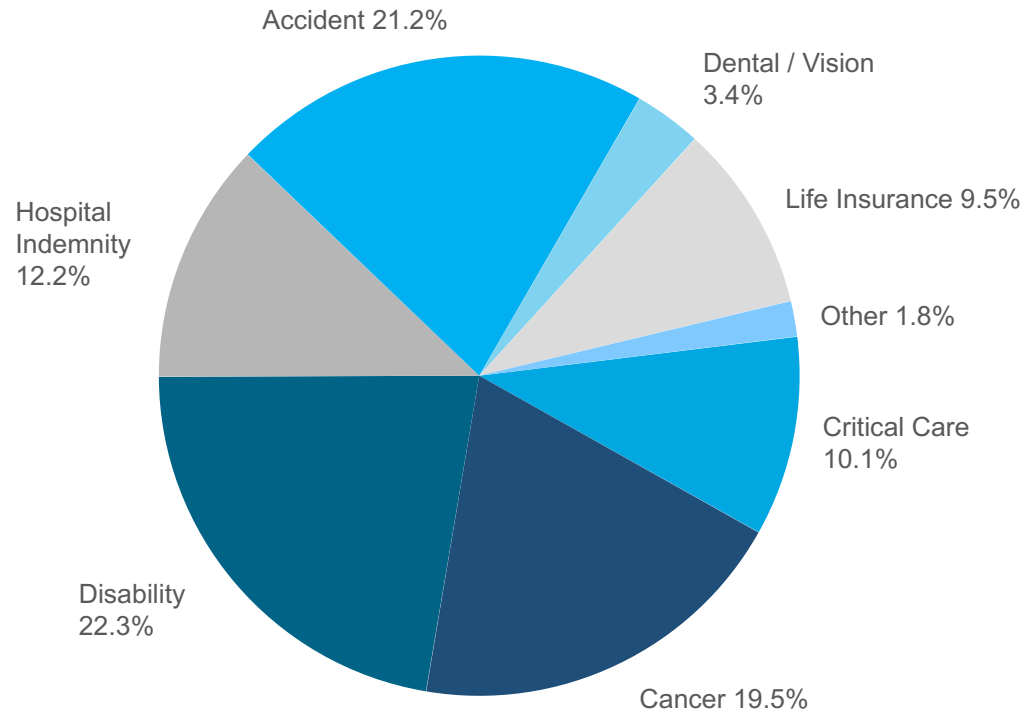


¹Only Tier One customers are considered D2C for the purposes of this view
²Aflac policy/certificate holders and covered employees as of December 31, 2024 | Source: 2024 Bureau of Labor Statistics- Current Population Survey

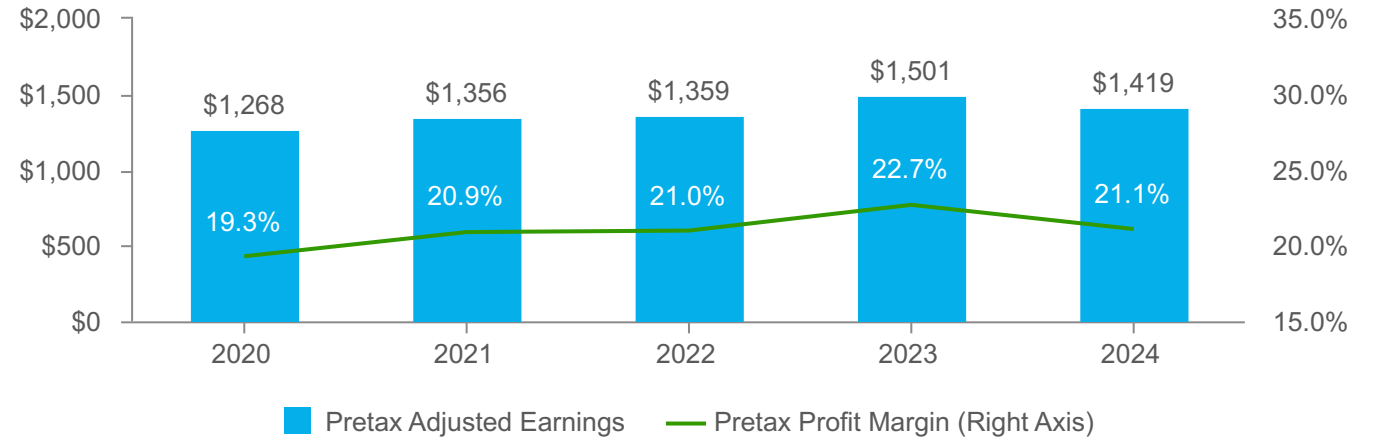
Aflac U.S. 2024 Financial Update

Net Earned Premiums by Product

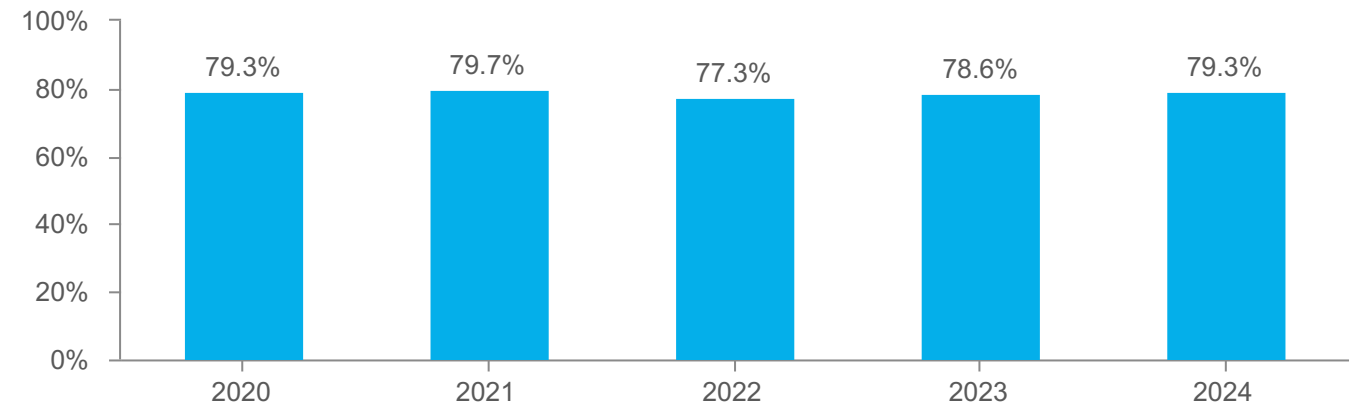
YTD as of 12/31/2024



Pretax Adjusted Earnings and Pretax Profit Margin¹



Premium Persistency (12-Month Rolling)



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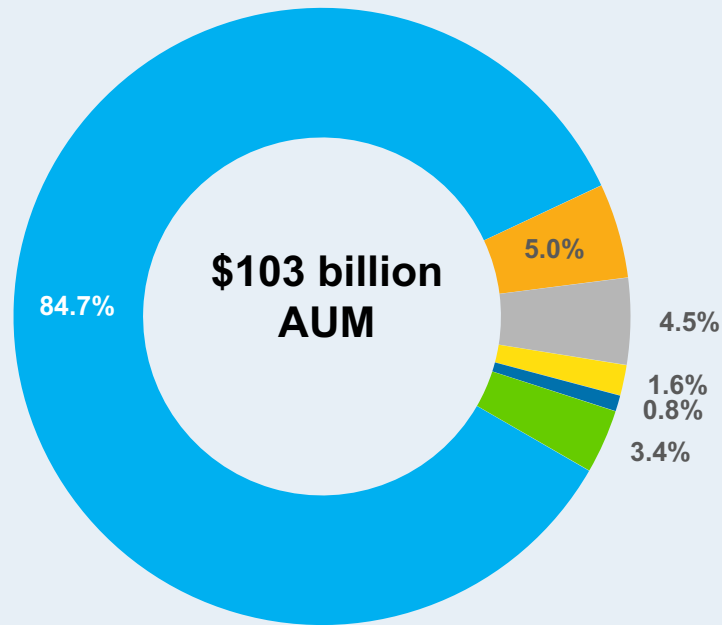
Investment Portfolio



Disciplined Asset Allocation and Credit Underwriting

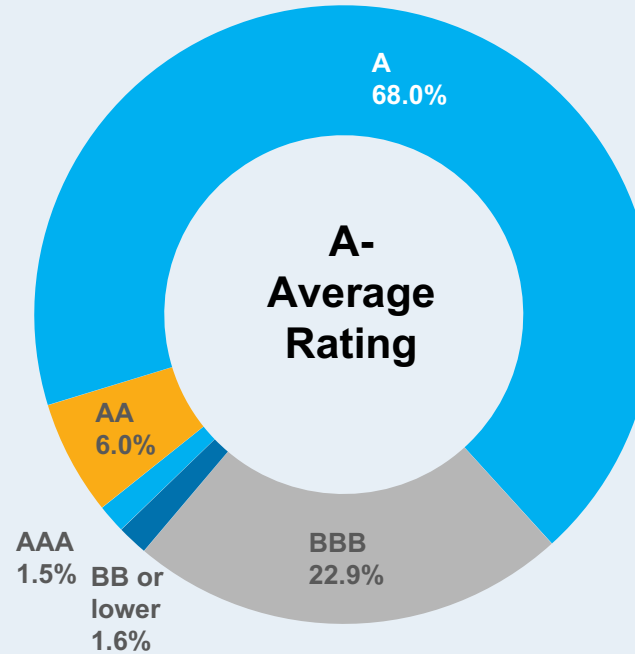
As of 12/31/2024

Asset Allocation

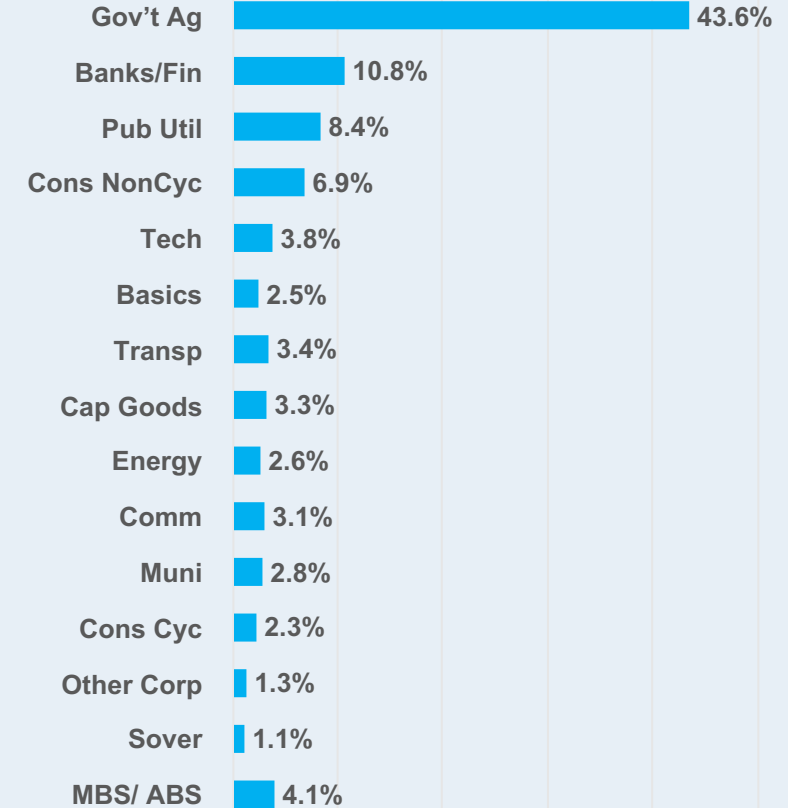


- Fixed Maturity Securities
- Transitional Real Estate (floating rate)
- Middle Market Loans (floating rate)
- Commerical Mortgage Loans
- Equity Securities, at FV through net earnings
- Alternatives

Fixed Maturities: Quality



Fixed Maturities: Sector and Industry



Aflac Commercial Real Estate Loan Portfolio

As of 12/31/2024

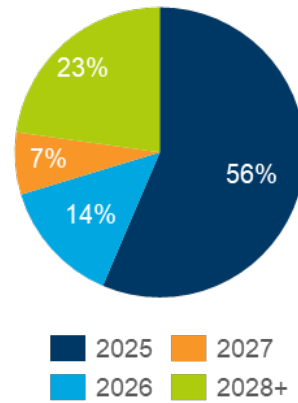
Portfolio Statistics

	TRE	CML	Total
Net Book Value	\$4.7bn	\$1.5bn	\$6.3bn
Book Yield	8.14%	3.44%	7.00%
Wtd Avg Spread	356bps	151bps	306bps
Average LTV	73%	47%	67%
Average Loan Rating	BBB-	A+	BBB
Unique Issuers	112	82	194
Largest Commitment	\$177mm	\$61mm	\$177mm
Avg. Commitment	\$46mm	\$19mm	\$39mm

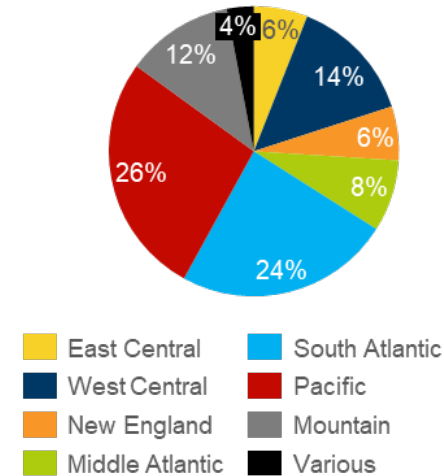
Property Type	LTV			Occupancy		
	TRE	CML	Total	TRE	CML	Total
Multifamily	76%	47%	70%	87%	95%	88%
Office	72%	63%	70%	65%	78%	68%
Retail	57%	48%	54%	86%	98%	91%
Hospitality	77%	N/A	77%	66%	N/A	66%
Industrial	66%	37%	43%	57%	98%	90%
Other	62%	58%	62%	56%	100%	58%

Portfolio Diversification

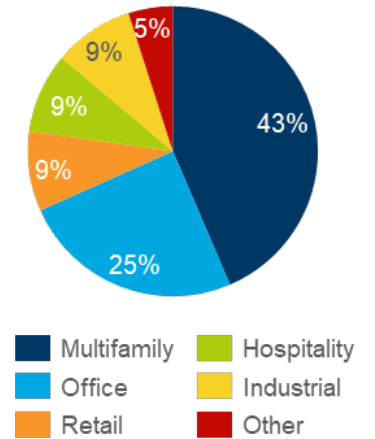
By Maturity Schedule



By Geography



By Property Type



Commercial Mortgage Loan (CML) Portfolio

- Portfolio consists of longer-term financing on stabilized properties
- High-quality portfolio of first lien loans with an average A+ equivalent rating

Transitional Real Estate (TRE) Portfolio

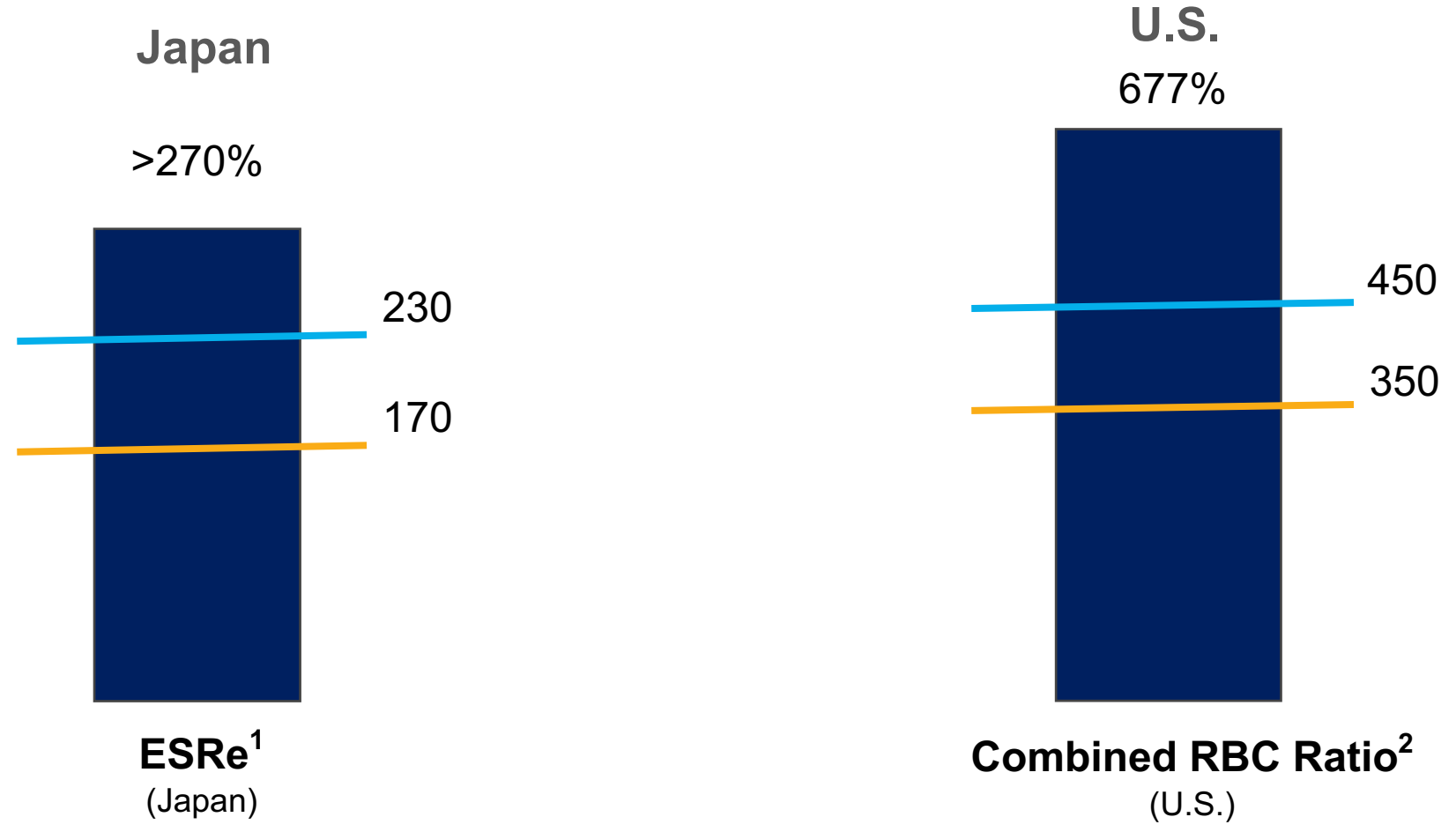
- First lien, senior secured loans diversified by property type and location
- Floating rate TRE loans supported by conservatively underwritten and monitored business plans and sponsors
- Total of eighteen foreclosed properties with a carrying value of \$682mm

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Capital Management



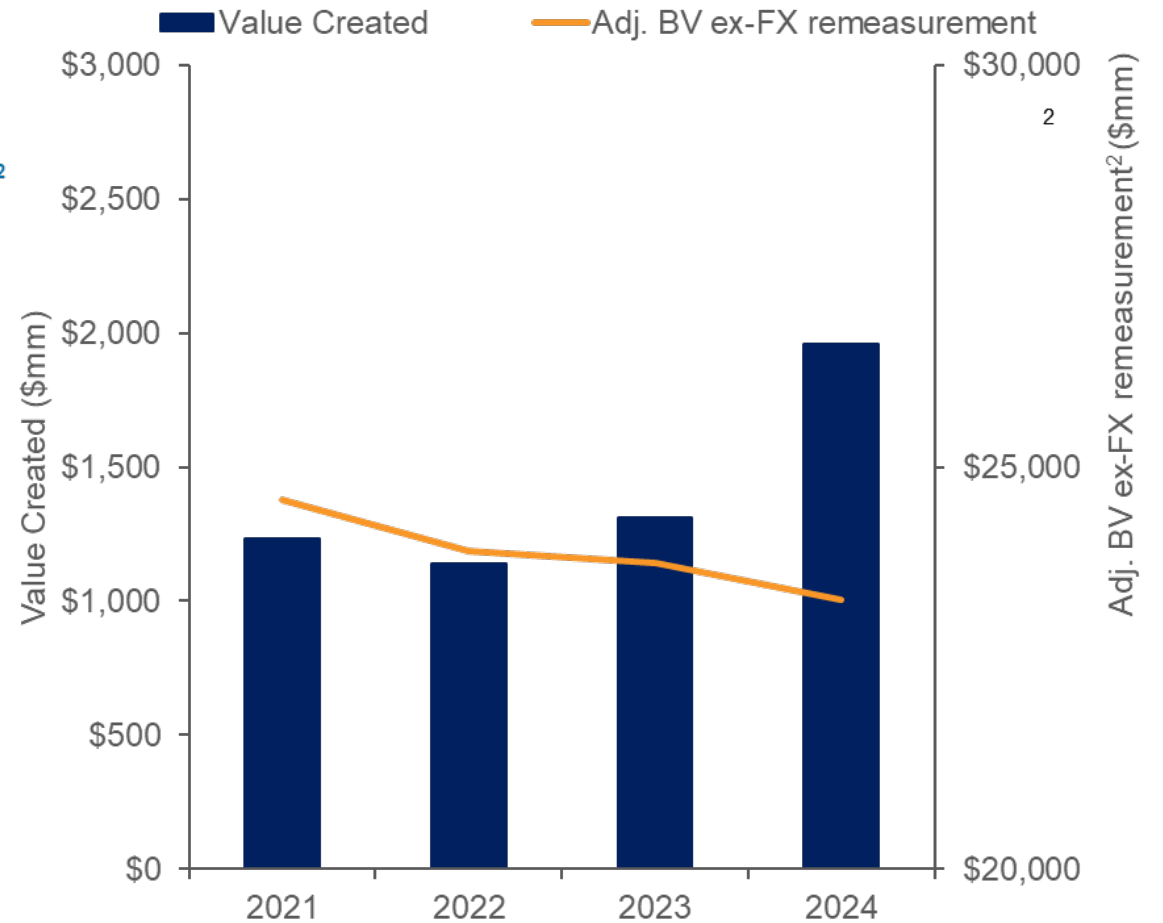
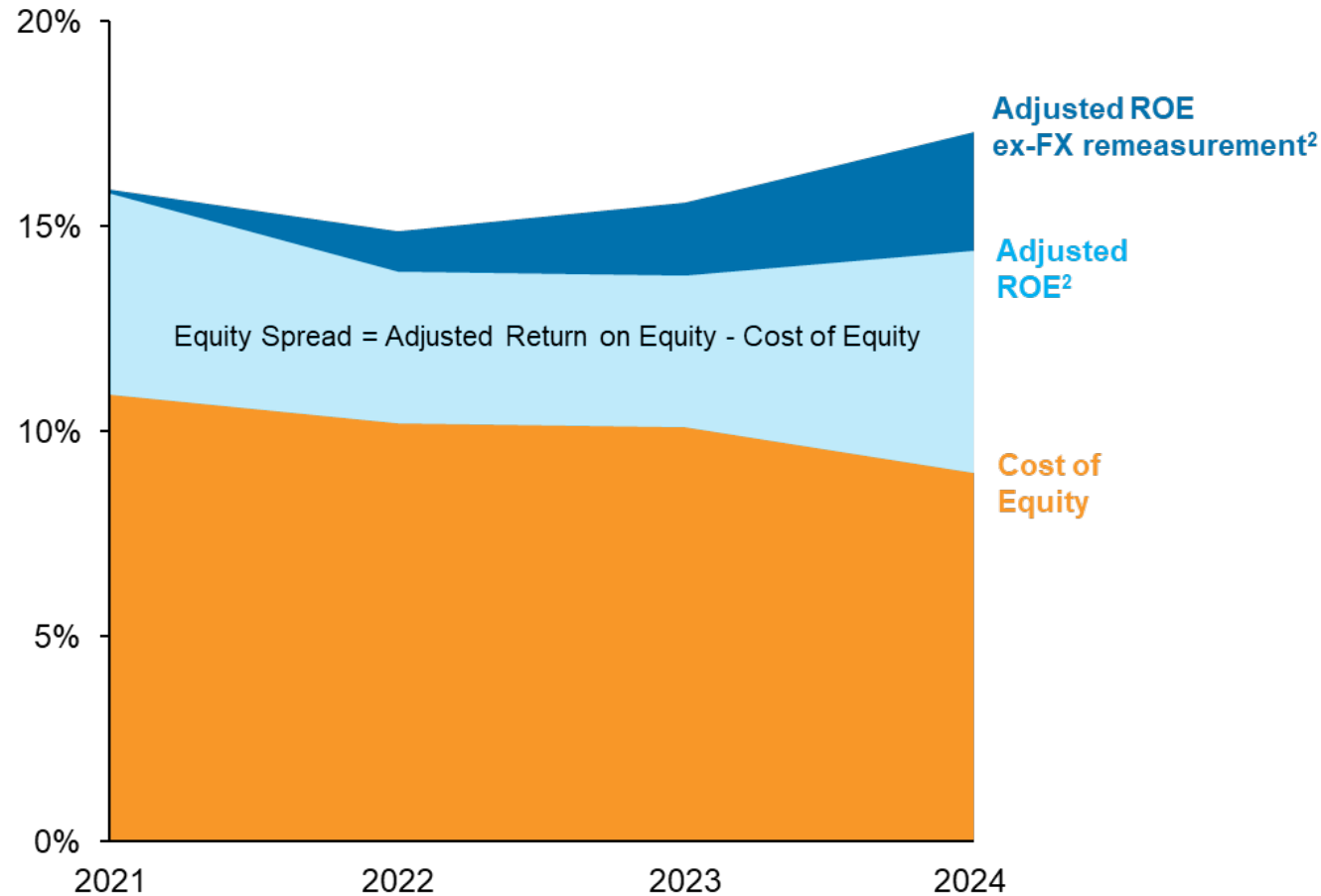
Strong Capital Ratios¹



¹Estimated regulatory ESR with undertaking-specific parameter (USP), sensitivities produced by internal model result in a slightly more conservative outcome, i.e., a greater sensitivity to all variables shown, especially the change in yen, credit spreads and interest rates
²Combined RBC ratio is the aggregated ratio of four subsidiaries: American Family Life Assurance Company of Columbus, Continental American Insurance Company, American Family Life Assurance Company of New York and Tier One Insurance Company

Value Creation¹

Building Equity and Creating Value



¹Value created = Equity Spread*Adjusted Book Value

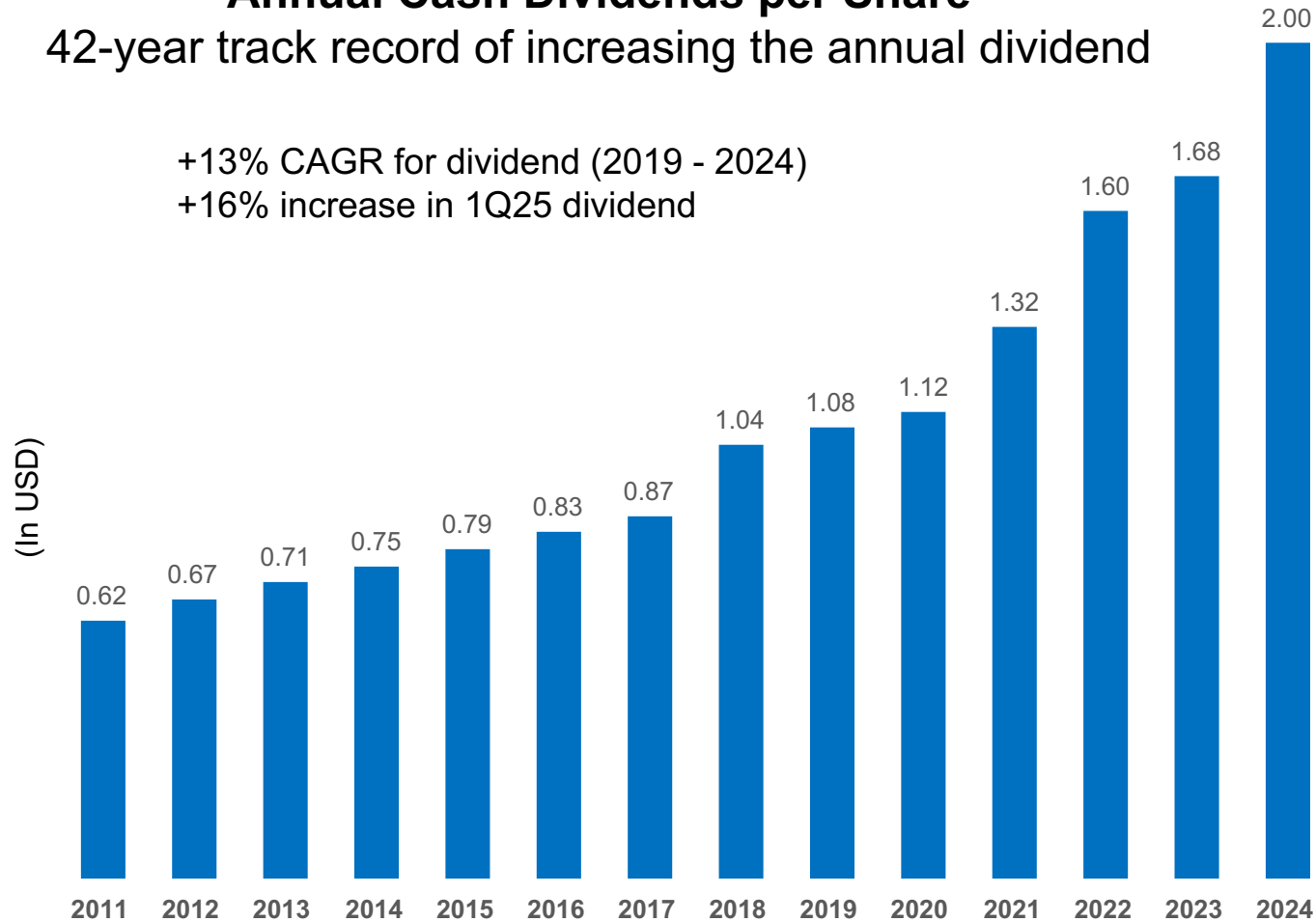
²Adjusted Return on Equity, Adjusted ROE ex-FX remeasurement, and Adjusted Book Value ex-FX remeasurement are non-U.S. GAAP measures, see Appendix.

Returning Capital to Shareholders

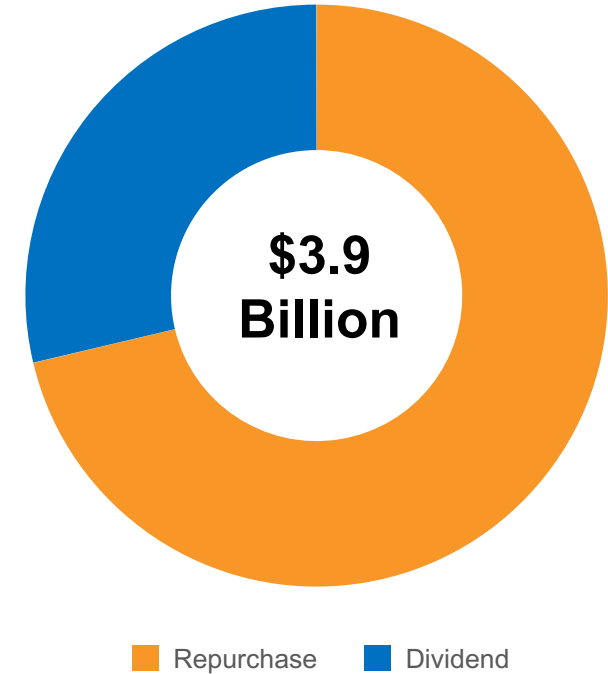
Annual Cash Dividends per Share

42-year track record of increasing the annual dividend

+13% CAGR for dividend (2019 - 2024)
+16% increase in 1Q25 dividend



2024 Capital Deployed to Shareholders



Strategic Points of Leverage

- Industry-leading market share and scale in Japan and U.S.
- Well-recognized and powerful brand
- Diverse and productive distribution
- Product innovation and customized, high-quality service
- Strong liquidity and capital position
 - Stable earnings
 - Strong cash flows



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Appendix



Aflac U.S. Insurance Products

Accident	<ul style="list-style-type: none">• Pays cash benefits in the event of a covered injury. The accident portion of the policy includes lump-sum benefits for accidental death, dismemberment and specific injuries as well as fixed benefits for hospital confinement
Disability	<ul style="list-style-type: none">• Offers short-term disability benefits on both an individual and group basis and long-term disability benefits on a group basis. These plans provide coverage for covered injury, illness or mental health conditions
Cancer	<ul style="list-style-type: none">• Provides a lump-sum benefit upon initial diagnosis of cancer and subsequent benefits for treatment received due to cancer.
Critical Illness	<ul style="list-style-type: none">• Pays cash benefits in the event of critical illness such as heart attack, stroke or cancer.
Hospital Indemnity	<ul style="list-style-type: none">• Provides policyholders fixed dollar benefits triggered by hospitalization due to accident or sickness. Indemnity benefits for inpatient and outpatient surgeries, as well as various other diagnostic events.
Dental and Vision	<ul style="list-style-type: none">• Offers network dental and vision on a group basis and fixed benefit dental coverage and Aflac Vision NowSM, that provides benefits for serious eye health conditions on an individual basis.
Life	<ul style="list-style-type: none">• Offers term- and whole-life policies

Aflac Middle Market Loan Portfolio

As of 12/31/2024

Portfolio Statistics

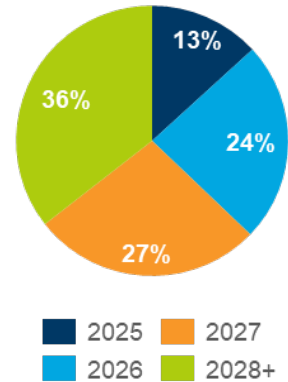
Net Book Value	\$4.3bn
Book Yield	10.03%
Wtd. Avg. Spread	526bps
Average Senior Leverage	5.1x
Average Loan Rating	B+
Unique Issuers	304
Largest Commitment	\$36mm
Avg. Commitment	\$16mm

Current Senior Leverage

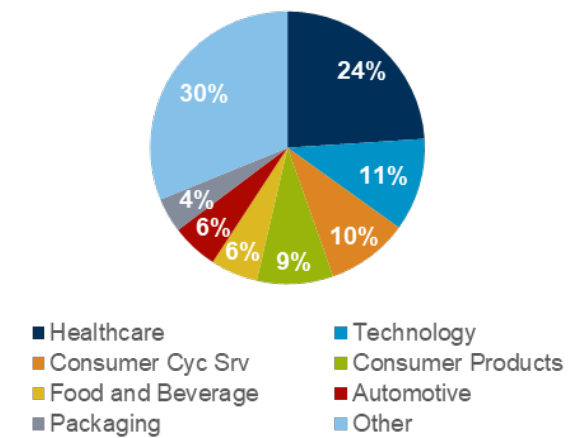
	% of Total (by Book Value)	Average Rating
<4.0x	30%	B+
4.0x - 5.0x	26%	BB-
5.0x - 5.75x	19%	B+
>5.75x	25%	B+

Portfolio Diversification

By Maturity Schedule

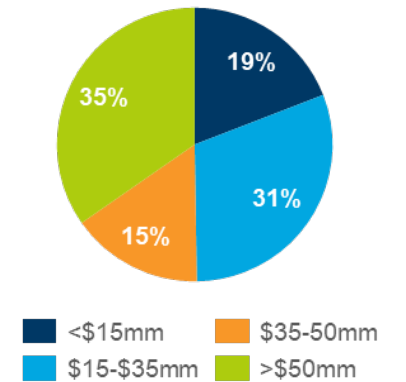


By Sector



Note: Other comprises 23 sectors, of which 11 have ≤1% exposure

By Current EBITDA



- Defensively underwritten and monitored first lien, senior secured floating rate MML portfolio with strong covenants
- Focus on non-cyclical sectors and durable businesses
- Diversified by borrower, sector, and geography
- Portfolio senior leverage at ~5.1x with steady EBITDA and sufficient borrower liquidity levels

Glossary of Non-U.S. GAAP 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.
- **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 Corporate and other. 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 contractual term of the derivative. 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 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 income/expense 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 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 income/expense 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 from derivatives associated with notes payable, which is reclassified to interest expense 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 financial measure for adjusted net investment gains and losses is net investment gains and losses.

Glossary of Non-U.S. GAAP Measures

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

- **Adjusted return on equity** is annualized 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 annualized net earnings and average total shareholders' equity.
- **Adjusted return on equity excluding foreign currency remeasurement** is annualized adjusted earnings divided by average shareholders' equity, excluding both AOCI and the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The Company considers adjusted return on equity excluding foreign currency remeasurement important because it excludes both AOCI and the cumulative foreign currency remeasurement gains/losses, 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 remeasurement is return on average equity (ROE) as determined using annualized net earnings and average total shareholders' equity.
- **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.
- **Adjusted book value excluding foreign currency remeasurement** is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet and excluding the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. Adjusted book value excluding foreign currency remeasurement per common share is adjusted book value excluding foreign currency remeasurement at the period end divided by the ending outstanding common shares for the period presented. The Company considers adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share important as they exclude both AOCI and the cumulative foreign currency remeasurement gains/losses, which fluctuate due to market movements that are outside management's control. The most comparable U.S. GAAP financial measures for adjusted book value excluding foreign currency remeasurement and adjusted book value excluding foreign currency remeasurement per common share are total book value and total book value per common share, respectively.
- **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.

Effect of Foreign Currency on Adjusted Results

Year ended December 31, 2024

	<u>Including Currency</u>	<u>Excluding Currency</u> ²
Net premium income ³	(4.8)%	(0.6)%
Adjusted net investment income ¹	12.1%	14.1%
Total benefits and expenses	(7.3)%	(3.3)%
Adjusted earnings ¹	9.1%	11.8%
Adjusted earnings per diluted shares ¹	15.7%	18.6%

¹ Non-U.S. GAAP measures, refer to the appendix for the definition.

² 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.

³ Net of reinsurance

Reconciliation of U.S. GAAP Return on Equity to Adjusted ROE

Twelve Months Ended December 31, in millions of Dollars

	<u>2024</u>	<u>2023</u>
U.S. GAAP ROE - Net earnings ¹	22.6%	22.1%
Impact of excluding unrealized foreign currency translation gains (losses)	(3.6)	(3.1)
Impact of excluding unrealized gains (losses) on securities and derivatives	0.4	0.2
Impact of excluding effect of changes in discount rate assumptions	(0.2)	(1.9)
Impact of excluding pension liability adjustment	—	—
Impact of excluding AOCI	(3.4)	(4.9)
U.S. GAAP ROE - less AOCI	19.2	17.2
Differences between adjusted earnings and net earnings ²	(4.8)	(3.4)
Adjusted ROE - reported	14.4	13.8
Less: Impact of excluding gains (losses) associated with foreign currency remeasurement ³	2.9%	1.8%
Adjusted ROE, excluding impact of foreign currency remeasurement	17.3%	15.6%

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 Impact of gains/losses associated with foreign currency remeasurement is calculated by restating excluding the cumulative [beginning January 1, 2021] foreign currency gains/losses associated with i) foreign currency remeasurement and ii) sales and redemptions of invested assets. The impact is the difference of adjusted return on equity - reported compared with adjusted return on equity, excluding from shareholders' equity, gains/losses associated with foreign currency remeasurement.

Reconciliation of Net Earnings to Adjusted Earnings¹

Year ended December 31 in millions of Dollars

	<u>2024</u>	<u>2023</u>	<u>% Change</u>
Net earnings	\$5,443	\$4,659	16.8%
Items impacting net earnings:			
Adjusted net investment (gains) losses	(1,495)	(914)	
Other and non-recurring (income) loss	23	(39)	
Income tax (benefit) expense on			
Items excluded from adjusted earnings	<u>101</u>	<u>26</u>	
Adjusted earnings	\$4,072	\$3,733	9.1%
Current period foreign currency impact ¹	<u>103</u>	<u>N/A</u>	
Adjusted earnings			
excluding current period foreign currency impact ²	<u>\$4,175</u>	<u>\$3,733</u>	11.8%

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

² 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

(In millions)

	<u>2024</u>	<u>2023</u>
Notes Payable	\$7,498	\$7,364
50% of subordinated debentures and perpetual bonds	(282)	(315)
Pre-funding of debt maturities	—	(211)
Adjusted debt ¹	<u>7,216</u>	<u>6,839</u>
Total Shareholders' Equity	26,098	21,985
Accumulated other comprehensive (income)loss:		
Unrealized foreign currency translation (gains) losses	4,998	4,069
Unrealized (gains) losses on fixed maturity securities	(24)	(1,139)
Unrealized (gains) losses on derivatives	20	22
Effect on change in discount rate assumptions	(2,006)	2,560
Pension liability adjustment	<u>(10)</u>	<u>8</u>
Adjusted book value ¹	<u>28,429</u>	<u>27,505</u>
Adjusted capitalization ex-AOCI ^{1,2}	\$36,574	\$34,658
Adjusted debt to adjusted capitalization ex-AOCI	19.7%	19.7%