

LICAT Ratios Summary

(Thousands of dollars, except percentages)



Insurance

Life Insurers are required, at minimum, to maintain a Core Ratio of 55% and a Total Ratio of 90%. OSFI has established supervisory target levels of 70% for Core and 100% for Total capital.

Definition of terms can be found in Guideline A: [LICAT - Life Insurance Capital Adequacy Test](#)

Q4 2024 Report

| | | October 31, 2024 | October 31, 2023 | Change - % |
|--|----------------|------------------|------------------|------------|
| Available Capital (AC1 +B) | (AC) | 3,878,698 | 3,604,206 | 8% |
| Tier 1 Capital | (AC1) | 3,364,993 | 3,224,142 | 4% |
| Tier 2 Capital | B | 513,706 | 380,064 | 35% |
| Surplus Allowance and Eligible Deposits | (SA+ED) | 1,346,902 | 1,212,394 | 11% |
| Base Solvency Buffer | (BSB) | 3,861,580 | 3,764,844 | 3% |
| Total Ratio $([AC+SA+ED] / BSB) \times 100$ | | 135% | 128% | 6% |
| Core Ratio $([AC1+70\% SA + 70\% ED] / BSB) \times 100$ | | 112% | 108% | 3% |

The increase in Total Ratio in 2024 is primarily driven by lower interest rates and a capital injection from the parent company, partially offset by new business growth and unfavorable IFRS17 impacts to retained earnings and required capital.