

LICAT Ratios Public Disclosure

(thousands of dollars, except percentages)

Companies are required, at a 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 at: [LICAT – Life Insurance Capital Adequacy Test](#)

		Current Period (October 31, 2019)	Prior Period (October 31, 2018)	Change - %
Available Capital (AC1 + B)	(AC)	65,982	66,016	- 0.1%
<i>Tier 1 Capital</i>	(AC1)	32,991	33,008	- 0.1%
<i>Tier 2 Capital</i>	(B)	32,991	33,008	- 0.1%
Surplus Allowance and Eligible Deposits	(SA + ED)	66,624	64,880	+ 2.7%
Base Solvency Buffer	(BSB)	65,311	47,892	+ 36.3%
Total Ratio ([AC+SA+ED]/BSB) x 100		203%	273%	- 25.6%
Core Ratio ([AC1+70% SA+70% ED]/BSB) x 100		122%	164%	- 25.6%

Qualitative Analysis of the Solvency Ratio (Period over Period)

The Total and Core Ratios change are primarily attributed to the increase in the base solvency buffer which was caused by growth and changes in best estimate valuation assumptions that took place during 2019.