

LICAT ratios public disclosure summary

CIBC Life Insurance Company Limited (“CIBC Life”) is a Canadian life insurance company regulated by the Office of the Superintendent of Financial Institutions (OSFI), which introduced a new regulatory capital framework, the Life Insurance Capital Adequacy Test (LICAT), on January 1, 2018.

Companies 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 at: [LICAT – Life Insurance Capital Adequacy Test](#)

Totals or capital ratios	Abbreviations	Oct 31, 2020 ('000)	Oct 31, 2019 ('000)	Change ('000)	Change (%)
Available capital (AC1 plus B)	(AC)	128,118	240,401	-112,283	-47%
Tier 1 capital	(AC1)	64,059	145,294	-81,235	-56%
Tier 2 capital	(B)	64,059	95,107	-31,049	-33%
Surplus allowance and eligible deposits	(SA plus ED)	39,984	41,024	-1,040	-3%
Base solvency buffer	(BSB)	33,481	43,055	-9,574	-22%
Total Ratio ([AC plus SA plus ED] divided by (BSB) multiplied by 100)	N/A	502%	654%	-152%	N/A
Core Ratio ([AC1 plus 70% SA plus 70% ED] divided by (BSB) multiplied by 100)	N/A	275%	404%	-129%	N/A

CIBC Life returned in total \$100MM of capital in the form of dividend to CIBC in October 2020. As a result, in comparison to year-end 2019, CIBC Life’s total ratio decreased by 152% to 502% and core ratio decreased by 129% to 275% at year-end 2020. After accounting for the \$100MM capital return, CIBC Life Total ratio and Core ratio are still well above the minimum and supervisory target levels established by OSFI.