Life Insurance Capital Adequacy Test (LICAT) ratio

LICAT Ratio Public Disclosure Summary

The Company manages its capital in accordance with its Capital Risk Management Policy and other related policies, which are reviewed and approved by the Board of Directors annually. The Company's goal is to maintain adequate levels of available capital to provide sufficient margin over capital levels required by OSFI to maintain consumer confidence as well as ratings with external rating agencies. The Company's senior management engages the Board with regards to actions necessary to maintain appropriate capital levels.

The Company uses OSFI's prescribed formula for measuring capital under its Life Insurance Capital Adequacy Test ("LICAT") framework. Both the LICAT ratios in 2023 and 2022 have exceeded the Internal Capital Ratios, established in accordance with OSFI's Guideline A-4, throughout 2023 and 2022. The Internal Capital Target Ratio is 125%, unchanged from 125% in 2022.

The following table provides regulatory capital information and ratios as at December 31. The 2023 LICAT ratios were calculated in accordance with the updated guidelines, reflecting the changes to the balance sheet as a result of IFRS 17. Both the Total Ratio and Core ratio continue to be well above the OSFI guideline minimum and supervisory targets.

Canadian Premier Life Insurance Company - LICAT

(Thousands of dollars, except percentages)		**December 31, 2023**	**December 31, 2022**	**Change - %**
Capital Resources				
Available Capital (A + B)		247,780	115,068	115%
Tier 1	(A)	207,500	104,245	99%
Tier 2	(B)	40,279	10,823	272%
Surplus Allowance and Eligible Deposits	(C)	84,295	46,559	81%
Capital Requirements				
Base Solvency Buffer	(D)	225,423	116,350	94%
Capital Levels				
Core Ratio ([A + 70%C] / D) x 100				
Minimum		55%	55%	
Supervisory Target		70%	70%	
CPL Actual **Core Ratio**		118%	120%	(2)%
Total Ratio ([A + B + C] / D) x 100				
Minimum		90%	90%	
Supervisory Targets		100%	100%	
CPL Actual **Total Ratio**		147%	145%	2%

Analysis of change in ratio from 2022 to 2023

The Total Ratio and Core Ratio are similar to 2022 after the following events:

- Increase in available capital as the parent company provided additional funding to accommodate the acquisition of the association, affinity and group creditor business from Sun Life.
- Increase in base solvency buffer and surplus allowance with the inclusion of the acquired business
- Adoption of IFRS 17 financial reporting standards effective January 1, 2023 slightly increased the ratios.
- Tier 2 available capital increased due to changes in the LICAT methodology for negative reserves.

Both the Total Ratio and Core Ratio continue to be well above the guideline minimum and supervisory targets.

For more information you can reach us at **1-844-894-0378.**

securian CANADA

securiancanada.ca

1400-25 Sheppard Avenue West, Toronto, ON, Canada M2N 6S6

F101438 Rev 4-2024