

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

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.