

## 2022 LICAT Ratio Public Disclosure Summary

First Canadian Insurance Corporation is a Canadian life and accident and sickness insurance company whose primary regulator is the Alberta Superintendent of Financial Institutions. The Alberta Superintendent of Financial Institutions adopted the Office of Superintendent of Financial Institutions (OSFI) 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%. The Alberta Superintendent of Financial Institutions has adopted OSFI's 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](#)

		2022 (\$'000)	2021 (\$'000)	Change
Tier 1 Capital	(AC1)	88,439	160,043	-44.7%
Tier 2 Capital	(B)	3,534	4,069	-13.1%
Available Capital (AC1 + B)	(AC)	91,973	164,112	-44.0%
Surplus Allowance and Eligible Deposits	(SA+ED)	20,935	20,737	1.0%
Base Solvency Buffer (includes OSFI scalar of 1.05)	(BSB)	72,852	80,578	-9.6%
Total Ratio $([AC+SA+ED] / BSB) \times 100$		155.0%	229.4%	-74.4%
Core Ratio $([AC1+(70\% SA)+(70\% ED)] / BSB) \times 100$		141.5%	216.6%	-75.1%

The Total Ratio and Core Ratio period changes are mainly due to a decrease in available capital as the result of distributions to its shareholder during the year. The base solvency buffer decreased due to decreases in market and credit risk related to the investment portfolio.