

2023 LIMAT Ratio Public Disclosure Summary

Swiss Reinsurance Company Ltd (Canadian Life Branch) is required to comply with the Office of the Superintendent of Financial Institutions (OSFI) Life Insurance Capital Adequacy Test (LICAT). Branches are required, at minimum, to maintain a Total Ratio of 90%. OSFI has established supervisory target level of 100% for Total margin.

Definition of terms can be found in Guideline A at: [LICAT – Life Insurance Capital Adequacy Test](#)

A breakdown of the solvency ratio, by component, is presented in the table below.

		Current Period (000's)	Prior Period (000's)	Change - %
Available Margin (A-B)	C	3'825'986	1'897'994	101.6%
<i>Assets Available</i>	A	3'827'313	3'023'889	26.6%
<i>Assets Required</i>	B	1'327	1'125'895	-99.9%
Surplus Allowance and Eligible Deposits	D	3'067'329	5'238'690	-41.4%
Required Margin	E	5'301'666	5'798'901	-8.6%
LIMAT Total Ratio: [(C + D) / E] x100		130.0%	123.1%	5.6%

Qualitative Analysis of Solvency Ratio (Period over Period)

- The LIMAT Total Ratio increased from 123.1% (December 31, 2022) to 130% (December 31, 2023). The Total Ratio is well above the supervisory target level and Branch's operational target range.
- The 2023 change in the Available Margin (C), Surplus Allowance (D) and Eligible Deposits (D) are mainly driven by transition to IFRS 17 and LICAT 2023 guidelines.
- The 2023 change in the Required Margin (E) is mainly driven by: change in Insurance Risk valuation under IFRS 17 standard in conjunction with normal course movements in the business.