

**OPTIMUM RE INC.** is a holding company that has been active for more than three decades in the life insurance and reinsurance markets. It holds:

**OPTIMUM REASSURANCE INC. (ORE)** has been active for over four decades in the Canadian life reinsurance industry. With offices in Montreal, Toronto and in Barbados, ORE is the only Canadian-owned life reinsurer offering a full range of life reinsurance services. The company has distinguished itself for its expertise in the field of health care outside Canada.

**OPTIMUM RE INSURANCE COMPANY (ORIC)** has been a US Life reinsurer since 1987. ORIC is active in all US states. ORIC offers reinsurance solutions, competitive pricing, full underwriting services, research & development and an individual record administration system. ORIC has solidified itself as a leader in the Critical Illness & Final Expense arena.

**OPTIMUM VIE S.A. (OVIE)**, acquired in 1975, remains the only Canadian-owned life insurance company in France. It primarily offers contracts linked to investment, capitalization, savings & retirement funds as well as traditional protection products. OVIE also works together with clients to develop niche or extended range products, as well as tailored solutions such as affinity contracts and white label products.

## Financial Strength

### OPTIMUM REASSURANCE INC. (ORE)

- AM Best Rating of A Excellent
- \$207M of Written Gross Premiums (CAD)
- \$11.7B of New Business Production

### OPTIMUM RE INSURANCE COMPANY (ORIC)

- 2018 RBC Ratio of 667%
- AM Best Rating of A Excellent
- \$286M of Written Gross Premiums (USD)
- \$8.6B of New Business Production

## 2018 Consolidated Financial Highlights

### Gross Premiums

Gross Premiums grew to a record high

**\$589M**

**7.5%**

### Assets

Total assets increased to

**\$2.8B**

**5.9%**

### Shareholder Equity

Shareholder equity has continued to increase, reaching

**\$324M**

**10%**

## Strong Partnerships

### Customer Value Proposition

Optimum thrives to proactively engage and develop compelling collaboration with its clients and help bridge the gap between their aspirations & future achievements.

### Industry Innovator

ORIC is innovating in the field of living benefits and has been a leader of Critical Illness in the U.S.

### Relationships built to last

Optimum has been active for 32 years in the US, 44 years in Europe and 50 years in Canada.

### Industry Leader

ORE is the industry leader in Out of Country travel insurance in Canada.

### International Partner

OVIE is always focused on innovation and its range of products is constantly evolving, offering its clients tailor-made solutions.

### Thank You!

Optimum is grateful to all of its clients, partners, managers & employees for their steadfast and long-lasting support.

**Presentation of the Summary Consolidated Financial Statements:** Prepared in accordance with United States of America generally accepted accounting principles, these summary consolidated financial statements of Optimum Re Inc. were prepared by Management and are derived from the complete audited consolidated financial statements for the year ended December 31, 2018. The Independent Auditors expressed an unmodified audit opinion on those complete consolidated financial statements in their auditors' report dated May 16, 2019. These summary consolidated financial statements contain certain amounts based on best judgment and estimates as their final determination is dependent upon subsequent events. The summary and the complete audited consolidated financial statements do not reflect the effects of events that occurred subsequent to May 13, 2019, the day the complete audited consolidated financial statements were approved for issuance by the directors. It is the opinion of Management that the accounting policies utilized are appropriate in the circumstances and adequately reflect the significant aspects of the financial position and the results of operations. These summary consolidated financial statements include the major line items subtotals and totals of the corresponding complete audited consolidated financial statements, and information drawn from the notes to the complete audited consolidated financial statements relating to items that have a generalized effect or another significant impact on the summary consolidated financial statements.

## Summary Consolidated Statement of Income

(in thousands of Canadian dollars)

Revenues			Expenses		
	2018	2017		2018	2017
● Premiums written and assumed	580,955	541,386	● Net claims and change in future benefits	95,481	97,434
● Premiums - unit-linked products	7,890	6,514	● Net claims, surrenders, change in future benefits, and acquisition costs-unit-linked products	(5,786)	6,648
● Net investment income	25,771	22,659	● Underwriting, acquisition and operating expense net of expense allowances	21,091	19,619
● Net realized gains on investments	1,331	816	● Other expenses	3,275	3,348
● Net investment income - unit-linked products	(8,216)	4,548	<b>Total expenses</b>	<b>114,061</b>	<b>127,049</b>
● Other revenues	4,125	3,155	Income before income taxes	50,757	36,156
	611,856	579,078	Total income taxes	12,200	4,311
Premiums ceded	(447,038)	(415,873)	<b>Net Income</b>	<b>38,557</b>	<b>31,845</b>
<b>Total revenues</b>	<b>164,818</b>	<b>163,205</b>			

## Summary Consolidated Balance Sheet

(in thousands of Canadian dollars)

Assets			Liabilities and Shareholder's Equity		
	2018	2017		2018	2017
● Fixed-income securities	815,720	760,809	● Future benefits	1,860,143	1,818,095
● Other investments and cash	203,344	207,338	● Other claims and benefits	235,555	199,277
● Amounts receivable from ceding companies	111,287	72,490	● Amounts due to retrocessionaires	111,255	85,934
● Amounts receivable from retrocessionaires	149,724	135,310	● Net deferred tax liabilities	44,284	43,313
● Future benefits ceded	1,285,435	1,252,442	● Long-term debt	27,198	28,145
● Deferred acquisition costs	29,466	23,201	● Other liabilities	14,278	6,539
● Other assets	21,425	23,167	● Future benefits - unit-linked products	150,844	139,069
● Unit-linked products	150,844	139,168	<b>Total liabilities</b>	<b>2,443,557</b>	<b>2,320,372</b>
<b>Total assets</b>	<b>2,767,245</b>	<b>2,613,925</b>	<b>Shareholder's equity</b>	<b>323,688</b>	<b>293,553</b>
			<b>Total liabilities and Shareholder's equity</b>	<b>2,767,245</b>	<b>2,613,925</b>

## Summary Consolidated Statement of Shareholder's Equity

(in thousands of Canadian dollars)

	2018	2017
● Shareholder's equity, at beginning of year	293,553	275,494
● Net income	38,557	31,845
● Dividends	(3,715)	(3,560)
● Unrealized gains on investment	(12,497)	(6,408)
● Currency translation adjustment	7,602	(3,688)
● Other	188	(130)
<b>Shareholder's equity, at end of year</b>	<b>323,688</b>	<b>293,553</b>