Co-operators General Insurance Company

Unaudited Condensed Consolidated Interim Financial Statements

For the first quarter ended March 31, 2025

CO-OPERATORS GENERAL INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

As at

(in thousands of Canadian dollars)	**March 31, 2025 $**	December 31, 2024 $
Assets		
Cash and cash equivalents	**441,505**	427,224
Invested assets including securities on loan (note 6)	**7,302,798**	7,179,018
Reinsurance ceded contract assets (note 8)	**542,851**	558,087
Deferred income taxes	**107,344**	99,201
Intangible assets (note 10)	**57,344**	59,571
Other assets (note 11)	**254,521**	198,792
	8,706,363	8,521,893
Liabilities		
Accounts payable and accrued charges	**312,300**	381,346
Income taxes payable	**12,259**	37,401
Insurance contract liabilities (note 7)	**5,084,608**	4,896,994
Retirement benefit obligations (note 13)	**105,124**	103,831
Deferred income taxes	**3,152**	3,511
Provisions and other liabilities (note 12)	**290,690**	292,934
	5,808,133	5,716,017
Shareholders' equity		
Share capital (note 14)	**564,530**	563,644
Contributed capital	**100,874**	100,874
Retained earnings	**2,214,538**	2,142,850
Accumulated other comprehensive income (loss)	**18,288**	(1,492)
	2,898,230	2,805,876
	8,706,363	8,521,893

See accompanying notes to condensed consolidated interim financial statements.

CO-OPERATORS GENERAL INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited)

3 months ended March 31, 2025 (in thousands of Canadian dollars)	**Share capital $**	**Contributed capital $**	**Retained earnings $**	**Accumulated other comprehensive income (loss) $**	**Total shareholders' equity $**
Balance, beginning of period	**563,644**	**100,874**	**2,142,850**	**(1,492)**	**2,805,876**
Net income	**-**	**-**	**72,932**	**-**	**72,932**
Other comprehensive income	**-**	**-**	**-**	**19,780**	**19,780**
Total comprehensive income	**-**	**-**	**72,932**	**19,780**	**92,712**
Staff share loan plan	**462**	**-**	**-**	**-**	**462**
Preference shares issued	**2,929**	**-**	**-**	**-**	**2,929**
Preference shares redeemed	**(2,505)**	**-**	**-**	**-**	**(2,505)**
Dividends declared (note 14)	**-**	**-**	**(1,244)**	**-**	**(1,244)**
Balance, end of period	**564,530**	**100,874**	**2,214,538**	**18,288**	**2,898,230**

3 months ended March 31, 2024 (in thousands of Canadian dollars)	Share capital $	Contributed capital $	Retained earnings $	Accumulated other comprehensive loss $	Total shareholders' equity $
Balance, beginning of period	563,201	100,874	1,979,276	(68,128)	2,575,223
Net income	-	-	93,836	-	93,836
Other comprehensive loss	-	-	-	(6,373)	(6,373)
Total comprehensive income (loss)	-	-	93,836	(6,373)	87,463
Staff share loan plan	878	-	-	-	878
Preference shares issued	2,445	-	-	-	2,445
Preference shares redeemed	(3,179)	-	-	-	(3,179)
Dividends declared (note 14)	-	-	(1,241)	-	(1,241)
Balance, end of period	563,345	100,874	2,071,871	(74,501)	2,661,589

See accompanying notes to condensed consolidated interim financial statements.

CO-OPERATORS GENERAL INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

(in thousands of Canadian dollars except for earnings per share and weighted average number of common shares)	3 months ended March 31, 2025 $	3 months ended March 31, 2024 $
Insurance revenue (note 7)	**1,432,019**	1,255,109
Insurance service expenses (note 7)	**(1,283,940)**	(1,109,519)
Net expenses from reinsurance contracts (note 8)	**(28,009)**	(12,938)
Insurance service result	**120,070**	132,652
Net investment income and gains (note 6)	**97,501**	105,703
Net finance expense from insurance contracts (note 6)	**(25,292)**	(24,271)
Net finance income from reinsurance contracts (note 6)	**1,758**	1,170
Net investment and insurance finance result	**73,967**	82,602
Fees and other income	**2,571**	2,486
Other operating expenses	**(99,026)**	(91,920)
Other operating income and expenses	**(96,455)**	(89,434)
Income before income taxes	**97,582**	125,820
Income tax expense (note 9)	**(24,650)**	(31,984)
Net income	**72,932**	93,836
Earnings per share (basic & diluted)	**2.64**	3.41
Weighted average number of common shares	**27,156**	27,156

See accompanying notes to condensed consolidated interim financial statements.

CO-OPERATORS GENERAL INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

(in thousands of Canadian dollars)	3 months ended March 31, 2025 $	3 months ended March 31, 2024 $
Net income	**72,932**	93,836
Other comprehensive income (loss)		
Items that may be reclassified subsequently to the consolidated statement of income:		
Net unrealized gains (losses) on fair value through other comprehensive income financial assets	**31,444**	(29,191)
Net reclassification adjustment for gains (losses) included in net income	**(8,837)**	7,291
Items that may be reclassified before income taxes	**22,607**	(21,900)
Income tax recovery (expense) relating to items that may be reclassified	**(5,380)**	5,617
	17,227	(16,283)
Items that will not be reclassified to the consolidated statement of income:		
Net unrealized gains on designated fair value through other comprehensive income financial assets	**3,130**	10,069
Net realized gains on designated fair value through other comprehensive income financial assets	**323**	115
Remeasurement of retirement benefit obligations	**-**	3,219
Items that will not be reclassified before income taxes	**3,453**	13,403
Income tax expense relating to items that will not be reclassified	**(900)**	(3,493)
	2,553	9,910
Other comprehensive income (loss)	**19,780**	(6,373)
Comprehensive income	**92,712**	87,463

See accompanying notes to condensed consolidated interim financial statements.

CO-OPERATORS GENERAL INSURANCE COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands of Canadian dollars)	**3 months ended March 31, 2025 $**	3 months ended March 31, 2024 $
Operating activities		
Net income	**72,932**	93,836
Items not requiring the use of cash (note 15)	**(35,149)**	(42,596)
Changes in non-cash operating components (note 15)	**43,490**	(130,937)
Cash provided by (used in) operating activities	**81,273**	(79,697)
Investing activities		
Purchases and advances of:		
Invested assets	**(1,510,620)**	(936,555)
Property and equipment	**(846)**	(202)
Sale and redemption of:		
Invested assets	**1,451,568**	918,555
Intangible assets (note 10)	**-**	573
Cash used in investing activities	**(59,898)**	(17,629)
Financing activities		
Share capital - preference shares issued	**2,929**	2,445
Share capital - preference shares redeemed	**(2,505)**	(3,179)
Dividends paid (note 14)	**(4,493)**	(4,484)
Lease liabilities paid	**(3,025)**	(2,843)
Cash used in financing activities	**(7,094)**	(8,061)
Net increase (decrease) in cash and cash equivalents	**14,281**	(105,387)
Cash and cash equivalents, beginning of period	**427,224**	521,863
Cash and cash equivalents, end of period	**441,505**	416,476

Cash	**438,344**	361,352
Cash equivalents	**3,161**	55,124
Cash and cash equivalents, end of period	**441,505**	416,476

See accompanying notes to condensed consolidated interim financial statements.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

1. Nature of operations

Unless otherwise noted or the context otherwise indicates, in these notes “Company” refers to the Consolidated Co-operators General Insurance Company. CGIC refers to the non-consolidated Co-operators General Insurance Company.

The Company is composed of CGIC and its wholly owned subsidiaries: The Sovereign General Insurance Company (Sovereign), CUMIS General Insurance Company (CUMIS General), Co-operators Investment Limited Partnership (CILP), Co-operators Strategic Growth Corporation (CSGC) and Co-operators Insurance Agencies Limited (CIAL).

The registered office of the Company is 101 Cooper Drive, Guelph, Ontario. The Company is domiciled in Canada and is incorporated under the Insurance Companies Act (Canada). These condensed consolidated interim financial statements of the Company for the three months ended March 31, 2025 were authorized for issue in accordance with a resolution of the Audit and Finance Committee of the Board of Directors on May 8, 2025.

CGIC and certain of its subsidiaries are licensed to write insurance in all provinces and territories in Canada. With the exception of CUMIS General, CGIC and certain of its subsidiaries are licensed to write all classes of insurance, other than life. CUMIS General is licensed to write property and casualty as well as accident and sickness insurance. AZGA Service Canada Inc. (AZGA Canada), an associate of Co-operators Life Insurance Company (CLIC), a company under common control, acts as Managing General Underwriter (MGU) with respect to the travel insurance underwritten by CUMIS General. CGIC and certain of its subsidiaries are regulated by the federal Insurance Companies Act and the various provincial insurance acts. The Company must comply with the accounting and reporting requirements of its regulator the Office of the Superintendent of Financial Institutions, Canada (OSFI).

The Company’s common shares are 100% owned by Co-operators Financial Services Limited (CFSL), which in turn is owned 100% by The Co-operators Group Limited (CGL). The Class E preference shares, Series C are traded on the Toronto Stock Exchange under the symbol CCS.PR.C.

2. Summary of material accounting policies

Basis of preparation and statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

The consolidated balance sheets are presented on a non-classified basis. Assets expected to be realized and liabilities expected to be settled within the Company’s normal operating cycle of one year are typically considered to be current. Certain balances are comprised of both current and non-current amounts.

Seasonality

The property and casualty (P&C) insurance business is seasonal in nature. Premiums are generally written in annual renewal cycles, often in the second quarter each year. Weather conditions can vary significantly between quarters, with extreme weather conditions historically having an impact on the first and third quarters.

Segmented information

The Company's results of operations are reviewed by senior management and the Board of Directors based on one reporting and operating segment, P&C operations.

Material accounting policies

These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the consolidated balance sheet date and the reported amounts of revenues and expenses during the period. The preparation of the condensed consolidated interim financial statements also requires management to exercise its judgement in the process of applying the Company's accounting policies.

3. Adoption of new and amended accounting standards

IAS 21 Amendment – Lack of exchangeability

The IFRS interpretation committee amended IAS 21, "Lack of Exchangeability". The amendment defines instances when currencies are exchangeable and the process of determining the exchange rate when currencies are not exchangeable. Amendments to IAS 21 are effective for annual reporting periods beginning on or after January 1, 2025. This amendment has no impact on the Company's condensed consolidated interim financial statements.

4. Standards issued but not yet effective

Amendments to IFRS 7 & 9 - Classification and measurement of financial instruments

In 2022, the IASB concluded a post-implementation review, and amended IFRS 9 guidance to clarify the date of initial recognition or derecognition of financial assets and financial liabilities settled through electronic transfers. The existing application guidance states that a financial liability is derecognized at its settlement date but as an alternative, the amendment is permitting entities to deem a financial liability that will be settled using an electronic payment system to be discharged prior to the settlement date. Amendments to IFRS 9 are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently evaluating the impact this amendment will have on its condensed consolidated interim financial statements.

Replacement of IAS 1 – Presentation of financial statements "IFRS 18"

The IASB undertook the primary financial statements project in response to investors' concerns about the comparability and transparency of entities' performance reporting. The conclusions from this amendment are a result of the continuation of the conversations from 2019 and are meant to be applied to all financial statements that are prepared and presented in accordance with IFRS accounting standards. Application of IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact this amendment will have on its condensed consolidated interim financial statements.

New Standard – Subsidiaries without public accountability "IFRS 19"

The IASB initiated a project in 2022 to apply to subsidiaries when preparing their financial statements in accordance with IFRS Accounting Standards. The new IFRS 19 standard permits reduced disclosure requirements for subsidiaries with statements that do not have any public accountability. Application of IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027. This amendment has no expected impact on the condensed consolidated interim financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

The IASB uses the annual improvements process to make necessary, but non-urgent, amendments to IFRS accounting standards that will not be included as part of another major project. Application of these amendments is effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently evaluating the impact this amendment will have on its condensed consolidated interim financial statements.

5. Global financial market volatility and economic uncertainty

In April 2025, the Government of the United States implemented tariff increases on certain Chinese imports that amounts to 145% with China responding with reciprocal tariffs up to 125%. The U.S. also announced significant tariffs exceeding 10% on certain countries and a minimum base tariff on other countries, however, those tariffs exceeding 10% were later paused for 90 days and those countries are now faced with the minimum of 10%.

While these trade policies do not affect the recognition or measurement of assets and liabilities as of March 31, 2025, they may have the following impacts on the Company:

- **Invested Assets Volatility:** Heightened geopolitical risk and market uncertainty have caused increased volatility in equity and bond markets. While no impairment indicators were present as at March 31, 2025, the Company will continue to monitor fair value changes in future reporting periods.
- **Insurance and Credit Risk Exposure:** Several insured sectors (manufacturing, transport, cross-border logistics) face earnings pressure due to increased input costs and supply chain disruptions. Key inputs to reserve adequacy will be monitored by the Company to reflect emerging trends in claims development or other assumptions.
- **Reinsurance, Liquidity Considerations and Regulatory Capital Impact:** Disruptions in capital markets and increased cost of capital affect the availability and pricing for reinsurance for certain lines of business. Sustained market stress may influence the valuation of assets and insurance liabilities, affecting the Company's capital position. The company remains well-capitalized and above OSFI's targets.

The Company continues to monitor the situation and will incorporate any significant developments in future periods.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

6. Invested assets and net investment and insurance finance result

a) Invested assets

	Fair value				Amortized cost	Carrying value
	Classified		Designated		Loans and receivables	Total
	FVOCI	FVTPL	FVOCI	FVTPL		
March 31, 2025	$	$	$	$	$	$
Bonds						
Federal	**718,671**	**-**	**-**	**314,419**	**-**	**1,033,090**
Provincial	**571,485**	**-**	**-**	**347,781**	**-**	**919,266**
Municipal	**75,000**	**-**	**-**	**25,287**	**-**	**100,287**
Corporate	**627,582**	**466,850**	**-**	**909,633**	**-**	**2,004,065**
Asset-backed securities	**16,117**	**-**	**-**	**9,910**	**-**	**26,027**
International	**286,468**	**-**	**-**	**96,467**	**-**	**382,935**
	2,295,323	**466,850**	**-**	**1,703,497**	**-**	**4,465,670**
Stocks						
Canadian common	**-**	**590,536**	**32**	**-**	**-**	**590,568**
Canadian preferred	**-**	**73,762**	**237,311**	**-**	**-**	**311,073**
U.S. equities	**-**	**204,230**	**-**	**-**	**-**	**204,230**
	-	**868,528**	**237,343**	**-**	**-**	**1,105,871**
Short-term investments	**-**	**286,282**	**-**	**-**	**-**	**286,282**
Limited partnerships	**-**	**300,870**	**-**	**-**	**-**	**300,870**
Pooled funds	**-**	**330,966**	**-**	**-**	**-**	**330,966**
Mortgages	**-**	**-**	**-**	**-**	**757,963**	**757,963**
Other investments	**-**	**-**	**-**	**-**	**12,540**	**12,540**
Investment income due and accrued	**-**	**-**	**-**	**-**	**42,636**	**42,636**
Total invested assets	**2,295,323**	**2,253,496**	**237,343**	**1,703,497**	**813,139**	**7,302,798**

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

	Fair Value				Amortized Cost	Carrying Value
	Classified		Designated		Loans and	
	FVOCI	FVTPL	FVOCI	FVTPL	receivables	Total
December 31, 2024	$	$	$	$	$	$
Bonds						
Federal	833,071	-	-	403,767	-	1,236,838
Provincial	606,663	-	-	362,607	-	969,270
Municipal	73,746	-	-	24,863	-	98,609
Corporate	744,708	344,520	-	417,398	-	1,506,626
Asset-backed securities	17,433	-	-	10,273	-	27,706
International	189,767	-	-	102,360	-	292,127
	2,465,388	344,520	-	1,321,268	-	4,131,176
Stocks						
Canadian common	-	664,595	32	-	-	664,627
Canadian preferred	-	78,594	229,240	-	-	307,834
U.S. equities	-	215,220	-	-	-	215,220
	-	958,409	229,272	-	-	1,187,681
Short-term investments	-	455,659	-	-	-	455,659
Limited partnerships	-	305,650	-	-	-	305,650
Pooled funds	-	323,761	-	-	-	323,761
Mortgages	-	-	-	-	722,314	722,314
Other investments	-	-	-	-	12,538	12,538
Investment income due and accrued	-	-	-	-	40,239	40,239
Total invested assets	2,465,388	2,387,999	229,272	1,321,268	775,091	7,179,018

The value of the securities on loan included in invested assets in the tables above consists of $32,620 (December 31, 2024 - $27,237) in stocks and $552,893 (December 31, 2024 - $454,679) in bonds.

Securities with a fair value of $625,345 (December 31, 2024 - $512,024), were received as collateral against securities lent of $585,513 (December 31, 2024 - $481,916). The collateral received has not been recorded in the Company's consolidated statement of financial position.

b) Investments measured at fair value

The Company is responsible for determining the fair value of its investment portfolio by utilizing market-driven measurements obtained from active markets where available, by considering other observable and unobservable inputs and by employing valuation techniques that make use of current market data. Assets and liabilities recorded at fair value in the condensed consolidated balance sheets are measured and classified in a hierarchy consisting of three levels for disclosure purposes. The three levels are based on the significance and reliability of the inputs to the respective valuation techniques. The input levels are defined as follows:

Level 1 - Quoted prices

Represents unadjusted quoted prices for identical instruments exchanged in active markets. The fair value is determined based on quoted prices in active markets obtained from external pricing sources.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

Level 2 – Significant other observable inputs

Includes directly or indirectly observable inputs other than quoted prices for identical instruments exchanged in active markets. These inputs include quoted prices for similar instruments exchanged in active markets; quoted prices for identical or similar instruments exchanged in inactive markets; inputs other than quoted prices that are observable for the instruments, such as interest rates and yield curves, volatilities, prepayment spreads, credit risks and default rates where available; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs

Includes inputs that are not based on observable market data. Management is required to use its own assumptions regarding unobservable inputs as there is little, if any, market activity in these assets or liabilities or related observable inputs that can be corroborated at the measurement date. Unobservable inputs require significant management judgement or estimation to make certain projections and assumptions about the information that would be used by market participants in pricing assets or liabilities. To verify pricing, the Company assesses the reasonability of the fair values by comparing to industry accepted valuation models, to movements in credit spreads and to recent transaction prices for similar assets where available.

The following summarizes how fair values were determined for recurring measurements as at:

March 31, 2025	**Level 1 - Quoted prices $**	**Level 2 - Significant other observable inputs $**	**Level 3 - Significant unobservable inputs $**	**Total fair value $**
FVOCI				
Bonds	**-**	**2,295,323**	**-**	**2,295,323**
Stocks	**237,311**	**-**	**32**	**237,343**
	237,311	**2,295,323**	**32**	**2,532,666**
FVTPL				
Bonds	**-**	**2,170,347**	**-**	**2,170,347**
Stocks	**868,528**	**-**	**-**	**868,528**
Short-term investments	**-**	**286,282**	**-**	**286,282**
Limited partnerships	**-**	**-**	**300,870**	**300,870**
Pooled funds	**-**	**330,966**	**-**	**330,966**
	868,528	**2,787,595**	**300,870**	**3,956,993**
Total invested assets at fair value	**1,105,839**	**5,082,918**	**300,902**	**6,489,659**
FVTPL				
Derivative liabilities (note 12)	**-**	**1,414**	**-**	**1,414**
Total financial liabilities at fair value	**-**	**1,414**	**-**	**1,414**

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

December 31, 2024	Level 1 - Quoted prices $	Level 2 - Significant other observable inputs $	Level 3 - Significant unobservable inputs $	Total fair value $
FVOCI				
Bonds	-	2,465,388	-	2,465,388
Stocks	229,240	-	32	229,272
	229,240	2,465,388	32	2,694,660
FVTPL				
Bonds	-	1,665,788	-	1,665,788
Stocks	958,409	-	-	958,409
Short-term investments	-	455,659	-	455,659
Limited partnerships	-	-	305,650	305,650
Pooled funds	-	323,761	-	323,761
	958,409	2,445,208	305,650	3,709,267
Total invested assets at fair value	1,187,649	4,910,596	305,682	6,403,927
FVTPL				
Derivative liabilities (note 12)	-	9,866	-	9,866
Total financial liabilities at fair value	-	9,866	-	9,866

No investments were transferred between levels during the period (December 31, 2024 - $nil).

The investments measured at fair value and classified as Level 3 as at March 31, 2025 are primarily limited partnership investments, which represent units of third-party managed private equity funds (Funds). The fair value of limited partnership investments are based on the net asset value (NAV) of the funds. Limited partnership NAV's are derived from each of the individual Funds' most recent quarterly or annual financial statements and through valuation techniques employed by each Funds' management using unobservable inputs. As a result of the timing of the receipt of valuation data from the investment managers, these investments are generally reported on a three-month lag unless there is a significant indicator of change in value by the balance sheet date. Sales of these investments are reported within net realized gains (losses). The Company does not assess the sensitivity of the fair value of limited partnerships because the inputs used by each fund manager to determine the NAV are unobservable and not readily available.

The following table is a reconciliation of the Level 3 fair value measurements:

3 months ended March 31, 2025	**Stocks $**	**Limited partnerships $**	**Total $**
Balance, beginning of period	**32**	**305,650**	**305,682**
Purchases	**-**	**1,064**	**1,064**
Sales and redemptions	**-**	**(4,039)**	**(4,039)**
Unrealized losses	**-**	**(1,805)**	**(1,805)**
Balance, end of period	**32**	**300,870**	**300,902**

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

3 months ended March 31, 2024	Stocks $	Limited partnerships $	Total $
Balance, beginning of period	8,071	289,075	297,146
Purchases	-	2,583	2,583
Sales and redemptions	-	(5,618)	(5,618)
Unrealized gains	-	10,669	10,669
Balance, end of period	8,071	296,709	304,780

The fair value of mortgages at March 31, 2025 is $770,308 (December 31, 2024 - $727,368). The fair value of mortgages is determined for note disclosure purposes only and would be classified as Level 3. The fair values of the mortgages have been calculated by discounting the expected cash flows of each instrument. The discount rate is determined using the Government of Canada benchmark bond yield for instruments of similar maturity adjusted for specific credit risk. In determining the adjustment for credit risk, the Company considers market conditions, the value of the properties that the mortgage is secured by and other indicators of creditworthiness.

c) Net investment result

	Classified		Designated		Loans and		
	FVOCI	**FVTPL**	**FVOCI**	**FVTPL**	**receivables**	**Other**	**Total**
3 months ended March 31, 2025	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Interest income	**18,958**	**5,522**	**-**	**12,994**	**9,161**	**5,266**	**51,901**
Dividend income	**-**	**11,243**	**3,637**	**-**	**-**	**-**	**14,880**
Investment expense	**(732)**	**(718)**	**(76)**	**(543)**	**(465)**	**(30)**	**(2,564)**
Net investment income	**18,226**	**16,047**	**3,561**	**12,451**	**8,696**	**5,236**	**64,217**
Net realized gains (losses)	**8,674**	**41,193**	**-**	**1,562**	**(507)**	**-**	**50,922**
Expected credit losses (note 15)	**205**	**-**	**-**	**-**	**659**	**-**	**864**
Change in fair value (note 15)	**-**	**(31,620)**	**-**	**13,118**	**-**	**-**	**(18,502)**
Net investment gains	**8,879**	**9,573**	**-**	**14,680**	**152**	**-**	**33,284**
Net investment income and gains	**27,105**	**25,620**	**3,561**	**27,131**	**8,848**	**5,236**	**97,501**

	Classified		Designated		Loans and		
	FVOCI	FVTPL	FVOCI	FVTPL	receivables	Other	Total
3 months ended March 31, 2024	$	$	$	$	$	$	$
Interest income	19,210	8,981	-	8,964	7,839	7,458	52,452
Dividend income	-	9,722	2,788	-	-	-	12,510
Investment expense	(689)	(617)	(56)	(295)	(353)	(39)	(2,049)
Net investment income	18,521	18,086	2,732	8,669	7,486	7,419	62,913
Net realized gains (losses)	(7,427)	(3,521)	-	330	14	-	(10,604)
Net foreign exchange losses	-	(866)	-	-	-	-	(866)
Expected credit losses (note 15)	136	-	-	-	(150)	-	(14)
Change in fair value (note 15)	-	61,826	-	(7,552)	-	-	54,274
Net investment gains (losses)	(7,291)	57,439	-	(7,222)	(136)	-	42,790
Net investment income and gains	11,230	75,525	2,732	1,447	7,350	7,419	105,703

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

Net investment results and net insurance finance result is presented below:

	3 months ended March 31, 2025			3 months ended March 31, 2024		
	Insurance related	**Non-insurance**	**Total**	Insurance related	Non-insurance	Total
	$	**$**	**$**	$	$	$
Interest income	**10,283**	**41,618**	**51,901**	11,102	41,350	52,452
Dividend income	**-**	**14,880**	**14,880**	-	12,510	12,510
Investment expense	**(789)**	**(1,775)**	**(2,564)**	(475)	(1,574)	(2,049)
Net investment income	**9,494**	**54,723**	**64,217**	10,627	52,286	62,913
Net realized gains (losses)	**1,360**	**49,562**	**50,922**	17	(10,621)	(10,604)
Net foreign exchange losses	**-**	**-**	**-**	-	(866)	(866)
Expected credit losses	**-**	**864**	**864**	-	(14)	(14)
Change in fair value (note 15)	**21,924**	**(40,426)**	**(18,502)**	(5,350)	59,624	54,274
Net investment gains (losses)	**23,284**	**10,000**	**33,284**	(5,333)	48,123	42,790
Net investment income and gains	**32,778**	**64,723**	**97,501**	5,294	100,409	105,703
Interest accreted from insurance	**(35,048)**	**-**	**(35,048)**	(40,025)	-	(40,025)
Effect of changes in interest rates and other financial assumptions	**9,756**	**-**	**9,756**	15,754	-	15,754
Net finance expense from insurance contracts	**(25,292)**	**-**	**(25,292)**	(24,271)	-	(24,271)
Interest accreted from reinsurance	**1,938**	**-**	**1,938**	1,856	-	1,856
Effect of changes in interest rates and other financial assumptions	**(180)**	**-**	**(180)**	(686)	-	(686)
Net finance income from reinsurance contracts	**1,758**	**-**	**1,758**	1,170	-	1,170
Net investment and insurance finance result	**9,244**	**64,723**	**73,967**	(17,807)	100,409	82,602

d) Expected credit losses

The following table presents the ECL on bonds carried at FVOCI and mortgages carried at amortized cost. There were no significant transfers between stages in the current year and the movement in balances represents changes in risk parameters, purchases and sales.

	ECL Provision March 31, 2025				ECL Provision December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	$	**$**	**$**	**$**	$	$	$	$
Financial assets								
Bonds	**1,446**	**-**	**-**	**1,446**	1,651	-	-	1,651
Mortgages	**729**	**202**	**1,064**	**1,995**	721	291	1,642	2,654
Total ECL provision	**2,175**	**202**	**1,064**	**3,441**	2,372	291	1,642	4,305

Carrying values by stage of bonds classified as FVOCI and mortgages classified as amortized cost subject to ECL are presented in the table below:

	ECL Balance Sheet Value March 31, 2025				ECL Balance Sheet Value December 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	$	**$**	**$**	**$**	$	$	$	$
Financial assets								
Bonds	**2,295,323**	**-**	**-**	**2,295,323**	2,465,388	-	-	2,465,388
Mortgages	**752,076**	**2,843**	**3,044**	**757,963**	714,688	4,127	3,499	722,314
Total invested assets	**3,047,399**	**2,843**	**3,044**	**3,053,286**	3,180,076	4,127	3,499	3,187,702

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

7. Insurance contracts

The roll-forward of the net liabilities for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below. The entire ending balance for assets for insurance acquisition cash flows presented below is expected to be derecognized and included in the measurement of the related groups of insurance contracts within 1 year.

	Liability for remaining coverage		Liability for incurred claims			
	Excluding loss component	Loss component	Estimates of PV of future cash flows	Risk adjustment	Assets for insurance acquisition cash flows	Total
March 31, 2025	**$**	**$**	**$**	**$**	**$**	**$**
Insurance contract liabilities as at January 1	**307,657**	**20,484**	**4,321,193**	**266,750**	**(19,090)**	**4,896,994**
Insurance revenue	**(1,432,019)**					**(1,432,019)**
Insurance expenses						
Incurred claims and other expenses		**(15,125)**	**1,029,972**	**33,965**		**1,048,812**
Amortization of insurance acquisition cash flows	**299,384**					**299,384**
Losses on onerous contracts and reversals of those losses		**664**				**664**
Changes to liability for incurred claims			**(38,969)**	**(25,951)**		**(64,920)**
Total insurance service expenses	**299,384**	**(14,461)**	**991,003**	**8,014**	**-**	**1,283,940**
Insurance service result	**(1,132,635)**	**(14,461)**	**991,003**	**8,014**	**-**	**(148,079)**
Insurance finance expenses (note 6)	**-**	**305**	**24,987**	**-**	**-**	**25,292**
Total changes in the consolidated statement of comprehensive income	**(1,132,635)**	**(14,156)**	**1,015,990**	**8,014**	**-**	**(122,787)**
Cash flows						
Premiums received	**1,414,289**					**1,414,289**
Claims and other expenses paid			**(828,688)**			**(828,688)**
Insurance acquisition cash flows	**(251,340)**				**(23,860)**	**(275,200)**
Total cash flows	**1,162,949**	**-**	**(828,688)**	**-**	**(23,860)**	**310,401**
Allocation of insurance acquisition cash flows to groups of insurance contracts	**(19,090)**				**19,090**	**-**
Insurance contract liabilities as at March 31	**318,881**	**6,328**	**4,508,495**	**274,764**	**(23,860)**	**5,084,608**

Effective January 1, 2025, an update was made to the portfolio used to derive the illiquidity premium of the discount curve. This change resulted in a reduction to insurance contract liabilities of $32,105, a reduction to insurance finance expenses of $32,306, an increase to insurance service expenses of $201 and a reduction to income taxes payable of $8,347. The overall impact was an increase to net income of $23,758.

CO-OPERATORS GENERAL INSURANCE COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(unaudited)

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

	Liability for remaining coverage		Liability for incurred claims			
March 31, 2024	Excluding loss component $	Loss component $	Estimates of PV of future cashflows $	Risk adjustment $	Assets for insurance acquisition cash flows $	Total $
Insurance contract liabilities as at January 1	320,941	50,645	3,748,183	239,773	(16,850)	4,342,692
Insurance revenue	(1,255,109)					(1,255,109)
Insurance expenses						
Incurred claims and other expenses		(11,597)	793,377	26,930		808,710
Amortization of insurance acquisition cash flows	275,964					275,964
Losses on onerous contracts and reversals of those losses		7,636				7,636
Changes to liability for incurred claims			39,451	(22,242)		17,209
Total insurance service expenses	275,964	(3,961)	832,828	4,688	-	1,109,519
Insurance service result	(979,145)	(3,961)	832,828	4,688	-	(145,590)
Insurance finance expenses (note 6)	-	617	23,654	-	-	24,271
Total changes in the consolidated statement of comprehensive income	(979,145)	(3,344)	856,482	4,688	-	(121,319)
Cash flows						
Premiums received	1,213,242					1,213,242
Claims and other expenses paid			(753,635)			(753,635)
Insurance acquisition cash flows	(241,217)				(22,458)	(263,675)
Total cash flows	972,025	-	(753,635)	-	(22,458)	195,932
Allocation of insurance acquisition cash flows to groups of insurance contracts	(16,851)				16,851	-
Insurance contract liabilities as at March 31	296,970	47,301	3,851,030	244,461	(22,457)	4,417,305

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

The estimated sensitivity to changes in best estimate assumptions related to the Company's insurance contracts on before-tax net income and equity are presented in the table below.

		March 31, 2025			
		Before-tax net income impact		Equity impact	
		Gross	Net of reinsurance	Gross	Net of reinsurance
Assumption	**Sensitivity**	**$**	**$**	**$**	**$**
Loss ratio[1]	+10%	**(98,076)**	**(91,107)**	**(72,576)**	**(67,419)**
Actuarial reserve misestimate	1% deficiency	**(47,833)**	**(42,649)**	**(35,396)**	**(31,560)**

		March 31, 2024			
		Before-tax net income impact		Equity impact	
		Gross	Net of reinsurance	Gross	Net of reinsurance
Assumption	Sensitivity	$	$	$	$
Loss ratio[1]	+10%	(83,802)	(81,977)	(62,013)	(60,663)
Actuarial reserve misestimate	1% deficiency	(40,955)	(37,264)	(30,307)	(27,575)

[1] The gross loss ratio sensitivity depicts the impact of a 10% increase on claims and adjustment expenses and loss component expense or recovery relating to insurance contracts issued, excluding the impact of discounting and risk adjustment. The figure net of reinsurance factors in amounts recoverable from reinsurers, including the loss recovery component, and also excludes the impact of discounting and risk adjustment.

The estimated sensitivity to changes in market risks related to the Company's insurance contracts and financial assets on before-tax net income and equity are presented below. Negative figures represent a decrease to before-tax net income or equity, while positive figures represent an increase.

		March 31, 2025			
		Before-tax net income impact		Equity impact	
		Insurance contracts	Financial assets	Insurance contracts	Financial assets
Assumption	**Sensitivity**	**$**	**$**	**$**	**$**
Interest rates	+100 bps	**85,161**	**(82,643)**	**63,019**	**(61,156)**
Interest rates	-100 bps	**(89,734)**	**82,643**	**(66,403)**	**61,156**

		March 31, 2024			
		Before-tax net income impact		Equity impact	
		Insurance contracts	Financial assets	Insurance contracts	Financial assets
Assumption	Sensitivity	$	$	$	$
Interest rates	+100 bps	71,100	(66,816)	52,614	(49,444)
Interest rates	-100 bps	(74,828)	66,816	(55,373)	49,444

The Company's exposure to credit risk from insurance contracts relates primarily to policyholder receivables for insurance services the Company has already provided but not yet received payment for.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

8. Reinsurance contracts held

The Company follows the policy of underwriting and reinsuring contracts of insurance which limits the liability of the Company to a maximum amount on any one loss. In addition, the Company has obtained reinsurance which limits the Company's liability in the event of a series of claims arising out of a single occurrence, with the exception of travel insurance which is described in further detail below.

The Company's net retentions are as follows:

	As at March 31, 2025 $	As at December 31, 2024 $
Individual loss		
Property	**7,500**	7,500
General liability	**5,000**	5,000
Automobile	**5,000**	5,000
Fidelity and director's liability	**5,000**	5,000
Catastrophe		
Maximum limit	**1,700,000**	2,000,000
Company retention	**115,000**	99,950

For certain special classes of business or types of risk, the retention for single risk events may be lower through specific treaties or the use of facultative reinsurance. The maximum limit for catastrophe reinsurance is applied to all P&C insurance operations ultimately owned by CGL. After application of the catastrophe program, the Company's retention is $115,000 (December 31, 2024 - $99,950) in incurred claims.

CUMIS General's accident and sickness travel insurance, underwritten by the MGU, is fully ceded: 45% (December 31, 2024 – 45%) to CLIC and 55% (December 31, 2024 – 55%) to an external reinsurer. Further external excess of loss reinsurance protection is purchased on a per person and catastrophe basis. Travel medical has a limit of $6,750 (December 31, 2024 - $6,750) as well as a catastrophe limit of $15,250 (December 31, 2024 - $15,250). Trip cancellation, after application of the above noted 55% cession, has a limit of $6,750 (December 31, 2024 - $6,750). Flight accident is fully reinsured and accidental death claims have coverage in the event of a single event involving 15 or more lives to a maximum coverage of $15,000,000.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

The amounts presented under reinsurance ceded contract assets in the condensed consolidated balance sheets represent the Company's net contractual rights and obligations under reinsurance contracts. The roll-forward of the net assets for reinsurance contracts held, showing assets for remaining coverage and amounts recoverable for incurred claims, is disclosed in the table below.

	Asset for remaining coverage		Amounts recoverable for incurred claims		
	Excluding loss recovery	Loss recovery	Estimates of PV of future cash flows	Risk adjustment	Total
March 31, 2025	$	$	$	$	$
Reinsurance contract assets as at January 1	**17,355**	**9,494**	**497,418**	**33,820**	**558,087**
Allocation of reinsurance premiums paid	**(98,583)**				**(98,583)**
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses		**(5,734)**	**62,339**	**4,816**	**61,421**
Loss recovery on onerous underlying contracts and adjustments		**151**			**151**
Changes to amounts recoverable for incurred claims			**11,427**	**(2,425)**	**9,002**
Total amounts recoverable from reinsurers for incurred claims	**-**	**(5,583)**	**73,766**	**2,391**	**70,574**
Net income (expenses) from reinsurance contracts	**(98,583)**	**(5,583)**	**73,766**	**2,391**	**(28,009)**
Reinsurance finance income (note 6)	**-**	**-**	**(1,758)**	**-**	**(1,758)**
Total changes in the consolidated statement of comprehensive income	**(98,583)**	**(5,583)**	**72,008**	**2,391**	**(29,767)**
Cash flows					
Premiums paid	**101,820**				**101,820**
Amounts received			**(87,289)**		**(87,289)**
Total cash flows	**101,820**	**-**	**(87,289)**	**-**	**14,531**
Reinsurance contract assets as at March 31	**20,592**	**3,911**	**482,137**	**36,211**	**542,851**

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

	Asset for remaining coverage		Amounts recoverable for incurred claims		
March 31, 2024	Excluding loss recovery $	Loss recovery $	Estimates of PV of future cash flows $	Risk adjustment $	Total $
Reinsurance contract assets as at January 1	30,679	642	374,714	31,591	437,626
Allocation of reinsurance premiums paid	(93,663)				(93,663)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses		(237)	73,607	4,626	77,996
Loss recovery on onerous underlying contracts and adjustments		-			-
Changes to amounts recoverable for incurred claims			5,835	(3,106)	2,729
Total amounts recoverable from reinsurers for incurred claims	-	(237)	79,442	1,520	80,725
Net income (expenses) from reinsurance contracts	(93,663)	(237)	79,442	1,520	(12,938)
Reinsurance finance expense (note 6)	-	-	(1,170)	-	(1,170)
Total changes in the consolidated statement of comprehensive income	(93,663)	(237)	78,272	1,520	(14,108)
Cash flows					
Premiums paid	93,997				93,997
Amounts received			(41,126)		(41,126)
Total cash flows	93,997	-	(41,126)	-	52,871
Reinsurance contract assets as at March 31	31,013	405	411,860	33,111	476,389

The Company does not have any material amounts that are payable on demand related to reinsurance contracts the Company holds.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

9. Income taxes

Reconciliation to statutory income tax rate

In the condensed consolidated statements of income, income tax expense reflects an effective tax rate which differs from the statutory tax rate for the following reasons:

	3 months ended March 31, 2025		3 months ended March 31, 2024	
	$	**%**	$	%
Income before income taxes	**97,582**		125,820	
Income tax expense at statutory rates	**25,371**	**26.0**	32,714	26.0
Effects of:				
Non-taxable investment income	**(1,681)**	**(1.7)**	(1,335)	(2.1)
Non-deductible expenses	**127**	**0.1**	114	0.2
Change in income tax rates	**515**	**0.5**	(93)	(0.1)
Difference in effective tax rate of subsidiaries	**218**	**0.2**	40	0.1
Adjustment to tax expense in respect of prior years	**26**	**-**	6	-
Other	**74**	**0.1**	538	0.4
Income tax expense	**24,650**	**25.2**	31,984	24.5
Current income tax expense	**33,151**		37,561	
Deferred income tax recovery	**(8,501)**		(5,577)	
Income tax expense	**24,650**		31,984	

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

10. Intangible assets

	Goodwill $	Licenses $	Brand $	Customer relationships $	Software $	Total $
Cost						
January 1, 2024	6,806	28,650	800	66,992	32,568	135,816
Additions	-	-	-	345	-	345
Disposals	-	(573)	-	-	-	(573)
December 31, 2024	6,806	28,077	800	67,337	32,568	135,588
March 31, 2025	**6,806**	**28,077**	**800**	**67,337**	**32,568**	**135,588**
Accumulated amortization						
January 1, 2024	-	-	-	39,565	27,043	66,608
Amortization	-	-	-	6,647	2,762	9,409
December 31, 2024	-	-	-	46,212	29,805	76,017
Amortization (note 15)	**-**	**-**	**-**	**1,538**	**689**	**2,227**
March 31, 2025	**-**	**-**	**-**	**47,750**	**30,494**	**78,244**
Net carrying value						
December 31, 2024	6,806	28,077	800	21,125	2,763	59,571
March 31, 2025	**6,806**	**28,077**	**800**	**19,587**	**2,074**	**57,344**

11. Other assets

	As at March 31, 2025 $	As at December 31, 2024 $
Due from related parties	**79,696**	36,254
Property and equipment	**11,108**	11,036
Due to risk sharing pools	**(150)**	(106)
Prepaid expenses	**3,932**	13,988
Right-of-use-assets	**32,378**	31,040
Due from intermediaries	**74,156**	96,930
Other	**53,401**	9,650
	254,521	198,792

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

12. Provisions and other liabilities

	As at March 31, 2025 $	As at December 31, 2024 $
Provision for advisor transition commissions	**221,699**	217,652
Lease liabilities	**35,716**	34,411
Advisor transition commission payable	**31,411**	30,510
Other provisions and liabilities	**450**	495
Derivative liabilities (note 6)	**1,414**	9,866
	290,690	292,934

13. Retirement benefit obligations

	As at March 31, 2025 $	As at December 31, 2024 $
Accrued benefit obligation		
Balance, beginning of period	**103,831**	98,924
Current service cost	**1,195**	4,565
Interest on accrued benefits	**1,206**	4,597
Benefits paid	**(1,108)**	(4,255)
Balance, end of period	**105,124**	103,831
Elements of benefit costs recognized in the period		
Current service cost	**1,195**	4,565
Interest on accrued benefits	**1,206**	4,597
Components of benefit costs recorded in net income	**2,401**	9,162
Total components of benefit costs	**2,401**	9,162

The annual consolidated financial statements provide a summary of the Company's policies and significant assumptions used in the valuation of its retirement benefit obligations. The discount rate used to value the Company's medical, dental and life insurance benefits obligations as at March 31, 2025 was 4.75% (December 31, 2024 – 4.75%). All other significant assumptions remain unchanged from the most recent set of annual consolidated financial statements.

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

14. Share capital

The number of shares and the amounts per share are not in thousands.

For the three months ended March 31, 2025, the Company issued 2,252 (2024 – 2,678) Class A preference shares, series B for $226 (2024 - $265) and redeemed 22,613 shares (2024 – 31,294) for $2,262 (2024 - $3,129). Additionally, the Company issued 27,032 (2024 – 21,736) Class H preference shares, series A for $2,703 (2024 - $2,180) and redeemed 2,432 shares (2024 – 463) for $243 (2024 - $50).

Dividends are as follows:

	3 months ended March 31, 2025				3 months ended March 31, 2024			
	Declared $	**Declared per share $**	**Paid $**	**Paid per share $**	Declared $	Declared per share $	Paid $	Paid per share $
Class A, series B	**-**	**-**	**2,263**	**2.50**	-	-	2,470	2.50
Class B	**-**	**-**	**-**	**1.25**	-	-	-	1.25
Class D, series A	**-**	**-**	**35**	**2.50**	-	-	35	2.50
Class D, series B	**-**	**-**	**106**	**2.50**	-	-	106	2.50
Class D, series C	**-**	**-**	**108**	**2.50**	-	-	108	2.50
Class E, series C	**1,244**	**0.31**	**1,250**	**0.31**	1,241	0.31	1,241	0.31
Class F, series A	**-**	**-**	**458**	**0.94**	-	-	458	0.94
Class G, series A	**-**	**-**	**19**	**1.25**	-	-	19	1.25
Class H, series A	**-**	**-**	**254**	**2.50**	-	-	47	3.00
	1,244		**4,493**		1,241		4,484	

(Amounts in thousands of Canadian dollars, except for per share amounts and where otherwise noted)

15. Consolidated statements of cash flows

a) Other non-cash items

	3 months ended March 31, 2025 $	3 months ended March 31, 2024 $
i) Items not requiring the use of cash		
Investing activities (gains) losses	**(50,922)**	11,470
Expected credit (recoveries) losses (note 6)	**(864)**	14
Amortization and depreciation of:		
Bond premium/discount	**(609)**	(1,375)
Mortgage accretion	**4**	22
Intangible assets	**2,227**	2,355
Property and equipment	**731**	671
Right-of-use assets	**2,991**	2,870
Change in fair value of FVTPL invested assets (note 6)	**18,502**	(54,274)
Deferred income taxes	**(8,502)**	(5,576)
Retirement benefit obligations	**1,293**	1,227
	(35,149)	(42,596)
ii) Changes in non-cash operating components		
Insurance contract liabilities	**187,614**	91,413
Reinsurance ceded contract assets	**15,236**	(38,763)
Staff share loan plan	**462**	878
Other assets	**(9,595)**	1,468
Accounts payable and accrued charges	**(123,918)**	(118,730)
Income taxes payable/recoverable	**(31,422)**	(68,592)
Provisions and other liabilities	**5,113**	1,389
	43,490	(130,937)

Included in accounts payable and accrued charges are bank overdrafts and amounts due for unsettled invested asset purchases. Other assets include amounts receivable from unsettled invested asset sales.

b) Supplemental information

	3 months ended March 31, 2025 $	3 months ended March 31, 2024 $
Interest and dividends received	**58,729**	54,010
Net income taxes paid	**64,532**	87,679
Interest paid	**364**	246