Co-operators General Insurance Company

Unaudited Condensed Consolidated Interim Financial Statements

For the first quarter ended March 31, 2026

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

As at

(in thousands of Canadian dollars)	Note	**March 31, 2026 $**	December 31, 2025 $
Assets			
Cash and cash equivalents		**477,970**	650,078
Invested assets including securities on loan	6	**7,800,448**	7,715,239
Income taxes recoverable		**10,606**	-
Reinsurance ceded contract assets	8	**430,977**	442,547
Deferred income taxes		**155,839**	150,118
Intangible assets	10	**47,041**	50,633
Other assets	11	**325,095**	206,725
Total assets		**9,247,976**	9,215,340
Liabilities			
Accounts payable and accrued charges		**408,480**	417,785
Income taxes payable		**-**	148,992
Insurance contract liabilities	7	**5,291,190**	5,220,692
Retirement benefit obligations	13	**87,831**	86,651
Deferred income taxes		**2,931**	3,165
Provisions and other liabilities	12	**322,700**	318,694
Total liabilities		**6,113,132**	6,195,979
Shareholders' equity			
Share capital	14	**564,727**	565,617
Contributed capital		**99,291**	100,678
Retained earnings		**2,438,634**	2,315,149
Accumulated other comprehensive income		**32,192**	37,917
Total shareholders' equity		**3,134,844**	3,019,361
Total liabilities and shareholders' equity		**9,247,976**	9,215,340

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

3 months ended March 31, 2026 (in thousands of Canadian dollars)	Note	Share capital $	Contributed capital $	Retained earnings $	Accumulated other comprehensive income $	Total shareholders' equity $
Balance, beginning of period		**565,617**	**100,678**	**2,315,149**	**37,917**	**3,019,361**
Net income		**-**	**-**	**123,449**	**-**	**123,449**
Other comprehensive loss		**-**	**-**	**-**	**(5,725)**	**(5,725)**
Comprehensive income (loss)		**-**	**-**	**123,449**	**(5,725)**	**117,724**
Staff share loan plan		**678**	**-**	**-**	**-**	**678**
Preference shares issued		**2,666**	**-**	**-**	**-**	**2,666**
Preference shares redeemed		**(4,234)**	**-**	**-**	**-**	**(4,234)**
Dividends declared	14	**-**	**-**	**(1,250)**	**-**	**(1,250)**
Wind up of subsidiary		**-**	**(1,387)**	**1,286**	**-**	**(101)**
Balance, end of period		**564,727**	**99,291**	**2,438,634**	**32,192**	**3,134,844**

3 months ended March 31, 2025 (in thousands of Canadian dollars)	Note	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
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	14	-	-	(1,244)	-	(1,244)
Balance, end of period		564,530	100,874	2,214,538	18,288	2,898,230

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

(in thousands of Canadian dollars)	Note	3 months ended March 31, 2026 $	3 months ended March 31, 2025 $
Insurance revenue	7	**1,513,323**	1,432,019
Insurance service expenses	7	**(1,234,632)**	(1,283,940)
Net expenses from reinsurance contracts	8	**(46,784)**	(28,009)
Insurance service result		**231,907**	120,070
Net investment income and gains	6	**57,915**	97,501
Net finance expenses from insurance contracts	6	**(19,643)**	(25,292)
Net finance income from reinsurance contracts	6	**776**	1,758
Net investment and insurance finance result		**39,048**	73,967
Fees and other income		**2,610**	2,571
Other operating expenses		**(107,531)**	(99,026)
Other operating income and expenses		**(104,921)**	(96,455)
Income before income taxes		**166,034**	97,582
Income tax expense	9	**(42,585)**	(24,650)
Net income		**123,449**	72,932
Earnings per share (basic & diluted)		**4.46**	2.64
Weighted average number of common shares		**27,390**	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, 2026 $	3 months ended March 31, 2025 $
Net income	**123,449**	72,932
Other comprehensive income (loss)		
Items that may be reclassified subsequently to the consolidated statements of income:		
Net unrealized gains (losses) on fair value through other comprehensive income financial assets	**(5,259)**	31,444
Net reclassification adjustment for (gains) losses included in net income	**786**	(8,837)
Items that may be reclassified before income taxes	**(4,473)**	22,607
Income tax recovery (expense) relating to items that may be reclassified	**1,162**	(5,380)
	(3,311)	17,227
Items that will not be reclassified to the consolidated statements of income:		
Net unrealized gains (losses) on designated fair value through other comprehensive income financial assets	**(3,817)**	3,130
Net realized gains on designated fair value through other comprehensive income financial assets	**524**	323
Items that will not be reclassified before income taxes	**(3,293)**	3,453
Income tax recovery (expense) related to items that will not be reclassified	**879**	(900)
	(2,414)	2,553
Other comprehensive income (loss)	**(5,725)**	19,780
Comprehensive income	**117,724**	92,712

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)	Note	3 months ended March 31, 2026 $	3 months ended March 31, 2025 $
Operating activities			
Net income		**123,449**	72,932
Items not requiring the use of cash	15	**38,461**	(35,149)
Changes in non-cash operating components	15	**(219,928)**	43,490
Cash provided by (used in) operating activities		**(58,018)**	81,273
Investing activities			
Purchases and advances of:			
Invested assets		**(1,088,833)**	(1,510,620)
Property and equipment		**(907)**	(846)
Sales and redemptions of:			
Invested assets		**982,815**	1,451,568
Intangible assets	10	**1,375**	-
Property and equipment		**698**	-
Cash used in investing activities		**(104,852)**	(59,898)
Financing activities			
Preference shares issued		**2,666**	2,929
Preference shares redeemed		**(4,234)**	(2,505)
Dividends paid	14	**(4,497)**	(4,493)
Lease liabilities paid		**(3,173)**	(3,025)
Cash used in financing activities		**(9,238)**	(7,094)
Net increase (decrease) in cash and cash equivalents		**(172,108)**	14,281
Cash and cash equivalents, beginning of year		**650,078**	427,224
Cash and cash equivalents, end of period		**477,970**	441,505

Cash		**465,586**	438,344
Cash equivalents		**12,384**	3,161
Cash and cash equivalents, end of period		**477,970**	441,505

Supplemental information (note 15)

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, 2026 were authorized for issue in accordance with a resolution of the Audit and Finance Committee of the Board of Directors on May 5, 2026.

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) 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 condensed consolidated interim statements of financial position 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 second 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, 2025, 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 condensed consolidated interim statements of financial position 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.

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

3. Adoption of new and amended accounting standards

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

In 2022, the IASB concluded a post-implementation review, and amended IFRS 7 & 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 7 & 9 are effective for annual reporting periods beginning on or after January 1, 2026. The Company has elected to derecognize non-insurance financial liabilities prior to settlement when they are settled through EFTs, as all required conditions noted above will be met. This amendment had no impact on the Company's 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. This amendment had no impact on the Company’s condensed consolidated interim financial statements.

4. Standards issued but not yet effective

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 Disclosures 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.

5. Global financial market volatility and economic uncertainty

Significant uncertainty continues to pose risks to the economic outlook, driven by the frequency and severity of extreme-weather events and the evolving impacts of monetary policy on the Canadian economy. While headline inflation had previously moderated, escalating geopolitical instability, most notably the conflict with Iran, threatens to disrupt global energy markets and supply chains, introducing severe risks of renewed inflationary pressures. This volatility is further compounded by escalating trade tensions, specifically regarding the upcoming review of the CUSMA and the protectionist policies in the United States, all of which could further strain supply chains and drive up the cost of claims. The ultimate impact of these compounding factors on the Company’s results of operations and financial condition, including but not limited to the potential for credit losses and unrealized gains or losses on its invested assets portfolio, and impacts to insurance contract liabilities, will depend on future developments which remain uncertain.

(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					
	Classified		Designated		Amortized Cost	Carrying Value
	FVOCI	FVTPL	FVOCI	FVTPL		Total
March 31, 2026	$	$	$	$	$	$
Bonds						
Federal	723,308	-	-	446,160	-	1,169,468
Provincial	561,434	-	-	550,214	-	1,111,648
Municipal	38,855	-	-	19,352	-	58,207
Corporate	559	469,406	-	2,058,199	-	2,528,164
Asset-backed securities	-	-	-	61,689	-	61,689
International	153,720	-	-	117,891	-	271,611
	1,477,876	469,406	-	3,253,505	-	5,200,787
Stocks						
Canadian common	-	722,945	32	-	-	722,977
Canadian preferred	-	28,100	312,477	-	-	340,577
U.S. equities	-	213,684	-	-	-	213,684
	-	964,729	312,509	-	-	1,277,238
Short-term investments	-	71,351	-	-	-	71,351
Limited partnerships	-	255,168	-	-	-	255,168
Pooled funds	-	181,928	-	-	-	181,928
Derivative assets	-	256	-	-	-	256
Mortgages	-	-	-	-	754,842	754,842
Other investments	-	-	-	-	11,407	11,407
Investment income due and accrued	-	-	-	-	47,471	47,471
Total invested assets	1,477,876	1,942,838	312,509	3,253,505	813,720	7,800,448

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

	Fair Value					
	Classified		Designated		Amortized Cost	Carrying Value
	FVOCI	FVTPL	FVOCI	FVTPL		Total
December 31, 2025	$	$	$	$	$	$
Bonds						
Federal	671,830	-	-	374,310	-	1,046,140
Provincial	599,374	-	-	535,016	-	1,134,390
Municipal	41,334	-	-	19,516	-	60,850
Corporate	-	453,402	-	1,882,738	-	2,336,140
Asset-backed securities	-	-	-	63,055	-	63,055
International	153,779	-	-	117,736	-	271,515
	1,466,317	453,402	-	2,992,371	-	4,912,090
Stocks						
Canadian common	-	711,818	32	-	-	711,850
Canadian preferred	-	30,530	313,877	-	-	344,407
U.S. equities	-	228,787	-	-	-	228,787
	-	971,135	313,909	-	-	1,285,044
Short-term investments	-	89,750	-	-	-	89,750
Limited partnerships	-	284,374	-	-	-	284,374
Pooled funds	-	282,822	-	-	-	282,822
Derivative assets	-	1,992	-	-	-	1,992
Mortgages	-	-	-	-	801,928	801,928
Other investments	-	-	-	-	11,407	11,407
Investment income due and accrued	-	-	-	-	45,832	45,832
Total invested assets	1,466,317	2,083,475	313,909	2,992,371	859,167	7,715,239

The value of the securities on loan included in invested assets in the tables above consists of $788 (December 31, 2025 - $1,642) in stocks and $571,698 (December 31, 2025 - $729,636) in bonds.

Securities with a fair value of $613,612 (December 31, 2025 - $775,197), were received as collateral against securities lent of $572,486 (December 31, 2025 - $731,278). The collateral received has not been recorded in the Company’s condensed consolidated interim statements 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 interim statements of financial position 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, 2026	Note	Level 1 - Quoted prices $	Level 2 - Significant other observable inputs $	Level 3 - Significant unobservable inputs $	Total fair value $
FVOCI					
Bonds		-	1,477,876	-	1,477,876
Stocks		312,477	-	32	312,509
		312,477	1,477,876	32	1,790,385
FVTPL					
Bonds		-	3,722,911	-	3,722,911
Stocks		964,729	-	-	964,729
Short-term investments		-	71,351	-	71,351
Limited partnerships		-	-	255,168	255,168
Pooled funds		-	181,928	-	181,928
Derivative assets		-	256	-	256
		964,729	3,976,446	255,168	5,196,343
Total invested assets at fair value		1,277,206	5,454,322	255,200	6,986,728
FVTPL					
Derivative liabilities	12	-	2,492	-	2,492
Total financial liabilities at fair value		-	2,492	-	2,492

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

December 31, 2025	Note	Level 1 - Quoted prices $	Level 2 - Significant other observable inputs $	Level 3 - Significant unobservable inputs $	Total fair value $
FVOCI					
Bonds		-	1,466,317	-	1,466,317
Stocks		313,877	-	32	313,909
		313,877	1,466,317	32	1,780,226
FVTPL					
Bonds		-	3,445,773	-	3,445,773
Stocks		971,135	-	-	971,135
Short-term investments		-	89,750	-	89,750
Limited partnerships		-	-	284,374	284,374
Pooled funds		-	282,822	-	282,822
Derivative assets		-	1,992	-	1,992
		971,135	3,820,337	284,374	5,075,846
Total invested assets at fair value		1,285,012	5,286,654	284,406	6,856,072
FVTPL					
Derivative liabilities	12	-	148	-	148
Total financial liabilities at fair value		-	148	-	148

The investments measured at fair value and classified as Level 3 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, which approximates fair value at the reporting period, unless there is a significant indicator of change in value by the reporting 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, 2026	**Stocks $**	**Limited partnerships $**	**Total $**
Balance, beginning of period	**32**	**284,374**	**284,406**
Purchases	**-**	**822**	**822**
Sales and redemptions	**-**	**(5,602)**	**(5,602)**
Unrealized losses	**-**	**(24,426)**	**(24,426)**
Balance, end of period	**32**	**255,168**	**255,200**

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

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

The fair value of mortgages at March 31, 2026 is $764,088 (December 31, 2025 - $813,008). 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 and insurance finance result

3 months ended March 31, 2026	**Note**	**Classified FVOCI $**	**Classified FVTPL $**	**Designated FVOCI $**	**Designated FVTPL $**	**Amortized cost $**	**Other $**	**Total $**
Interest income		**11,199**	**5,508**	**-**	**25,860**	**9,623**	**6,245**	**58,435**
Dividend income		**-**	**34,350**	**4,693**	**-**	**-**	**-**	**39,043**
Investment expense		**(608)**	**(799)**	**(129)**	**(1,338)**	**(632)**	**(51)**	**(3,557)**
Net investment income		**10,591**	**39,059**	**4,564**	**24,522**	**8,991**	**6,194**	**93,921**
Net realized gains (losses)		**(812)**	**26,366**	**-**	**97**	**679**	**-**	**26,330**
Net foreign exchange losses		**-**	**(3,717)**	**-**	**-**	**-**	**-**	**(3,717)**
Change in fair value	15	**-**	**(45,069)**	**-**	**(13,597)**	**-**	**-**	**(58,666)**
Change in expected credit losses	15	**26**	**-**	**-**	**-**	**21**	**-**	**47**
Net investment gains (losses)		**(786)**	**(22,420)**	**-**	**(13,500)**	**700**	**-**	**(36,006)**
Net investment income and gains		**9,805**	**16,639**	**4,564**	**11,022**	**9,691**	**6,194**	**57,915**

3 months ended March 31, 2025	Note	Classified FVOCI $	Classified FVTPL $	Designated FVOCI $	Designated FVTPL $	Amortized cost $	Other $	Total $
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)		8,632	41,235	-	1,562	(507)	-	50,922
Change in fair value	15	-	(31,620)	-	13,118	-	-	(18,502)
Change in expected credit losses	15	205	-	-	-	659	-	864
Net investment gains		8,837	9,615	-	14,680	152	-	33,284
Net investment income and gains		27,063	25,662	3,561	27,131	8,848	5,236	97,501

(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, 2026			3 months ended March 31, 2025		
	Note	**Insurance related $**	**Non-insurance $**	**Total $**	Insurance related $	Non-insurance $	Total $
Interest income		**28,084**	**30,351**	**58,435**	10,283	41,618	51,901
Dividend income		**1,693**	**37,350**	**39,043**	-	14,880	14,880
Investment expense		**(1,636)**	**(1,921)**	**(3,557)**	(789)	(1,775)	(2,564)
Net investment income		**28,141**	**65,780**	**93,921**	9,494	54,723	64,217
Net realized gains		**530**	**25,800**	**26,330**	1,360	49,562	50,922
Net foreign exchange losses		**-**	**(3,717)**	**(3,717)**	-	-	-
Change in fair value	15	**(16,943)**	**(41,723)**	**(58,666)**	21,924	(40,426)	(18,502)
Change in expected credit losses	15	**-**	**47**	**47**	-	864	864
Net investment gains (losses)		**(16,413)**	**(19,593)**	**(36,006)**	23,284	10,000	33,284
Net investment income and gains		**11,728**	**46,187**	**57,915**	32,778	64,723	97,501
Interest accreted from insurance		**(37,117)**	**-**	**(37,117)**	(35,048)	-	(35,048)
Effect of changes in interest rates and other financial assumptions		**17,474**	**-**	**17,474**	9,756	-	9,756
Net finance expense from insurance contracts		**(19,643)**	**-**	**(19,643)**	(25,292)	-	(25,292)
Interest accreted from reinsurance		**1,290**	**-**	**1,290**	1,938	-	1,938
Effect of changes in interest rates and other financial assumptions		**(514)**	**-**	**(514)**	(180)	-	(180)
Net finance income from reinsurance contracts		**776**	**-**	**776**	1,758	-	1,758
Net investment and insurance finance result		**(7,139)**	**46,187**	**39,048**	9,244	64,723	73,967

d) Expected credit losses

The following table presents the expected credit losses (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, 2026				ECL Provision December 31, 2025			
	Stage 1 $	**Stage 2 $**	**Stage 3 $**	**Total $**	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Financial assets								
Bonds	**312**	**-**	**-**	**312**	339	-	-	339
Mortgages	**846**	**1,249**	**1,064**	**3,159**	867	1,249	1,064	3,180
Total	**1,158**	**1,249**	**1,064**	**3,471**	1,206	1,249	1,064	3,519

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

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, 2026				ECL Balance Sheet Value December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$	$	$	$	$
Financial assets								
Bonds	**1,477,874**	**-**	**-**	**1,477,874**	1,466,317	-	-	1,466,317
Mortgages	**746,274**	**5,376**	**3,192**	**754,842**	793,433	5,339	3,156	801,928
Total	**2,224,148**	**5,376**	**3,192**	**2,232,716**	2,259,750	5,339	3,156	2,268,245

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, 2026	**Note**	$	$	$	$	$	$
Insurance contract liabilities as at January 1		**293,333**	**33,771**	**4,622,732**	**291,588**	**(20,732)**	**5,220,692**
Insurance revenue		**(1,513,323)**					**(1,513,323)**
Insurance service expense							
Incurred claims and other expenses			**(5,410)**	**961,013**	**32,756**		**988,359**
Amortization of insurance acquisition cash flows		**305,780**					**305,780**
Losses on onerous contracts and reversals of those losses			**(10,374)**				**(10,374)**
Changes to liability for incurred claims				**(19,040)**	**(30,093)**		**(49,133)**
Total insurance service expense		**305,780**	**(15,784)**	**941,973**	**2,663**	**-**	**1,234,632**
Insurance service result		**(1,207,543)**	**(15,784)**	**941,973**	**2,663**	**-**	**(278,691)**
Insurance finance expense	6	**-**	**-**	**19,643**	**-**	**-**	**19,643**
Total changes in the statement of comprehensive income		**(1,207,543)**	**(15,784)**	**961,616**	**2,663**	**-**	**(259,048)**
Cash flows							
Premiums received		**1,478,688**					**1,478,688**
Claims and other expenses paid				**(866,516)**			**(866,516)**
Insurance acquisition cash flows		**(258,626)**				**(24,000)**	**(282,626)**
Total cash flows		**1,220,062**	**-**	**(866,516)**	**-**	**(24,000)**	**329,546**
Allocation of insurance acquisition cash flows to groups of insurance contracts		**(20,732)**				**20,732**	**-**
Insurance contract liabilities as at March 31		**285,120**	**17,987**	**4,717,832**	**294,251**	**(24,000)**	**5,291,190**

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

		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	Note	$	$	$	$	$	$
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 service expense							
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 expense		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 expense	6	-	305	24,987	-	-	25,292
Total changes in the 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

(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, 2026			
		Before-tax net income impact		Equity impact	
		Gross	Net of reinsurance	Gross	Net of reinsurance
Assumption	Sensitivity	$	$	$	$
Loss ratio[1]	+10%	**(94,113)**	**(89,834)**	**(69,644)**	**(66,477)**
Actuarial reserve misestimate	1% deficiency	**(50,121)**	**(46,192)**	**(37,090)**	**(34,182)**

		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)

[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, 2026			
		Before-tax net income impact		Equity impact	
		Insurance contracts	Financial assets	Insurance contracts	Financial assets
Assumption	Sensitivity	$	$	$	$
Interest rates	+100 bps	**93,830**	**(98,220)**	**69,434**	**(72,683)**
Interest rates	-100 bps	**(98,876)**	**98,220**	**(73,168)**	**72,683**

		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

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.

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.

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

The Company's net retentions are as follows:

	As at March 31, 2026 $	As at December 31, 2025 $
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	**1,900,000**	1,700,000
Company retention	**115,000**	115,000

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, 2025 - $115,000) in incurred claims.

Effective January 1, 2026, CUMIS General entered into an amended reinsurance arrangement with Allianz whereby it will front travel insurance business and cede 100% of the associated premiums and claims to Allianz. In exchange, CUMIS General will receive a 3% fronting fee that is expected to be in place through the end of 2026.

CUMIS General's accident and sickness travel insurance, underwritten by the MGU, is fully ceded to CLIC 100% (December 31, 2025 – 45% to CLIC, 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, 2025 - $6,750) as well as a catastrophe limit of $15,250 (December 31, 2025 - $15,250). 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 $115,000 (December 31, 2025 - $115,000). CUMIS General's retention in this event is $15,000 (December 31, 2025 - $15,000) in incurred claims.

(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 interim statements of financial position 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, 2026	Note	$	$	$	$	$
Reinsurance contract assets as at January 1		21,678	4,486	383,554	32,829	442,547
Allocation of reinsurance premiums paid		(87,290)				(87,290)
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable for incurred claims and other expenses			(2,633)	45,309	2,887	45,563
Losses on onerous underlying contracts and adjustments			(457)			(457)
Changes to amounts recoverable for incurred claims				236	(4,836)	(4,600)
Total amounts recoverable from reinsurers for incurred claims		-	(3,090)	45,545	(1,949)	40,506
Net expense (income) from reinsurance contracts		(87,290)	(3,090)	45,545	(1,949)	(46,784)
Reinsurance finance income	6	-	-	(776)	-	(776)
Total changes in the statement of comprehensive income		(87,290)	(3,090)	44,769	(1,949)	(47,560)
Cash flows						
Premiums paid		102,261				102,261
Amounts received				(66,271)		(66,271)
Total cash flows		102,261	-	(66,271)	-	35,990
Reinsurance contract assets as at March 31		36,649	1,396	362,052	30,880	430,977

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)

		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	Note	$	$	$	$	$
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 expense (income) from reinsurance contracts		(98,583)	(5,583)	73,766	2,391	(28,009)
Reinsurance finance income	6	-	-	(1,758)	-	(1,758)
Total changes in the 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

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 interim 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, 2026		3 months ended March 31, 2025	
	$	**%**	$	%
Income before income taxes	**166,034**		97,582	
Income tax at statutory rates	**43,169**	**26.0**	25,371	26.0
Effects of :				
Non-taxable investment income	**(1,571)**	**(0.9)**	(1,681)	(1.7)
Non-deductible expenses	**119**	**0.1**	127	0.1
Change in income tax rates	**394**	**0.2**	515	0.5
Difference in effective tax rate of subsidiaries	**298**	**0.2**	218	0.2
Adjustment to tax expense in respect of prior years	**66**	**-**	26	-
Other	**110**	**0.1**	74	0.1
Income tax expense	**42,585**	**25.7**	24,650	25.2
Current income tax expense	**48,517**		33,151	
Deferred income tax recovery	**(5,932)**		(8,501)	
Income tax expense	**42,585**		24,650	

(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, 2025	6,806	28,077	800	67,337	32,568	135,588
Additions	-	-	-	4,904	-	4,904
Disposals	-	(1,725)	-	-	-	(1,725)
Wind up of subsidiary	-	-	-	(10,472)	-	(10,472)
December 31, 2025	6,806	26,352	800	61,769	32,568	128,295
Disposals	**-**	**(1,375)**	**-**	**-**	**-**	**(1,375)**
Wind up of subsidiary	**-**	**-**	**-**	**(2,919)**	**-**	**(2,919)**
March 31, 2026	**6,806**	**24,977**	**800**	**58,850**	**32,568**	**124,001**
Accumulated amortization						
January 1, 2025	-	-	-	46,212	29,805	76,017
Amortization	-	-	-	7,046	2,763	9,809
Wind up of subsidiary	-	-	-	(8,164)	-	(8,164)
December 31, 2025	-	-	-	45,094	32,568	77,662
Amortization	**-**	**-**	**-**	**1,703**	**-**	**1,703**
Wind up of subsidiary	**-**	**-**	**-**	**(2,405)**	**-**	**(2,405)**
March 31, 2026	**-**	**-**	**-**	**44,392**	**32,568**	**76,960**
Net carrying value						
December 31, 2025	6,806	26,352	800	16,675	-	50,633
March 31, 2026	**6,806**	**24,977**	**800**	**14,458**	**-**	**47,041**

11. Other assets

	As at March 31, 2026	As at December 31, 2025
	$	$
Due from related parties	**77,402**	34,274
Property and equipment	**9,360**	9,909
Due to risk sharing pools	**(77)**	(81)
Prepaid expenses	**9,882**	17,254
Right-of-use-assets	**38,371**	36,877
Due from intermediaries	**77,513**	97,157
Other	**112,644**	11,335
	325,095	206,725

The increase in Other to $112,644 at March 31, 2026 primarily reflects timing differences related to trade-date versus settlement-date investment transactions around quarter-end, resulting in higher unsettled balances included in Other. These amounts are expected to settle shortly after period-end and normalize in subsequent periods.

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

12. Provisions and other liabilities

	As at March 31, 2026 $	As at December 31, 2025 $
Provision for advisor transition commissions	**246,381**	245,686
Lease liabilities	**41,776**	40,277
Advisor transition commission payable	**31,796**	32,285
Other provisions and liabilities	**255**	298
Derivative liabilities	**2,492**	148
	322,700	318,694

13. Retirement benefit obligations

	As at March 31, 2026 $	As at December 31, 2025 $
Accrued benefit obligation		
Balance, beginning of year	**86,651**	103,831
Current service cost	**1,125**	4,283
Interest on accrued benefits	**1,058**	3,954
Benefits paid	**(1,003)**	(3,895)
Remeasurement gains		
Actuarial gains arising from changes in financial assumptions	**-**	(2,894)
Actuarial gains arising from changes in demographic assumptions	**-**	(2,517)
Other adjustment	**-**	(16,111)
Balance, end of year	**87,831**	86,651
Elements of benefit costs recognized in the year		
Current service cost	**1,125**	4,283
Interest on accrued benefits	**1,058**	3,954
Components of benefit costs recorded in net income	**2,183**	8,237
Remeasurements on the net benefit liability:		
Actuarial gains arising from changes in financial assumptions	**-**	(2,894)
Actuarial gains arising from changes in demographic assumptions	**-**	(2,517)
Other adjustment	**-**	(16,111)
Components of benefit costs recorded in OCI	**-**	(21,522)
Total components of benefit costs	**2,183**	(13,285)

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, 2026 is 5.00% (December 31, 2025 – 5.00%). 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, 2026, the Company issued 2,969 (2025 – 2,252) Class A preference shares, series B for $299 (2025 – $226) and redeemed 36,903 shares (2025 – 22,613) for $3,689 (2025 – $2,262). Additionally, the Company issued 23,656 (2025 – 27,032) Class H preference shares, series A for $2,367 (2025 – $2,703) and redeemed 5,437 shares (2025 – 2,432) for $545 (2025 – $243).

Dividends are as follows:

	3 months ended March 31, 2026				3 months ended March 31, 2025			
	Declared	Declared per share	Paid	Paid per share	Declared	Declared per share	Paid	Paid per share
	$	$	$	$	$	$	$	$
Class A, series B	**-**	**-**	**2,046**	**2.50**	-	-	2,263	2.50
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	**1,250**	**0.31**	**1,250**	**0.31**	1,244	0.31	1,250	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	**-**	**-**	**475**	**2.50**	-	-	254	2.50
Total	**1,250**		**4,497**		1,244		4,493	

(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

	Note	**3 months ended March 31, 2026 $**	3 months ended March 31, 2025 $
i) Items not requiring the use of cash			
Investing activities losses		**(22,613)**	(50,922)
Wind up of subsidiary		**413**	-
Change in expected credit losses	6	**(47)**	(864)
Amortization and depreciation of:			
Bond premium/discount		**1,208**	(609)
Mortgage accretion		**(7)**	4
Intangible assets	10	**1,703**	2,227
Property and equipment		**714**	731
Right-of-use assets		**3,175**	2,991
Change in fair value of FVTPL invested assets	6	**58,666**	18,502
Deferred income taxes		**(5,931)**	(8,502)
Retirement benefit obligations		**1,180**	1,293
		38,461	(35,149)
ii) Changes in non-cash operating components			
Insurance contract liabilities		**70,498**	187,614
Reinsurance ceded contract assets		**11,570**	15,236
Staff share loan plan		**678**	462
Other assets		**(13,429)**	(9,595)
Accounts payable and accrued charges		**(131,697)**	(123,918)
Income taxes payable		**(157,581)**	(31,422)
Provisions and other liabilities		**33**	5,113
		(219,928)	43,490

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, 2026 $	3 months ended March 31, 2025 $
Interest and dividends received	**90,610**	58,729
Net income taxes paid	**205,903**	64,532
Interest paid	**376**	364