



Co-operators General Insurance Company

Unaudited Condensed Consolidated Interim Financial Statements

For the first quarter ended March 31, 2016

CO-OPERATORS GENERAL INSURANCE COMPANY
CONSOLIDATED BALANCE SHEETS
(unaudited)

As at

	March 31, 2016	December 31, 2015
(in thousands of Canadian dollars)	\$	\$
Assets		
Cash and cash equivalents	89,014	86,912
Invested assets (note 3)	3,994,061	3,963,795
Premiums due	688,064	747,852
Income taxes recoverable	25,216	23,686
Reinsurance ceded contracts (note 5)	61,193	63,463
Deferred acquisition expenses	183,323	195,176
Assets held for sale	472	2,773
Deferred income taxes	91,203	91,080
Intangible assets (note 7)	62,362	62,856
Other assets (note 8)	53,873	65,594
	5,248,781	5,303,187
Liabilities		
Accounts payable and accrued charges	113,558	166,762
Income taxes payable	15	3,972
Insurance contracts (note 4)	3,412,089	3,445,352
Retirement benefit obligations	104,711	103,546
Deferred income taxes	3,592	3,570
Provisions and other liabilities (note 9)	113,492	121,375
	3,747,457	3,844,577
Shareholders' equity		
Share capital (note 11)	218,787	217,495
Contributed capital	10,132	10,132
Retained earnings	1,121,158	1,083,097
Accumulated other comprehensive income	151,247	147,886
	1,501,324	1,458,610
	5,248,781	5,303,187

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, 2016 (in thousands of Canadian dollars)	Share capital \$	Contributed capital \$	Retained earnings \$	Accumulated other comprehensive income \$	Total shareholders' equity \$
Balance, beginning of period	217,495	10,132	1,083,097	147,886	1,458,610
Net income	-	-	39,345	-	39,345
Other comprehensive income	-	-	-	3,361	3,361
Total comprehensive income	-	-	39,345	3,361	42,706
Staff share loan plan (note 11)	75	-	-	-	75
Preference shares issued/redeemed (note 11)	1,217	-	-	-	1,217
Dividends declared (note 11)	-	-	(1,250)	-	(1,250)
Premium on redemption of preference shares	-	-	(34)	-	(34)
Balance, end of period	218,787	10,132	1,121,158	151,247	1,501,324

3 months ended March 31, 2015 (in thousands of Canadian dollars)	Share capital \$	Contributed capital \$	Retained earnings \$	Accumulated other comprehensive income \$	Total shareholders' equity \$
Balance, beginning of period	213,556	10,132	1,099,992	167,932	1,491,612
Net income	-	-	22,179	-	22,179
Other comprehensive income	-	-	-	63,031	63,031
Total comprehensive income	-	-	22,179	63,031	85,210
Staff share loan plan (note 11)	841	-	-	-	841
Preference shares issued/redeemed (note 11)	121	-	-	-	121
Dividends declared (note 11)	-	-	(19,750)	-	(19,750)
Premium on redemption of preference shares	-	-	(37)	-	(37)
Balance, end of period	214,518	10,132	1,102,384	230,963	1,557,997

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, 2016 \$	3 months ended March 31, 2015 \$
Direct written premium (note 10)	519,479	489,050
Ceded written premium (note 10)	(15,587)	(16,257)
Income		
Net earned premium (note 10)	588,453	550,511
Net investment income and gains (note 3)	29,729	36,405
	618,182	586,916
Expenses		
Claims and adjustment expenses	376,551	378,165
Ceded claims and adjustment expenses	(3,279)	(1,875)
Premium and other taxes	18,048	16,640
Commissions and advisor compensation	103,572	98,696
Ceded commission	(1,082)	(1,171)
General expenses	73,074	67,991
	566,884	558,446
Income before income taxes	51,298	28,470
Income tax expense (note 6)	11,953	6,291
Net income	39,345	22,179
Earnings per share	1.78	0.98
Weighted average number of common shares	21,376	21,295

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, 2016 \$	3 months ended March 31, 2015 \$
Net income	39,345	22,179
Other comprehensive income		
Items that may be reclassified subsequently to the statement of income:		
Net unrealized gains (losses) on available-for-sale financial assets		
Bonds	10,218	59,024
Stocks	(1,109)	48,033
	9,109	107,057
Net reclassification adjustment for (gains) losses included in income		
Bonds	(5,314)	(21,623)
Stocks	613	(1,090)
	(4,701)	(22,713)
Other comprehensive income before income taxes	4,408	84,344
Income tax expense (note 6)	1,047	21,313
Other comprehensive income	3,361	63,031
Comprehensive income	42,706	85,210

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, 2016 \$	3 months ended March 31, 2015 \$
Operating activities		
Net income	39,345	22,179
Items not requiring the use of cash (note 12)	6,501	1,042
Changes in non-cash operating components (note 12)	(10,097)	(33,912)
Cash provided by (used in) operating activities	35,749	(10,691)
Investing activities		
Purchases and advances of:		
Invested assets	(745,027)	(1,201,962)
Assets held for sale	-	(525)
Intangible assets (note 7)	(243)	(4,480)
Property and equipment	(1,426)	(1,063)
Sale and redemption of:		
Invested assets	713,054	1,224,068
Intangible assets (note 7)	146	23
Assets held for sale	2,215	2,604
Cash provided by (used in) investing activities	(31,281)	18,665
Financing activities		
Share capital - preference shares issued (note 11)	2,253	1,918
Share capital - preference shares redeemed (note 11)	(1,036)	(1,797)
Repayment of borrowings	-	(3,500)
Dividends paid (note 11)	(3,549)	(21,949)
Premium on redemption of preferred shares	(34)	(37)
Cash provided by (used in) financing activities	(2,366)	(25,365)
Net increase (decrease) in cash and cash equivalents less short-term indebtedness	2,102	(17,391)
Cash and cash equivalents less short-term indebtedness, beginning of period	86,912	(11,661)
Cash and cash equivalents less short-term indebtedness, end of period	89,014	(29,052)
Cash		
Cash	89,014	2,392
Cash equivalents	-	9,029
Short-term indebtedness	-	(40,473)
Cash and cash equivalents less short-term indebtedness, end of period	89,014	(29,052)

See accompanying notes to condensed consolidated interim financial statements.

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)

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 comprised of CGIC and its wholly owned subsidiaries: The Sovereign General Insurance Company (Sovereign), COSECO Insurance Company (COSECO), L'Équitable, Compagnie d'assurances Générale (L'Équitable), Co-operators Investment Limited Partnership (CILP) and Co-operators Insurance Agencies Limited (CIAL). 100% of the voting rights attached to all the outstanding voting shares or partnership interests of each of Sovereign, COSECO, L'Équitable, CILP and CIAL are held by the Company.

The registered office of the Company is Priory Square, 130 Macdonell Street, 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, 2016 were authorized for issue in accordance with a resolution of the Audit Committee of the Board of Directors on April 28, 2016.

CGIC and certain of its subsidiaries are licensed to write all classes of insurance, other than life, in all provinces and territories in Canada. CGIC and certain of its subsidiaries are regulated by the federal insurance act. The Company must comply with 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 significant 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 Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to the preparation of interim financial statements, including 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 would typically be considered as current. Certain balances are comprised of both current and non-current amounts.

Seasonality

The property and casualty 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.

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

(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

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, property and casualty operations. Prior to 2016, results were reviewed and assessed at each legal entity within the consolidated group.

Significant 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, 2015, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2015.

The significant estimates and judgments made by management in applying accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements of the Company for the year ended December 31, 2015.

3. Invested assets and net investment income and gains

The Company's invested assets are held within CILP, a wholly-owned subsidiary of the Company, established January 1, 2016.

a) Invested assets

	Fair value			Amortized cost Loans and receivables	Carrying value Total
	AFS	Classified FVTPL	Designated FVTPL		
March 31, 2016	\$	\$	\$	\$	\$
Bonds					
Federal	479,949	-	11,457	-	491,406
Provincial	703,200	-	27,600	-	730,800
Municipal	57,732	-	-	-	57,732
Corporate	912,487	-	77,140	-	989,627
Asset-backed securities	89,879	-	11,944	-	101,823
International	29,275	-	-	-	29,275
	2,272,522	-	128,141	-	2,400,663
Stocks					
Canadian common	503,300	-	-	-	503,300
Canadian preferred	69,966	(7,214)	167,477	-	230,229
U.S. equities	167,402	-	-	-	167,402
Foreign equities	69,386	-	-	-	69,386
	810,054	(7,214)	167,477	-	970,317
Short-term investments	14,184	-	-	-	14,184
Limited partnerships	34,534	-	-	-	34,534
Foreign currency forward contracts	-	14,902	-	-	14,902
Mortgages	-	-	-	526,067	526,067
Other investments	-	-	-	10,693	10,693
Investment income due and accrued	-	-	-	22,701	22,701
Total invested assets	3,131,294	7,688	295,618	559,461	3,994,061

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(unaudited)

(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

	Fair Value			Amortized Cost Loans and receivables	Carrying Value Total
	AFS	Classified FVTPL	Designated FVTPL		
December 31, 2015	\$	\$	\$	\$	\$
Bonds					
Federal	432,032	-	7,375	-	439,407
Provincial	718,294	-	29,679	-	747,973
Municipal	61,757	-	-	-	61,757
Corporate	909,404	-	88,849	-	998,253
Asset-backed securities	94,437	-	17,477	-	111,914
International	29,860	-	-	-	29,860
	2,245,784	-	143,380	-	2,389,164
Stocks					
Canadian common	473,629	-	-	-	473,629
Canadian preferred	65,838	(6,223)	168,962	-	228,577
U.S. equities	180,541	-	-	-	180,541
Foreign equities	75,283	-	-	-	75,283
	795,291	(6,223)	168,962	-	958,030
Short-term investments	44,717	-	-	-	44,717
Limited partnerships	29,904	-	-	-	29,904
Foreign currency forward contracts	-	6	-	-	6
Mortgages	-	-	-	512,668	512,668
Other investments	-	-	-	10,692	10,692
Investment income due and accrued	-	-	-	18,614	18,614
Total invested assets	3,115,696	(6,217)	312,342	541,974	3,963,795

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 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. Assets measured at fair value and classified as Level 1 include Canadian preferred stocks and Canadian, U.S. and foreign common stocks.

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 and quoted prices for identical or similar instruments exchanged in inactive markets. For financial instruments that do not have directly observable inputs, the fair value is calculated as the present value of the future cash flows considering inputs other than quoted prices that are observable for

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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. Consistent with market participants, the Company determines the fair values of foreign exchange forward contracts by using a discounted cash flow valuation technique using observable market data. Assets and liabilities measured at fair value and classified as Level 2 include bonds, short-term investments and foreign currency forward contracts.

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. Assets measured at fair value and classified as Level 3 include limited partnerships.

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

	Level 1 - Quoted prices \$	Level 2 - Significant other observable inputs \$	Level 3 - Significant unobservable inputs \$	Total fair value \$
March 31, 2016				
AFS				
Bonds	-	2,272,522	-	2,272,522
Stocks	793,064	7,809	-	800,873
Short-term investments	-	14,184	-	14,184
Limited partnerships	-	-	34,534	34,534
	793,064	2,294,515	34,534	3,122,113
FVTPL				
Bonds	-	128,141	-	128,141
Stocks	167,477	-	-	167,477
Foreign currency forward contracts	-	14,902	-	14,902
	167,477	143,043	-	310,520
Total invested assets at fair value	960,541	2,437,558	34,534	3,432,633

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(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

	Level 1 - Quoted prices \$	Level 2 - Significant other observable inputs \$	Level 3 - Significant unobservable inputs \$	Total fair value \$
December 31, 2015				
AFS				
Bonds	-	2,245,784	-	2,245,784
Stocks	779,835	7,066	-	786,901
Short-term investments	-	44,717	-	44,717
Limited partnerships	-	-	29,904	29,904
	779,835	2,297,567	29,904	3,107,306
FVTPL				
Bonds	-	143,380	-	143,380
Stocks	168,962	-	-	168,962
Foreign currency forward contracts	-	6	-	6
	168,962	143,386	-	312,348
Total invested assets at fair value	948,797	2,440,953	29,904	3,419,654
FVTPL				
Foreign currency forward contracts (note 9)	-	8,832	-	8,832
Total financial liabilities at fair value	-	8,832	-	8,832

Included in the available-for-sale (AFS) stocks in the above table are embedded derivatives of \$7,214 (2015 - \$6,223), which are classified FVTPL. The embedded derivative represents the redemption options in the preferred share portfolio, the value of which has been determined using unobserved inputs in an accepted model. The embedded derivatives have been offset against its host instrument as the net amount's fair value represents an unadjusted quoted price for identical instruments exchanged in active markets.

Excluded from these totals are AFS investments of \$1,967 (2015 - \$2,167) in shares of other co-operative entities which are carried at cost as they do not have quoted market prices in active markets.

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

	Limited partnerships \$
3 months ended March 31, 2016	
Balance, beginning of period	29,904
Purchases	6,085
Sales and redemptions	(3)
Losses	
Unrealized included in OCI	(1,452)
Balance, end of period	34,534

No investments were transferred between levels during the period (2015 - \$nil).

The investments measured at fair value and classified as Level 3 as at March 31, 2016 are limited partnerships, which represent units of third-party managed private equity funds (Funds). The fair values of limited partnership investments are based on the net asset value ("NAV") from each of the individual Funds most recent quarterly or annual financial statements. Limited partnership NAV's are derived by

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valuation techniques employed by each Funds management using unobservable inputs. The Company assesses the NAV disclosed in each Funds most recent financial statement using independent analytical procedures to ensure the amount is a reasonable representation of fair value. 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 fair value of mortgages at March 31, 2016 is \$539,014 (March 31, 2015 - \$468,981). Mortgages measured at fair value, for disclosure purposes only, are classified as Level 3. The fair value of the mortgages has 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 income and gains

	3 months ended March 31, 2016 \$	3 months ended March 31, 2015 \$
Interest income	20,214	22,751
Dividend and other income	6,847	7,348
Investment expense	(992)	(1,154)
Net investment income	26,069	28,945
Net realized gains	2,680	23,759
Net foreign exchange gains (losses)	13,365	(4,018)
Change in fair value	(11,638)	(10,177)
Impairment losses	(747)	(2,104)
Net investment gains	3,660	7,460
Net investment income and gains	29,729	36,405

4. Insurance contracts

Insurance contracts are comprised of the following balances:

	As at March 31, 2016 \$	As at December 31, 2015 \$
Undiscounted unpaid claims and adjustment expenses	2,161,366	2,116,913
Effect of time value of money	(94,788)	(95,233)
Provisions for adverse deviation	225,186	219,992
Effect of discounting	130,398	124,759
Discounted unpaid claims and adjustment expenses	2,291,764	2,241,672
Unearned premiums	1,120,325	1,203,680
	3,412,089	3,445,352

The most recent set of annual consolidated financial statements provides a summary of the Company's unpaid claims and adjustment expense provision and unearned premiums by type of insurance contract both before and after reinsurance.

CO-OPERATORS GENERAL INSURANCE COMPANY
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(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

5. Reinsurance contracts

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. The Company's net retentions are as follows:

	As at March 31, 2016 \$	As at December 31, 2015 \$
Individual loss		
Property	7,500	5,000
General liability	5,000	5,000
Automobile	5,000	5,000
Catastrophe		
Maximum limit	1,300,000	1,300,000
Company retention	70,000	70,000

The maximum limit for catastrophe reinsurance is applied to all property and casualty insurance operations ultimately owned by CGL. The catastrophe program is arranged in a series of layers. The Company retains the initial \$35,000 plus an additional 60% of the first layer and 17.5% of the second layer for a total of \$70,000 in incurred claims, on losses up to \$150,000.

The amounts presented under reinsurance ceded contracts in the consolidated balance sheets represent the Company's net contractual rights under reinsurance contracts and consist of the following:

	As at March 31, 2016 \$	As at December 31, 2015 \$
Reinsurance ceded assets		
Reinsurers' share of unearned premiums	4,994	5,827
Reinsurers' share of unpaid claims and adjustment expenses	59,821	58,179
Reinsurer receivables	3,216	6,019
	68,031	70,025
Reinsurance ceded liabilities		
Unearned reinsurance commissions	1,590	1,811
Payable to reinsurers	2,505	1,801
Unlicensed reinsurer deposits	2,743	2,950
	6,838	6,562
Reinsurance ceded contracts	61,193	63,463

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6. Income taxes

a) Reconciliation to statutory income tax rate

In the consolidated statements of income, the income taxes reflect an effective tax rate which differs from the statutory tax rate for the following reasons:

	3 months ended		3 months ended	
	March 31, 2016		March 31, 2015	
	\$	%	\$	%
Income before income taxes	51,298		28,470	
Income tax expense at statutory rates	13,850	27.0	7,488	26.3
Effects of:				
Non-taxable investment income	(1,753)	(3.4)	(1,532)	(5.4)
Non-deductible expenses	132	0.3	126	0.4
Change in income tax rates	(185)	(0.4)	14	-
Other	(91)	(0.2)	195	0.7
Income tax expense	11,953	23.3	6,291	22.0

b) Income taxes

	3 months ended		3 months ended	
	March 31, 2016		March 31, 2015	
	\$	\$	\$	\$
Current tax expense				
Current period		10,583		5,945
Changes in tax rate		(1)		(11)
		10,582		5,934
Deferred tax expense				
Origination and reversal of temporary differences		1,555		332
Changes in tax rate		(184)		25
		1,371		357
Income tax expense		11,953		6,291

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(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

c) Income taxes included in OCI

	3 months ended	3 months ended
	March 31,	March 31,
	2016	2015
	\$	\$
Current income tax expense	2,519	20,360
Deferred income tax expense	(1,472)	953
Total income tax expense included OCI	1,047	21,313

The following income tax amounts are included in each component of OCI:

	3 months ended	3 months ended
	March 31,	March 31,
	2016	2015
	\$	\$
Items that may be reclassified subsequently to the statement of income		
Net unrealized gains (losses) on AFS financial assets		
Bonds	2,757	15,545
Stocks	(464)	11,691
	2,293	27,236
Net reclassification adjustment for (gains) losses included in income		
Bonds	(1,419)	(5,647)
Stocks	173	(276)
	(1,246)	(5,923)
Income tax expense	1,047	21,313

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(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

7. Intangible assets

	Goodwill	Licenses	Software	Broker Customer Lists	Total
	\$	\$	\$	\$	\$
Cost					
January 1, 2015	1,076	42,750	18,395	5,967	68,188
Disposals	-	-	-	(23)	(23)
Acquisitions of subsidiaries	-	1,000	-	14,509	15,509
December 31, 2015	1,076	43,750	18,395	20,453	83,674
Additions	-	-	-	243	243
Disposals	-	-	-	(146)	(146)
March 31, 2016	1,076	43,750	18,395	20,550	83,771
Accumulated amortization					
January 1, 2015	-	-	17,387	1,564	18,951
Amortization	-	-	255	1,612	1,867
December 31, 2015	-	-	17,642	3,176	20,818
Amortization	-	-	64	527	591
March 31, 2016	-	-	17,706	3,703	21,409
Net carrying value					
December 31, 2015	1,076	43,750	753	17,277	62,856
March 31, 2016	1,076	43,750	689	16,847	62,362

8. Other assets

	As at March 31, 2016	As at December 31, 2015
	\$	\$
Due from related parties	18,611	26,516
Reinsurance assumed receivables	1,426	1,237
Property and equipment	26,006	26,999
Due from risk sharing pools	2,696	7,055
Prepaid expenses	1,979	1,132
Other	3,155	2,655
	53,873	65,594

CO-OPERATORS GENERAL INSURANCE COMPANY
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(unaudited)

(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

9. Provisions and other liabilities

	As at March 31, 2016 \$	As at December 31, 2015 \$
Provision for advisor transition commissions	94,170	91,883
Advisor transition commission payable	12,599	13,732
Other provisions	4,034	2,245
Finance lease obligations	28	65
Foreign currency forward contracts (note 3)	-	8,832
Other liabilities	2,661	4,618
	113,492	121,375

10. Net earned premium

	3 months ended March 31, 2016 \$	3 months ended March 31, 2015 \$
Direct written premium	519,479	489,050
Assumed written premium	2,039	2,312
Gross written premium	521,518	491,362
Ceded written premium	(15,587)	(16,257)
Net written premium	505,931	475,105
Change in gross unearned premium	83,355	77,029
Change in ceded unearned premium	(833)	(1,623)
Net earned premium	588,453	550,511

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11. Share capital

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

The changes and the number of shares issued and outstanding are as follows:

	3 months ended March 31, 2016							
	Beginning of period		Issued during the period		Redemed during the period		End of period	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
		\$		\$		\$		\$
Class A preference shares:								
series A	180,290	4,507	-	-	2,691	67	177,599	4,440
series B	561,330	56,133	22,533	2,253	9,686	969	574,177	57,417
Class B preference shares	426	11	-	-	-	-	426	11
Class D preference shares:								
series A	13,803	1,380	-	-	-	-	13,803	1,380
series B	42,535	4,254	-	-	-	-	42,535	4,254
series C	43,184	4,318	-	-	-	-	43,184	4,318
Class E preference shares:								
series C	4,000,000	100,000	-	-	-	-	4,000,000	100,000
Class F preference shares:								
series A	488,624	12,216	-	-	-	-	488,624	12,216
Class G preference shares:								
series A	14,984	375	-	-	-	-	14,984	375
Common Shares	21,376,383	48,076	-	-	-	-	21,376,383	48,076
		231,270		2,253		1,036		232,487
Less: Staff share loan plan		13,775						13,700
		217,495						218,787

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(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

	3 months ended March 31, 2015							
	Beginning of period		Issued during the period		Redemed during the period		End of period	
	Number of shares	Amount \$	Number of shares	Amount \$	Number of shares	Amount \$	Number of shares	Amount \$
Class A preference shares:								
series A	190,025	4,751	-	-	2,978	75	187,047	4,676
series B	517,228	51,723	19,180	1,918	17,221	1,722	519,187	51,919
Class B preference shares	458	12	-	-	-	-	458	12
Class D preference shares:								
series A	13,803	1,380	-	-	-	-	13,803	1,380
series B	42,535	4,254	-	-	-	-	42,535	4,254
series C	43,184	4,318	-	-	-	-	43,184	4,318
Class E preference shares:								
series C	4,000,000	100,000	-	-	-	-	4,000,000	100,000
Class F preference shares:								
series A	488,624	12,216	-	-	-	-	488,624	12,216
Class G preference shares:								
series A	14,984	375	-	-	-	-	14,984	375
Common Shares	21,294,708	48,076	-	-	-	-	21,294,708	48,076
		227,105		1,918		1,797		227,226
Less: Staff share loan plan		13,549						12,708
		213,556						214,518

During 2015, the Company issued 81,675 common shares with a nominal value to its parent.

Dividends are as follows:

	3 months ended March 31, 2016				3 months ended March 31, 2015			
	Declared		Paid		Declared		Paid	
	Declared \$	per share \$	Paid \$	per share \$	Declared \$	per share \$	Paid \$	per share \$
Class A, series A	-	-	169	0.94	-	-	179	0.94
Class A, series B	-	-	1,403	2.50	-	-	1,293	2.50
Class B	-	-	1	1.25	-	-	1	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	1,250	0.31	1,250	0.31	1,250	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
Common shares	-	-	-	-	18,500	-	18,500	0.87
	1,250		3,549		19,750		21,949	

During the three months ended March 31, 2016, the Company declared dividends to its parent for \$nil (2015 - \$18,500).

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(Amounts in thousands of Canadian dollars, except for per share, weighted average number of common shares and where otherwise noted)

12. Statement of cash flows - other non-cash items

	3 months ended March 31, 2016 \$	3 months ended March 31, 2015 \$
i) Items not requiring the use of cash		
Investing activities gains	(16,045)	(19,909)
Loss on disposal	(412)	167
Amortization and depreciation of:		
Bond premium/discount	5,027	4,534
Mortgage accretion	-	44
Intangible assets (note 7)	591	337
Property and equipment	2,419	2,066
Change in fair value of FVTPL invested assets (note 3)	11,638	10,177
Impairment losses (note 3)	747	2,104
Deferred income taxes	1,371	357
Retirement benefit obligations	1,165	1,165
	6,501	1,042
ii) Changes in non-cash operating components		
Other		
Insurance contracts	(33,263)	(35,889)
Reinsurance ceded contracts	2,270	9,291
Premiums due	59,788	56,280
Deferred acquisition expenses	11,853	9,971
Staff share loan plan	75	841
Accounts receivable and other assets	7,118	(2,379)
Accounts payable and accrued charges	(50,881)	(22,236)
Income taxes payable/recoverable	(8,006)	(50,064)
Provisions and other liabilities	949	273
	(10,097)	(33,912)