

**Kingsway Financial Services Inc.
Earnings and Profits Information
(for U.S. federal income tax purposes)**

In its Management Proxy Circular dated November 16, 2018 (the “Circular”), Kingsway Financial Services Inc. (“KFSI”) stated that it would provide to its common shareholders certain information regarding its earnings and profits (for U.S. federal income tax purposes). That information is set forth in the table below.

Column 1	Column 2	Column 3
<u>Tax Year</u>	KFSI Earnings and Profits Amount Allocated to Common Shareholders (Calculated in Canadian Dollars) <u>(Note 1)</u>	Weighted Average Number of KFSI Common Shares <u>Outstanding</u>
2018	Note 2	
2017	(\$3,278,743)	21,546,546
2016	(\$2,541,536)	20,006,709
2015	\$7,154,824	19,709,706
2014	(\$1,467,196)	17,355,335
2013	(\$12,762,936)	14,101,748
2012	\$4,634,874	13,148,457
2011	(\$3,157,917)	13,085,943
2010	\$8,424,260	13,022,930
2009	\$69,490,513	13,550,835
2008	\$277,576,366	13,811,370
2007 and Prior	Note 3	

Notes:

1. As discussed in the Circular, certain of KFSI’s United States common shareholders may, as an alternative to recognizing gain (for U.S. federal income tax purposes) in connection with the proposed Domestication, file an election to include in income, as a dividend, the “all earnings and profits amount” (as defined in the Treasury Regulations under Section 367) attributable to their common shares, provided certain other requirements are satisfied. The earnings and profits information set forth in the table above is being made available in the event that a common shareholder chooses to make such election.

The amounts included in column 2 are shown in Canadian dollars. As a Canadian corporation, KFSI’s earnings and profits are maintained in Canadian dollars. Amounts shown in parenthesis are negative earnings and profits.

2. As of the date of the Circular, it is anticipated that the 2018 figure for column 2 will be a negative number. There can be no assurance, however, that once the 2018 tax year is completed, such figure will, in fact, be negative. If the proposed Domestication does in fact occur, KFSI will update the above table to include figures for 2018 once the 2018 tax year has ended and the necessary information is gathered.
3. KFSI has not calculated any earnings and profits for 2007 and prior tax years.