

				As at March 31, 1996 and 1995			
				(\$ in Thousands)			
				1996		1995	
						(unaudited)	
ASSETS							
	Cash & Investments				\$82,586		\$37,359
	Financed premiums receivable				22,562		8,992
	Deferred policy acquisition costs (note)				9,077		3,741
	Amounts due from reinsurers				33,478		5,238
	Accounts receivable				10,791		4,760
	Capital assets				2,338		1,513
	Deferred income taxes				1,438		363
	Other				388		275
					\$162,658		\$62,241
LIABILITIES AND SHAREHOLDERS' EQUITY							
LIABILITIES							
	Unpaid claims (note)				\$64,695		\$20,084
	Unearned premiums (note)				46,966		20,359
	Accounts payable & accrued liabilities				1,939		382
	Amounts due to reinsurers				3,891		1,140
	Note payable to Intercargo				-		2,438
	Deferred service charges				630		632
					118,121		45,035
SHAREHOLDER'S EQUITY							
	Share capital				24,222		5,636
	Share warrant				3,935		-
	Retained earnings				16,380		11,570
					44,537		17,206
					\$162,658		\$62,241
	Note:						
			Comparative amounts were previously shown net of amounts ceded to reinsurers.				
				Kingsway Financial Services Inc.			
				Consolidated Statement of Changes in Financial Position			

				For the three months ended March 31, 1996 and 1995			
				(\$ in Thousands)			
						1996	1995
							(unaudited)
Operating activities:							
	Net income					\$1,592	\$549
	Items not involving cash:						
		Amortization				72	56
		Deferred income taxes				(747)	-
		Net realized gain on sale of investments				(70)	(24)
		Amortization of bond premiums & discounts				(335)	(686)
						512	(105)
	Net change in non-cash balances:					2,930	1,715
						3,442	1,610
Financing activities							
	Issuance of share capital, net					2,333	-
	Share warrant					3,935	-
	Bank indebtedness					(1,480)	-
	Note payable to Intercargo					-	(62)
						4,788	(62)
Investing activities:							
	Purchase of investments					(57,978)	(12,920)
	Proceeds from sales of investments					54,129	9,536
	Purchase of subsidiary					(5,209)	-
	Additions to capital assets					(53)	-
						(9,111)	(3,384)
	Increase (decrease) in cash during period					(881)	(1,836)
	Cash, beginning of period					1,363	3,567
	Cash, end of period					\$482	\$1,731