



Kingsway Financial Services Inc.

KINGSWAY FINANCIAL SERVICES INC.

CONSOLIDATED STATEMENT OF INCOME

For the periods ended September 30, 1996 and 1995

(\$ in Thousands, except for per share amounts)								
			Quarter ended September 30:			9 months to September 30:		
			1996	1996	1995	1996	1996	1995
			Actual	Forecast	Actual	Actual	Forecast	Actual
				(Unaudited)			(Unaudited)	
Gross premiums written			\$41,881	\$25,575	\$14,172	\$102,834	\$69,725	\$40,741
Net premiums written			\$38,016	\$21,581	\$12,107	\$100,112	\$58,782	\$34,077
Net earned premiums			\$31,005	\$17,658	\$11,575	\$74,037	\$52,556	\$33,306
Investment income			1,761	1,240	841	4,643	3,115	2,659
Premium finance income			517	551	620	1,247	1,384	1,024
			33,283	19,449	13,036	79,927	57,055	36,989
Claims incurred			19,258	11,500	8,444	46,120	34,500	22,625
Commissions & premium taxes			6,711	3,031	2,096	14,062	9,022	5,700
General expenses			2,894	1,788	1,134	8,382	5,363	4,028
			28,863	16,319	11,674	68,564	48,885	32,353
Income before income taxes			4,420	3,130	1,362	11,363	8,170	4,636
Income taxes			1,961	1,284	613	4,094	3,352	2,080
Net income			\$2,459	\$1,846	\$749	\$7,269	\$4,818	\$2,556
Earnings per share:								
	basic:		\$0.24	\$0.19	\$0.13	\$0.72	\$0.50	\$0.43
	fully -diluted:		\$0.23	\$0.19	\$0.13	\$0.68	\$0.49	\$0.43
Claims ratio			62.1%	65.1%	73.0%	62.3%	65.6%	67.9%
Expense ratio			31.0%	27.3%	27.9%	30.3%	27.4%	29.2%
Combined ratio			93.1%	92.4%	100.9%	92.6%	93.0%	97.1%
Underwriting profit (loss)			\$2,142	\$1,339	(\$99)	\$5,473	\$3,671	\$953

KINGSWAY FINANCIAL SERVICES INC.								
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION								
For the periods ended September 30, 1996 and 1995								
(\$ in Thousands)								
							1996	1995
							(Unaudited)	
Operating activities:								
	Net income						\$7,269	\$2,556
	Items not involving cash:							
		Amortization					305	172
		Deferred income taxes					(307)	-
		Net realized gain on sale of investments					(51)	(227)
		Amortization of bond premiums & discounts					(886)	(1,416)
							6,330	1,085
Net change in non-cash balances:							32,990	5,669
							39,320	6,754
Financing activities								
	Issuance of share capital, net						2,329	-
	Share warrant						2,507	-
	Note payable to Intercargo						-	(63)
	Bank indebtedness						5,495	-
							10,331	(63)
Investing activities:								
	Purchase of investments						(115,750)	(72,577)
	Proceeds from sales of investments						94,233	63,946
	Purchase of subsidiary						(5,209)	-
	Additions to capital assets						(3,799)	(666)
							(30,525)	(9,297)
Increase (decrease) in cash during period							19,126	(2,606)
Cash, beginning of period							1,363	3,567
Cash, end of period							\$20,489	\$961

Last Updated on 7/27/97
By Dan Browne