

NI Holdings, Inc.

NI Holdings, Inc. (NODK)
Financial Supplement as of June 30, 2018

The Company has five reportable segments:

- Private Passenger Auto: provides protection against liability for bodily injury and property damage arising from automobile accidents and protection against loss from damage to automobiles owned by the insured.
- Non-Standard Auto: provides limited protection auto insurance for both bodily injury and property damage.
- Home and Farm: provides coverage for damage to buildings, equipment, and contents for a variety of perils, including fire, lightning, wind, hail, and theft; also covers liability arising from injury to other persons or their property while on insured's premises.
- Crop: provides multi-peril crop and crop hail insurance. Multi-peril crop is a federal insurance program to provide protection against a variety of potential damages to crops, including both weather and non-weather causes. Crop hail is private coverage to provide protection against losses to crops due primarily to hail damage.
- All Other: includes commercial liability and physical damage coverages, excess liability and other coverages, and assumed reinsurance pools.

**NI HOLDINGS, INC.
FINANCIAL SUPPLEMENT
(UNAUDITED)
AS OF JUNE 30, 2018**

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About NI Holdings:

NI Holdings, Inc. (NASDAQ: NODK) is a U.S. insurance holding company, specializing in property and casualty insurance coverages primarily in the Upper Midwest. NI Holdings is the parent company of Nodak Insurance Company, which focuses on providing financial protections for owners of homes, farms, automobiles, and small businesses. NI Holdings' financial statements include the consolidated financial results of NI Holdings and Nodak Insurance, including Nodak Insurance' wholly-owned subsidiaries American West Insurance Company and Primero Insurance Company, and its affiliate Battle Creek Mutual Insurance Company.

NI Holdings, Inc.
Consolidated Statements of Operations and Selected Data
(Unaudited)

(\$ in thousands)	2018		2017				Twelve Months		Six Months		2Q18 - 2Q17 % Change	2Q18 - 1Q18 % Change	6M18 - 6M17 % Change
	2Q	1Q	4Q	3Q	2Q	1Q	2017	2016	2018	2017			
Revenues:													
Net premiums earned	\$ 50,677	\$ 36,112	\$ 48,477	\$ 52,525	\$ 45,653	\$ 32,809	\$ 179,464	\$ 152,756	\$ 86,789	\$ 78,462	10.1%	-25.5%	10.6%
Fee and other income	470	377	228	752	321	347	1,648	1,666	847	668	8.6%	65.4%	26.8%
Net investment income	1,523	1,369	1,325	1,404	1,303	999	5,031	3,644	2,892	2,302	37.0%	3.3%	25.6%
Net realized capital gain on investments	250	469	157	1,885	339	616	2,997	5,681	719	955	-23.9%	198.7%	-24.7%
	52,920	38,327	50,187	56,566	47,616	34,771	189,140	163,747	91,247	82,387	10.2%	-23.6%	10.8%
Expenses:													
Losses and loss adjustment expenses	40,721	18,849	19,161	49,599	36,230	17,721	122,711	118,508	59,570	53,951	6.4%	-1.6%	10.4%
Underwriting and general expenses ⁽¹⁾	11,802	11,877	12,887	10,092	11,425	10,019	44,423	39,122	23,679	21,444	18.5%	-7.8%	10.4%
	52,523	30,726	32,048	59,691	47,655	27,740	167,134	157,630	83,249	75,395	10.8%	-4.1%	10.4%
Income (loss) before income taxes	397	7,601	18,139	(3,125)	(39)	7,031	22,006	6,117	7,998	6,992	8.1%	-58.1%	14.4%
Income taxes	141	1,449	4,700	(432)	(156)	2,282	6,394	1,479	1,590	2,126	-36.5%	-69.2%	-25.2%
Net income (loss)	256	6,152	13,439	(2,693)	117	4,749	15,612	4,638	6,408	4,866	29.5%	-54.2%	31.7%
Net income (loss) attributable to non-controlling interest	30	30	(467)	40	(12)	60	(379)	87	60	48	-50.0%	106.4%	25.0%
Net income (loss) attributable to NI Holdings, Inc.	\$ 226	\$ 6,122	\$ 13,906	\$ (2,733)	\$ 129	\$ 4,689	\$ 15,991	\$ 4,551	\$ 6,348	\$ 4,818	30.6%	-56.0%	31.8%
Loss and LAE ratio ⁽²⁾	80.4%	52.2%	39.5%	94.4%	79.4%	54.0%	68.4%	77.6%	68.6%	68.8%	-180 bps	1270 bps	-20 bps
Expense ratio ⁽³⁾	23.3%	32.9%	26.6%	19.2%	25.0%	30.5%	24.8%	25.6%	27.3%	27.3%	240 bps	630 bps	0 bps
Combined ratio ⁽⁴⁾	103.6%	85.1%	66.1%	113.6%	104.4%	84.5%	93.1%	103.2%	95.9%	96.1%	60 bps	1900 bps	-20 bps
Effective Tax Rate	35.5%	19.1%	25.9%	13.8%	400.0%	32.5%	29.1%	24.2%	19.9%	30.4%			-1050 bps

- Notes:**
- (1) Underwriting and general expenses include the deferral and amortization of policy acquisition costs.
 - (2) The loss and LAE ratio equals losses and loss adjustment expenses divided by net premiums earned.
 - (3) The expense ratio equals underwriting and general expenses divided by net premiums earned.
 - (4) The combined ratio equals losses and loss adjustment expenses plus underwriting and general expenses, divided by net premiums earned.

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Consolidated Statements of Operations and Selected Data
(Unaudited)

(\$ in thousands)	2018		2017				Twelve Months		Six Months		2Q18 - 2Q17 % Change	2Q18 - 1Q18 % Change	6M18 - 6M17 % Change
	2Q	1Q	4Q	3Q	2Q	1Q	2017	2016	2018	2017			
Direct premiums written by state:													
North Dakota	\$ 66,661	\$ 25,163	\$ 23,616	\$ 26,490	\$ 63,568	\$ 25,276	\$ 138,950	\$ 135,133	\$ 91,824	\$ 88,844	4.9%	164.9%	3.4%
Nebraska	10,565	8,760	8,253	8,345	9,459	7,301	33,358	26,302	19,325	16,760	11.7%	20.6%	15.3%
South Dakota	3,255	2,660	1,870	2,556	2,120	1,681	8,227	5,814	5,915	3,801	53.5%	22.4%	55.6%
Nevada	2,318	1,905	963	2,193	1,616	1,618	6,390	7,086	4,223	3,234	43.4%	21.7%	30.6%
Minnesota	5,147	58	141	(642)	6,353	93	5,945	5,076	5,205	6,446	-19.0%	8774.1%	-19.3%
Arizona	634	728	1,339	63	554	412	2,368	1,459	1,362	966	14.4%	-12.9%	41.0%
Total	\$ 88,580	\$ 39,274	\$ 36,182	\$ 39,005	\$ 83,670	\$ 36,381	\$ 195,238	\$ 180,870	\$ 127,854	\$ 120,051	5.9%	125.5%	6.5%
Direct premiums written by segment:													
Private passenger auto	\$ 18,007	\$ 16,517	\$ 15,377	\$ 14,365	\$ 16,171	\$ 14,834	\$ 60,747	\$ 53,156	\$ 34,524	\$ 31,005	11.4%	9.0%	11.3%
Non-standard auto	3,355	3,210	2,737	2,855	2,597	2,646	10,835	10,800	6,565	5,243	29.2%	4.5%	25.2%
Home and farm	21,187	17,457	16,332	15,445	18,958	15,880	66,615	60,448	38,644	34,838	11.8%	21.4%	10.9%
Crop	43,421	-	(87)	4,543	43,530	1,026	49,012	48,876	43,421	44,556	-0.3%	N/A	-2.5%
All other ^(a)	2,610	2,090	1,823	1,797	2,414	1,995	8,029	7,590	4,700	4,409	8.1%	24.9%	6.6%
Total	\$ 88,580	\$ 39,274	\$ 36,182	\$ 39,005	\$ 83,670	\$ 36,381	\$ 195,238	\$ 180,870	\$ 127,854	\$ 120,051	5.9%	125.5%	6.5%
Net premiums earned by segment:													
Private passenger auto	\$ 15,310	\$ 14,825	\$ 14,939	\$ 14,275	\$ 13,520	\$ 12,644	\$ 55,378	\$ 48,250	\$ 30,135	\$ 26,164	13.2%	3.3%	15.2%
Non-standard auto	3,476	2,991	2,746	2,663	2,590	2,531	10,530	10,671	6,467	5,121	34.2%	16.2%	26.3%
Home and farm	15,621	15,118	15,777	14,909	14,071	13,638	58,395	50,243	30,739	27,709	11.0%	3.3%	10.9%
Crop	13,441	101	12,156	17,756	12,814	1,100	43,826	33,163	13,542	13,914	4.9%	13207.9%	-2.7%
All other ^(a)	2,829	3,077	2,859	2,922	2,658	2,896	11,335	10,429	5,906	5,554	6.4%	-8.1%	6.3%
Total	\$ 50,677	\$ 36,112	\$ 48,477	\$ 52,525	\$ 45,653	\$ 32,809	\$ 179,464	\$ 152,756	\$ 86,789	\$ 78,462	11.0%	40.3%	10.6%
Losses and loss adjustment expenses by segment:													
Private passenger auto	\$ 11,175	\$ 10,122	\$ 6,560	\$ 10,471	\$ 7,733	\$ 9,987	\$ 34,751	\$ 37,892	\$ 21,297	\$ 17,720	44.5%	10.4%	20.2%
Non-standard auto	2,973	1,964	2,406	1,564	2,347	2,373	8,690	9,965	4,937	4,720	26.7%	51.4%	4.6%
Home and farm	16,527	5,322	5,637	15,069	14,571	4,432	39,709	44,004	21,849	19,003	13.4%	210.5%	15.0%
Crop	9,007	315	2,735	18,213	10,914	580	32,442	19,369	9,322	11,494	-17.5%	2759.4%	-18.9%
All other ^(a)	1,039	1,126	1,823	4,282	665	349	7,119	7,278	2,165	1,014	56.2%	-7.7%	113.5%
Total	\$ 40,721	\$ 18,849	\$ 19,161	\$ 49,599	\$ 36,230	\$ 17,721	\$ 122,711	\$ 118,508	\$ 59,570	\$ 53,951	12.4%	116.0%	10.4%
Loss and LAE ratios by segment: ⁽²⁾													
Private passenger auto	73.0%	68.3%	43.9%	73.4%	57.2%	79.0%	62.8%	78.5%	70.7%	67.7%	1580 bps	470 bps	290 bps
Non-standard auto	85.5%	65.7%	87.6%	58.7%	90.6%	93.8%	82.5%	93.4%	76.3%	92.2%	-510 bps	1990 bps	-1580 bps
Home and farm	105.8%	35.2%	35.7%	101.1%	103.6%	32.5%	68.0%	87.6%	71.1%	68.6%	220 bps	7060 bps	250 bps
Crop	67.0%	311.9%	22.5%	102.6%	85.2%	52.7%	74.0%	58.4%	68.8%	82.6%	-1820 bps	-24490 bps	-1380 bps
All other ^(a)	36.7%	36.6%	63.8%	146.5%	25.0%	12.1%	62.8%	69.8%	36.7%	18.3%	1170 bps	10 bps	1840 bps
Total	80.4%	52.2%	39.5%	94.4%	79.4%	54.0%	68.4%	77.6%	68.6%	68.8%	100 bps	2820 bps	-10 bps

Notes:
(2) The loss and LAE ratio equals losses and loss adjustment expenses divided by net premiums earned.
(a) All other includes primarily commercial business owners insurance and assumed domestic and international reinsurance programs which are intended to diversify the risk exposure of the company.