



NMI Holdings, Inc. (NMIH)

Investor Presentation

June 2015

Cautionary Note Regarding Forward-Looking Statements

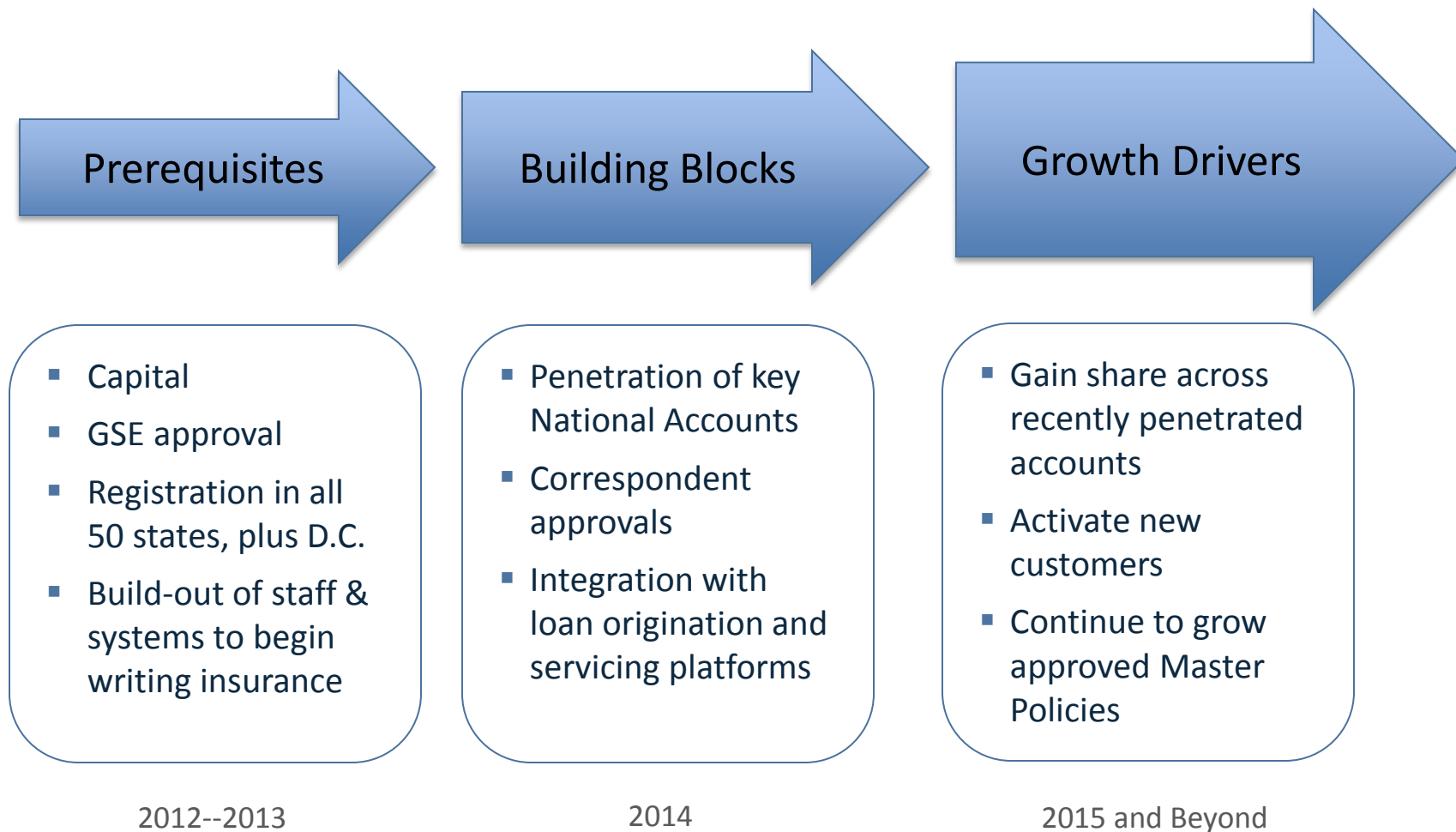
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the U.S. Private Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believe,” “can,” “would,” “should,” “could,” “may,” “predict,” “potential,” “should,” “will,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “intend” or similar words or phrases, including, but not limited to, statements regarding the outlook for our future business and financial performance. These risks and uncertainties include, but are not limited to, those set forth in our SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2014 and our quarterly reports. Any or all of our forward-looking statements in this presentation may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, operating results, business strategy and financial needs. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements including, but not limited to: (1) our limited operating history; (2) our future profitability, liquidity and capital resources; (3) developments in the world's financial and capital markets and our access to such markets; (4) retention of our existing certificates of authority in each state and the District of Columbia (D.C.) and our ability to remain a mortgage insurer in good standing in each state and D.C.; (5) changes in the business practices of the GSEs, including adoption and implementation of the new Private Mortgage Insurer Eligibility Requirements or decisions to decrease or discontinue the use of mortgage insurance; (6) our ability to remain a qualified mortgage insurer under the requirements imposed by the GSEs; (7) actions of existing competitors and potential market entry by new competitors; (8) changes to laws and regulations, including changes to the GSEs’ role in the secondary mortgage market or other changes that could affect the residential mortgage industry generally or mortgage insurance in particular; (9) changes in general economic, market and political conditions and policies, interest rates, inflation and investment results or other conditions that affect the housing market or the markets for home mortgages or mortgage insurance; (10) changes in the regulatory environment; (11) our ability to implement our business strategy, including our ability to write mortgage insurance on high quality low down payment residential mortgage loans, implement successfully and on a timely basis, complex infrastructure, systems, procedures, and internal controls to support our business and regulatory and reporting requirements of the insurance industry; (12) failure of risk management or investment strategy; (13) emergence of claim and coverage issues, including claims exceeding our reserves or amounts we had expected to experience; (14) failure to maintain, improve and continue to develop necessary information technology systems or the failure of technology providers to perform; and (15) ability to recruit, train and retain key personnel).

All forward-looking statements are necessarily only estimates of future results, and actual results may differ materially from expectations. You are, therefore, cautioned not to place undue reliance on such statements. Any forward-looking statement is qualified in its entirety by reference to the matters discussed in this presentation. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.

NMI Holdings (NationalMI) Introduction

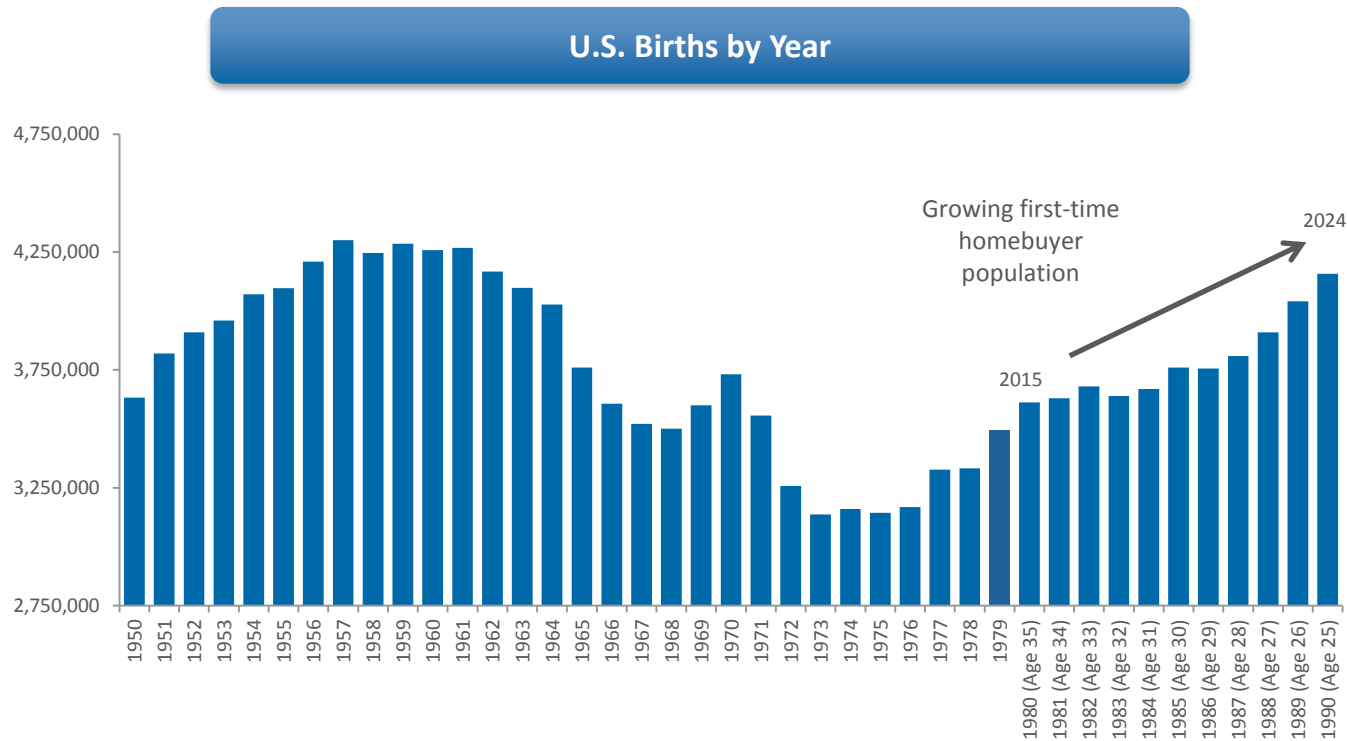
- Private mortgage insurance company capitalized in 2012 with approximately \$510 million
 - Only the 2nd mortgage insurer to be GSE approved in the last 20 years
 - One of seven companies approved as an eligible mortgage insurer by Fannie Mae and Freddie Mac
 - Licensed in all 50 states and D.C.
- Differentiated business model
 - Clean balance sheet with no legacy liabilities or rescission history and simple legal entity structure
 - Industry leader in underwriting and coverage
- Significant growth opportunities
 - 1Q2015: 24% quarter/quarter growth in flow New Insurance Written (NIW)
- Mid-teens targeted return on equity

NationalMI – Path to Growth



Highly Favorable Demographic Trends

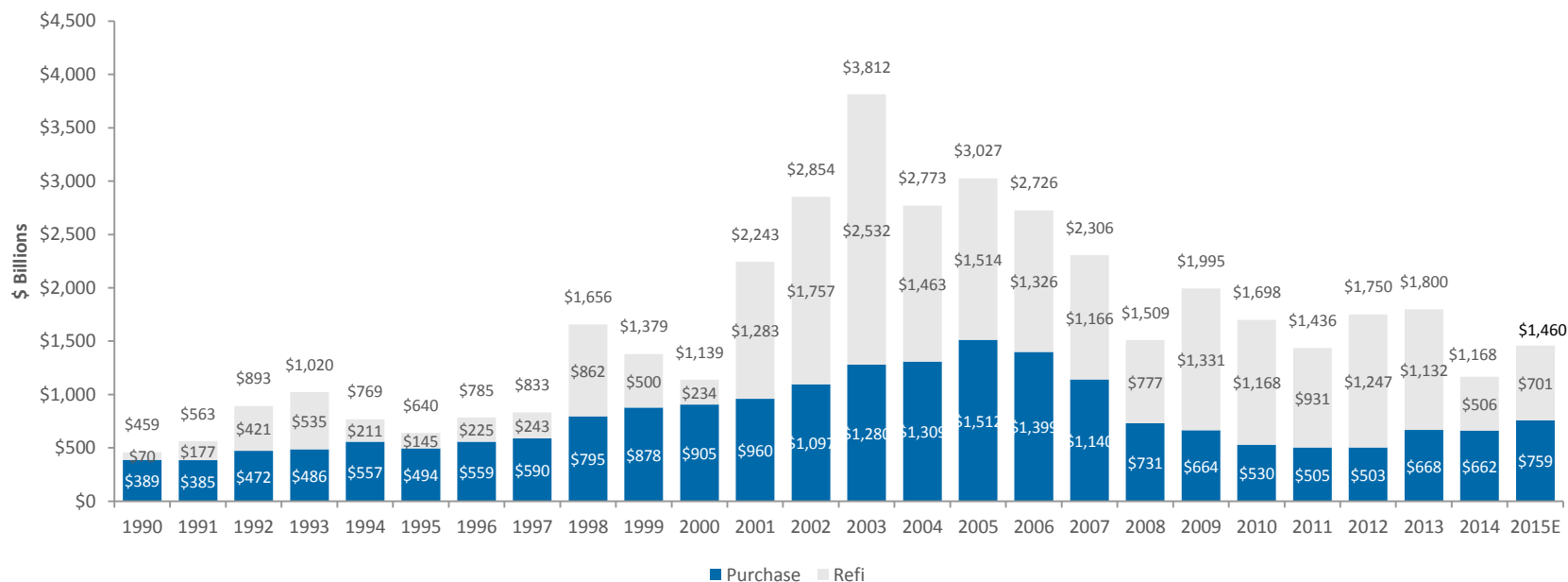
- First-time homebuyers represent a significant future opportunity
- Average age of a first-time homebuyer is 34 years old
 - More Americans will enter the typical first-time homebuyer age nearly every year over the next decade
 - Over 40 MM Americans will reach the age of an average first time homebuyer over the next decade



Growing Purchase Originations

- MI penetration is approximately 4x higher in purchase mortgages than refinancing
- Purchase originations have recovered since the financial crisis
- We believe demographic and credit trends are favorable for continued growth in purchase originations

Total Mortgage Originations
(1990-2015E)

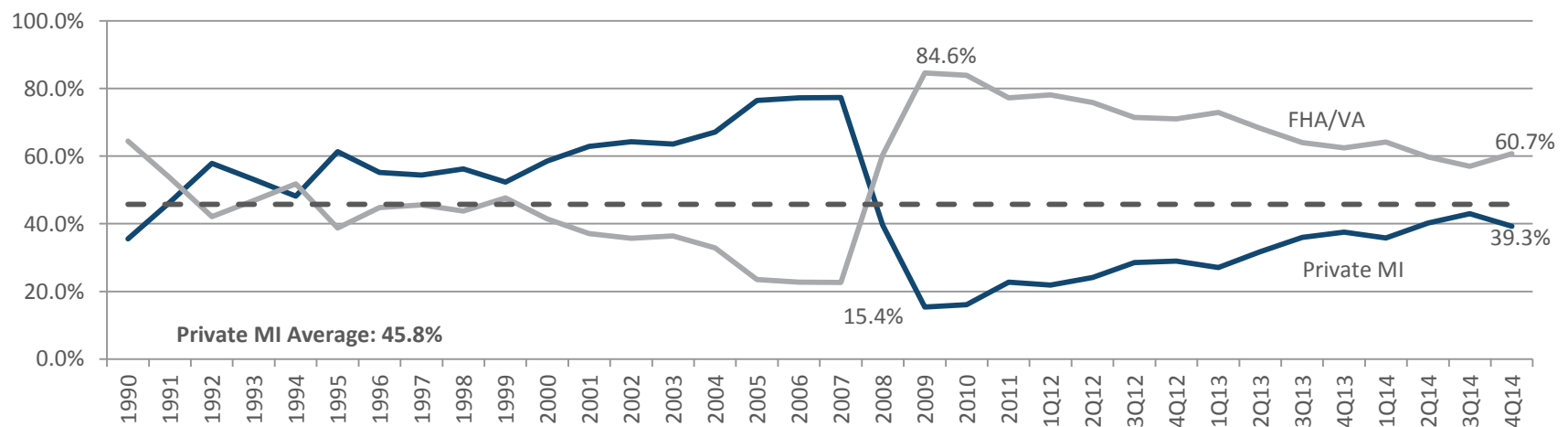


Source: Mortgage Bankers Association, Fannie Mae, Freddie Mac

Private MI Share Growth vs. FHA / VA

- FHA and VA filled the gap left by the capital constraints facing the private MI industry during the economic downturn
- 2009-2014: Market share has steadily shifted back to private MI companies
- No material change in market share since FHA reduced MI premiums in January 2015

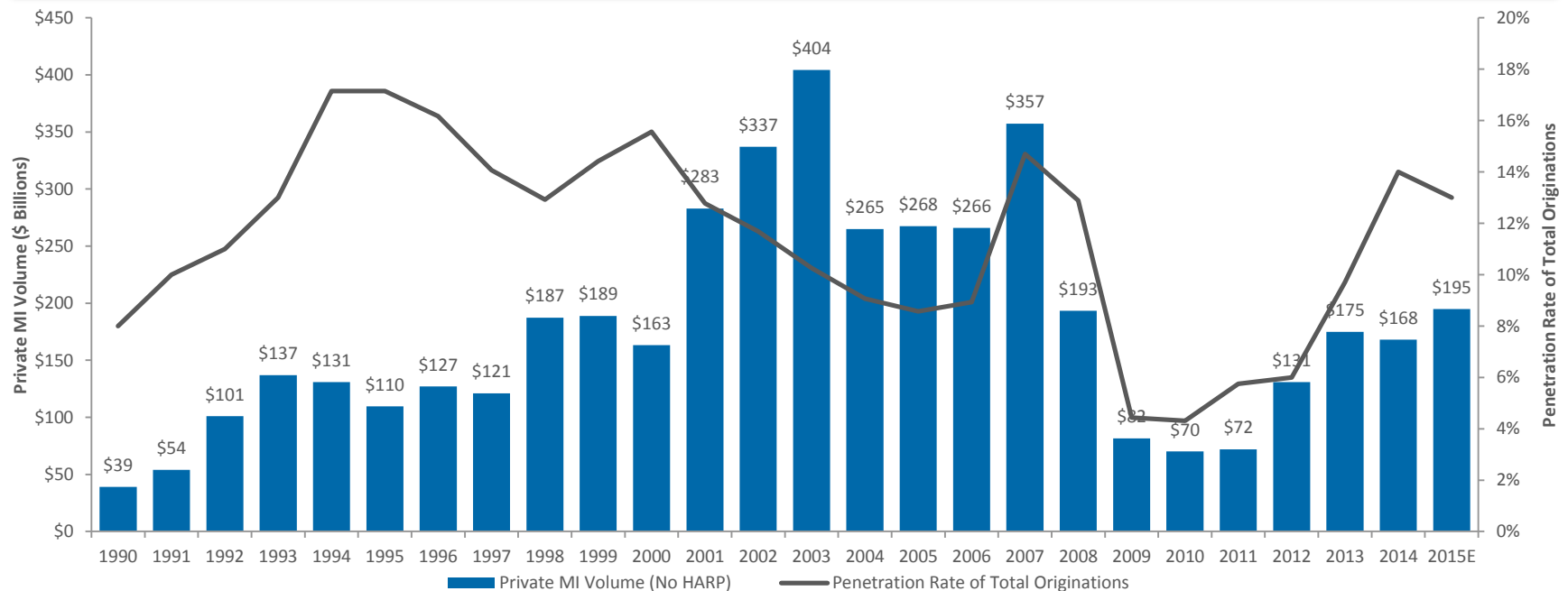
MI Market Share: Private MI vs. FHA / VA
(1990-4Q 2014)



Strong Outlook For Private MI Volume

- Private MI volume and penetration is rebounding from historical lows with recovery in housing market
- 1Q15 penetration rate (13%) down due to high refinance mix

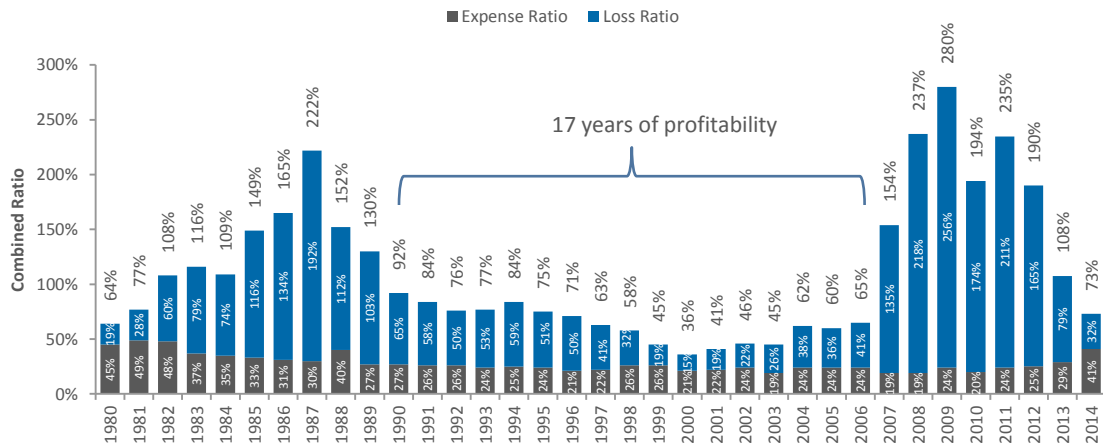
Private MI Volume and Penetration



Source: Inside Mortgage Finance., Fannie Mae, Freddie Mac, 2015E Management estimate

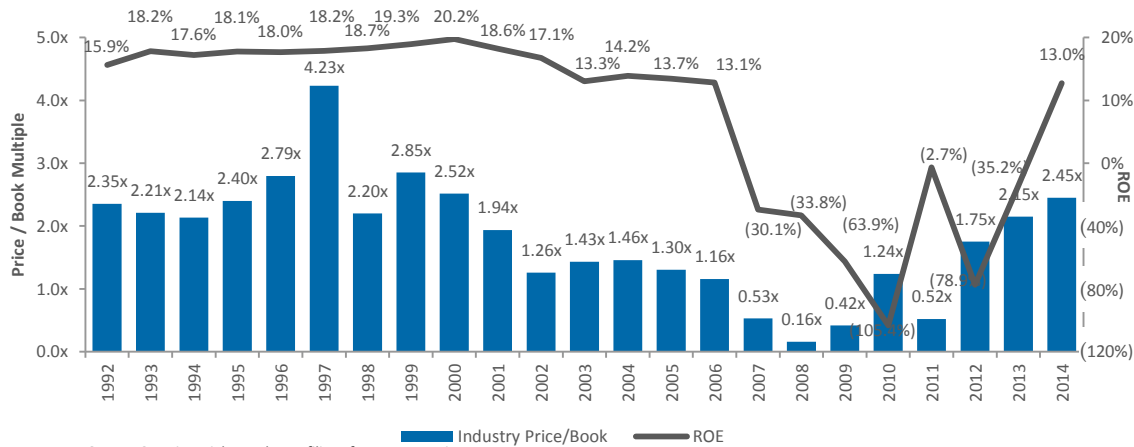
Historically Profitable Industry

Private MI Combined Ratio (1980-2014)



- The MI industry has been characterized by long periods of profitability
- The industry has demonstrated the ability to generate attractive ROEs
- Public markets often have rewarded these businesses with valuations at a premium to book value

Historical Private MI Price / Book Multiple and ROE (1992-2014)



Source: SNL Financial, Regulatory filings for MI companies

Significant Value Proposition



Superior Ease of Use

National MI TrueGuide[®] Underwriting Guidelines:

- Expanded and very competitive conforming and non-conforming high balance guidelines
- Industry-leading rates
- Very competitive non-AUS Jumbo guidelines
- Expanded and competitive Affordable guidelines
- Ability to obtain for customers, when appropriate, program variances

Best “Terms of Trade”

National MI SafeGuard[®] Terms of Coverage:

- Covered from Day 1 (original underwrite of the file, including the appraisal)
- Clear master policy terms of coverage
- Rescission relief and certainty of coverage after 12 months
- Every loan is individually evaluated with the highest quality underwriting standards
- Significantly reduces repurchase risk

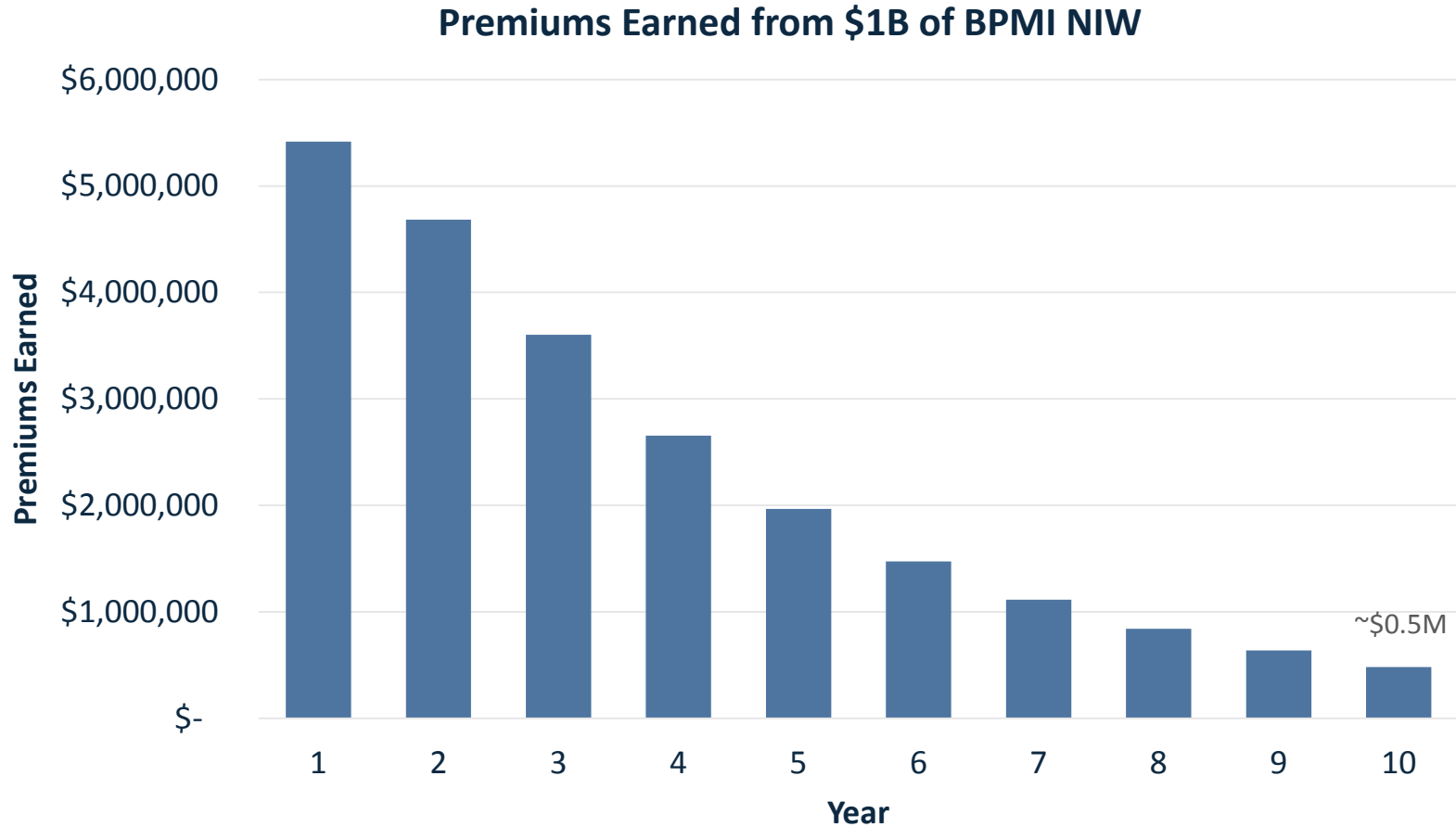
Strong Capital Base

Financial Strength and Capacity:

- National MI is financially strong, with access to capital and no corporate debt. We are unfettered by a legacy book of business, and bring needed capacity to the industry
- Low risk-to-capital ratio
- Able to support origination production goals
- Solely forward-focused – well positioned to deploy capital
- Undistracted by rescissions and claims
- Predictable and understandable risk decisions

National MI is Focused on Providing an Exceptional Customer Experience

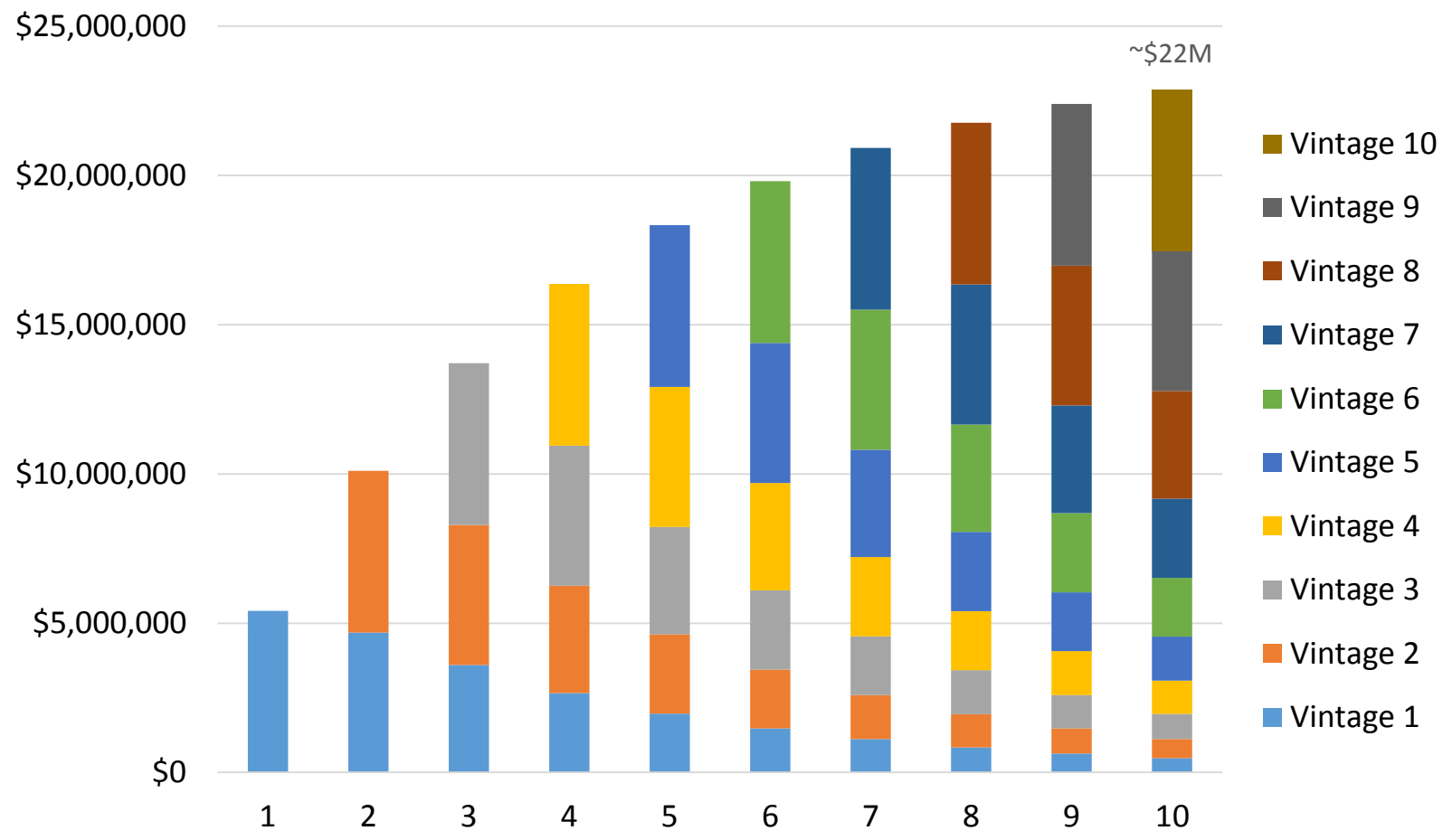
Premium Illustration: Revenue Stream from \$1B of NIW



Not a forecast. Assumes 55 bps premium yield and 4.5 year average life of loan

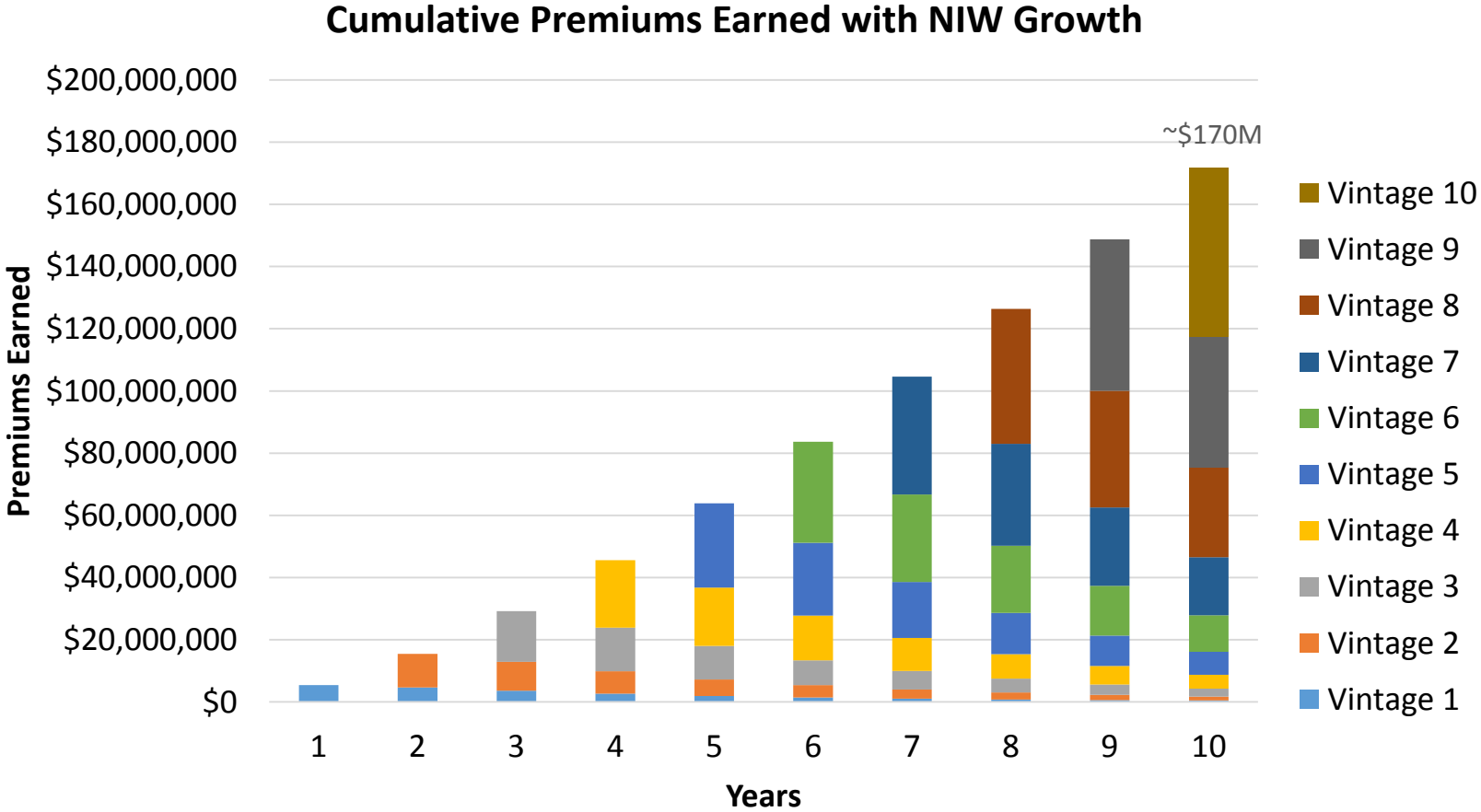
Premium Illustration: Revenue Stream from Book Layering with Flat NIW

Cumulative Premiums Earned with Flat Annual NIW



Not a forecast. Assumes \$1B of NIW annually; 55 bps premium yield and 4.5 year average life of loan.

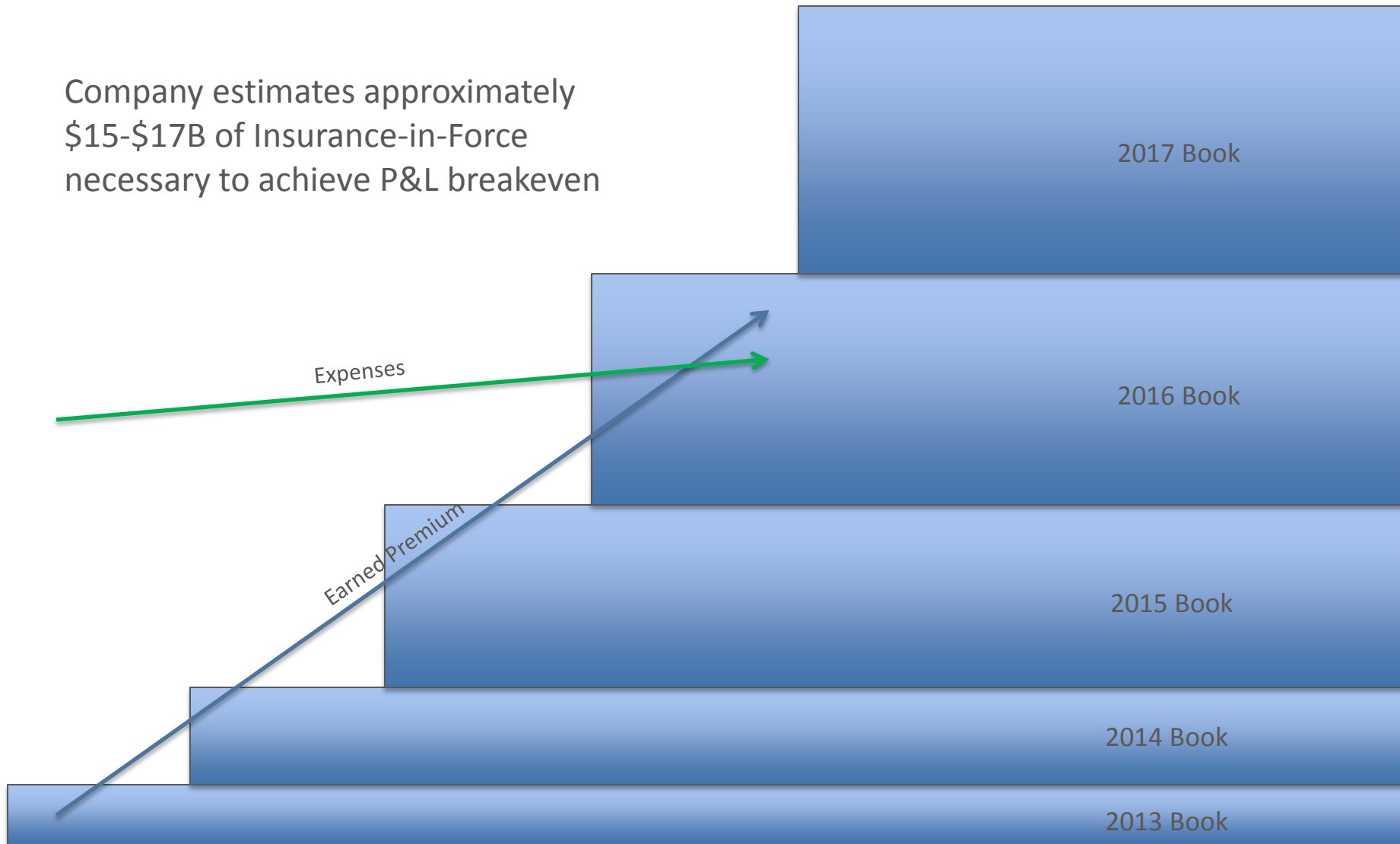
Premium Illustration: Book Layering with NIW Growth



Not a forecast. Assumes growth of \$1B of NIW annually; 55 bps premium yield and 4.5 year average life of loan.

NMIH Business Model Simplified

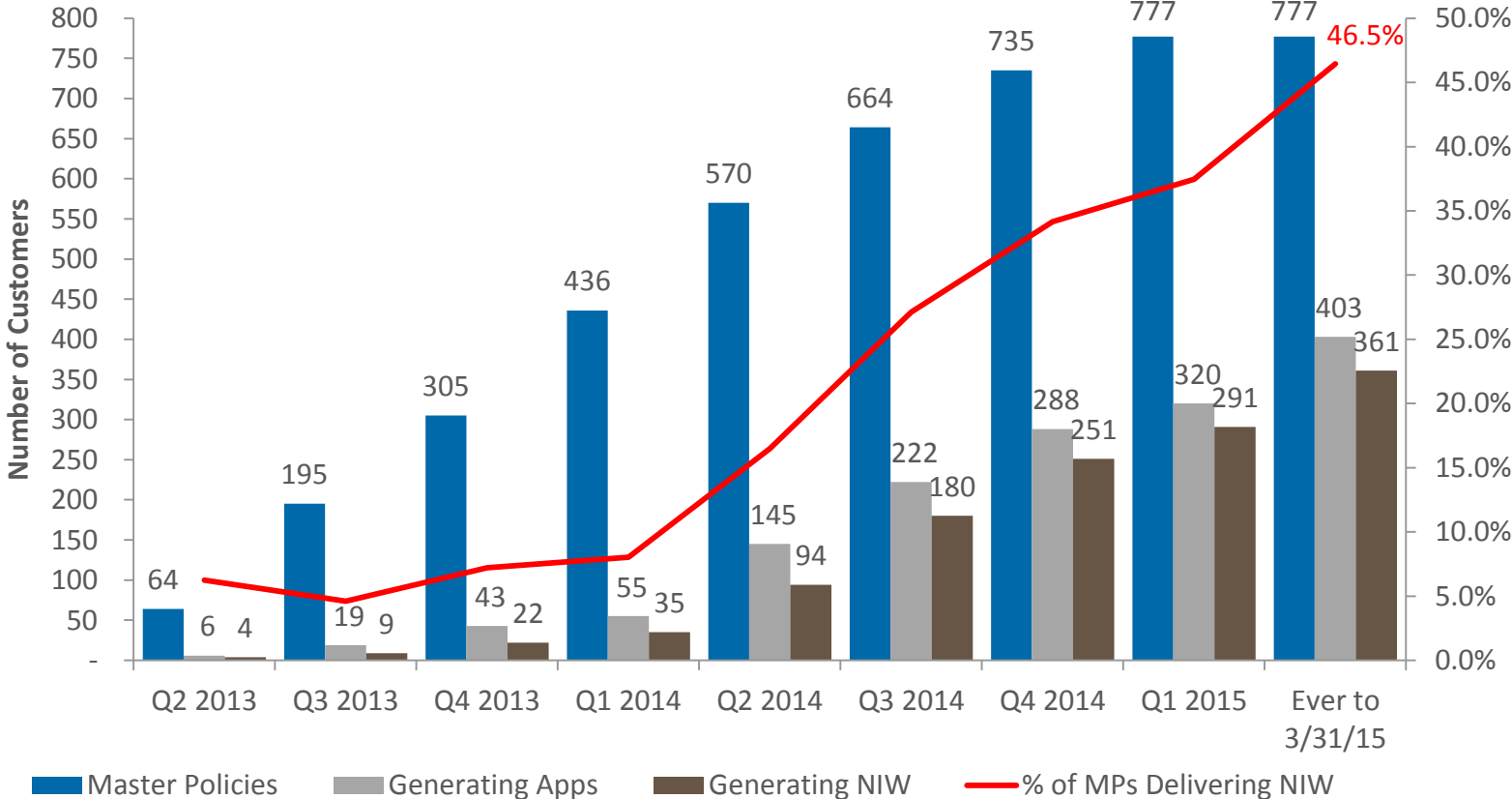
Company estimates approximately \$15-\$17B of Insurance-in-Force necessary to achieve P&L breakeven



For illustration only: book sizes and timeframes are not proportional.

Customer Base

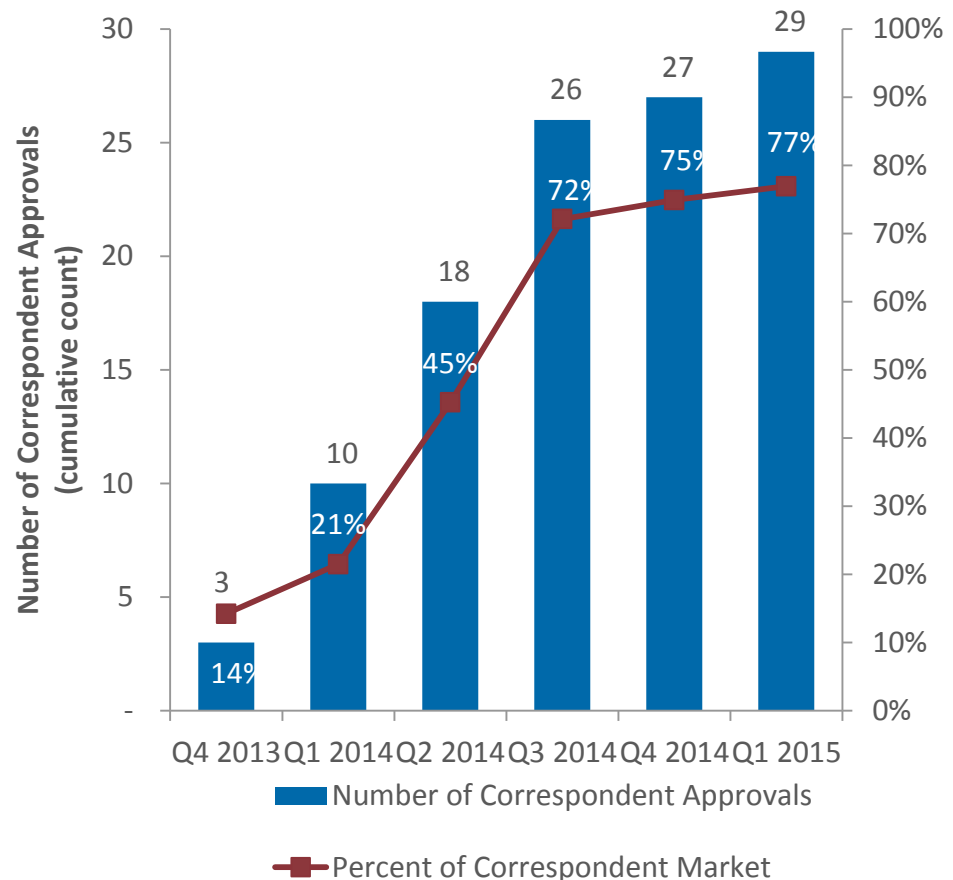
Customers with Approved Master Policies and those Generating NIW during the Period



Growing Correspondent Approvals

- Correspondent market originates ~70% of MI volume
- We achieved critical mass in the correspondent channel as of 3Q2014
- As of March 31, 2015, we are approved with 29 of the Top Residential Correspondent Lenders, according to Inside Mortgage Finance, representing 77% of the market
- Currently in approval process with correspondent lenders representing an additional 7% of the correspondent market

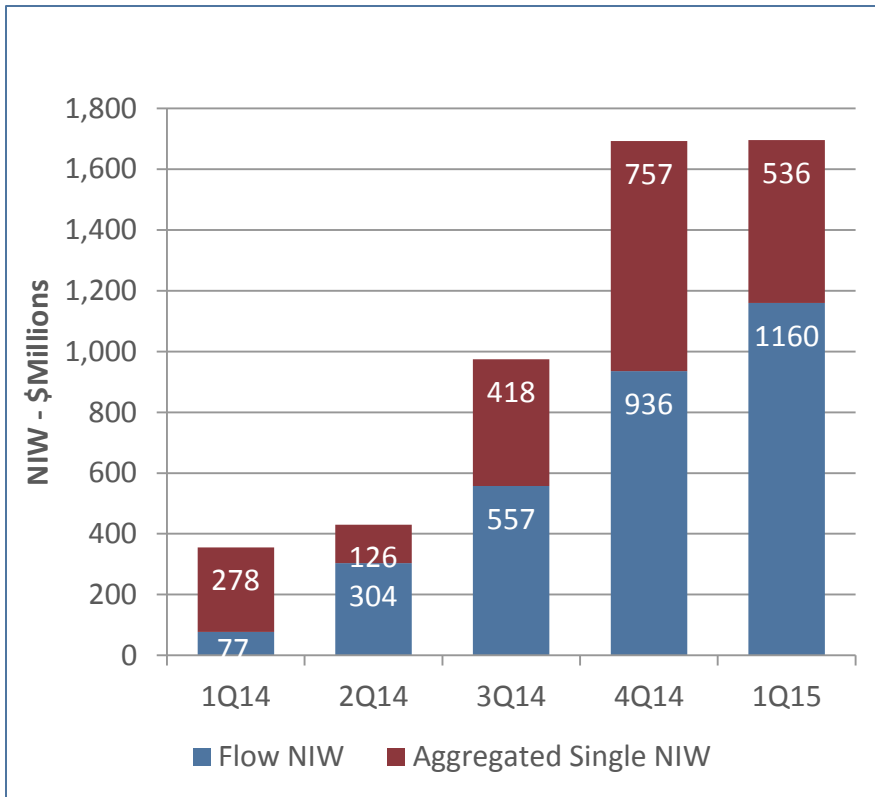
Top Residential Correspondent Approvals and the Percent of Correspondent Market Accessible*



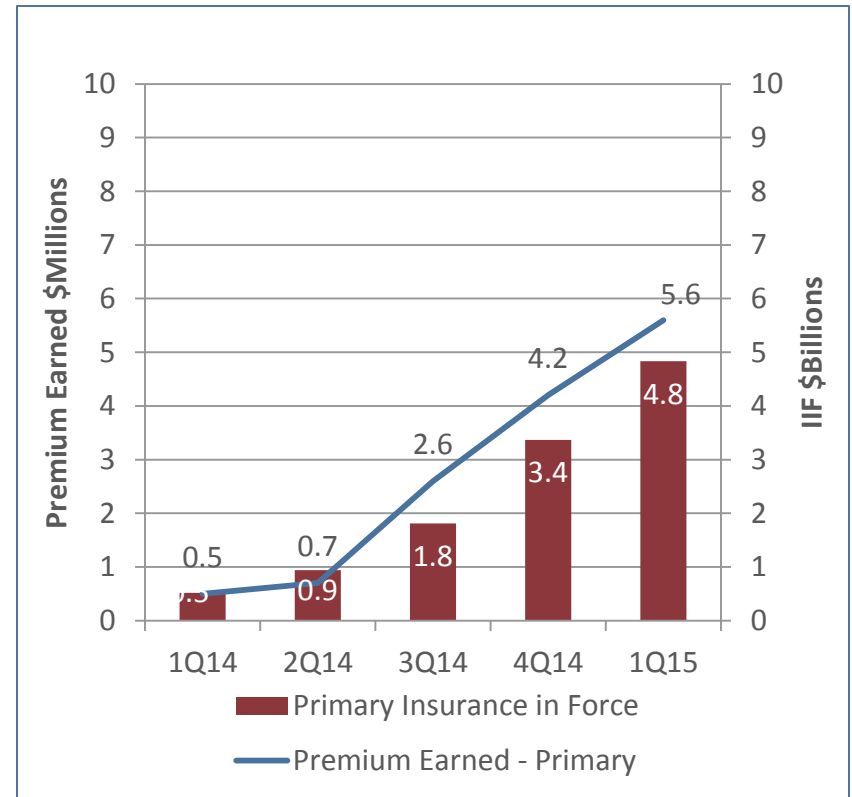
Represents Top Residential Correspondent Lenders as defined by Inside Mortgage Finance.

Strong Growth in Flow NIW Driving Premiums Earned

New Insurance Written



Premiums Earned & Insurance-in-Force



Capital Position as of 3/31/15

- Book value = \$423M, or \$7.23 per share (not including deferred tax asset = \$54M at 12/31/14)
- Cash and investments = \$434M, including \$158M at holding company
- Risk-to-available assets = 5:1
- Positioned to write approximately \$20B of new insurance under risk-to-capital framework of new PMIERS

Summary

- Strong growth trends in master policies, active customers, and new insurance written
- Favorable macroeconomic and demographic trends supporting a growing MI market in 2015
- NMI's build-out of fixed cost base will be largely complete by end of 2015
- Business positioned to achieve profitability with approximately \$15-\$17 billion of primary insurance-in-force