NMI Holdings, Inc. Reports Fourth Quarter and Full Year 2023 Financial Results

February 14, 2024

EMERYVILLE, Calif., Feb. 14, 2024 (GLOBE NEWSWIRE) -- NMI Holdings, Inc. (Nasdaq: NMIH) today reported net income of $83.4 million, or $1.01 per diluted share, for the fourth quarter ended December 31, 2023, which compares to $84.0 million, or $1.00 per diluted share, in the third quarter ended September 30, 2023 and $72.9 million, or $0.86 per diluted share, in the fourth quarter ended December 31, 2022. Adjusted net income for the quarter was $83.4 million, or $1.01 per diluted share, which compares to $84.0 million, or $1.00 per diluted share, in the third quarter ended September 30, 2023 and $72.9 million, or $0.86 per diluted share, in the fourth quarter ended December 31, 2022.

Net income for the full year ended December 31, 2023 was $322.1 million or $3.84 per diluted share, which compares to $292.9 million, or $3.39 per diluted share, for the year ended December 31, 2022. Adjusted net income for the year was $322.1 million or $3.84 per diluted share, which compares to $291.6 million, or $3.39 per diluted share, for the year ended December 31, 2022. The non-GAAP financial measures adjusted net income, adjusted diluted earnings per share and adjusted return on equity are presented in this release to enhance the comparability of financial results between periods. See "Use of Non-GAAP Financial Measures" and our reconciliation of such measures to their most comparable GAAP measures, below.

Adam Pollitzer, President and Chief Executive Officer of National MI, said, “The fourth quarter capped another year of standout success for National MI. In 2023, we delivered strong operating performance, generated significant NIW volume and consistent growth in our insured portfolio, and achieved record financial results and an 18.2% return on equity. We have built an exceptionally high-quality book covered by a comprehensive set of risk transfer solutions, our credit performance continues to stand ahead, and we have a robust balance sheet supported by the significant earnings power of our platform. Looking forward, we’re well-positioned to continue delivering differentiated growth, returns and value for our shareholders.”

Selected fourth quarter 2023 highlights include:

- Primary insurance-in-force at quarter end was $197.0 billion, compared to $194.8 billion at the end of the third quarter and $184.0 billion at the end of the fourth quarter of 2022
- Net premiums earned were $132.9 million, compared to $130.1 million in the third quarter and $119.6 million in the fourth quarter of 2022
- Total revenue was $151.4 million, compared to $148.2 million in the third quarter and $133.1 million in the fourth quarter of 2022
- Underwriting and operating expenses were $29.7 million, compared to $27.7 million in the third quarter and $26.7 million in the fourth quarter of 2022
- Insurance claims and claim expenses were $8.2 million, compared to $4.8 million in the third quarter and $3.4 million in the fourth quarter of 2022
- Shareholders’ equity was $1.9 billion at quarter end and book value per share was $23.81. Book value per share excluding the impact of net unrealized gains and losses in the investment portfolio was $25.54, up 4% compared to $24.56 in the third quarter and 17% compared to $21.76 in the fourth quarter of 2022
- Annualized return on equity for the quarter was 18.0%, compared to 19.0% in the third quarter and 18.6% in the fourth quarter of 2022
- At quarter-end, total PMIERs available assets were $2.7 billion and net risk-based required assets were $1.5 billion

	Quarter Ended 12/31/2023	*Quarter Ended 9/30/2023*	*Quarter Ended 12/31/2022*	*Change (1) Q/Q*	*Change (1) Y/Y*
INSURANCE METRICS ($billions)					
Primary Insurance-in-Force	$ 197.0	$ 194.8	$ 184.0	*1%*	*7%*
New Insurance Written - NIW					
Monthly premium	8.6	11.0	10.5	*(22)%*	*(18)%*
Single premium	0.3	0.3	0.3	*6%*	*17%*
Total (2)	8.9	11.3	10.7	*(21)%*	*(17)%*

FINANCIAL HIGHLIGHTS (Unaudited, $millions, except per share amounts)

Net Premiums Earned	132.9	130.1	119.6	*2%*	*11%*
Insurance Claims and Claim Expenses	8.2	4.8	3.4	*71%*	*139%*
Underwriting and Operating Expenses	29.7	27.7	26.7	*7%*	*11%*
Net Income	83.4	84.0	72.9	*(1)%*	*14%*
Book Value per Share (excluding net unrealized gains and losses) (3)	25.54	24.56	21.76	*4%*	*17%*
Loss Ratio	6.2%	3.7%	2.9%		
Expense Ratio	22.4%	21.3%	22.3%		

(1) Percentages may not be replicated based on the rounded figures presented in the table.
(2) Total may not foot due to rounding.
(3) Book value per share (excluding net unrealized gains and losses) is defined as total shareholders' equity, excluding the after-tax effects of unrealized gains and losses on our investment portfolio, divided by shares outstanding.

Conference Call and Webcast Details

The company will hold a conference call, which will be webcast live today, February 14, 2024, at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time. The webcast will be available on the company's website, www.nationalmi.com, in the "Investor Relations" section. The conference call can also be accessed by dialing (844) 481-2708 in the U.S., or (412) 317-0664 internationally, by referencing NMI Holdings, Inc.

About NMI Holdings, Inc.

NMI Holdings, Inc. (NASDAQ: NMIH), is the parent company of National Mortgage Insurance Corporation (National MI), a U.S.-based, private mortgage insurance company enabling low down payment borrowers to realize home ownership while protecting lenders and investors against losses related to a borrower's default. To learn more, please visit www.nationalmi.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release or any other written or oral statements made by or on behalf of the Company in connection therewith may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995 (the "PSLRA"). The PSLRA provides a "safe harbor" for any forward-looking statements. All statements other than statements of historical fact included in or incorporated by reference in this release are forward-looking statements, including any statements about our expectations, outlook, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believe," "can," "could," "may," "predict," "assume," "potential," "should," "will," "estimate," "perceive," "plan," "project," "continuing," "ongoing," "expect," "intend" and similar words or phrases. All forward-looking statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that may turn out to be inaccurate and could cause actual results to differ materially from those expressed in them. Many risks and uncertainties are inherent in our industry and markets. Others are more specific to our business and operations. Important factors that could cause actual events or results to differ materially from those indicated in such statements include, but are not limited to: changes in general economic, market and political conditions and policies (including changes in interest rates and inflation) and investment results or other conditions that affect the U.S. housing market or the U.S. markets for home mortgages, mortgage insurance, reinsurance and credit risk transfer markets, including the risk related to geopolitical instability, inflation, an economic downturn (including any decline in home prices) or recession, and their impacts on our business, operations and personnel; changes in the charters, business practices, policy, pricing or priorities of Fannie Mae and Freddie Mac (collectively, the GSEs), which may include decisions that have the impact of decreasing or discontinuing the use of mortgage insurance as credit enhancement generally, or with first time homebuyers or on very high loan-to-value mortgages; or changes in the direction of housing policy objectives of the Federal Housing Finance Agency (“FHFA”), such as the FHFA's priority to increase the accessibility to and affordability of homeownership for low-and-moderate income borrowers and underrepresented communities; our ability to remain an eligible mortgage insurer under the private mortgage insurer eligibility requirements (“PMIERs”) and other requirements imposed by the GSEs, which they may change at any time; 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.; our future profitability, liquidity and capital resources; actions of existing competitors, including other private mortgage insurers and government mortgage insurers such as the Federal Housing Administration, the U.S. Department of Agriculture's Rural Housing Service and the U.S. Department of Veterans Affairs, and potential market entry by new competitors or consolidation of existing competitors; adoption of new or changes to existing laws, rules and regulations that impact our business or financial condition directly or the mortgage insurance industry generally or their enforcement and implementation by regulators, including the implementation of the final rules defining and/or concerning "Qualified Mortgage" and "Qualified Residential Mortgage"; U.S. federal tax reform and other potential changes in tax law and their impact on us and our operations; legislative or regulatory changes to the GSEs' role in the secondary mortgage market or other changes that could affect the residential mortgage industry generally or mortgage insurance industry in particular; potential legal and regulatory claims, investigations, actions, audits or inquiries that could result in adverse judgements, settlements, fines or other reliefs that could require significant expenditures or have other negative effects on our business; uncertainty relating to the coronavirus virus and its variants, including their impact on the global economy, the U.S. housing, real estate, housing finance and mortgage insurance markets, and our business, operations and personnel; our ability to successfully execute and implement our capital plans, including our ability to access the equity, credit and reinsurance markets and to enter into, and receive approval of, reinsurance arrangements on terms and conditions that are acceptable to us, the GSEs and our regulators; lenders, the GSEs, or other market participants seeking alternatives to private mortgage insurance; 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; our ability to attract and retain a diverse customer base, including the largest mortgage originators; failure of risk management or pricing or investment strategies; decrease in the length of time our insurance policies are in force; emergence of unexpected claim and coverage issues, including claims exceeding our reserves or amounts we had expected to experience; potential adverse impacts arising from natural disasters including, with respect to affected areas, a decline in new business, adverse effects on home prices, and an increase in notices of default on insured mortgages; climate risk and efforts to manage or regulate climate risk by government agencies could affect our business and operations; potential adverse impacts arising from the occurrence of any man-made disasters or public health emergencies, including pandemics; the inability of our counter-parties, including third party reinsurers, to meet their obligations to us; failure to maintain, improve and continue to develop necessary information technology systems or the failure of technology providers to perform; effectiveness and security of our information technology systems and digital products and services, including the risks these systems, products or services may fail to operate as expected or planned, or expose us to cybersecurity or third-party risks (including the exposure of our confidential customer and other information); and ability to recruit, train and retain key personnel. These risks and uncertainties also include, but are not limited to, those set forth under the heading "Risk Factors" detailed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2023, as subsequently updated through other reports we file with the SEC. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. We caution you not to place undue reliance on any forward-looking statement, which speaks only as of the date on which it is made, and we undertake no obligation to publicly update or revise any forward-looking statement to reflect new information, future events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events except as required by law.

Use of Non-GAAP Financial Measures

We believe the use of the non-GAAP measures of adjusted income before tax, adjusted net income, adjusted diluted EPS, adjusted return-on-equity, adjusted expense ratio, adjusted combined ratio and book value per share (excluding net unrealized gains and losses) enhances the comparability of our fundamental financial performance between periods, and provides relevant information to investors. These non-GAAP financial measures align with the way the company's business performance is evaluated by management. These measures are not prepared in accordance with GAAP and should not be viewed as alternatives to GAAP measures of performance. These measures have been presented to increase transparency and enhance the comparability of our fundamental operating trends across periods. Other companies may calculate these measures differently; their measures may not be comparable to those we calculate and present.

Adjusted income before tax is defined as GAAP income before tax, excluding the pre-tax effects of the gain or loss related to the change in fair value of our warrant liability, periodic costs incurred in connection with capital markets transactions, net realized gains or losses from our investment portfolio, and other infrequent, unusual or non-operating items in the periods in which such items are incurred.

Adjusted net income is defined as GAAP net income, excluding the after-tax effects of the gain or loss related to the change in fair value of our warrant liability, periodic costs incurred in connection with capital markets transactions, net realized gains or losses from our investment portfolio, and other infrequent, unusual or non-operating items in the periods in which such items are incurred. Adjustments to components of pre-tax income are tax effected using the applicable federal statutory tax rate for the respective periods.

Adjusted diluted EPS is defined as adjusted net income divided by adjusted weighted average diluted shares outstanding. Adjusted weighted average diluted shares outstanding is defined as weighted average diluted shares outstanding, adjusted for changes in the dilutive effect of non-vested shares that would otherwise have occurred had GAAP net income been calculated in accordance with adjusted net income. There will be no adjustment to weighted average diluted shares outstanding in the periods that non-vested shares are anti-dilutive under GAAP.

Adjusted return on equity is calculated by dividing adjusted net income on an annualized basis by the average shareholders' equity for the period.

Adjusted expense ratio is defined as GAAP underwriting and operating expenses, excluding the pre-tax effects of periodic costs incurred in connection with capital markets transactions, divided by net premiums earned.

Adjusted combined ratio is defined as the total of GAAP underwriting and operating expenses, excluding the pre-tax effects of periodic costs incurred in connection with capital markets transactions and insurance claims and claims expenses, divided by net premiums earned.

Book value per share (excluding net unrealized gains and losses) is defined as total shareholder's equity, excluding the after-tax effects of unrealized gains and losses on investments, divided by shares outstanding.

Although adjusted income before tax, adjusted net income, adjusted diluted EPS, adjusted return-on-equity, adjusted expense ratio, adjusted combined ratio and book value per share (excluding net unrealized gains and losses) exclude certain items that have occurred in the past and are expected to occur in the future, the excluded items: (1) are not viewed as part of the operating performance of our primary activities; or (2) are impacted by market, economic or regulatory factors and are not necessarily indicative of operating trends, or both. These adjustments, and the reasons for their treatment, are described below.

(1) *Change in fair value of warrant liability*. Outstanding warrants at the end of each reporting period are revalued, and any change in fair value is reported in the statement of operations in the period in which the change occurred. The change in fair value of our warrant liability can vary significantly across periods and is influenced principally by equity market and general economic factors that do not impact or reflect our current period operating results. Furthermore, all unexercised warrants expired in April 2022 and, as such, no change in fair value will be recognized in future reporting periods. We believe trends in our operating performance can be more clearly identified by excluding fluctuations related to the change in fair value of our warrant liability.

(2) *Capital markets transaction costs.* Capital markets transaction costs result from activities that are undertaken to improve our debt profile or enhance our capital position through activities such as debt refinancing and capital markets reinsurance transactions that may vary in their size and timing due to factors such as market opportunities, tax and capital profile, and overall market cycles.

(3) *Net realized investment gains and losses*. The recognition of the net realized investment gains or losses can vary significantly across periods as the timing is highly discretionary and is influenced by factors such as market opportunities, tax and capital profile, and overall market cycles that do not reflect our current period operating results.

(4) *Other infrequent, unusual or non-operating items*. Items that are the result of unforeseen or uncommon events, and are not expected to recur with frequency in the future. Identification and exclusion of these items provides clarity about the impact special or rare occurrences may have on our current financial performance. Past adjustments under this category include infrequent, unusual or non-operating adjustments related to severance, restricted stock modification and other expenses incurred in connection with the CEO transition announced in September 2021 and the effects of the release of the valuation allowance recorded against our net federal and certain state net deferred tax assets in 2016 and the re-measurement of our net deferred tax assets in connection with tax reform in 2017. We believe such items are infrequent or non-recurring in nature, and are not indicative of the performance of, or ongoing trends in, our primary operating activities or business.

(5) *Net unrealized gains and losses on investments.* The recognition of the net unrealized gains or losses on investment can vary significantly across periods and is influenced by factors such as interest rate movement, overall market and economic conditions, and tax and capital profiles. These valuation adjustments may not necessarily result in economic gains or losses and not reflective of ongoing operations. Trends in the profitability of our fundamental operating activities can be more clearly identified without the fluctuations of these unrealized gains or losses.

Investor Contact
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Consolidated statements of operations and comprehensive income (unaudited)	**For the three months ended December 31,**		**For the year ended December 31,**	
	2023	**2022**	**2023**	**2022**
	(In Thousands, except for per share data)			
Revenues				
Net premiums earned	$ 132,940	$ 119,584	$ 510,768	$ 475,266
Net investment income	18,247	13,341	67,512	46,406
Net realized investment gains (losses)	—	6	(33)	481
Other revenues	193	176	756	1,192
Total revenues	151,380	133,107	579,003	523,345
Expenses				
Insurance claims and claim expenses (benefits)	8,232	3,450	22,618	(3,594)
Underwriting and operating expenses	29,716	26,711	110,699	117,490
Service expenses	185	131	771	1,094
Interest expense	8,066	8,035	32,212	32,163
Gain from change in fair value of warrant liability	—	—	—	(1,113)
Total expenses	46,199	38,327	166,300	146,040
Income before income taxes	105,181	94,780	412,703	377,305
Income tax expense	21,768	21,840	90,593	84,403
Net income	$ 83,413	$ 72,940	$ 322,110	$ 292,902
Earnings per share				
Basic	$ 1.03	$ 0.87	$ 3.91	$ 3.45
Diluted	$ 1.01	$ 0.86	$ 3.84	$ 3.39
Weighted average common shares outstanding				
Basic	81,005	83,592	82,407	84,921
Diluted	82,685	84,809	83,854	85,999
Loss ratio (1)	6.2%	2.9%	4.4%	(0.8)%
Expense ratio (2)	22.4%	22.3%	21.7%	24.7%
Combined ratio (3)	28.5%	25.2%	26.1%	24.0%
Net income	$ 83,413	$ 72,940	$ 322,110	$ 292,902
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) in accumulated other comprehensive income, net of tax expense (benefit) of $19,580 and $4,505 for the three months ended December 31, 2023 and 2022, and $17,113 and $(54,608) for the years ended December 31, 2023 and 2022, respectively	73,660	16,948	64,380	(205,428)
Reclassification adjustment for realized (gains) losses included in net income, net of tax expense (benefit) of $0 and $1 for the three months ended December 31, 2023 and 2022, and $(7) and $101 for the years ended December 31, 2023, and 2022, respectively	—	(5)	26	(380)
Other comprehensive income (loss), net of tax	73,660	16,943	64,406	(205,808)
Comprehensive income	$ 157,073	$ 89,883	$ 386,516	$ 87,094

(1) Loss ratio is calculated by dividing insurance claims and claim expenses (benefits) by net premiums earned.
(2) Expense ratio is calculated by dividing other underwriting and operating expenses by net premiums earned.
(3) Combined ratio may not foot due to rounding.

Consolidated balance sheets (unaudited)	**December 31, 2023**	**December 31, 2022**
Assets	*(In Thousands, except for share data)*	
Fixed maturities, available-for-sale, at fair value (amortized cost of $2,542,862 and $2,352,747 as of December 31, 2023 and December 31, 2022, respectively)	$ 2,371,021	$ 2,099,389
Cash and cash equivalents (including restricted cash of $1,338 and $2,176 as of December 31, 2023 and December 31, 2022, respectively)	96,689	44,426
Premiums receivable	76,456	69,680
Accrued investment income	19,785	14,144
Deferred policy acquisition costs, net	62,905	58,564
Software and equipment, net	30,252	31,930
Intangible assets and goodwill	3,634	3,634
Reinsurance recoverable	27,514	21,587
Prepaid federal income taxes	235,286	154,409
Other assets	16,965	18,267
Total assets	$ 2,940,507	$ 2,516,030
Liabilities		
Debt	$ 397,595	$ 396,051
Unearned premiums	92,295	123,035
Accounts payable and accrued expenses	86,189	74,576
Reserve for insurance claims and claim expenses	123,974	99,836
Reinsurance funds withheld	1,421	2,674
Deferred tax liability, net	301,573	193,859
Other liabilities	11,456	12,272
Total liabilities	1,014,503	902,303
Shareholders' equity		
Common stock - class A shares, $0.01 par value; 87,334,138 shares issued and 80,881,280 shares outstanding as of December 31, 2023 and 86,472,742 shares issued and 83,549,879 shares outstanding as of December 31, 2022 (250,000,000 shares authorized)	873	865
Additional paid-in capital	990,816	972,717
Treasury stock, at cost: 6,452,858 and 2,922,863 common shares as of December 31, 2023 and December 31, 2022, respectively	(148,921)	(56,575)
Accumulated other comprehensive loss, net of tax	(139,917)	(204,323)
Retained earnings	1,223,153	901,043
Total shareholders' equity	1,926,004	1,613,727
Total liabilities and shareholders' equity	$ 2,940,507	$ 2,516,030

Non-GAAP Financial Measure Reconciliations (unaudited)

	As of and for the three months ended			**For the year ended**	
	12/31/2023	**9/30/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
As Reported	*(In Thousands, except for per share data)*				
Revenues					
Net premiums earned	$ 132,940	$ 130,089	$ 119,584	$ 510,768	$ 475,266
Net investment income	18,247	17,853	13,341	67,512	46,406
Net realized investment gains (losses)	—	—	6	(33)	481
Other revenues	193	217	176	756	1,192
Total revenues	151,380	148,159	133,107	579,003	523,345
Expenses					
Insurance claims and claim expenses (benefits)	8,232	4,812	3,450	22,618	(3,594)
Underwriting and operating expenses	29,716	27,749	26,711	110,699	117,490
Service expenses	185	239	131	771	1,094
Interest expense	8,066	8,059	8,035	32,212	32,163
Gain from change in fair value of warrant liability	—	—	—	—	(1,113)
Total expenses	46,199	40,859	38,327	166,300	146,040
Income before income taxes	105,181	107,300	94,780	412,703	377,305
Income tax expense	21,768	23,345	21,840	90,593	84,403

Net income	$ 83,413	$ 83,955	$ 72,940	$ 322,110	$ 292,902
Adjustments:					
Net realized investment (gains) losses	—	—	(6)	33	(481)
Gain from change in fair value of warrant liability	—	—	—	—	(1,113)
Capital markets transaction costs	—	—	—	—	205
Adjusted income before taxes	105,181	107,300	94,774	412,736	375,916
Income tax (benefit) expense on adjustments (1)	—	—	(1)	7	(58)
Adjusted net income	$ 83,413	$ 83,955	$ 72,935	$ 322,136	$ 291,571
Weighted average diluted shares outstanding	82,685	83,670	84,809	83,854	85,999
Diluted EPS	$ 1.01	$ 1.00	$ 0.86	$ 3.84	$ 3.39
Adjusted diluted EPS	$ 1.01	$ 1.00	$ 0.86	$ 3.84	$ 3.39
Return-on-equity	18.0%	19.0%	18.6%	18.2%	18.4%
Adjusted return-on-equity	18.0%	19.0%	18.6%	18.2%	18.3%
Expense ratio (2)	22.4%	21.3%	22.3%	21.7%	24.7%
Adjusted expense ratio (3)	22.4%	21.3%	22.3%	21.7%	24.7%
Combined ratio (4)	28.5%	25.0%	25.2%	26.1%	24.0%
Adjusted combined ratio (5)	28.5%	25.0%	25.2%	26.1%	23.9%
Book value per share (6)	$ 23.81	$ 21.94	$ 19.31		
Book value per share (excluding net unrealized gains and losses) (7)	$ 25.54	$ 24.56	$ 21.76		

(1) Marginal tax impact of non-GAAP adjustments is calculated based on our statutory U.S. federal corporate income tax rate of 21%, except for those items that are not eligible for an income tax deduction.
(2) Expense ratio is calculated by dividing underwriting and operating expenses by net premiums earned.
(3) Adjusted expense ratio is calculated by dividing adjusted underwriting and operating expense (underwriting and operating expenses excluding costs related to capital markets reinsurance transactions) by net premiums earned.
(4) Combined ratio is calculated by dividing the total of underwriting and operating expenses and insurance claims and claim expenses (benefits) by net premiums earned.
(5) Adjusted combined ratio is calculated by dividing the total of adjusted underwriting and operating expenses (underwriting and operating expenses excluding costs related to capital market reinsurance transaction) and insurance claims and claim expenses (benefits) by net premiums earned.
(6) Book value per share is calculated by dividing total shareholder's equity by shares outstanding.
(7) Book value per share (excluding net unrealized gains and losses) is defined as total shareholder's equity, excluding the after-tax effects of unrealized gains and losses on our investment portfolio, divided by shares outstanding.

Historical Quarterly Data	**2023**				**2022**	
	December 31	**September 30**	**June 30**	**March 31**	**December 31**	**September 30**
	(In Thousands, except for per share data)					
Revenues						
Net premiums earned	$ 132,940	$ 130,089	$ 125,985	$ 121,754	$ 119,584	$ 118,317
Net investment income	18,247	17,853	16,518	14,894	13,341	11,945
Net realized investment (losses) gains	—	—	—	(33)	6	14
Other revenues	193	217	182	164	176	301
Total revenues	151,380	148,159	142,685	136,779	133,107	130,577
Expenses						
Insurance claims and claim expenses (benefits)	8,232	4,812	2,873	6,701	3,450	(3,389)
Underwriting and operating expenses	29,716	27,749	27,448	25,786	26,711	27,144
Service expenses	185	239	267	80	131	197
Interest expense	8,066	8,059	8,048	8,039	8,035	8,036
Total expenses	46,199	40,859	38,636	40,606	38,327	31,988

Income before income taxes	105,181	107,300	104,049	96,173	94,780	98,589
Income tax expense	21,768	23,345	23,765	21,715	21,840	21,751
Net income	$ 83,413	$ 83,955	$ 80,284	$ 74,458	$ 72,940	$ 76,838
Earnings per share						
Basic	$ 1.03	$ 1.02	$ 0.97	$ 0.89	$ 0.87	$ 0.91
Diluted	$ 1.01	$ 1.00	$ 0.95	$ 0.88	$ 0.86	$ 0.90
Weighted average common shares outstanding						
Basic	81,005	82,096	82,958	83,600	83,592	84,444
Diluted	82,685	83,670	84,190	84,840	84,809	85,485
Other data						
Loss Ratio (1)	6.2%	3.7%	2.3%	5.5%	2.9%	(2.9)%
Expense Ratio (2)	22.4%	21.3%	21.8%	21.2%	22.3%	22.9%
Combined ratio (3)	28.5%	25.0%	24.1%	26.7%	25.2%	20.1%

(1) Loss ratio is calculated by dividing insurance claims and claim expenses (benefits) by net premiums earned.
(2) Expense ratio is calculated by dividing underwriting and operating expenses by net premiums earned.
(3) Combined ratio may not foot due to rounding.

Portfolio Statistics

The table below highlights trends in our primary portfolio as of the date and for the periods indicated.

Primary portfolio trends	**As of and for the three months ended**					
	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
	($ Values In Millions, except as noted below)					
New insurance written (NIW)	$ 8,927	$ 11,334	$ 11,478	$ 8,734	$ 10,719	$ 17,239
New risk written	2,354	3,027	3,022	2,258	2,797	4,616
Insurance-in-force (IIF) (1)	197,029	194,781	191,306	186,724	183,968	179,173
Risk-in-force (RIF) (1)	51,796	51,011	49,875	48,494	47,648	46,259
Policies in force (count) (1)	629,690	622,993	611,441	600,294	594,142	580,525
Average loan size (*$ value in thousands*) (1)	$ 313	$ 313	$ 313	$ 311	$ 310	$ 309
Coverage percentage (2)	26.3%	26.2%	26.1%	26.0%	25.9%	25.8%
Loans in default (count) (1)	5,099	4,594	4,349	4,475	4,449	4,096
Default rate (1)	0.81%	0.74%	0.71%	0.75%	0.75%	0.71%
Risk-in-force on defaulted loans (1)	$ 408	$ 359	$ 335	$ 337	$ 323	$ 284
Average net premium yield (3)	0.27%	0.27%	0.27%	0.26%	0.26%	0.27%
Earnings from cancellations	$ 1.0	$ 0.9	$ 1.1	$ 1.4	$ 1.5	$ 1.8
Annual persistency (4)	86.1%	86.2%	86.0%	85.1%	83.5%	80.1%
Quarterly run-off (5)	3.4%	4.1%	3.7%	3.2%	3.3%	4.0%

(1) Reported as of the end of the period.
(2) Calculated as end of period RIF divided by end of period IIF.
(3) Calculated as net premiums earned, divided by average primary IIF for the period, annualized.
(4) Defined as the percentage of IIF that remains on our books after a given twelve-month period.
(5) Defined as the percentage of IIF that is no longer on our books after a given three-month period.

NIW, IIF and Premiums

The tables below present primary NIW and primary and pool IIF, as of the dates and for the periods indicated.

Primary NIW	**For the three months ended**					
	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
	(In Millions)					
Monthly	$ 8,614	$ 11,038	$ 11,266	$ 8,550	$ 10,451	$ 16,676

Single	313	296	212	184	268	563
Primary	$ 8,927	$ 11,334	$ 11,478	$ 8,734	$ 10,719	$ 17,239

Primary and pool IIF	**As of**					
	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
	(In Millions)					
Monthly	$ 177,764	$ 175,308	$ 171,685	$ 166,924	$ 163,903	$ 158,897
Single	19,265	19,473	19,621	19,800	20,065	20,276
Primary	197,029	194,781	191,306	186,724	183,968	179,173
Pool	—	—	1,000	1,025	1,049	1,078
Total	$ 197,029	$ 194,781	$ 192,306	$ 187,749	$ 185,017	$ 180,251

The following table presents the amounts related to the company's quota-share reinsurance transactions (the 2016 QSR Transaction, 2018 QSR Transaction, 2020 QSR Transaction (and amended effective January 1, 2024), 2021 QSR Transaction, 2022 QSR Transaction, 2022 Seasoned QSR Transaction, and 2023 QSR Transaction and collectively, the QSR Transactions), insurance-linked note transactions (2019 ILN Transaction, 2020-2 ILN Transaction, 2021-1 ILN Transaction, and 2021-2 ILN Transaction and collectively, the ILN Transactions), and traditional reinsurance transactions (2022-1 XOL Transaction, 2022-2 XOL Transaction, 2022-3 XOL Transaction, 2023-1 XOL Transaction, and 2023-2 XOL Transaction and collectively, the XOL Transactions) for the periods indicated.

	For the three months ended					
	December 31, 2023	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**
	(In Thousands)					
The QSR Transactions						
Ceded risk-in-force	$ 12,626,541	$ 12,753,261	$ 12,761,294	$ 12,635,442	$ 12,617,169	$ 12,511,797
Ceded premiums earned	(41,218)	(42,015)	(42,002)	(42,096)	(42,246)	(42,265)
Ceded claims and claim expenses	2,447	2,221	803	1,965	1,934	248
Ceding commission earned	9,561	9,808	9,877	9,965	10,089	10,193
Profit commission	22,057	22,184	23,486	22,279	22,314	23,899
The ILN Transactions (1)						
Ceded premiums	$ (6,305)	$ (6,925)	$ (8,815)	$ (9,095)	$ (10,112)	$ (10,730)
The XOL Transactions						
Ceded premiums	$ (8,302)	$ (7,968)	$ (7,672)	$ (7,237)	$ (6,199)	$ (4,808)

(1) Effective March 25, 2022 and April 25, 2022, NMIC exercised its optional clean-up call to terminate and commute its previously outstanding excess of loss reinsurance agreements with Oaktown Re Ltd. and Oaktown Re IV Ltd., respectively. Effective July 25, 2023, NMIC exercised its optional call to terminate and commute its previously outstanding excess of loss reinsurance agreement with Oaktown Re II Ltd. NMIC no longer makes risk premium payments to Oaktown Re Ltd., Oaktown Re II Ltd. and Oaktown Re IV Ltd., thereafter.

The tables below present our total primary NIW by FICO, loan-to-value (LTV) ratio, and purchase/refinance mix for the periods indicated.

Primary NIW by FICO	**For the three months ended**			**For the year ended**	
	December 31, 2023	**September 30, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
			(In Millions)		
>= 760	$ 4,564	$ 6,261	$ 5,574	$ 22,995	$ 26,751
740-759	1,542	1,877	1,902	6,769	10,853
720-739	1,280	1,556	1,564	5,484	8,308
700-719	816	876	918	2,816	6,452
680-699	568	623	638	1,946	4,636
<=679	157	141	123	463	1,734
Total	$ 8,927	$ 11,334	$ 10,719	$ 40,473	$ 58,734
Weighted average FICO	755	758	756	760	750

Primary NIW by LTV	For the three months ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
			(In Millions)		
95.01% and above	$ 990	$ 1,362	$ 646	$ 3,713	$ 5,199
90.01% to 95.00%	4,107	5,414	5,325	18,929	30,031
85.01% to 90.00%	2,947	3,525	3,492	13,597	16,637
85.00% and below	883	1,033	1,256	4,234	6,867
Total	$ 8,927	$ 11,334	$ 10,719	$ 40,473	$ 58,734
Weighted average LTV	92.2%	92.4%	92.0%	92.1%	92.2%

Primary NIW by purchase/refinance mix	For the three months ended			For the year ended	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
			(In Millions)		
Purchase	$ 8,759	$ 11,143	$ 10,500	$ 39,629	$ 57,045
Refinance	168	191	219	844	1,689
Total	$ 8,927	$ 11,334	$ 10,719	$ 40,473	$ 58,734

The table below presents a summary of our primary IIF and RIF by book year as of December 31, 2023.

Primary IIF and RIF	As of December 31, 2023	
	IIF	RIF
Book Year	*(In Millions)*	
2023	$ 38,586	$ 10,162
2022	52,783	14,003
2021	62,051	16,190
2020	27,428	7,210
2019	7,602	2,030
2018 and before	8,579	2,201
Total	$ 197,029	$ 51,796

The tables below present our total primary IIF and RIF by FICO and LTV, and total primary RIF by loan type as of the dates indicated.

Primary IIF by FICO	As of		
	December 31, 2023	September 30, 2023	December 31, 2022
		(In Millions)	
>= 760	$ 98,034	$ 97,026	$ 89,554
740-759	34,829	34,394	32,691
720-739	27,755	27,360	25,910
700-719	18,734	18,484	18,245
680-699	12,867	12,683	12,480
<=679	4,810	4,834	5,088
Total	$ 197,029	$ 194,781	$ 183,968

Primary RIF by FICO	As of		
	December 31, 2023	September 30, 2023	December 31, 2022
		(In Millions)	
>= 760	$ 25,523	$ 25,149	$ 22,834
740-759	9,207	9,067	8,556
720-739	7,387	7,254	6,807
700-719	5,021	4,938	4,859
680-699	3,433	3,373	3,305
<=679	1,225	1,230	1,287
Total	$ 51,796	$ 51,011	$ 47,648

Primary IIF by LTV	As of

	December 31, 2023	September 30, 2023	December 31, 2022
		(In Millions)	
95.01% and above	$ 19,609	$ 19,007	$ 17,577
90.01% to 95.00%	95,415	93,908	87,354
85.01% to 90.00%	60,348	59,371	55,075
85.00% and below	21,657	22,495	23,962
Total	$ 197,029	$ 194,781	$ 183,968

Primary RIF by LTV		**As of**	
	December 31, 2023	**September 30, 2023**	**December 31, 2022**
		(In Millions)	
95.01% and above	$ 6,062	$ 5,876	$ 5,408
90.01% to 95.00%	28,184	27,741	25,797
85.01% to 90.00%	14,961	14,704	13,584
85.00% and below	2,589	2,690	2,859
Total	$ 51,796	$ 51,011	$ 47,648

Primary RIF by Loan Type		**As of**	
	December 31, 2023	**September 30, 2023**	**December 31, 2022**
Fixed	98%	98%	99%
Adjustable rate mortgages:			
Less than five years	—	—	—
Five years and longer	2	2	1
Total	100%	100%	100%

The table below presents a summary of the change in total primary IIF during the periods indicated.

Primary IIF		**As of and for the three months ended**	
	December 31, 2023	**September 30, 2023**	**December 31, 2022**
		(In Millions)	
IIF, beginning of period	$ 194,781	$ 191,306	$ 179,173
NIW	8,927	11,334	10,719
Cancellations, principal repayments and other reductions	(6,679)	(7,859)	(5,924)
IIF, end of period	$ 197,029	$ 194,781	$ 183,968

Geographic Dispersion

The following table shows the distribution by state of our primary RIF as of the periods indicated.

Top 10 primary RIF by state		**As of**	
	December 31, 2023	**September 30, 2023**	**December 31, 2022**
California	10.2%	10.3%	10.6%
Texas	8.7	8.7	8.7
Florida	7.6	7.7	8.2
Georgia	4.1	4.1	4.1
Washington	4.0	4.0	3.9
Illinois	4.0	3.9	3.9
Virginia	3.9	4.0	4.1
Pennsylvania	3.4	3.4	3.4
Maryland	3.3	3.3	3.4
Colorado	3.2	3.3	3.5
Total	52.4%	52.7%	53.8%

The table below presents selected primary portfolio statistics, by book year, as of December 31, 2023.

As of December 31, 2023

Book year	Original Insurance Written	Remaining Insurance in Force	% Remaining of Original Insurance	Policies Ever in Force	Number of Policies in Force	Number of Loans in Default	# of Claims Paid	Incurred Loss Ratio (Inception to Date) (1)	Cumulative Default Rate (2)	Current Default Rate (3)
	($ Values in Millions)									
2014 and prior	$ 3,613	$ 157	4%	15,441	980	20	57	3.7%	0.5%	2.0%
2015	12,422	990	8%	52,548	5,561	84	141	2.5%	0.4%	1.5%
2016	21,187	2,011	9%	83,626	10,697	209	170	1.8%	0.5%	2.0%
2017	21,582	2,487	12%	85,897	13,684	336	153	2.2%	0.6%	2.5%
2018	27,295	2,934	11%	104,043	15,452	481	150	3.1%	0.6%	3.1%
2019	45,141	7,602	17%	148,423	32,733	505	59	2.3%	0.4%	1.5%
2020	62,702	27,428	44%	186,174	92,425	581	21	1.9%	0.3%	0.6%
2021	85,574	62,051	73%	257,972	199,115	1,476	28	4.6%	0.6%	0.7%
2022	58,734	52,783	90%	163,281	150,963	1,262	7	20.9%	0.8%	0.8%
2023	40,473	38,586	95%	111,994	108,080	145	1	8.9% (4)	0.1%	0.1%
Total	$ 378,723	$ 197,029		1,209,399	629,690	5,099	787			

(1) Calculated as total claims incurred (paid and reserved) divided by cumulative premiums earned, net of reinsurance.
(2) Calculated as the sum of the number of claims paid ever to date and number of loans in default divided by policies ever in force.
(3) Calculated as the number of loans in default divided by number of policies in force.
(4) Excludes a termination fee of $0.7 million incurred in the year of 2023 in connection with the amendment of the 2020 QSR Transaction.

The following table provides a reconciliation of the beginning and ending reserve balances for primary insurance claims and claim expenses (benefits).

	For the three months ended		For the year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In Thousands)			
Beginning balance	$ 116,078	$ 94,944	$ 99,836	$ 103,551
Less reinsurance recoverables (1)	(25,956)	(19,755)	(21,587)	(20,320)
Beginning balance, net of reinsurance recoverables	90,122	75,189	78,249	83,231
Add claims incurred:				
Claims and claim expenses (benefits) incurred:				
Current year (2)	17,298	17,033	78,285	45,168
Prior years (3)	(9,789)	(13,583)	(56,390)	(48,762)
Total claims and claim expenses (benefits) incurred (4)	7,509	3,450	21,895	(3,594)
Less claims paid:				
Claims and claim expenses paid:				
Current year (2)	481	1	600	74
Prior years (3)	1,181	389	3,575	1,314
Reinsurance terminations	(491)	—	(491)	—
Total claims and claim expenses paid	1,171	390	3,684	1,388
Reserve at end of period, net of reinsurance recoverables	96,460	78,249	96,460	78,249
Add reinsurance recoverables (1)	27,514	21,587	27,514	21,587
Ending balance	$ 123,974	$ 99,836	$ 123,974	$ 99,836

(1) Related to ceded losses recoverable under the QSR Transactions.
(2) Related to insured loans with their most recent defaults occurring in the current year. For example, if a loan defaulted in a prior year and subsequently cured and later re-defaulted in the current year, the default would be included in the current year. Amounts are presented net of reinsurance and included $70.6 million attributed to net case reserves and $6.3 million attributed to net IBNR reserves for the year ended December 31, 2023, $39.9 million attributed to net case reserves and $4.5 million attributed to net IBNR reserves for the year ended December 31, 2022.
(3) Related to insured loans with defaults occurring in prior years, which have been continuously in default before the start of the current year. Amounts are presented net of reinsurance and included $50.9 million attributed to net case reserves and $4.5 million attributed to net IBNR reserves for the year ended December 31, 2023, $42.5 million attributed to net case reserves and $4.7 million attributed to net IBNR reserves for the year ended December 31, 2022.
(4) Excludes a termination fee for the year ended December 31, 2023, of $0.7 million incurred in connection with the amendment of the 2020 QSR Transaction.

The following table provides a reconciliation of the beginning and ending count of loans in default:

	For the three months ended		For the year ended	

	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Beginning default inventory	4,594	4,096	4,449	6,227
Plus: new defaults	2,039	1,639	6,758	5,225
Less: cures	(1,458)	(1,262)	(5,892)	(6,916)
Less: claims paid	(70)	(22)	(199)	(81)
Less: rescission and claims denied	(6)	(2)	(17)	(6)
Ending default inventory	5,099	4,449	5,099	4,449

The following table provides details of our claims paid, before giving effect to claims ceded under the QSR Transactions, for the periods indicated.

	For the three months ended		For the year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In Thousands)			
Number of claims paid (1)	70	22	199	81
Total amount paid for claims	$ 2,060	$ 492	$ 5,192	$ 1,741
Average amount paid per claim	$ 29	$ 22	$ 26	$ 21
Severity (2)	64%	60%	55%	49%

(1) Count includes 23 and 70 claims settled without payment during the three months and year ended December 31, 2023, respectively, and 11 and 30 claims settled without payment during the three months and year ended December 31, 2022, respectively.
(2) Severity represents the total amount of claims paid including claim expenses divided by the related RIF on the loan at the time the claim is perfected, and is calculated including claims settled without payment.

The following table shows our average reserve per default, before giving effect to reserves ceded under the QSR Transactions, as of the dates indicated:

Average reserve per default:	As of	
	December 31, 2023	December 31, 2022
	(In Thousands)	
Case (1)	$ 22.4	$ 20.8
IBNR (1) (2)	1.9	1.6
Total	$ 24.3	$ 22.4

(1) Defined as the gross reserve per insured loan in default.
(2) Amount includes claims adjustment expenses.

The following table provides a comparison of the PMIERs *available assets* and *risk-based required asset amount* as reported by NMIC as of the dates indicated.

	As of		
	December 31, 2023	September 30, 2023	December 31, 2022
	(In Thousands)		
Available assets	$ 2,717,804	$ 2,602,680	$ 2,378,627
Risk-based required assets	1,516,140	1,414,233	1,203,708