

**NMI Holdings, Inc.**

**Non-GAAP reconciliation**

	First Quarter 3/31/2018	Second Quarter 6/30/2018	Third Quarter 9/30/2018	Fourth Quarter 12/31/2018	First Quarter 3/31/2019	Second Quarter 6/30/2019	Third Quarter 9/30/2019	Fourth Quarter 12/31/2019	First Quarter 3/31/2020
(\$ in thousands, except per share values)									
<b>As Reported:</b>									
<b>Revenues</b>									
Net premiums earned	\$ 54,914	\$ 61,615	\$ 65,407	\$ 69,261	\$ 73,868	\$ 83,249	\$ 92,381	\$ 95,517	\$ 98,717
Net Investment Income	4,574	5,735	6,277	6,952	7,383	7,629	7,882	7,962	8,104
Net realized investment gains (losses)	-	59	(8)	6	(187)	(113)	81	264	(72)
Other revenues	64	44	85	40	42	415	1,244	1,154	900
<b>Total revenues</b>	<b>\$ 59,552</b>	<b>\$ 67,453</b>	<b>\$ 71,761</b>	<b>\$ 76,259</b>	<b>\$ 81,106</b>	<b>\$ 91,180</b>	<b>\$ 101,588</b>	<b>\$ 104,897</b>	<b>\$ 107,649</b>
<b>Expenses</b>									
Insurance claims and claims expenses	\$ 1,569	\$ 643	\$ 1,099	\$ 2,141	\$ 2,743	\$ 2,923	\$ 2,572	\$ 4,269	\$ 5,697
Underwriting and operating expenses	28,346	28,958	30,323	29,339	30,800	32,190	32,335	31,296	32,277
Service expenses	107	62	56	45	49	353	909	937	734
Interest expense	3,419	5,560	2,972	3,028	3,061	3,071	2,979	2,974	2,744
Loss (Gain) from change in fair value of warrant liability	\$(420)	\$(109)	\$ 5,464	\$(3,538)	\$ 5,479	\$ 1,685	\$(1,139)	\$ 2,632	\$(5,959)
<b>Total expenses</b>	<b>\$ 33,021</b>	<b>\$ 35,114</b>	<b>\$ 39,914</b>	<b>\$ 31,015</b>	<b>\$ 42,132</b>	<b>\$ 40,222</b>	<b>\$ 37,656</b>	<b>\$ 42,108</b>	<b>\$ 35,493</b>
<b>Income before income taxes</b>	<b>\$ 26,531</b>	<b>\$ 32,339</b>	<b>\$ 31,847</b>	<b>\$ 45,244</b>	<b>\$ 38,974</b>	<b>\$ 50,958</b>	<b>\$ 63,932</b>	<b>\$ 62,789</b>	<b>\$ 72,156</b>
Income tax expense (benefit)	4,176	7,098	7,036	9,724	6,075	11,858	14,169	12,594	13,885
<b>Net income</b>	<b>\$ 22,355</b>	<b>\$ 25,241</b>	<b>\$ 24,811</b>	<b>\$ 35,520</b>	<b>\$ 32,899</b>	<b>\$ 39,100</b>	<b>\$ 49,763</b>	<b>\$ 50,195</b>	<b>\$ 58,271</b>
<b>Adjustments:</b>									
Loss (Gain) from change in fair value of warrant liability	\$(420)	\$(109)	\$ 5,464	\$(3,538)	\$ 5,479	\$ 1,685	\$(1,139)	\$ 2,632	\$(5,959)
Capital markets transaction costs	-	2,921	1,871	102	-	664	1,689	-	474
Net realized investment (gains) losses	-	(59)	8	(6)	187	113	(81)	(264)	72
<b>Adjusted Income before income taxes</b>	<b>\$ 26,111</b>	<b>\$ 35,092</b>	<b>\$ 39,190</b>	<b>\$ 41,802</b>	<b>\$ 44,640</b>	<b>\$ 53,420</b>	<b>\$ 64,401</b>	<b>\$ 65,157</b>	<b>\$ 66,743</b>
Income tax expense (benefit) on adjustments	\$(88)	\$ 578	\$ 395	\$ 20	\$ 39	\$ 163	\$ 338	\$(55)	\$ 115
Deferred tax (expense) benefit adjustments	-	-	-	-	-	-	-	-	-
<b>Adjusted Net income</b>	<b>\$ 22,023</b>	<b>\$ 27,416</b>	<b>\$ 31,759</b>	<b>\$ 32,058</b>	<b>\$ 38,526</b>	<b>\$ 41,399</b>	<b>\$ 49,894</b>	<b>\$ 52,618</b>	<b>\$ 52,743</b>
Weighted average diluted shares outstanding	65,697	68,616	68,844	69,013	68,996	69,590	70,137	70,276	70,401
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-	-	-
<b>Weighted average diluted shares outstanding – Adjusted</b>	<b>65,697</b>	<b>68,616</b>	<b>68,844</b>	<b>69,013</b>	<b>68,996</b>	<b>69,590</b>	<b>70,137</b>	<b>70,276</b>	<b>70,401</b>
Diluted EPS – Reported	\$ 0.34	\$ 0.37	\$ 0.36	\$ 0.46	\$ 0.48	\$ 0.56	\$ 0.69	\$ 0.71	\$ 0.74
Diluted EPS – Adjusted	\$ 0.34	\$ 0.40	\$ 0.46	\$ 0.46	\$ 0.56	\$ 0.59	\$ 0.71	\$ 0.75	\$ 0.75
Shareholders' equity	\$ 601,944	\$ 629,642	\$ 660,493	\$ 701,500	\$ 751,881	\$ 812,379	\$ 873,487	\$ 930,420	\$ 974,890
Return on equity – Reported	16.1%	16.4%	15.4%	20.9%	18.1%	20.0%	23.6%	22.3%	24.5%
Return on equity – Adjusted	15.9%	17.8%	19.7%	18.8%	21.2%	21.2%	23.7%	23.3%	22.1%
Expense ratio - Reported	51.6%	47.0%	46.4%	42.4%	41.7%	38.7%	35.0%	32.8%	32.7%
Expense ratio - Adjusted	51.6%	45.9%	43.5%	42.2%	41.7%	37.9%	33.2%	32.8%	32.2%
Loss ratio - Reported and Adjusted	2.9%	1.0%	1.7%	3.1%	3.7%	3.5%	2.8%	4.5%	5.8%
Combined ratio - Reported	54.5%	48.0%	48.0%	45.5%	45.4%	42.2%	37.8%	37.2%	38.5%
Combined ratio - Adjusted	54.5%	46.9%	45.2%	45.3%	45.4%	41.4%	36.0%	37.2%	38.0%