NMI Holdings, Inc.

National MI

Non-GAAP reconciliation

($ in thousands, except per share values)	Second Quarter 6/30/2021	Third Quarter 9/30/2021	Fourth Quarter 12/31/2021	First Quarter 3/31/2022	Second Quarter 6/30/2022	Third Quarter 9/30/2022	Fourth Quarter 12/31/2022	First Quarter 3/31/2023	Second Quarter 6/30/2023
As Reported:									
Revenues									
Net premiums earned	$ 110,888	$ 113,594	$ 113,933	$ 116,495	$ 120,870	$ 118,317	$ 119,584	$ 121,754	$ 125,985
Net Investment Income	9,382	9,831	10,045	10,199	10,921	11,945	13,341	14,894	16,518
Net realized investment gains (losses)	12	3	714	408	53	14	6	(33)	-
Other revenues	483	613	380	339	376	301	176	164	182
Total revenues	**$ 120,765**	**$ 124,041**	**$ 125,072**	**$ 127,441**	**$ 132,220**	**$ 130,577**	**$ 133,107**	**$ 136,779**	**$ 142,685**
Expenses									
Insurance claims and claims expenses	$ 4,640	$ 3,204	$ (500)	$ (619)	$ (3,036)	$ (3,389)	$ 3,450	$ 6,701	$ 2,873
Underwriting and operating expenses	34,725	34,669	38,843	32,935	30,700	27,144	26,711	25,786	27,448
Service expenses	481	787	650	430	336	197	131	80	267
Interest expense	7,922	7,930	8,029	8,041	8,051	8,036	8,035	8,039	8,048
Gain from change in fair value of warrant liability	(658)	-	(112)	(93)	(1,020)	-	-	-	-
Total expenses	**$ 47,110**	**$ 46,590**	**$ 46,910**	**$ 40,694**	**$ 35,031**	**$ 31,988**	**$ 38,327**	**$ 40,606**	**$ 38,636**
Income before income taxes	**$ 73,655**	**$ 77,451**	**$ 78,162**	**$ 86,747**	**$ 97,189**	**$ 98,589**	**$ 94,780**	**$ 96,173**	**$ 104,049**
Income tax expense	16,133	17,258	17,639	19,067	21,745	21,751	21,840	21,715	23,765
Net income	**$ 57,522**	**$ 60,193**	**$ 60,523**	**$ 67,680**	**$ 75,444**	**$ 76,838**	**$ 72,940**	**$ 74,458**	**$ 80,284**
Adjustments:									
Gain from change in fair value of warrant liability	$ (658)	$ -	$ (112)	$ (93)	$ (1,020)	$ -	$ -	$ -	$ -
Capital markets transaction costs	1,615	481	1,505	260	(55)	-	-	-	-
Net realized investment (gains) losses	(12)	(3)	(714)	(408)	(53)	(14)	(6)	33	-
Other Infrequent, unusual or non-operating items	-	1,289	2,540	-	-	-	-	-	-
Adjusted Income before income taxes	**$ 74,600**	**$ 79,218**	**$ 81,381**	**$ 86,506**	**$ 96,061**	**$ 98,575**	**$ 94,774**	**$ 96,206**	**$ 104,049**
Income tax expense (benefit) on adjustments	$ 337	$ 139	$ 251	$ (31)	$ (23)	$ (3)	$ (1)	7	-
Adjusted Net income	**$ 58,130**	**$ 61,821**	**$ 63,491**	**$ 67,470**	**$ 74,339**	**$ 76,827**	**$ 72,935**	**$ 74,484**	**$ 80,284**
Weighted average diluted shares outstanding	86,819	86,880	87,117	87,310	86,577	85,485	84,809	84,840	84,190
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-	-	-
Weighted average diluted shares outstanding – Adjusted	**86,819**	**86,880**	**87,117**	**87,310**	**86,577**	**85,485**	**84,809**	**84,840**	**84,190**
Diluted EPS – Reported	$ 0.65	$ 0.69	$ 0.69	$ 0.77	$ 0.86	$ 0.90	$ 0.86	$ 0.88	$ 0.95
Diluted EPS – Adjusted	$ 0.67	$ 0.71	$ 0.73	$ 0.77	$ 0.86	$ 0.90	$ 0.86	$ 0.88	$ 0.95
Shareholders' equity	$ 1,459,905	$ 1,516,226	$ 1,565,786	$ 1,535,042	$ 1,525,092	$ 1,525,866	$ 1,613,727	$ 1,706,711	$ 1,748,955
Return on equity – Reported	16.2%	16.2%	15.7%	17.5%	19.7%	20.1%	18.6%	17.9%	18.6%
Return on equity – Adjusted	16.4%	16.6%	16.5%	17.4%	19.4%	20.1%	18.6%	17.9%	18.6%
Expense ratio - Reported	31.3%	30.5%	34.1%	28.3%	25.4%	22.9%	22.3%	21.2%	21.8%
Expense ratio - Adjusted	29.9%	29.0%	30.5%	28.0%	25.4%	22.9%	22.3%	21.2%	21.8%
Loss ratio - Reported and Adjusted	4.2%	2.8%	(0.4%)	(0.5%)	(2.5%)	(2.9%)	2.9%	5.5%	2.3%
Combined ratio - Reported	35.5%	33.3%	33.7%	27.7%	22.9%	20.1%	25.2%	26.7%	24.1%
Combined ratio - Adjusted	34.0%	31.8%	30.1%	27.5%	22.9%	20.1%	25.2%	26.7%	24.1%
Book value per share	$ 17.03	$ 17.68	$ 18.25	$ 17.84	$ 18.01	$ 18.21	$ 19.31	$ 20.49	$ 21.25
Book value per share (excluding net unrealized gains and losses)	$ 16.71	$ 17.46	$ 18.23	$ 18.97	$ 19.91	$ 20.85	$ 21.76	$ 22.56	$ 23.53