

NMI Holdings, Inc.

Non-GAAP reconciliation

	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	Third Quarter 9/30/2023	Nine months ended 9/30/2023
(\$ in thousands, except per share values)								
As Reported:								
<u>Revenues</u>								
Net premiums earned	\$ 116,495	\$ 120,870	\$ 118,317	\$ 119,584	\$ 121,754	\$ 125,985	\$ 130,089	\$ 377,828
Net Investment Income	10,199	10,921	11,945	13,341	14,894	16,518	17,853	49,265
Net realized investment gains (losses)	408	53	14	6	(33)	-	-	(33)
Other revenues	339	376	301	176	164	182	217	563
Total revenues	\$ 127,441	\$ 132,220	\$ 130,577	\$ 133,107	\$ 136,779	\$ 142,685	\$ 148,159	\$ 427,623
<u>Expenses</u>								
Insurance claims and claim expenses (benefits)	\$ (619)	\$ (3,036)	\$ (3,389)	\$ 3,450	\$ 6,701	\$ 2,873	\$ 4,812	\$ 14,386
Underwriting and operating expenses	32,935	30,700	27,144	26,711	25,786	27,448	27,749	80,983
Service expenses	430	336	197	131	80	267	239	586
Interest expense	8,041	8,051	8,036	8,035	8,039	8,048	8,059	24,146
Gain from change in fair value of warrant liability	(93)	(1,020)	-	-	-	-	-	-
Total expenses	\$ 40,694	\$ 35,031	\$ 31,988	\$ 38,327	\$ 40,606	\$ 38,636	\$ 40,859	\$ 120,101
Income before income taxes	\$ 86,747	\$ 97,189	\$ 98,589	\$ 94,780	\$ 96,173	\$ 104,049	\$ 107,300	\$ 307,522
Income tax expense	19,067	21,745	21,751	21,840	21,715	23,765	23,345	68,825
Net income	\$ 67,680	\$ 75,444	\$ 76,838	\$ 72,940	\$ 74,458	\$ 80,284	\$ 83,955	\$ 238,697
<u>Adjustments:</u>								
Gain from change in fair value of warrant liability	\$ (93)	\$ (1,020)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital markets transaction costs	260	(55)	-	-	-	-	-	-
Net realized investment (gains) losses	(408)	(53)	(14)	(6)	33	-	-	33
Other Infrequent, unusual or non-operating items	-	-	-	-	-	-	-	-
Adjusted income before income taxes	\$ 86,506	\$ 96,061	\$ 98,575	\$ 94,774	\$ 96,206	\$ 104,049	\$ 107,300	\$ 307,555
Income tax expense (benefit) on adjustments	\$ (31)	\$ (23)	\$ (3)	\$ (1)	\$ 7	\$ -	\$ -	\$ 7
Adjusted Net income	\$ 67,470	\$ 74,339	\$ 76,827	\$ 72,935	\$ 74,484	\$ 80,284	\$ 83,955	\$ 238,723
Weighted average diluted shares outstanding	87,310	86,577	85,485	84,809	84,840	84,190	83,670	84,236
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-	-
Weighted average diluted shares outstanding – Adjusted	87,310	86,577	85,485	84,809	84,840	84,190	83,670	84,236
Diluted EPS – Reported	\$ 0.77	\$ 0.86	\$ 0.90	\$ 0.86	\$ 0.88	\$ 0.95	\$ 1.00	\$ 2.83
Diluted EPS – Adjusted	\$ 0.77	\$ 0.86	\$ 0.90	\$ 0.86	\$ 0.88	\$ 0.95	\$ 1.00	\$ 2.83
Shareholders' equity	\$ 1,535,042	\$ 1,525,092	\$ 1,525,866	\$ 1,613,727	\$ 1,706,711	\$ 1,748,955	\$ 1,790,961	\$ 1,790,961
Return on equity – Reported	17.5%	19.7%	20.1%	18.6%	17.9%	18.6%	19.0%	18.7%
Return on equity – Adjusted	17.4%	19.4%	20.1%	18.6%	17.9%	18.6%	19.0%	18.7%
Expense ratio - Reported	28.3%	25.4%	22.9%	22.3%	21.2%	21.8%	21.3%	21.4%
Expense ratio - Adjusted	28.0%	25.4%	22.9%	22.3%	21.2%	21.8%	21.3%	21.4%
Loss ratio - Reported and Adjusted	(0.5%)	(2.5%)	(2.9%)	2.9%	5.5%	2.3%	3.7%	3.8%
Combined ratio - Reported	27.7%	22.9%	20.1%	25.2%	26.7%	24.1%	25.0%	25.2%
Combined ratio - Adjusted	27.5%	22.9%	20.1%	25.2%	26.7%	24.1%	25.0%	25.2%
Book value per share	\$ 17.84	\$ 18.01	\$ 18.21	\$ 19.31	\$ 20.49	\$ 21.25	\$ 21.94	\$ 21.94
Book value per share (excluding net unrealized gains and losses)	\$ 18.97	\$ 19.91	\$ 20.85	\$ 21.76	\$ 22.56	\$ 23.53	\$ 24.56	\$ 24.56