

**NMI Holdings, Inc.**

**Non-GAAP reconciliation**

	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	Second Quarter 6/30/2020	Third Quarter 9/30/2020
<i>(\$ in thousands, except per share values)</i>									
<b>As Reported:</b>									
<b>Revenues</b>									
Net premiums earned	\$ 65,407	\$ 69,261	\$ 73,868	\$ 83,249	\$ 92,381	\$ 95,517	\$ 98,717	\$ 98,944	\$ 98,802
Net Investment Income	6,277	6,952	7,383	7,629	7,882	7,962	8,104	7,070	8,337
Net realized investment gains (losses)	(8)	6	(187)	(113)	81	264	(72)	711	(4)
Other revenues	85	40	42	415	1,244	1,154	900	1,223	648
<b>Total revenues</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>\$ 107,948</b>	<b>\$ 107,783</b>
<b>Expenses</b>									
Insurance claims and claims expenses	\$ 1,099	\$ 2,141	\$ 2,743	\$ 2,923	\$ 2,572	\$ 4,269	\$ 5,697	\$ 34,334	\$ 15,667
Underwriting and operating expenses	30,323	29,339	30,800	32,190	32,335	31,296	32,277	30,370	33,969
Service expenses	56	45	49	353	909	937	734	1,090	557
Interest expense	2,972	3,028	3,061	3,071	2,979	2,974	2,744	5,941	7,796
Loss (Gain) from change in fair value of warrant liability	\$ 5,464	\$ (3,538)	\$ 5,479	\$ 1,685	\$ (1,139)	\$ 2,632	\$ (5,959)	\$ 1,236	\$ 437
<b>Total expenses</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>\$ 72,971</b>	<b>\$ 58,426</b>
<b>Income before income taxes</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>	<b>\$ 34,977</b>	<b>\$ 49,357</b>
Income tax expense (benefit)	7,036	9,724	6,075	11,858	14,169	12,594	13,885	8,129	11,178
<b>Net income</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>\$ 26,848</b>	<b>\$ 38,179</b>
<b>Adjustments:</b>									
Loss (Gain) from change in fair value of warrant liability	\$ 5,464	\$ (3,538)	\$ 5,479	\$ 1,685	\$ (1,139)	\$ 2,632	\$ (5,959)	\$ 1,236	\$ 437
Capital markets transaction costs	1,871	102	-	664	1,689	-	474	2,790	2,254
Net realized investment (gains) losses	8	(6)	187	113	(81)	(264)	72	(711)	4
<b>Adjusted Income before income taxes</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>	<b>\$ 38,292</b>	<b>\$ 52,052</b>
Income tax expense (benefit) on adjustments	\$ 395	\$ 20	\$ 39	\$ 163	\$ 338	\$ (55)	\$ 115	\$ 437	\$ 474
Deferred tax (expense) benefit adjustments	-	-	-	-	-	-	-	-	-
<b>Adjusted Net income</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>	<b>\$ 29,726</b>	<b>\$ 40,400</b>
Weighted average diluted shares outstanding	68,844	69,013	68,996	69,590	70,137	70,276	70,401	74,174	85,599
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-	-	-
<b>Weighted average diluted shares outstanding – Adjusted</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>	<b>74,174</b>	<b>85,599</b>
Diluted EPS – Reported	\$ 0.36	\$ 0.46	\$ 0.48	\$ 0.56	\$ 0.69	\$ 0.71	\$ 0.74	\$ 0.36	\$ 0.45
Diluted EPS – Adjusted	\$ 0.46	\$ 0.46	\$ 0.56	\$ 0.59	\$ 0.71	\$ 0.75	\$ 0.75	\$ 0.40	\$ 0.47
Shareholders' equity	\$ 660,493	\$ 701,500	\$ 751,881	\$ 812,379	\$ 873,487	\$ 930,420	\$ 974,890	\$ 1,257,037	\$ 1,307,556
Return on equity – Reported	15.4%	20.9%	18.1%	20.0%	23.6%	22.3%	24.5%	9.6%	11.9%
Return on equity – Adjusted	19.7%	18.8%	21.2%	21.2%	23.7%	23.3%	22.1%	10.7%	12.6%
Expense ratio - Reported	46.4%	42.4%	41.7%	38.7%	35.0%	32.8%	32.7%	30.7%	34.4%
Expense ratio - Adjusted	43.5%	42.2%	41.7%	37.9%	33.2%	32.8%	32.2%	30.5%	32.1%
Loss ratio - Reported and Adjusted	1.7%	3.1%	3.7%	3.5%	2.8%	4.5%	5.8%	34.7%	15.9%
Combined ratio - Reported	48.0%	45.5%	45.4%	42.2%	37.8%	37.2%	38.5%	65.4%	50.2%
Combined ratio - Adjusted	45.2%	45.3%	45.4%	41.4%	36.0%	37.2%	38.0%	65.2%	48.0%