NMI Holdings, Inc.

Non-GAAP reconciliation

($ in thousands, except per share values)	Third Quarter 9/30/2020	Fourth Quarter 12/31/2020	First Quarter 3/31/2021	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
As Reported:									
Revenues									
Net premiums earned	$ 98,802	$ 100,709	$ 105,879	$ 110,888	$ 113,594	$ 113,933	$ 116,495	$ 120,870	$ 118,317
Net Investment Income	8,337	8,386	8,814	9,382	9,831	10,045	10,199	10,921	11,945
Net realized investment gains (losses)	(4)	295	-	12	3	714	408	53	14
Other revenues	648	513	501	483	613	380	339	376	301
Total revenues	**$ 107,783**	**$ 109,903**	**$ 115,194**	**$ 120,765**	**$ 124,041**	**$ 125,072**	**$ 127,441**	**$ 132,220**	**$ 130,577**
Expenses									
Insurance claims and claims expenses	$ 15,667	$ 3,549	$ 4,962	$ 4,640	$ 3,204	$ (500)	$ (619)	$ (3,036)	$ (3,389)
Underwriting and operating expenses	33,969	34,994	34,065	34,725	34,669	38,843	32,935	30,700	27,144
Service expenses	557	459	591	481	787	650	430	336	197
Interest expense	7,796	7,906	7,915	7,922	7,930	8,029	8,041	8,051	8,036
(Gain) loss from change in fair value of warrant liability	$ 437	1,379	205	(658)	-	(112)	(93)	(1,020)	-
Total expenses	**$ 58,426**	**$ 48,287**	**$ 47,738**	**$ 47,110**	**$ 46,590**	**$ 46,910**	**$ 40,694**	**$ 35,031**	**$ 31,988**
Income before income taxes	**$ 49,357**	**$ 61,616**	**$ 67,456**	**$ 73,655**	**$ 77,451**	**$ 78,162**	**$ 86,747**	**$ 97,189**	**$ 98,589**
Income tax expense	11,178	13,348	14,565	16,133	17,258	17,639	19,067	21,745	21,751
Net income	**$ 38,179**	**$ 48,268**	**$ 52,891**	**$ 57,522**	**$ 60,193**	**$ 60,523**	**$ 67,680**	**$ 75,444**	**$ 76,838**
Adjustments:									
(Gain) loss from change in fair value of warrant liability	$ 437	$ 1,379	$ 205	$ (658)	$ -	$ (112)	$ (93)	$ (1,020)	$ -
Capital markets transaction costs	2,254	1,719	378	1,615	481	1,505	260	(55)	-
Net realized investment (gains) losses	4	(295)	-	(12)	(3)	(714)	(408)	(53)	(14)
Other Infrequent, unusual or non-operating items	-	-	-	-	1,289	2,540	-	-	-
Adjusted Income before income taxes	**$ 52,052**	**$ 64,419**	**$ 68,039**	**$ 74,600**	**$ 79,218**	**$ 81,381**	**$ 86,506**	**$ 96,061**	**$ 98,575**
Income tax expense (benefit) on adjustments	$ 474	$ 299	$ 79	$ 337	$ 139	$ 251	$ (31)	$ (23)	$ (3)
Adjusted Net income	**$ 40,400**	**$ 50,772**	**$ 53,395**	**$ 58,130**	**$ 61,821**	**$ 63,491**	**$ 67,470**	**$ 74,339**	**$ 76,827**
Weighted average diluted shares outstanding	85,599	86,250	86,487	86,819	86,880	87,117	87,310	86,577	85,485
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-	-	-
Weighted average diluted shares outstanding – Adjusted	**85,599**	**86,250**	**86,487**	**86,819**	**86,880**	**87,117**	**87,310**	**86,577**	**85,485**
Diluted EPS – Reported	$ 0.45	$ 0.56	$ 0.61	$ 0.65	$ 0.69	$ 0.69	$ 0.77	$ 0.86	$ 0.90
Diluted EPS – Adjusted	$ 0.47	$ 0.59	$ 0.62	$ 0.67	$ 0.71	$ 0.73	$ 0.77	$ 0.86	$ 0.90
Shareholders' equity	$ 1,307,556	$ 1,369,591	$ 1,380,308	$ 1,459,905	$ 1,516,226	$ 1,565,786	$ 1,535,042	$ 1,525,092	$ 1,525,866
Return on equity – Reported	11.9%	14.4%	15.4%	16.2%	16.2%	15.7%	17.5%	19.7%	20.1%
Return on equity – Adjusted	12.6%	15.2%	15.5%	16.4%	16.6%	16.5%	17.4%	19.4%	20.1%
Expense ratio - Reported	34.4%	34.7%	32.2%	31.3%	30.5%	34.1%	28.3%	25.4%	22.9%
Expense ratio - Adjusted	32.1%	33.0%	31.8%	29.9%	29.0%	30.5%	28.0%	25.4%	22.9%
Loss ratio - Reported and Adjusted	15.9%	3.5%	4.7%	4.2%	2.8%	(0.4%)	(0.5%)	(2.5%)	(2.9%)
Combined ratio - Reported	50.2%	38.3%	36.9%	35.5%	33.3%	33.7%	27.7%	22.9%	20.1%
Combined ratio - Adjusted	48.0%	36.6%	36.5%	34.0%	31.8%	30.1%	27.5%	22.9%	20.1%
Book value per share	$ 15.42	$ 16.08	$ 16.13	$ 17.03	$ 17.68	$ 18.25	$ 17.84	$ 18.01	$ 18.21
Book value per share (excluding net unrealized gains and losses)	$ 14.86	$ 15.45	$ 16.02	$ 16.71	$ 17.46	$ 18.23	$ 18.97	$ 19.91	$ 20.85