

NMI Holdings, Inc.

Non-GAAP reconciliation

	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	Fourth Quarter 12/31/2020	First Quarter 3/31/2021
(\$ in thousands, except per share values)									
As Reported:									
Revenues									
Net premiums earned	\$ 73,868	\$ 83,249	\$ 92,381	\$ 95,517	\$ 98,717	\$ 98,944	\$ 98,802	\$ 100,709	\$ 105,879
Net Investment Income	7,383	7,629	7,882	7,962	8,104	7,070	8,337	8,386	8,814
Net realized investment gains (losses)	(187)	(113)	81	264	(72)	711	(4)	295	-
Other revenues	42	415	1,244	1,154	900	1,223	648	513	501
Total revenues	\$ 81,106	\$ 91,180	\$ 101,588	\$ 104,897	\$ 107,649	\$ 107,948	\$ 107,783	\$ 109,903	\$ 115,194
Expenses									
Insurance claims and claims expenses	\$ 2,743	\$ 2,923	\$ 2,572	\$ 4,269	\$ 5,697	\$ 34,334	\$ 15,667	\$ 3,549	\$ 4,962
Underwriting and operating expenses	30,800	32,190	32,335	31,296	32,277	30,370	33,969	34,994	34,065
Service expenses	49	353	909	937	734	1,090	557	459	591
Interest expense	3,061	3,071	2,979	2,974	2,744	5,941	7,796	7,906	7,915
Loss (Gain) from change in fair value of warrant liability	\$ 5,479	\$ 1,685	\$ (1,139)	\$ 2,632	\$ (5,959)	\$ 1,236	\$ 437	\$ 1,379	\$ 205
Total expenses	\$ 42,132	\$ 40,222	\$ 37,656	\$ 42,108	\$ 35,493	\$ 72,971	\$ 58,426	\$ 48,287	\$ 47,738
Income before income taxes	\$ 38,974	\$ 50,958	\$ 63,932	\$ 62,789	\$ 72,156	\$ 34,977	\$ 49,357	\$ 61,616	\$ 67,456
Income tax expense (benefit)	6,075	11,858	14,169	12,594	13,885	8,129	11,178	13,348	14,565
Net income	\$ 32,899	\$ 39,100	\$ 49,763	\$ 50,195	\$ 58,271	\$ 26,848	\$ 38,179	\$ 48,268	\$ 52,891
Adjustments:									
Loss (Gain) from change in fair value of warrant liability	\$ 5,479	\$ 1,685	\$ (1,139)	\$ 2,632	\$ (5,959)	\$ 1,236	\$ 437	\$ 1,379	\$ 205
Capital markets transaction costs	-	664	1,689	-	474	2,790	2,254	1,719	378
Net realized investment (gains) losses	187	113	(81)	(264)	72	(711)	4	(295)	-
Adjusted Income before income taxes	\$ 44,640	\$ 53,420	\$ 64,401	\$ 65,157	\$ 66,743	\$ 38,292	\$ 52,052	\$ 64,419	\$ 68,039
Income tax expense (benefit) on adjustments	\$ 39	\$ 163	\$ 338	\$ (55)	\$ 115	\$ 437	\$ 474	\$ 299	\$ 79
Adjusted Net income	\$ 38,526	\$ 41,399	\$ 49,894	\$ 52,618	\$ 52,743	\$ 29,726	\$ 40,400	\$ 50,772	\$ 53,395
Weighted average diluted shares outstanding	68,996	69,590	70,137	70,276	70,401	74,174	85,599	86,250	86,487
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-	-	-
Weighted average diluted shares outstanding – Adjusted	68,996	69,590	70,137	70,276	70,401	74,174	85,599	86,250	86,487
Diluted EPS – Reported	\$ 0.48	\$ 0.56	\$ 0.69	\$ 0.71	\$ 0.74	\$ 0.36	\$ 0.45	\$ 0.56	\$ 0.61
Diluted EPS – Adjusted	\$ 0.56	\$ 0.59	\$ 0.71	\$ 0.75	\$ 0.75	\$ 0.40	\$ 0.47	\$ 0.59	\$ 0.62
Shareholders' equity	\$ 751,881	\$ 812,379	\$ 873,487	\$ 930,420	\$ 974,890	\$ 1,257,037	\$ 1,307,556	\$ 1,369,591	\$ 1,380,308
Return on equity – Reported	18.1%	20.0%	23.6%	22.3%	24.5%	9.6%	11.9%	14.4%	15.4%
Return on equity – Adjusted	21.2%	21.2%	23.7%	23.3%	22.1%	10.7%	12.6%	15.2%	15.5%
Expense ratio - Reported	41.7%	38.7%	35.0%	32.8%	32.7%	30.7%	34.4%	34.7%	32.2%
Expense ratio - Adjusted	41.7%	37.9%	33.2%	32.8%	32.2%	30.5%	32.1%	33.0%	31.8%
Loss ratio - Reported and Adjusted	3.7%	3.5%	2.8%	4.5%	5.8%	34.7%	15.9%	3.5%	4.7%
Combined ratio - Reported	45.4%	42.2%	37.8%	37.2%	38.5%	65.4%	50.2%	38.3%	36.9%
Combined ratio - Adjusted	45.4%	41.4%	36.0%	37.2%	38.0%	65.2%	48.0%	36.6%	36.5%