NMI Holdings, Inc.

Non-GAAP reconciliation

($ in thousands, except per share values)	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	Second Quarter 6/30/2021	Third Quarter 9/30/2021	Fourth Quarter 12/31/2021
As Reported:									
Revenues									
Net premiums earned	$ 95,517	$ 98,717	$ 98,944	$ 98,802	$ 100,709	$ 105,879	$ 110,888	$ 113,594	$ 113,933
Net Investment Income	7,962	8,104	7,070	8,337	8,386	8,814	9,382	9,831	10,045
Net realized investment gains (losses)	264	(72)	711	(4)	295	-	12	3	714
Other revenues	1,154	900	1,223	648	513	501	483	613	380
Total revenues	**$ 104,897**	**$ 107,649**	**$ 107,948**	**$ 107,783**	**$ 109,903**	**$ 115,194**	**$ 120,765**	**$ 124,041**	**$ 125,072**
Expenses									
Insurance claims and claims expenses	$ 4,269	$ 5,697	$ 34,334	$ 15,667	$ 3,549	$ 4,962	$ 4,640	$ 3,204	$ (500)
Underwriting and operating expenses	31,296	32,277	30,370	33,969	34,994	34,065	34,725	34,669	38,843
Service expenses	937	734	1,090	557	459	591	481	787	650
Interest expense	2,974	2,744	5,941	7,796	7,906	7,915	7,922	7,930	8,029
(Gain) loss from change in fair value of warrant liability	2,632	(5,959)	1,236	$ 437	1,379	205	(658)	-	(112)
Total expenses	**$ 42,108**	**$ 35,493**	**$ 72,971**	**$ 58,426**	**$ 48,287**	**$ 47,738**	**$ 47,110**	**$ 46,590**	**$ 46,910**
Income before income taxes	**$ 62,789**	**$ 72,156**	**$ 34,977**	**$ 49,357**	**$ 61,616**	**$ 67,456**	**$ 73,655**	**$ 77,451**	**$ 78,162**
Income tax expense	12,594	13,885	8,129	11,178	13,348	14,565	16,133	17,258	17,639
Net income	**$ 50,195**	**$ 58,271**	**$ 26,848**	**$ 38,179**	**$ 48,268**	**$ 52,891**	**$ 57,522**	**$ 60,193**	**$ 60,523**
Adjustments:									
(Gain) loss from change in fair value of warrant liability	$ 2,632	$ (5,959)	$ 1,236	$ 437	$ 1,379	$ 205	$ (658)	$ -	$ (112)
Capital markets transaction costs	-	474	2,790	2,254	1,719	378	1,615	481	1,505
Net realized investment (gains) losses	(264)	72	(711)	4	(295)	-	(12)	(3)	(714)
Other Infrequent, unusual or non-operating items	-	-	-	-	-	-	-	1,289	2,540
Adjusted Income before income taxes	**$ 65,157**	**$ 66,743**	**$ 38,292**	**$ 52,052**	**$ 64,419**	**$ 68,039**	**$ 74,600**	**$ 79,218**	**$ 81,381**
Income tax expense (benefit) on adjustments	$ (55)	$ 115	$ 437	$ 474	$ 299	$ 79	$ 337	$ 139	$ 251
Adjusted Net income	**$ 52,618**	**$ 52,743**	**$ 29,726**	**$ 40,400**	**$ 50,772**	**$ 53,395**	**$ 58,130**	**$ 61,821**	**$ 63,491**
Weighted average diluted shares outstanding	70,276	70,401	74,174	85,599	86,250	86,487	86,819	86,880	87,117
Dilutive effect of non-vested shares and warrants	-	-	-	-	-	-	-		
Weighted average diluted shares outstanding – Adjusted	**70,276**	**70,401**	**74,174**	**85,599**	**86,250**	**86,487**	**86,819**	**86,880**	**87,117**
Diluted EPS – Reported	$ 0.71	$ 0.74	$ 0.36	$ 0.45	$ 0.56	$ 0.61	$ 0.65	$ 0.69	$ 0.69
Diluted EPS – Adjusted	$ 0.75	$ 0.75	$ 0.40	$ 0.47	$ 0.59	$ 0.62	$ 0.67	$ 0.71	$ 0.73
Shareholders' equity	$ 930,420	$ 974,890	$ 1,257,037	$ 1,307,556	$ 1,369,591	$ 1,380,308	$ 1,459,905	$ 1,516,226	$ 1,565,786
Return on equity – Reported	22.3%	24.5%	9.6%	11.9%	14.4%	15.4%	16.2%	16.2%	15.7%
Return on equity – Adjusted	23.3%	22.1%	10.7%	12.6%	15.2%	15.5%	16.4%	16.6%	16.5%
Expense ratio - Reported	32.8%	32.7%	30.7%	34.4%	34.7%	32.2%	31.3%	30.5%	34.1%
Expense ratio - Adjusted	32.8%	32.2%	30.5%	32.1%	33.0%	31.8%	29.9%	29.0%	30.5%
Loss ratio - Reported and Adjusted	4.5%	5.8%	34.7%	15.9%	3.5%	4.7%	4.2%	2.8%	(0.4%)
Combined ratio - Reported	37.2%	38.5%	65.4%	50.2%	38.3%	36.9%	35.5%	33.3%	33.7%
Combined ratio - Adjusted	37.2%	38.0%	65.2%	48.0%	36.6%	36.5%	34.0%	31.8%	30.1%