

**NMI Holdings, Inc.**

**Non-GAAP reconciliation**

	First Quarter 3/31/2017	Second Quarter 6/30/2017	Third Quarter 9/30/2017	Fourth Quarter 12/31/2017	First Quarter 3/31/2018	Second Quarter 6/30/2018	Third Quarter 9/30/2018	Fourth Quarter 12/31/2018	First Quarter 3/31/2019
<i>(\$ in thousands, except per share values)</i>									
<b>As Reported:</b>									
<b>Revenues</b>									
Net premiums earned	\$ 33,225	\$ 37,917	\$ 44,519	\$ 50,079	\$ 54,914	\$ 61,615	\$ 65,407	\$ 69,261	\$ 73,868
Net Investment Income	3,807	3,908	4,170	4,388	4,574	5,735	6,277	6,952	7,383
Net realized investment gains (losses)	(58)	188	69	9	-	59	(8)	6	(187)
Other revenues	80	185	195	62	64	44	85	40	42
<b>Total revenues</b>	<b>\$ 37,054</b>	<b>\$ 42,198</b>	<b>\$ 48,953</b>	<b>\$ 54,538</b>	<b>\$ 59,552</b>	<b>\$ 67,453</b>	<b>\$ 71,761</b>	<b>\$ 76,259</b>	<b>\$ 81,106</b>
<b>Expenses</b>									
Insurance claims and claims expenses	\$ 635	\$ 1,373	\$ 957	\$ 2,374	\$ 1,569	\$ 643	\$ 1,099	\$ 2,141	\$ 2,743
Underwriting and operating expenses	25,989	28,048	24,645	28,297	28,453	29,020	30,379	29,384	30,849
<b>Total expenses</b>	<b>\$ 26,624</b>	<b>\$ 29,421</b>	<b>\$ 25,602</b>	<b>\$ 30,671</b>	<b>\$ 30,022</b>	<b>\$ 29,663</b>	<b>\$ 31,478</b>	<b>\$ 31,525</b>	<b>\$ 33,592</b>
<b>Other Expenses</b>									
(Loss) Gain from change in fair value of warrant liability	\$ (196)	\$ 19	\$ (502)	\$ (3,426)	\$ 420	\$ 109	\$ (5,464)	\$ 3,538	\$ (5,479)
Interest expense	(3,494)	(3,300)	(3,352)	(3,382)	(3,419)	(5,560)	(2,972)	(3,028)	(3,061)
<b>Total other expense</b>	<b>\$ (3,690)</b>	<b>\$ (3,281)</b>	<b>\$ (3,854)</b>	<b>\$ (6,808)</b>	<b>\$ (2,999)</b>	<b>\$ (5,451)</b>	<b>\$ (8,436)</b>	<b>\$ 510</b>	<b>\$ (8,540)</b>
<b>Income before income taxes</b>	<b>\$ 6,740</b>	<b>\$ 9,496</b>	<b>\$ 19,497</b>	<b>\$ 17,059</b>	<b>\$ 26,531</b>	<b>\$ 32,339</b>	<b>\$ 31,847</b>	<b>\$ 45,244</b>	<b>\$ 38,974</b>
Income tax expense (benefit)	1,248	3,484	7,185	18,825	4,176	7,098	7,036	9,724	6,075
<b>Net income</b>	<b>\$ 5,492</b>	<b>\$ 6,012</b>	<b>\$ 12,312</b>	<b>\$ (1,766)</b>	<b>\$ 22,355</b>	<b>\$ 25,241</b>	<b>\$ 24,811</b>	<b>\$ 35,520</b>	<b>\$ 32,899</b>
<b>Adjustments:</b>									
(Gain) loss from change in fair value of warrant liability	\$ 196	\$ (19)	\$ 502	\$ 3,426	\$ (420)	\$ (109)	\$ 5,464	\$ (3,538)	\$ 5,479
Capital markets transaction costs	1,711	3,105	-	-	-	2,921	1,871	102	-
Net realized investment (gains) losses	58	(188)	(69)	(9)	-	(59)	8	(6)	187
<b>Adjusted Income before income taxes</b>	<b>\$ 8,705</b>	<b>\$ 12,394</b>	<b>\$ 19,930</b>	<b>\$ 20,476</b>	<b>\$ 26,111</b>	<b>\$ 35,092</b>	<b>\$ 39,190</b>	<b>\$ 41,802</b>	<b>\$ 44,640</b>
Income tax expense (benefit) on adjustments	\$ 688	\$ 1,014	\$ 152	\$ 1,196	\$ (88)	\$ 578	\$ 395	\$ 20	\$ 39
Deferred tax (expense) benefit adjustments	-	-	-	(13,554)	-	-	-	-	-
<b>Adjusted Net income</b>	<b>\$ 6,769</b>	<b>\$ 7,896</b>	<b>\$ 12,593</b>	<b>\$ 14,009</b>	<b>\$ 22,023</b>	<b>\$ 27,416</b>	<b>\$ 31,759</b>	<b>\$ 32,058</b>	<b>\$ 38,526</b>
Weighted average diluted shares outstanding	62,339	63,010	63,089	60,219	65,697	68,616	68,844	69,013	68,996
Dilutive effect of non-vested shares and warrants	-	-	-	3,449	-	-	-	-	-
<b>Weighted average diluted shares outstanding – Adjusted</b>	<b>62,339</b>	<b>63,010</b>	<b>63,089</b>	<b>63,668</b>	<b>65,697</b>	<b>68,616</b>	<b>68,844</b>	<b>69,013</b>	<b>68,996</b>
Diluted EPS – Reported	\$ 0.09	\$ 0.10	\$ 0.20	\$ (0.03)	\$ 0.34	\$ 0.37	\$ 0.36	\$ 0.46	\$ 0.48
Diluted EPS – Adjusted	\$ 0.11	\$ 0.13	\$ 0.20	\$ 0.22	\$ 0.34	\$ 0.40	\$ 0.46	\$ 0.46	\$ 0.56
Shareholders' equity	\$ 483,909	\$ 495,040	\$ 511,025	\$ 509,077	\$ 601,944	\$ 629,642	\$ 660,493	\$ 701,500	\$ 751,881
Return on equity – Reported	4.6%	4.9%	9.8%	(1.4%)	16.1%	16.4%	15.4%	20.9%	18.1%
Return on equity – Adjusted	5.6%	6.5%	10.0%	11.0%	15.9%	17.8%	19.7%	18.8%	21.2%