NMI Holdings, Inc.

Non-GAAP reconciliation

($ in thousands, except per share values)	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	First Quarter 3/31/2022	Second Quarter 6/30/2022
As Reported:									
Revenues									
Net premiums earned	$ 98,944	$ 98,802	$ 100,709	$ 105,879	$ 110,888	$ 113,594	$ 113,933	$ 116,495	$ 120,870
Net Investment Income	7,070	8,337	8,386	8,814	9,382	9,831	10,045	10,199	10,921
Net realized investment gains (losses)	711	(4)	295	-	12	3	714	408	53
Other revenues	1,223	648	513	501	483	613	380	339	376
Total revenues	**$ 107,948**	**$ 107,783**	**$ 109,903**	**$ 115,194**	**$ 120,765**	**$ 124,041**	**$ 125,072**	**$ 127,441**	**$ 132,220**
Expenses									
Insurance claims and claims expenses	$ 34,334	$ 15,667	$ 3,549	$ 4,962	$ 4,640	$ 3,204	$ (500)	$ (619)	$ (3,036)
Underwriting and operating expenses	30,370	33,969	34,994	34,065	34,725	34,669	38,843	32,935	30,700
Service expenses	1,090	557	459	591	481	787	650	430	336
Interest expense	5,941	7,796	7,906	7,915	7,922	7,930	8,029	8,041	8,051
(Gain) loss from change in fair value of warrant liability	1,236	$ 437	1,379	205	(658)	-	(112)	(93)	(1,020)
Total expenses	**$ 72,971**	**$ 58,426**	**$ 48,287**	**$ 47,738**	**$ 47,110**	**$ 46,590**	**$ 46,910**	**$ 40,694**	**$ 35,031**
Income before income taxes	**$ 34,977**	**$ 49,357**	**$ 61,616**	**$ 67,456**	**$ 73,655**	**$ 77,451**	**$ 78,162**	**$ 86,747**	**$ 97,189**
Income tax expense	8,129	11,178	13,348	14,565	16,133	17,258	17,639	19,067	21,745
Net income	**$ 26,848**	**$ 38,179**	**$ 48,268**	**$ 52,891**	**$ 57,522**	**$ 60,193**	**$ 60,523**	**$ 67,680**	**$ 75,444**
Adjustments:									
(Gain) loss from change in fair value of warrant liability	$ 1,236	$ 437	$ 1,379	$ 205	$ (658)	$ -	$ (112)	$ (93)	$ (1,020)
Capital markets transaction costs	2,790	2,254	1,719	378	1,615	481	1,505	260	(55)
Net realized investment (gains) losses	(711)	4	(295)	-	(12)	(3)	(714)	(408)	(53)
Other Infrequent, unusual or non-operating items	-	-	-	-	-	1,289	2,540	-	-
Adjusted Income before income taxes	**$ 38,292**	**$ 52,052**	**$ 64,419**	**$ 68,039**	**$ 74,600**	**$ 79,218**	**$ 81,381**	**$ 86,506**	**$ 96,061**
Income tax expense (benefit) on adjustments	$ 437	$ 474	$ 299	$ 79	$ 337	$ 139	$ 251	$ (31)	$ (23)
Adjusted Net income	**$ 29,726**	**$ 40,400**	**$ 50,772**	**$ 53,395**	**$ 58,130**	**$ 61,821**	**$ 63,491**	**$ 67,470**	**$ 74,339**
Weighted average diluted shares outstanding	74,174	85,599	86,250	86,487	86,819	86,880	87,117	87,310	86,577
Dilutive effect of non-vested shares and warrants	-	-	-	-	-			-	-
Weighted average diluted shares outstanding – Adjusted	**74,174**	**85,599**	**86,250**	**86,487**	**86,819**	**86,880**	**87,117**	**87,310**	**86,577**
Diluted EPS – Reported	$ 0.36	$ 0.45	$ 0.56	$ 0.61	$ 0.65	$ 0.69	$ 0.69	$ 0.77	$ 0.86
Diluted EPS – Adjusted	$ 0.40	$ 0.47	$ 0.59	$ 0.62	$ 0.67	$ 0.71	$ 0.73	$ 0.77	$ 0.86
Shareholders' equity	$ 1,257,037	$ 1,307,556	$ 1,369,591	$ 1,380,308	$ 1,459,905	$ 1,516,226	$ 1,565,786	$ 1,535,042	$ 1,525,092
Return on equity – Reported	9.6%	11.9%	14.4%	15.4%	16.2%	16.2%	15.7%	17.5%	19.7%
Return on equity – Adjusted	10.7%	12.6%	15.2%	15.5%	16.4%	16.6%	16.5%	17.4%	19.4%
Expense ratio - Reported	30.7%	34.4%	34.7%	32.2%	31.3%	30.5%	34.1%	28.3%	25.4%
Expense ratio - Adjusted	30.5%	32.1%	33.0%	31.8%	29.9%	29.0%	30.5%	28.0%	25.4%
Loss ratio - Reported and Adjusted	34.7%	15.9%	3.5%	4.7%	4.2%	2.8%	(0.4%)	(0.5%)	(2.5%)
Combined ratio - Reported	65.4%	50.2%	38.3%	36.9%	35.5%	33.3%	33.7%	27.7%	22.9%
Combined ratio - Adjusted	65.2%	48.0%	36.6%	36.5%	34.0%	31.8%	30.1%	27.5%	22.9%
Book value per share	$ 14.82	$ 15.42	$ 16.08	$ 16.13	$ 17.03	$ 17.68	$ 18.25	$ 17.84	$ 18.01
Book value per share (excluding net unrealized gains and losses)	$ 14.38	$ 14.86	$ 15.45	$ 16.02	$ 16.71	$ 17.46	$ 18.23	$ 18.97	$ 19.91