

NMI
HOLDINGS, INC.

INVESTOR
DAY 2021



2021 Investor Day



- Welcome to NMI Holdings, Inc. – 2021 Investor Day
- Today’s presentation is being delivered in person in New York City and simulcast on the web at <https://nmiholdingsinvestorday.gcs-web.com/>
- For those joining remotely, presentation materials have been made available online alongside the webcast and on our website at <https://ir.nationalmi.com/events-and-presentations>
- We will host a Q&A session following today’s formal presentations and our webcast audience will have an opportunity to submit questions through the Q&A window on the webcast page
- A replay of today’s meeting will be available on our website at <https://ir.nationalmi.com/events-and-presentations>

Our Use of Forward-Looking Statements and Non-GAAP Financial Measures



During the course of this 2021 Investor Day discussion, we may make comments about our expectations for the future. Actual results could differ materially from those contained in these forward-looking statements.

Additional information about the factors that could cause actual results or trends to differ materially from those discussed today can be found on page 87 of this presentation and on our website, or through our filings with the SEC, which are also on our website.

If, and to the extent, we make forward-looking statements, we do not undertake any obligation to update those statements in the future in light of subsequent developments. Further, no interested party should rely on the fact that the guidance of such statements is current at any time other than the time of this presentation.

Also note that we will refer to certain non-GAAP measures and provide a reconciliation to the most comparable measures under GAAP on pages 85 and 86 of this presentation, and on the investor relations section of our website.

Agenda

| | | |
|--------------------------------|-----------------|---|
| Chairman's Message | Brad Shuster | <i>Executive Chairman & Chairman of the Board</i> |
| Building on Our Success | Claudia Merkle | <i>Chief Executive Officer</i> |
| Customer Development | Norm Fitzgerald | <i>Chief Sales Officer</i> |
| Digital Transformation | Mohammad Yousaf | <i>Chief Business Transformation Officer</i> |
| Risk Management | Rob Smith | <i>Chief Risk Officer</i> |
| Financial Review | Adam Pollitzer | <i>Chief Financial Officer</i> |
| Questions & Answers | | |



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Chairman's Message

Brad Shuster

Executive Chairman and Chairman of the Board

Themes for Today

✓ Significant success to date provides strong foundation

✓ Outperformance through COVID stress highlights platform stability

✓ Exceptional opportunity to drive growth and unlock shareholder value

National  **MI**

Building significant value for shareholders and securing future outperformance across all market cycles

Founding Principles

- Help qualified borrowers achieve the **Dream of Home Ownership**
- Be a **Credible and Durable Counterparty** for our customers and policyholders
- Deliver a **Great Customer Experience** through people and technology
- **Manage Risk** to ensure strong performance across all market cycles
- Create a **Winning Culture** that allows us to attract and retain the very best talent
- Generate sustainable **Strong Mid-Teens Returns** for our shareholders

NationalMi.



Executive Management

Highly experienced senior management team supported by a deep bench of talent



Bradley Shuster
Executive Chairman,
Chairman of the Board



Claudia Merkle
Chief Executive Officer



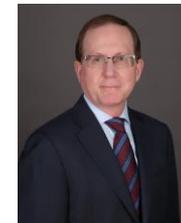
Adam Pollitzer
Chief Financial Officer



Norm Fitzgerald
Chief Sales Officer



William Leatherberry
General Counsel



Patrick Mathis
Chief Operating Officer



Robert Smith
Chief Risk Officer



Mohammad Yousaf
Chief Business
Transformation Officer

Significant Success to Date

- **Performance Driven Culture**
- Winning with Customers
- Building High-Quality Portfolio
- Strong Financial Results

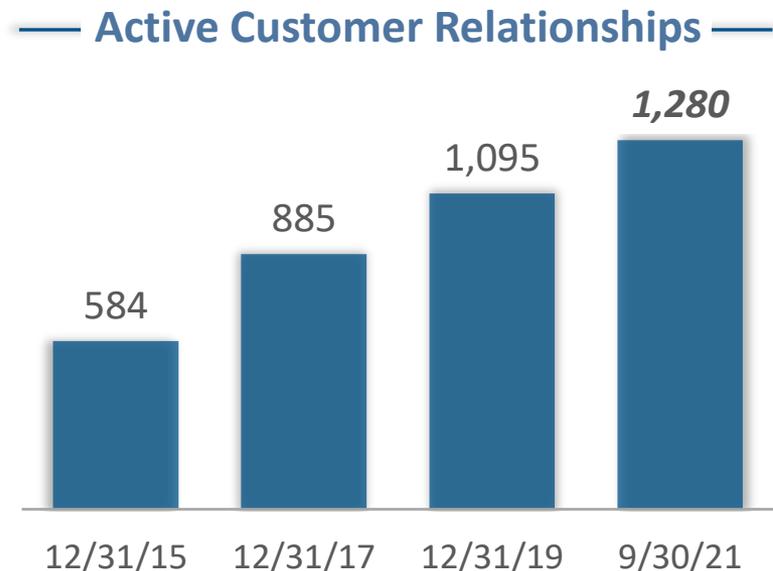
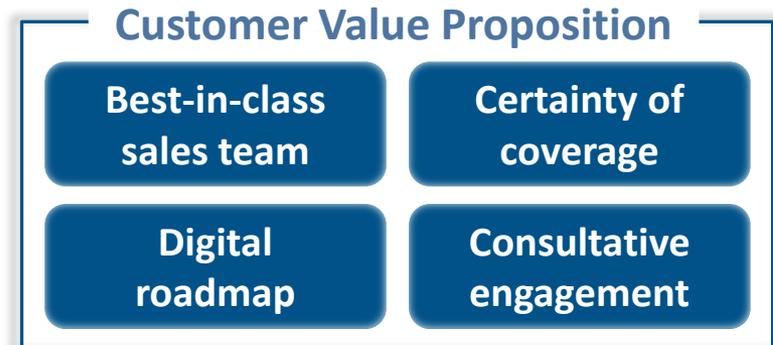


*Award
Winning
Culture*



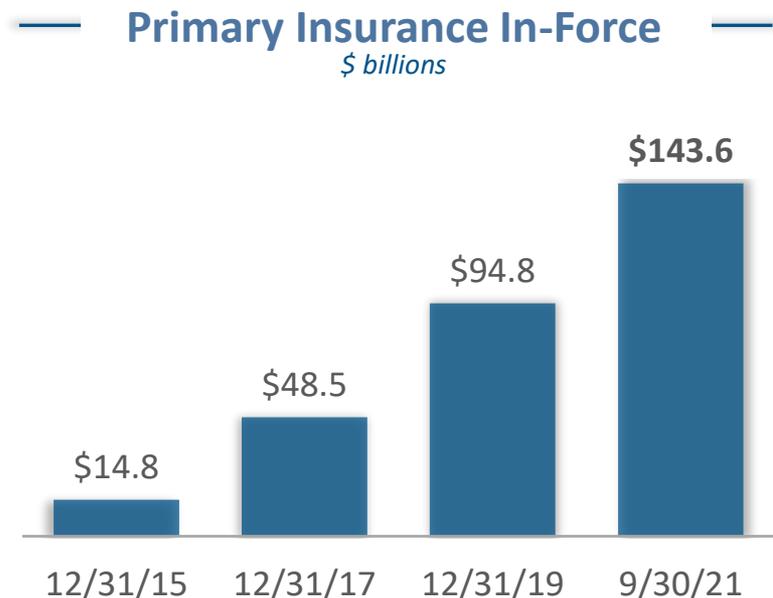
Significant Success to Date

- Performance Driven Culture
- **Winning with Customers**
- Building High-Quality Portfolio
- Strong Financial Results



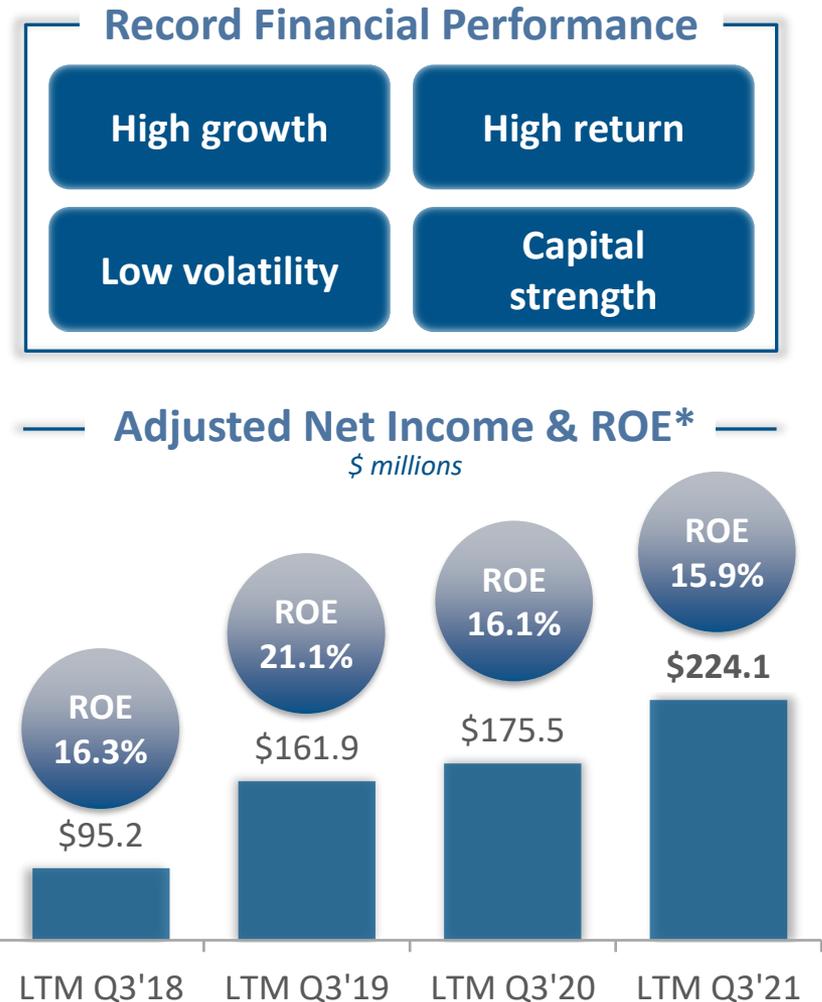
Significant Success to Date

- Performance Driven Culture
- Winning with Customers
- **High-Quality Portfolio**
- Strong Financial Results



Significant Success to Date

- Performance Driven Culture
- Winning with Customers
- Building High-Quality Portfolio
- **Strong Financial Results**



* Adjusted net income and adjusted return on equity are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Outperformance Through COVID Stress

NationalMi. Demonstrated Ability to Outperform Across All Market Cycles

- Served record number of customers and borrowers at time of unprecedented need
- Dramatically scaled our customer franchise, NIW volume and insurance in-force
- Demonstrated effectiveness of comprehensive credit risk management framework
- Achieved record financial success – growth, profitability, consistency, returns

Favorable Macro Backdrop Sets Stage for Private MI Industry

Macro Environment

Sustained economic expansion

Consumer Strength

Low unemployment and strong household balance sheets

Constructive Rates

Historically low rates spurring origination activity

Housing Market

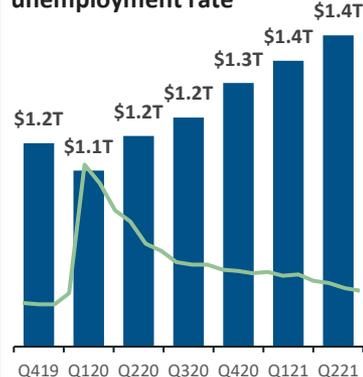
Resilient housing market driven by sustained secular trends

U.S. Gross Domestic Product



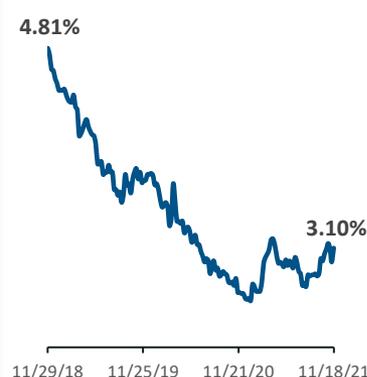
St. Louis Federal Reserve Economic Data – gross domestic product (seasonally adjusted)

Household net worth vs. unemployment rate



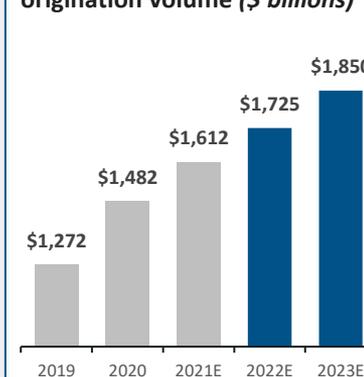
St. Louis Federal Reserve Economic Data – households and nonprofit organizations net worth (not seasonally adjusted), and unemployment rate (seasonally adjusted)

30-year fixed rate mortgage



St. Louis Federal Reserve Economic Data – 30-year fixed rate mortgage average (not seasonally adjusted)

Purchase mortgage origination volume (\$ billions)



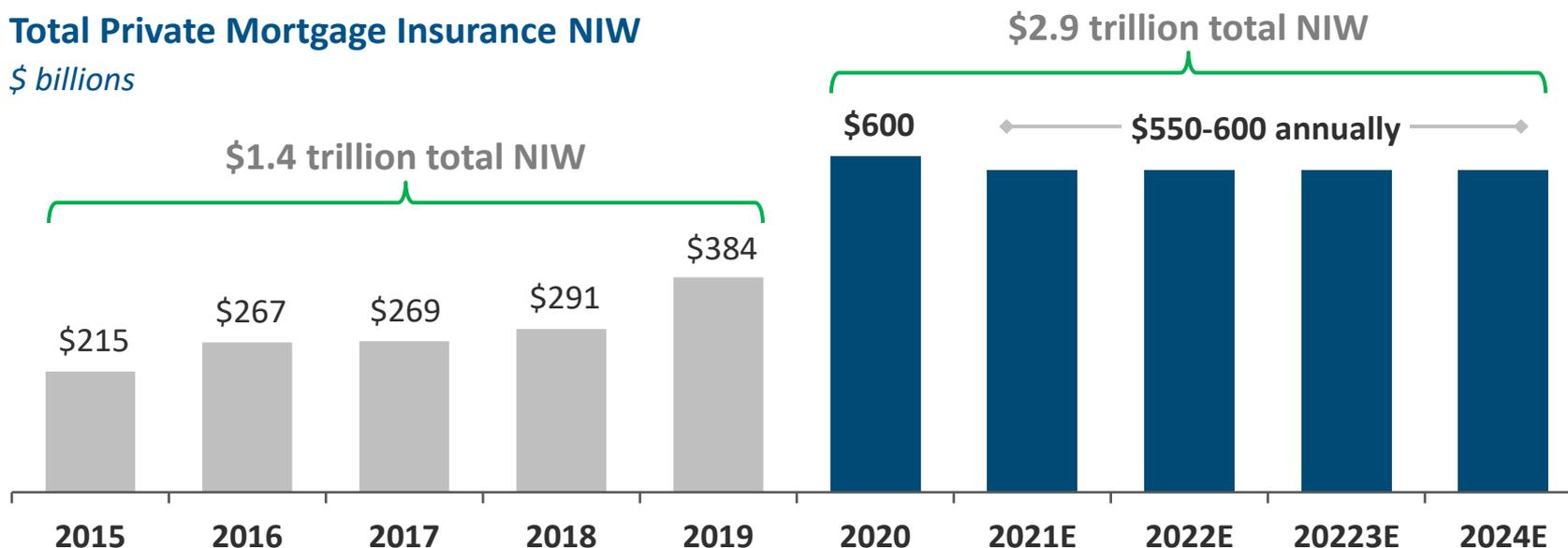
MBA mortgage finance forecast – November 2021; 1-4 unit single family mortgage originations

Secular Themes Drive Record Private MI Opportunity

- ✓ Demographic tailwind – millennial demand
- ✓ Post-COVID pull towards homeownership
- ✓ Sustained HPA – long-term supply / demand imbalance
- ✓ Access and affordability – expanding opportunity
- ✓ Higher conforming limits and increased GSE share
- ✓ Greater need for down payment support

Total Private Mortgage Insurance NIW

\$ billions



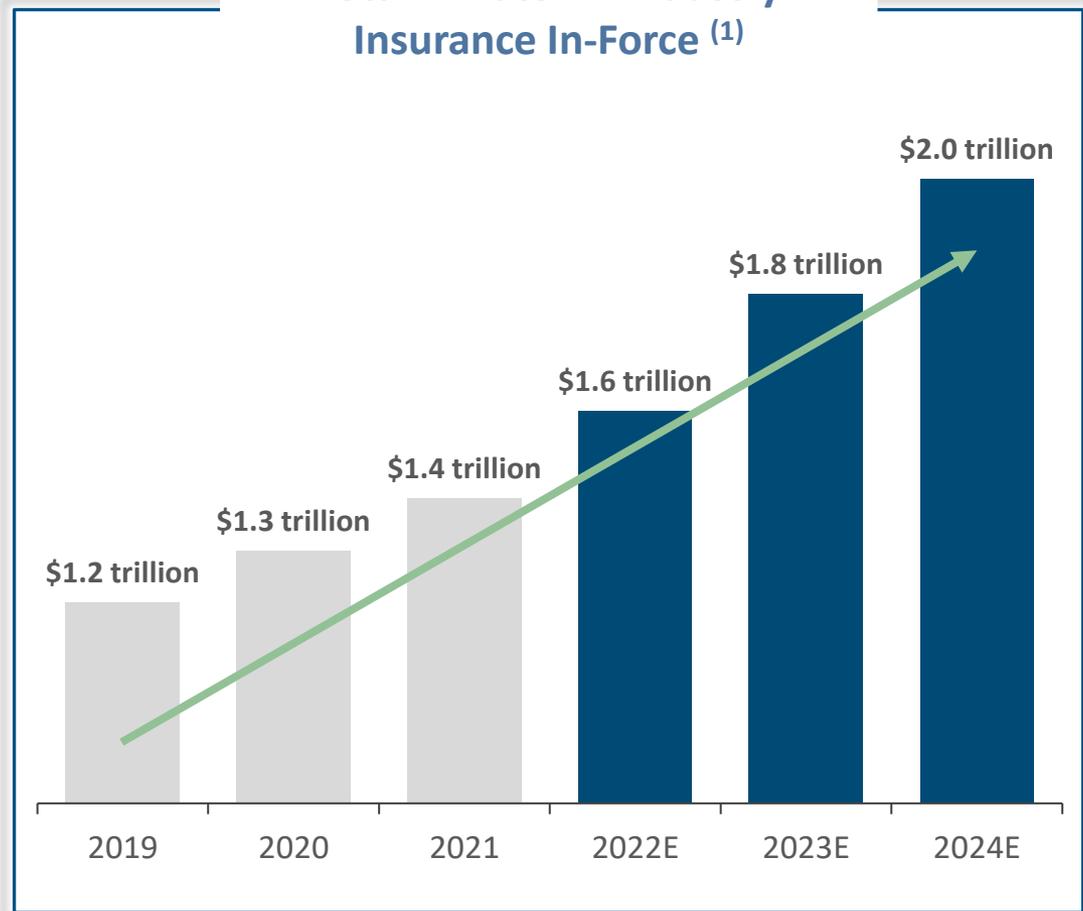
Note: Forecasted private mortgage insurance NIW based on anticipated purchase and refinancing mortgage origination volumes and observed private mortgage insurance penetration rates

Record New Business Opportunity Drives Industry IIF Growth

- Secular trends driving sustained NIW opportunity
- Record low note rates on new production and tapering of refinancing wave driving significant rebound in persistency
- Combined effect expected to drive dramatic growth in industry insurance in-force

Rapid industry in-force growth a positive for the sector and National MI in particular

Total Private MI Industry Insurance In-Force ⁽¹⁾



(1) Forecasted private mortgage insurance industry insurance in-force based on anticipated NIW, and observed and projected persistency rates

National MI Better Positioned than Ever Before to Lead the Market

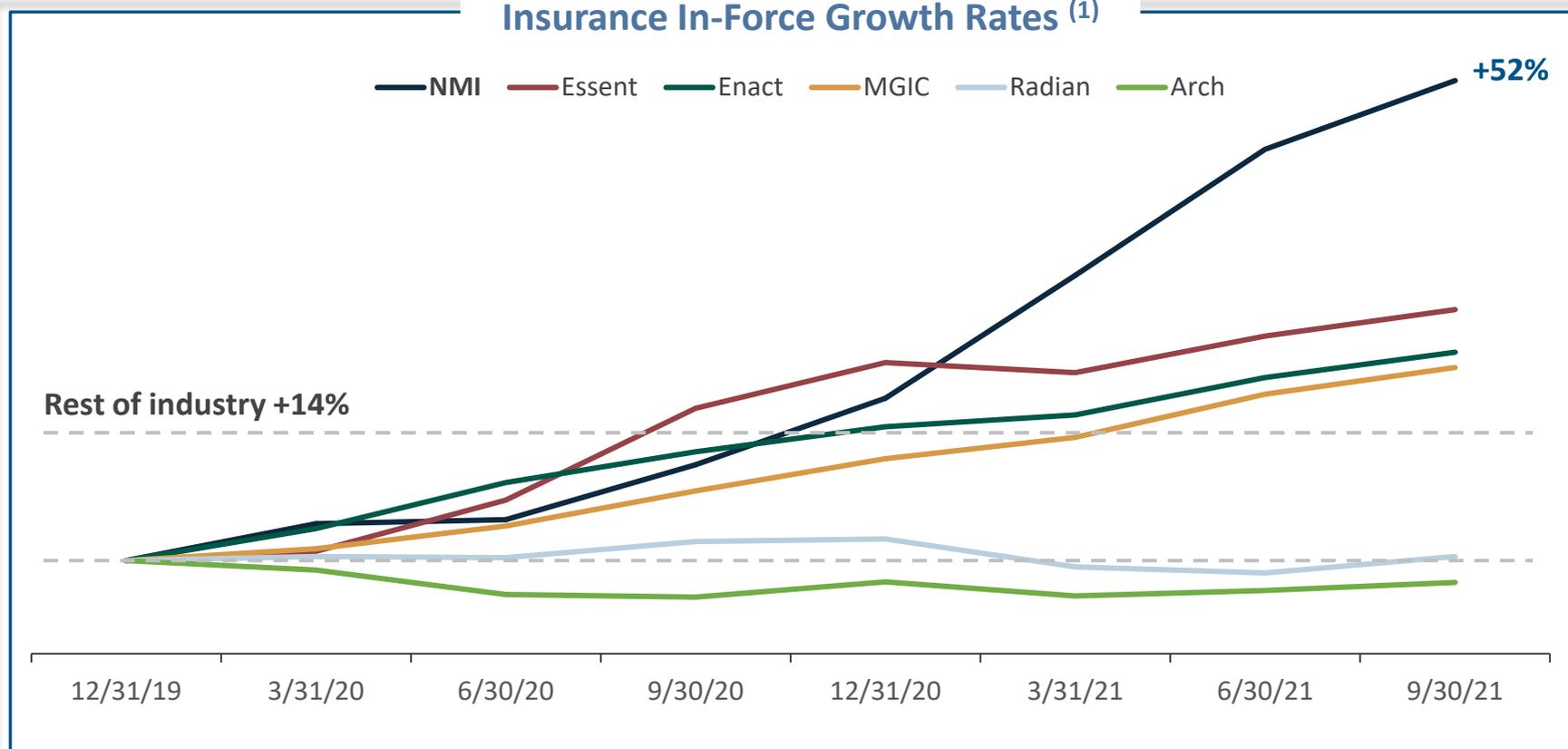


Uniquely Positioned to Deliver in a Growing Market



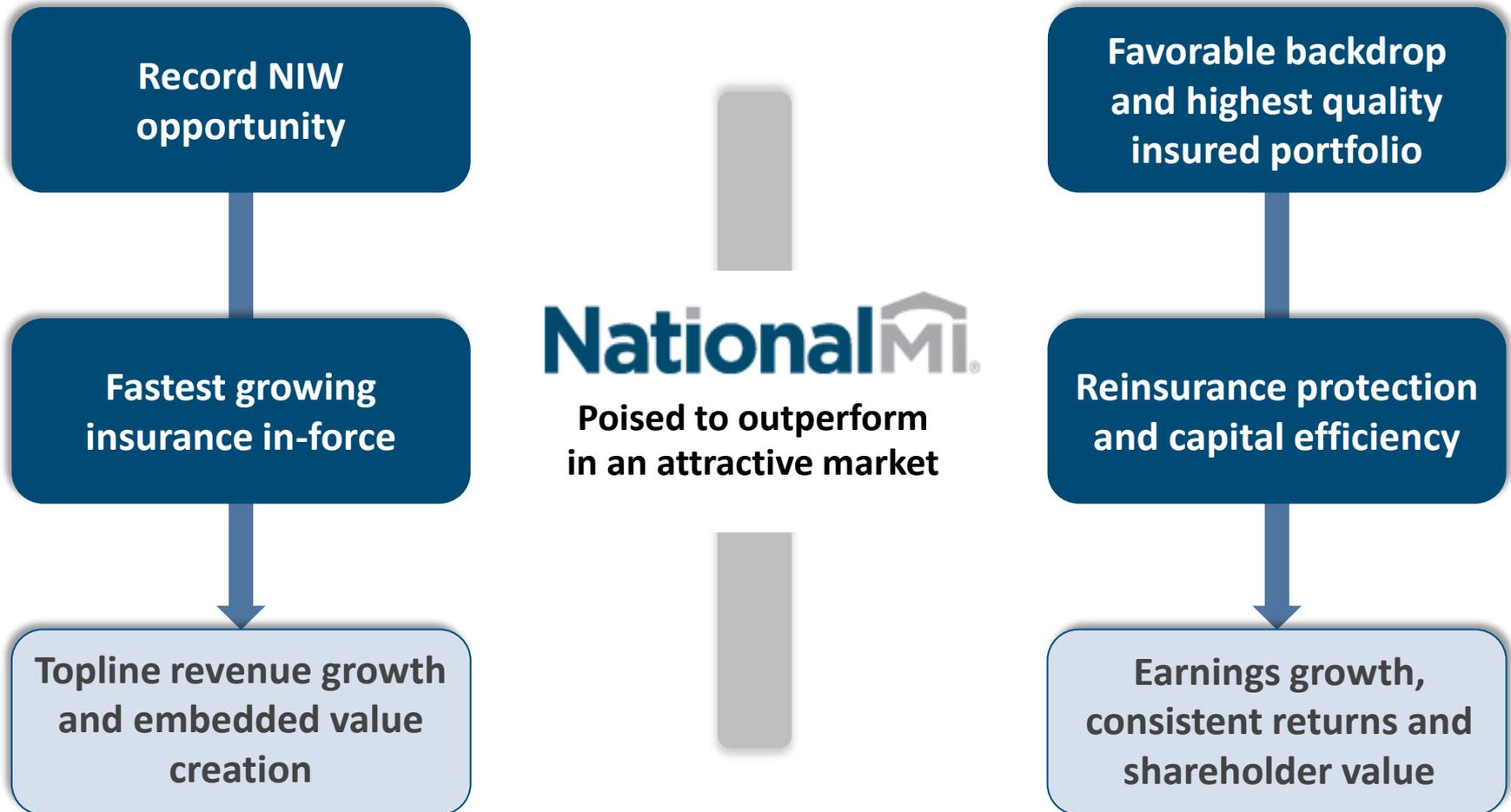
Delivering fastest growth in industry – by wide margin

Private MI Industry Comparative Insurance In-Force Growth Rates ⁽¹⁾

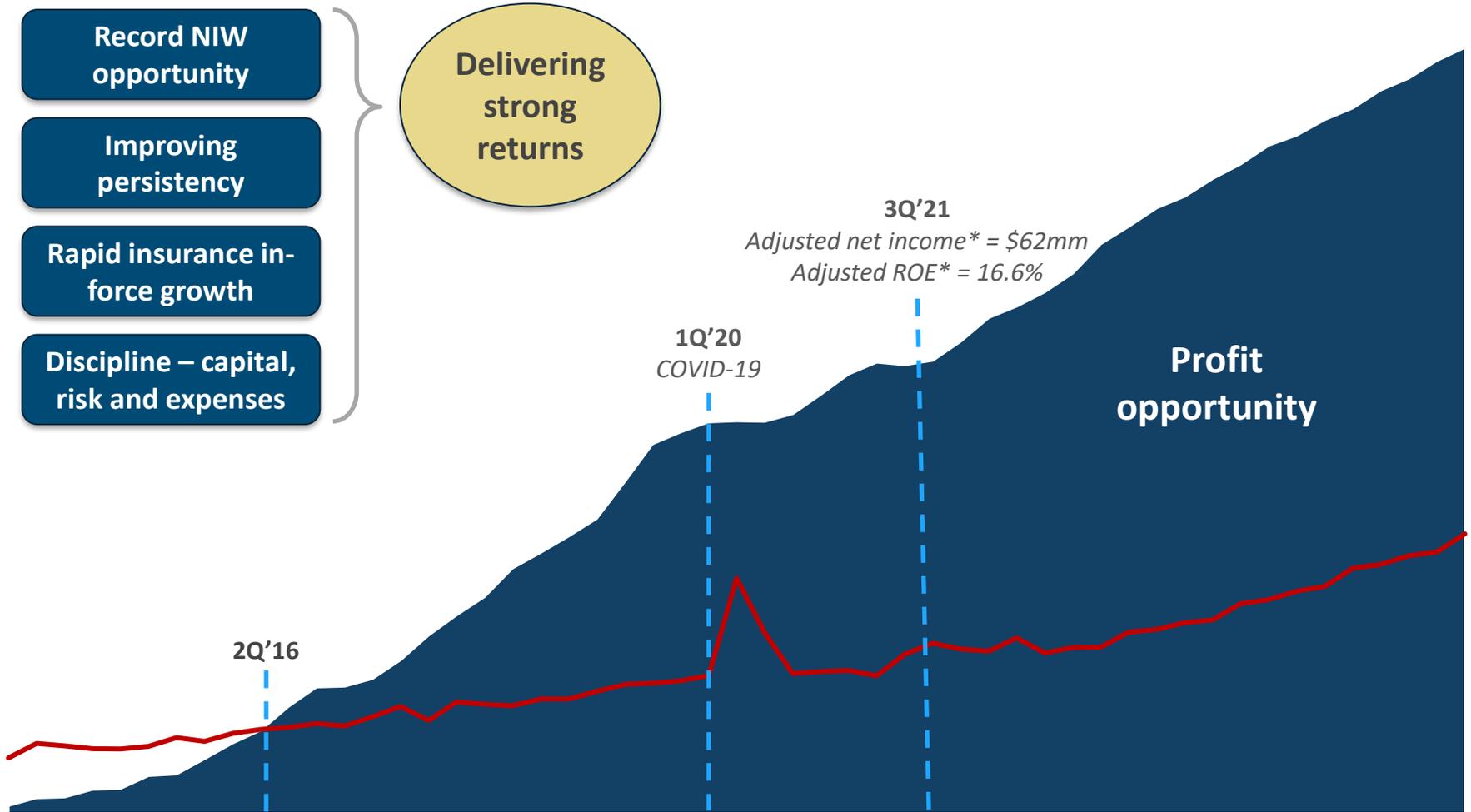


(1) Quarterly growth progression based on U.S. primary insurance in-force reported in public filings and quarterly financial supplements

Exceptional Opportunity to Drive Value Post-COVID



Exceptional Opportunity to Drive Continued Growth and Value



Not a forecast. For illustrative purposes only.

* Adjusted net income and ROE are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Poised for Continued Success

Significant success to date

Past success provides foundation for future performance

Outperformance through COVID stress

Stability through pandemic highlights platform strength

Exceptional opportunity to deliver post-COVID

Well-positioned to drive growth and unlock shareholder value post-pandemic



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Building on Our Success

Claudia Merkle

Chief Executive Officer

National MI: Building on Our Success

Culture

Talented and
Committed People

Customers

Building
Durable
Relationships

Innovation

Technology and
Thought Leadership

National MI. Built for Sustained Outperformance Across All Market Cycles

Comprehensive
Credit Risk
Management
Framework

Risk Management

Highest Quality,
Fastest Growing
Insured Portfolio

Portfolio

High Growth, High
Return, Low Volatility

Financials

Focus on Corporate Culture

- *Lead with People, Profit, Customer, Community*
- 241 engaged, motivated employees
- Corporate culture – a key differentiator



Commitment to Sustainability

Environmental

-  Corporate HQ – *LEED Gold Certified*
-  Minimal carbon footprint
 - Financial services business
 - Distributed workforce
-  Sustainable operational practices

Social

-  Serve social purpose – providing pathways to homeownership
-  Supported >1.2 million borrowers (to date)
-  Community presence and commitment to giving back
-  Focus on diversity, equity and inclusion

Governance

-  Board of Directors
 - Lead Independent Director
 - 7 of 9 are independent
 - 5 of 9 identify as women, minority or LGBTQ+
 - Formal Board oversight of ESG matters
-  Robust compliance and data privacy framework

Human capital management

- Aim to hire, train and retain the very best talent
- Invest to support their professional growth and personal well-being
- Commitment to diversity

241 total employees



Recognized for
six years straight

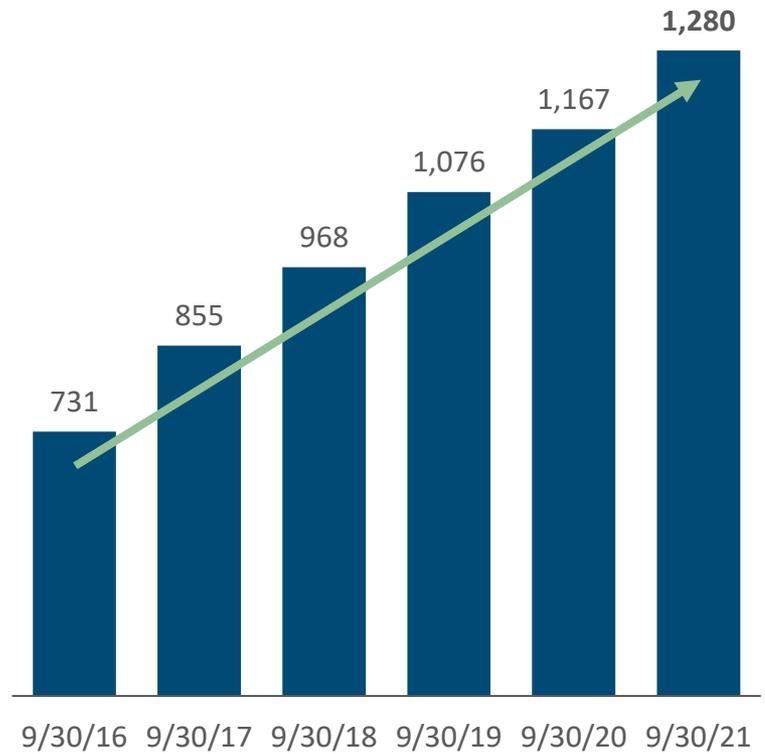


The National MI Advantage

- Best-in-class sales force
- Unique customer value proposition – *Certainty and Service*
- Rate GPS leadership
- Differentiation through consultative selling
- Embracing technology at forefront of digital mortgage evolution
- IT and operational platform advantage

Growing Our Customer Base

Active Customers



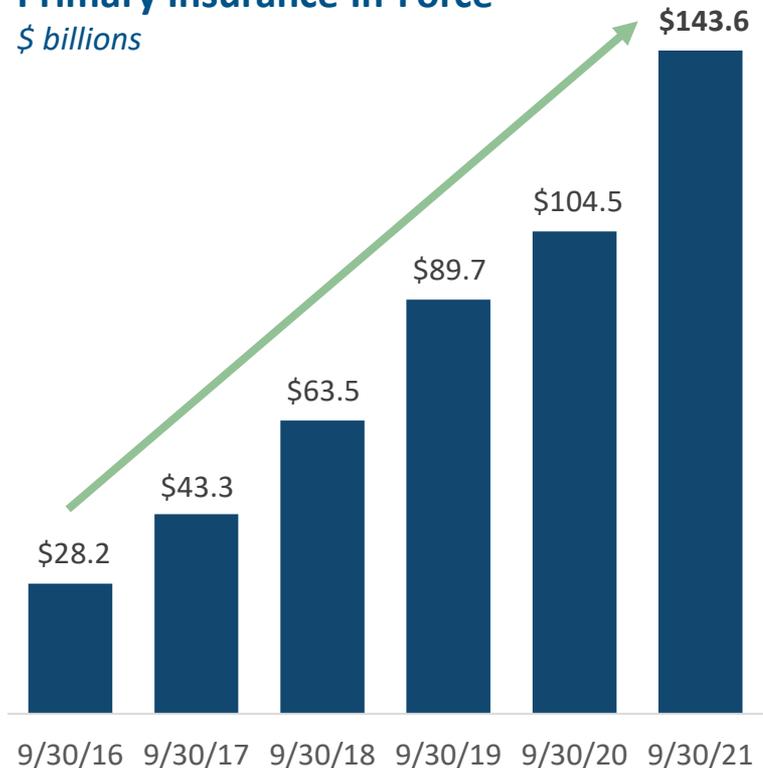
Highest-Quality, Best Performing Insured Portfolio

Credit Risk Standards & Rigorous Underwriting Process

- Highest quality by FICO, LTV and DTI
- Minimal layered risk concentration
- Risk-based pricing – *Rate GPS*
- ~80% underwritten or validated
- Lender diversification
- Geographic diversification
- No aggressive product types

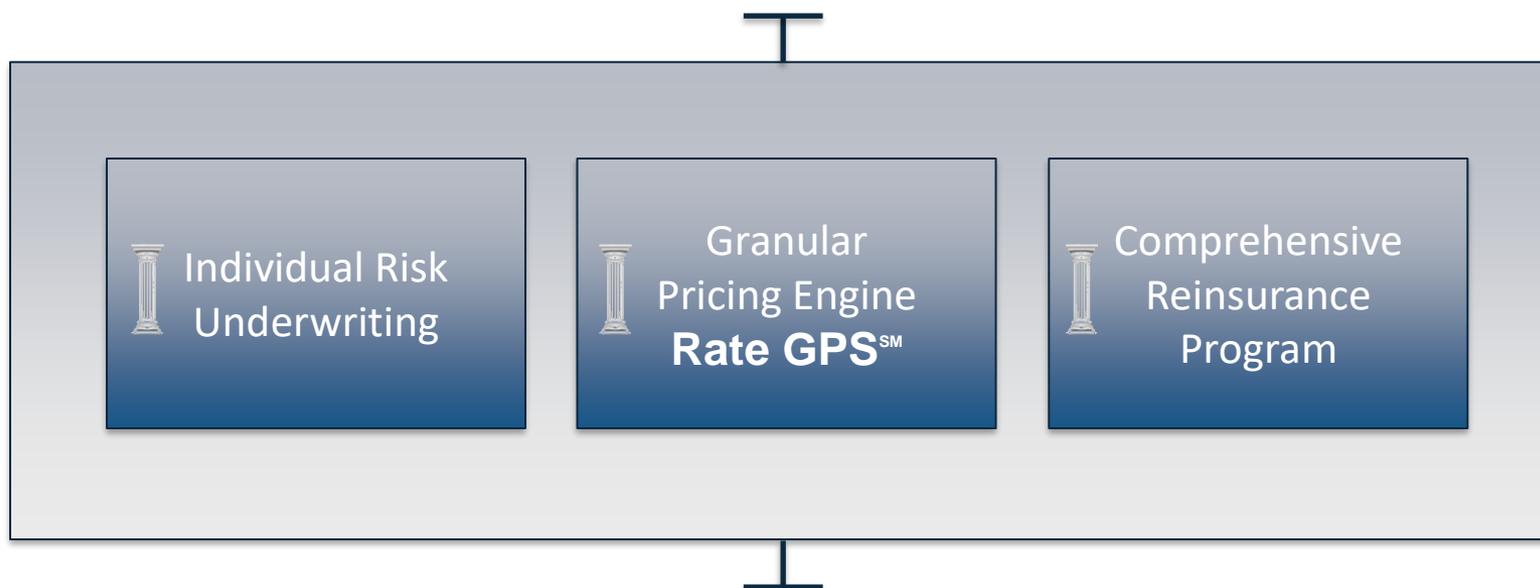
Highest Quality & Best Performing In-Force Portfolio

Primary Insurance In-Force *\$ billions*



Comprehensive Credit Risk Management Framework

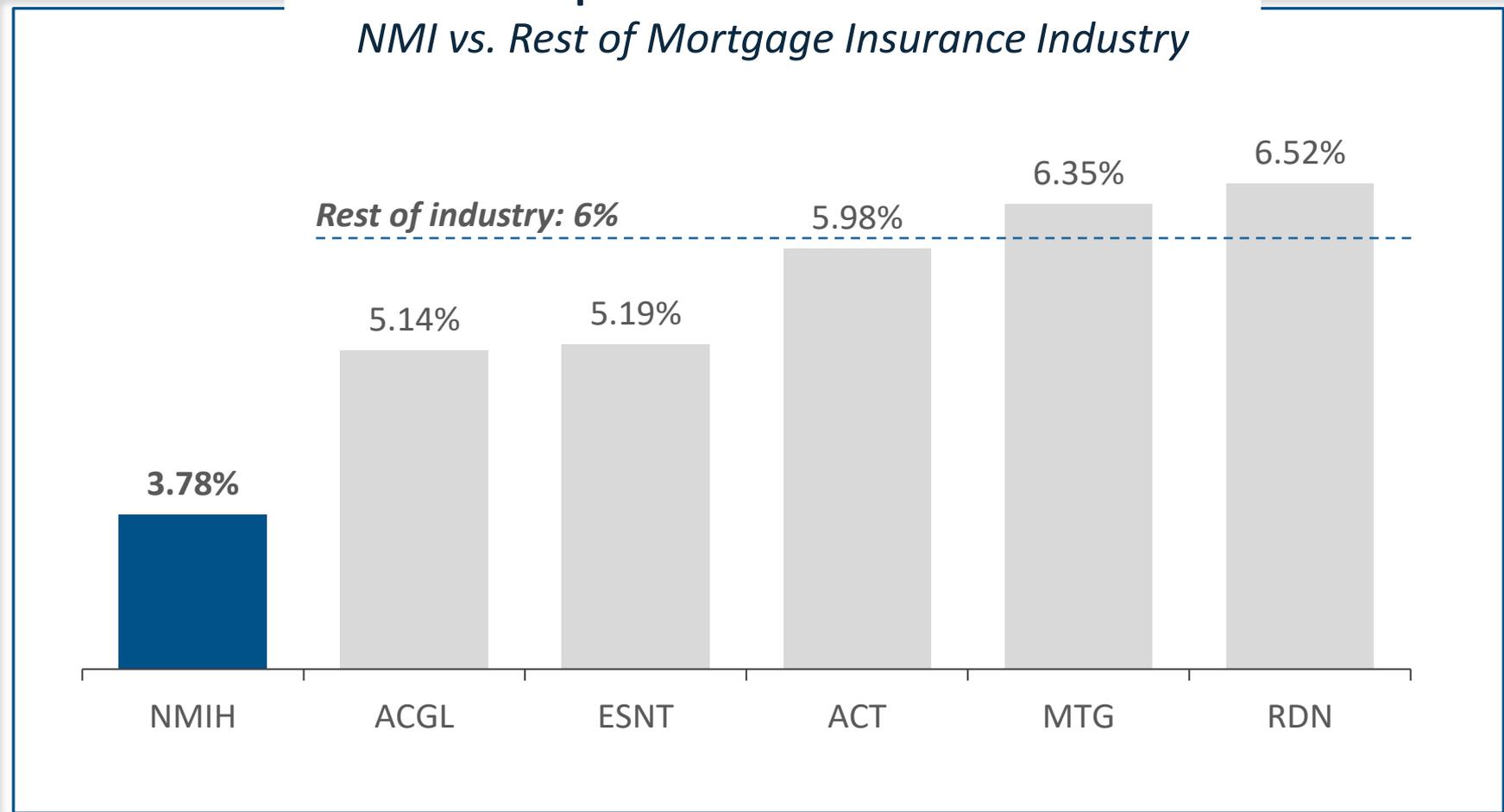
National MI has an industry-leading credit risk management approach, built on three-foundational pillars...



...and has delivered best-in-class credit performance since its formation

Best-in-Class Credit Performance

Peak Reported COVID Default Rates¹
NMI vs. Rest of Mortgage Insurance Industry



(1) Default rates as reported by each individual company in SEC filings, earnings releases, financial supplements or press releases. Periods may not align and underlying definitions and calculations of default rate may not be uniform across companies

Delivering Financial Success



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| | 3Q'21 LTM | Three-year CAGR / average |
|------------------------------|-----------------|---------------------------|
| ✓ NIW | \$87.0 billion | +47.3% |
| ✓ IIF | \$143.6 billion | +31.2% |
| ✓ Revenue | \$469.9 million | +22.9% |
| ✓ Adjusted net income* | \$224.1 million | +33.0% |
| ✓ Adjusted return on equity* | 15.9% | 17.7% |
| ✓ Book value | \$1.5 billion | +31.9% |
| ✓ Book value per share | \$17.68 | +21.1% |
| ✓ Loss ratio | 3.8% | 7.4% |
| ✓ Adjusted expense ratio* | 30.8% | 33.7% |

* Adjusted net income, adjusted return on equity and adjusted expense ratio are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Well-Positioned to Outperform Post-Pandemic

Our success to date provides the foundation for our future performance

Performance-Driven Team

Proven Credit Risk Management Framework

Strong Customer Engagement & Pipeline

Strong Financial Foundation

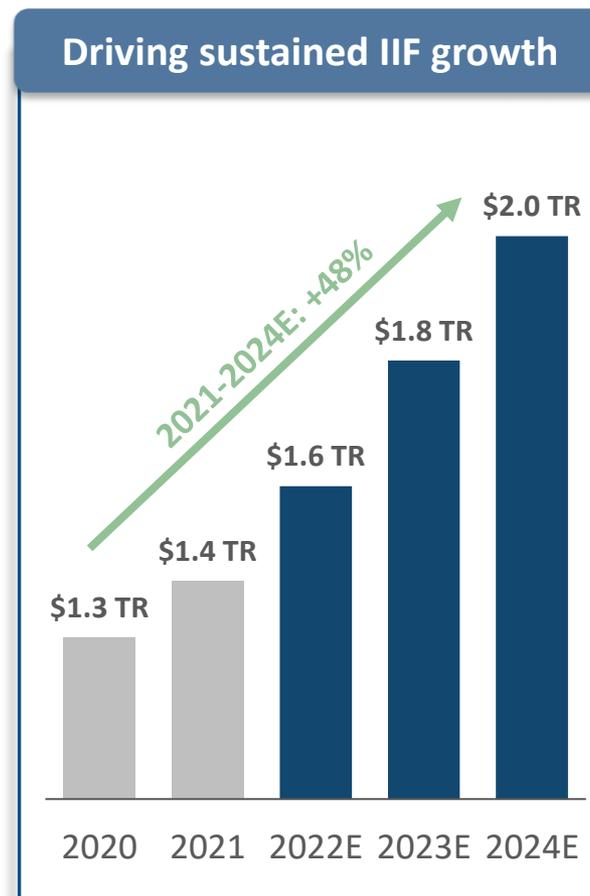
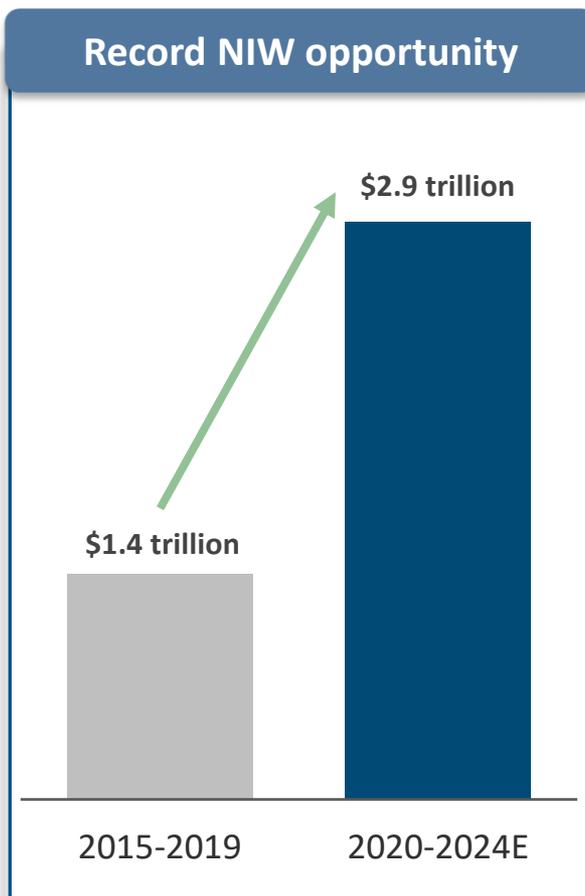
Highest Quality In-Force Portfolio

Resilient Housing Market and Record Private MI Opportunity

Secular Themes Drive Record Private MI Opportunity

Private mortgage insurance market is poised for dramatic growth

- ★ Resilient housing market
- ★ Demographics driving sustained demand
- ★ Macro strength and underwriting discipline support credit quality
- ★ Low rates support persistency gains
- ★ Growing need for down payment support
- ★ Expansion of conforming market and GSE share
- ★ Increasing private MI penetration



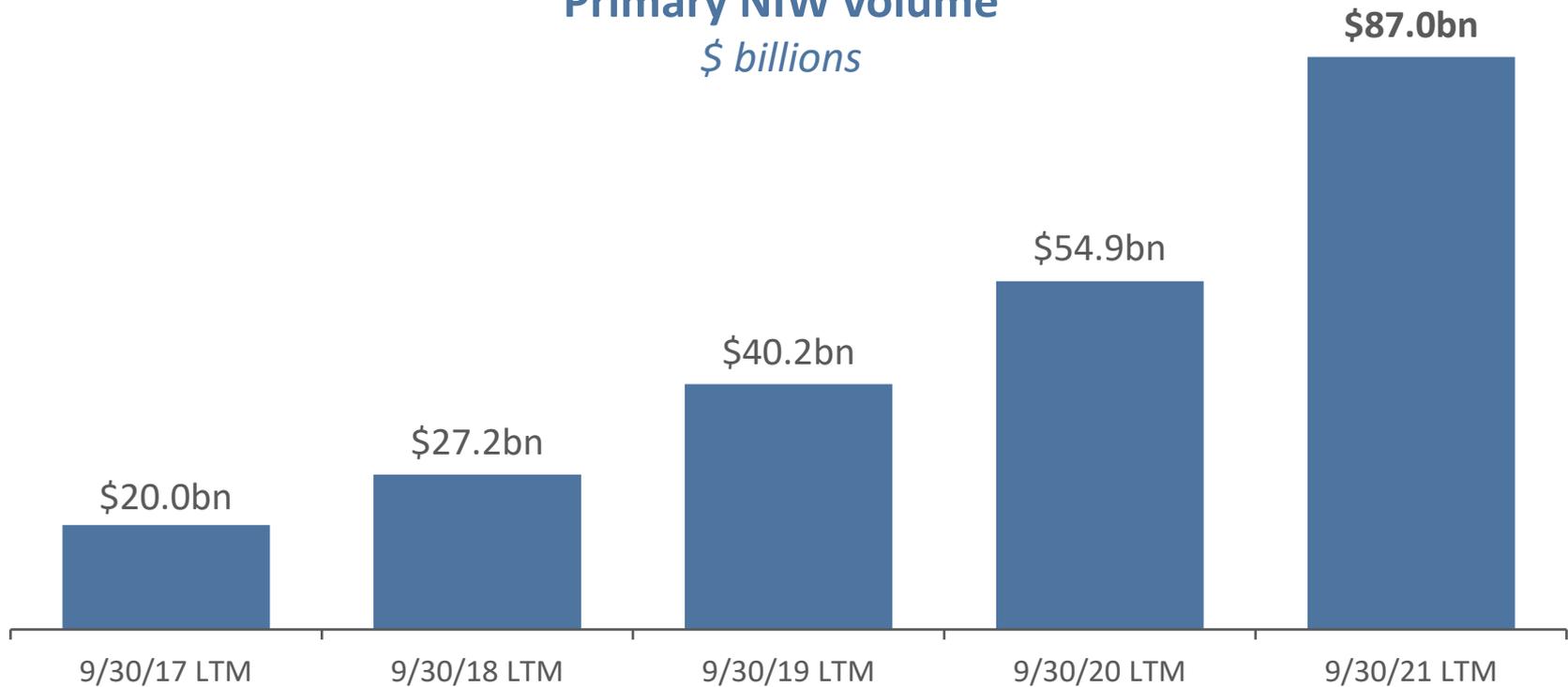
Attractive Opportunity for Responsible, Profitable Growth



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Opportunity to Responsibly Scale NIW Volume and Build Embedded Value

Primary NIW volume
\$ billions



National MI: Well-Positioned to Capitalize on Significant Opportunity

Record market opportunity

Secular trends driving record MI volume

Differentiated approach

Sales, IT and risk management leadership

Community impact

Supporting sustainable homeownership

Financial outperformance

Consistent growth, profitability and returns

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Sales and Customer Development

Norm Fitzgerald
Chief Sales Officer

✓ Significant success to date

✓ Strategy and tactics focused on converting sizeable opportunity

✓ Digital transformation driving account engagement and salesforce efficiency

✓ IT and operations platform leadership enhancing customer success

Significant Success to Date

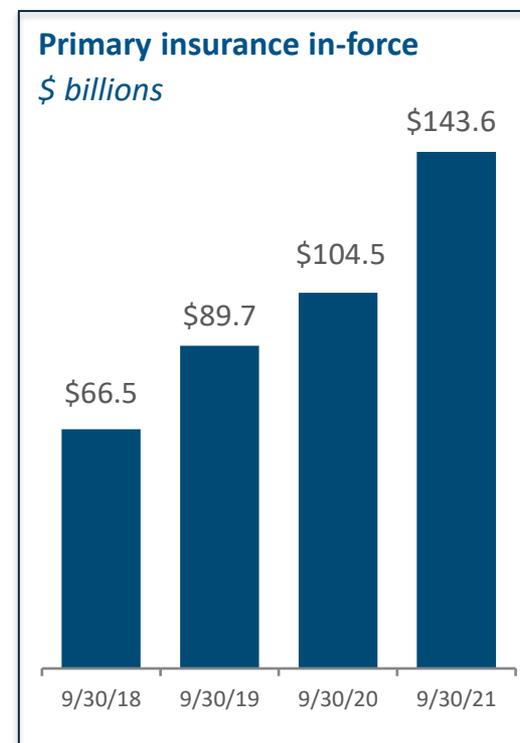
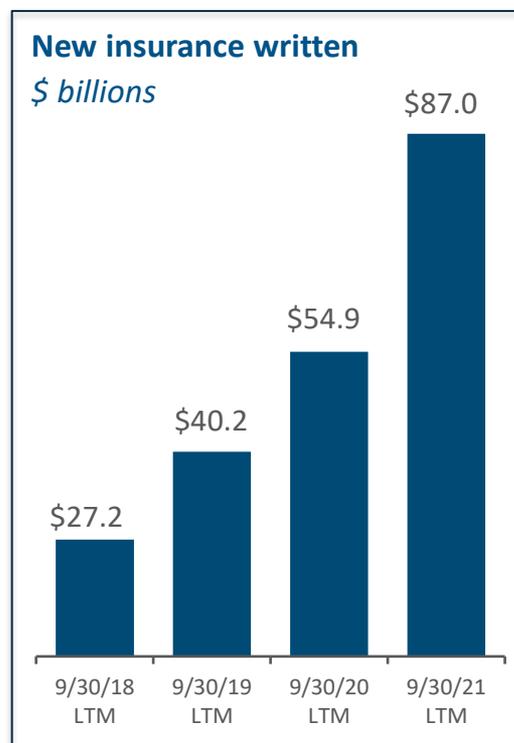
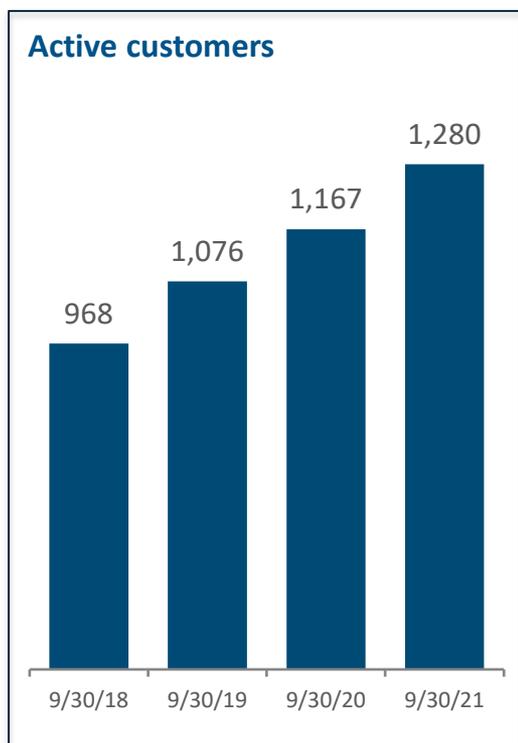
Growing customer base and access to the market



Driving significant NIW growth



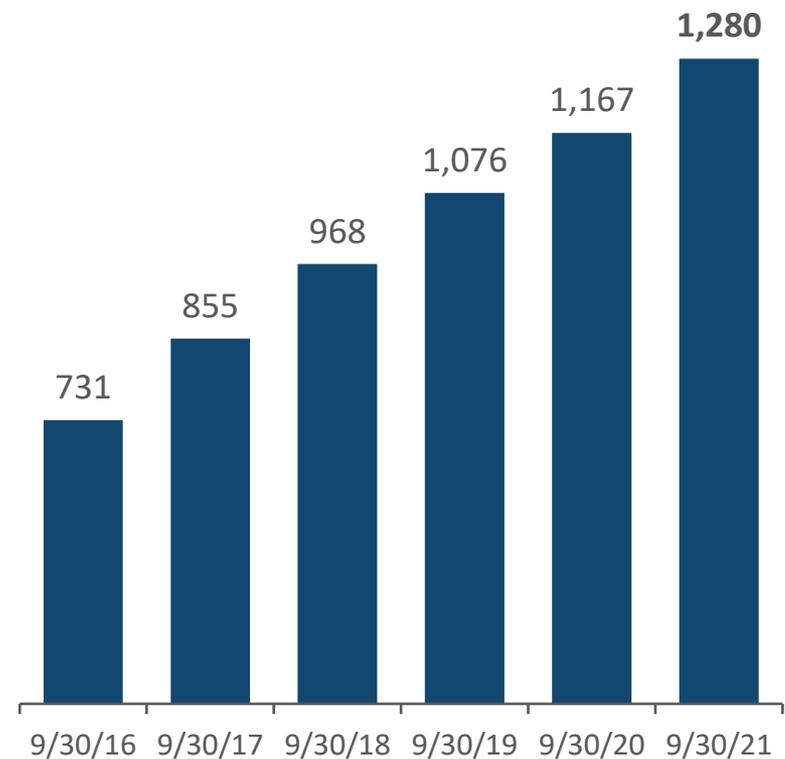
Industry leading growth in high-quality insurance in-force



Strong customer engagement and activation pipeline

- Nearly 1,300 active customer relationships
- Current accounts represent ~90% of total mortgage insurance industry NIW
- 187 new account activations since COVID outbreak
- 526 new account activations since 2017 – represents +\$101bn of NIW opportunity
- Track record of growing wallet share within accounts steadily over time
- Large opportunity remains to both grow wallet share and activate new accounts

Active customer development



Why We Win

People, Platform and Value Proposition

Best-in-Class Sales Team

- Highly experienced front-line team
- Fully embracing digital opportunity

Certainty of Coverage

- Standing behind our commitments – “Iron Clad” *rescission relief*
- Customer-centric claims management process – *Sensible Servicing*®

Digital Roadmap

- Leading with Rate GPS
- Amplifying the voice of our sales team
- Accelerating our ability to scale relationships

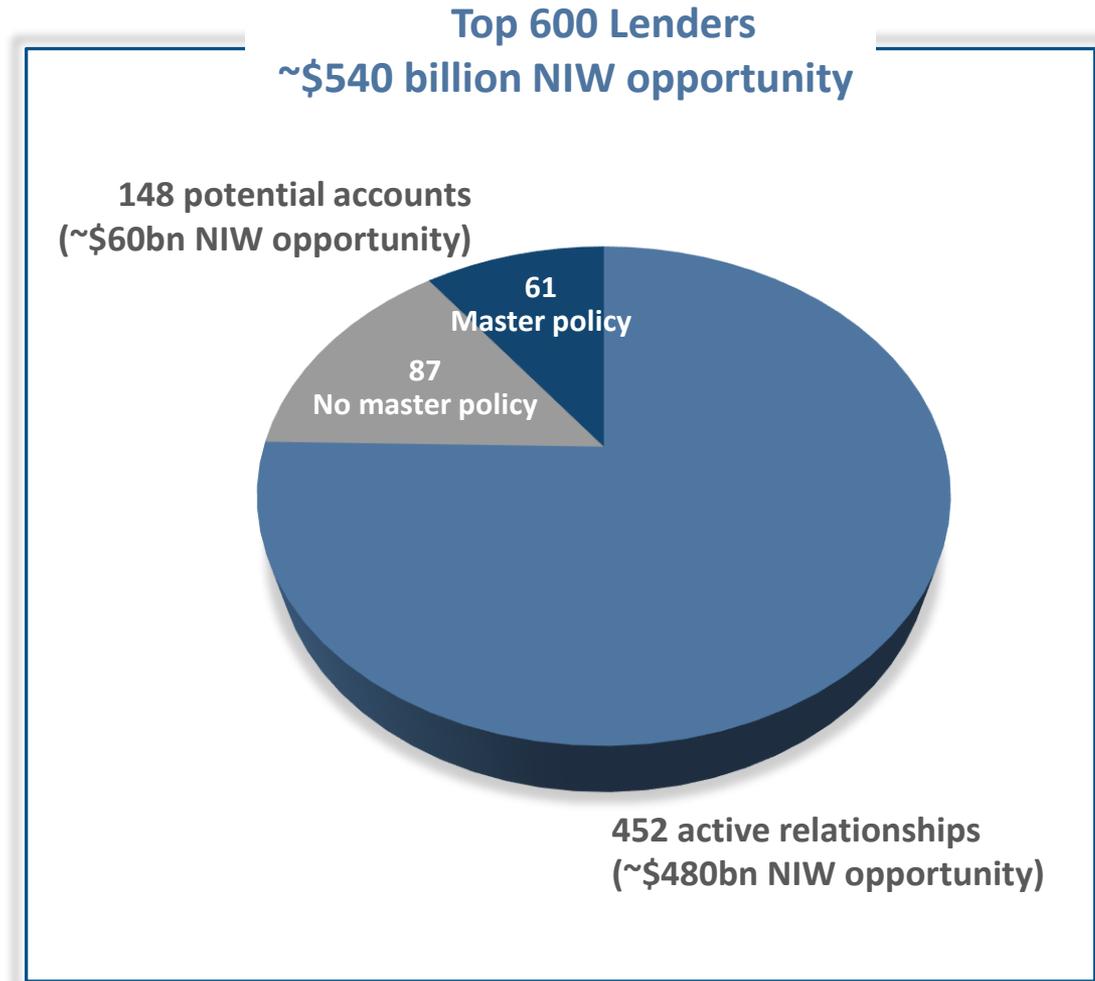
Consultative Engagement

- Value-added lender feedback loop
- Educational programs, webinars, roundtables and onsite events, access to industry experts



Strategy and Tactics Focused on a Large Opportunity

- Top 600 lenders in the country represent >90% of ~\$575bn market opportunity
- Significant penetration and active relationships with many leading lenders
- Sizeable opportunity remaining to continue adding new accounts and building wallet share with existing lenders



Digital Mortgage Transformation

- Customers and borrowers becoming more digital
- Technology disrupts customer “habit” and legacy relationships
- Technology driving efficiency and flexibility for NMI and our customers
- Through technology leadership, NMI can target and serve a broader opportunity set

Seamless NMI Integration

- Technology leadership shortens cycle from Master Policy to NIW
- Broad connectivity with third-party loan origination systems
- Leading with Rate GPS

Electronic Customer Engagement

- Amplify NMI message through digital communication tools
- Digital account and relationship management
- Virtual meetings, training, webinars

Sustaining Our Positive Momentum

Top 600 Focus

- Know your customer –
Win, Grow, Maintain

New Account Activation

- Continue to leverage our success in client acquisition

NMI Technology Leadership

- Lead with technology to drive enhanced customer engagement and salesforce efficiency

Service Excellence

- Consultative engagement and value-added orientation



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Digital Transformation

Mohammad Yousaf

Chief Business Transformation Officer

National MI Operations and IT Platform Advantage

Innovation

Modern, proprietary platform

- ✓ De novo build tailored to unique needs of the MI market
- ✓ Forward-thinking orientation vs. patchwork / legacy approach
- ✓ Modular architecture allows for continuous innovation and integration

Speed

Accelerated time to market

- ✓ Agility to respond to market moves and quickly introduce new offerings – e.g., *Rate GPS*
- ✓ Accelerated roll-out of system updates and upgrades supports high availability and operational productivity

Connectivity

Fast and reliable – meet our customers where they want to be

- ✓ Broad integration with customer and third-party loan origination and pricing systems
- ✓ Data security and privacy focus
- ✓ Ability to develop customized solutions tailored to lender needs

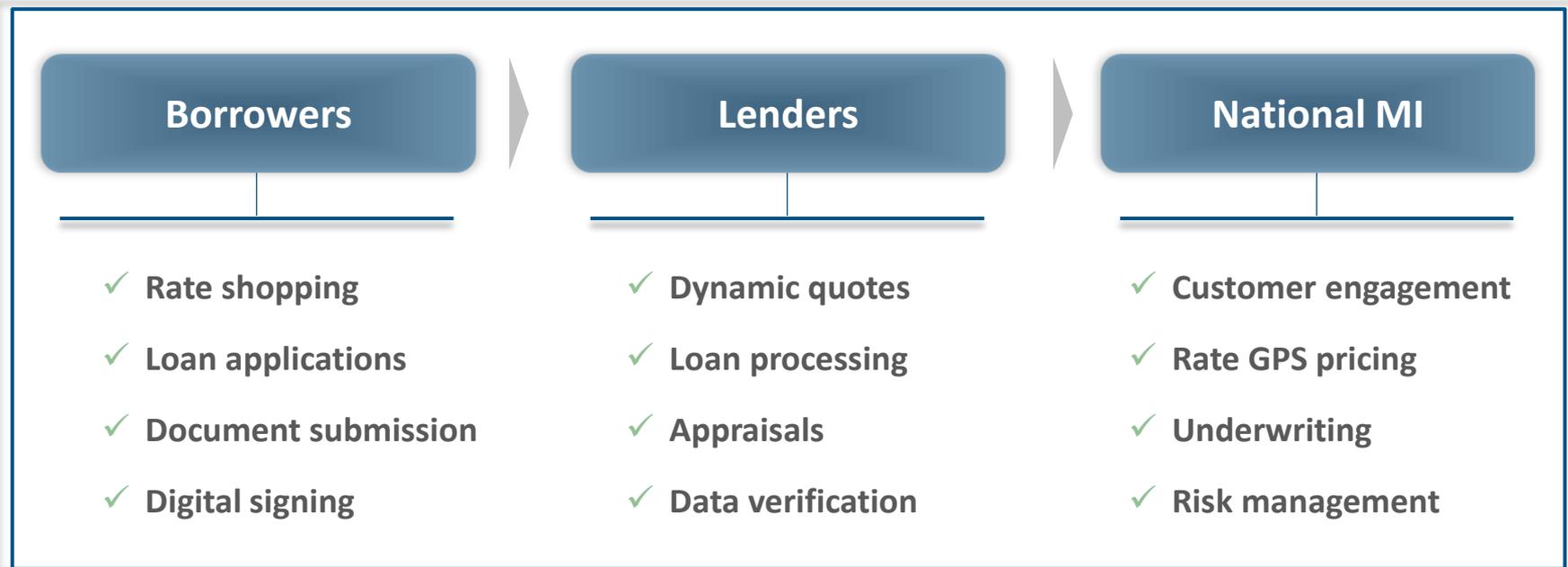
Scalability

Immediately respond and manage record volume

- ✓ Highly scalable – volume up +2x vs. 2019 with fewer headcount and no degradation in response times or underwriting rigor
- ✓ Process reengineering to automate workflows and optimize workloads
- ✓ No significant fixed investments needed to scale

Digitization of the Mortgage Landscape

- Broad digital transformation of mortgage industry began years ago – well before COVID
- Pandemic accelerated change, spurred by record volumes and the need for contactless engagement
- Every point of mortgage ecosystem is “digitizing” to improve efficiency, accuracy and ease-of-use



Well-Positioned to Lead through Digital Transformation



➤ Pricing and Risk Selection:

>95% of NIW volume sourced through Rate GPS

➤ Underwriting and Operations:

“Loan Triage” risk-based workflows enhanced by machine learning and AI

➤ Risk Management:

Data-driven portfolio stress testing and predictive loan-level loss models

➤ Data Management:

Extraction, indexing and management of massive data flows

➤ Customer Impact:

Consultative, forward-thinking advice to assist customers with their digital transformation

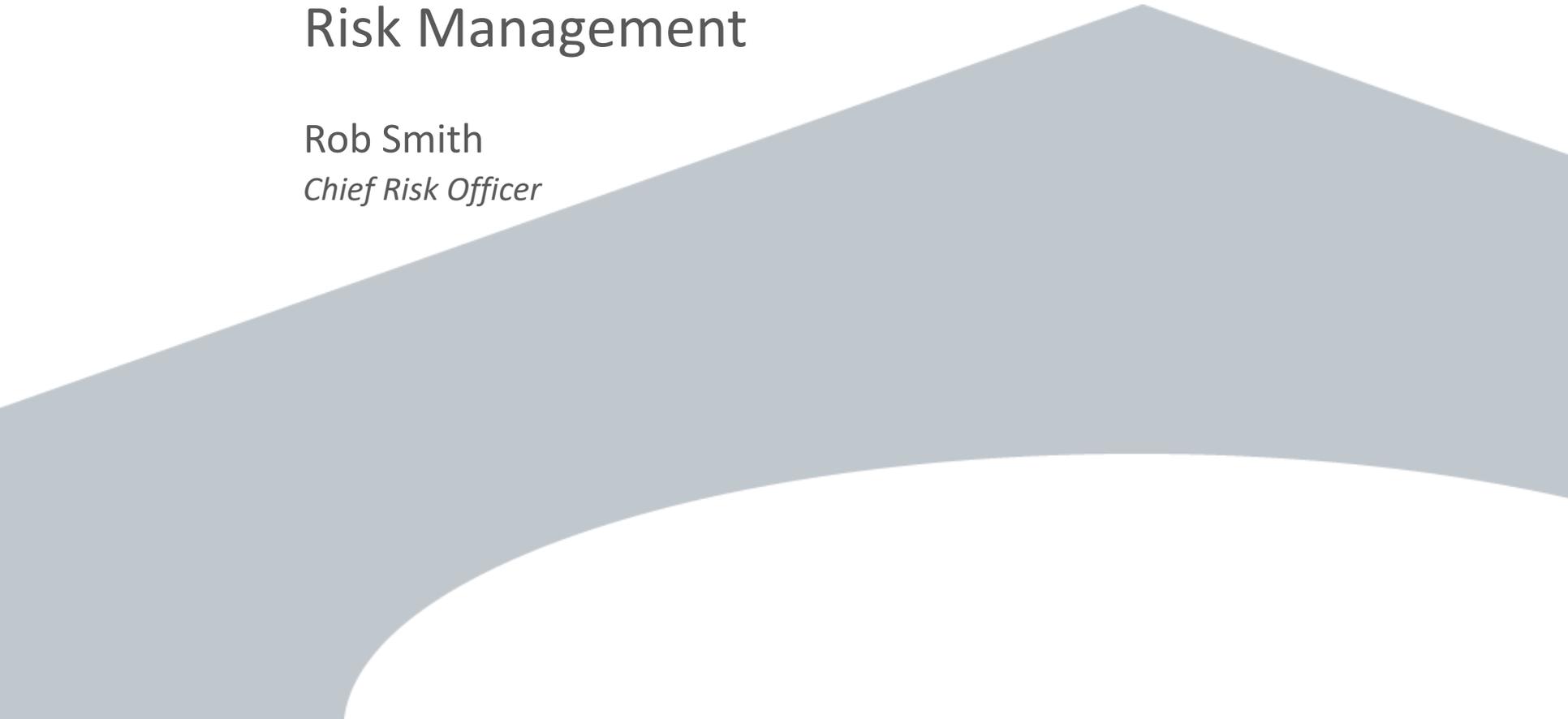


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Risk Management

Rob Smith

Chief Risk Officer

A large, light grey decorative shape that starts as a wide base on the left, rises to a peak on the right, and then descends to a curved bottom edge. It occupies the lower half of the slide.

Prioritizing Risk Management

✓ Enterprise Risk Management Focus

✓ “Three Pillars” of NMI’s Credit Risk Management Framework

✓ Broadly constructive credit environment

National 

Deploying a robust risk management program to secure performance across all market cycles

Enterprise Risk Management Framework

Strong Origination and Oversight Environment

Strong Borrower
Credit Profile

Regulatory Guardrails on
Origination Quality

PMIERS Capital
Standards

Regulatory & Rating
Agency Oversight

National MI has established the industry-leading risk management framework

Board & management
risk committees dictate
policy

Defined risk appetite &
portfolio concentration
limits

Formal underwriting
guidelines

Real-time portfolio
monitoring & stress
testing

Lender approval &
monitoring

Comprehensive privacy
protection & data
security program

Prioritizing Risk Management

✓ Enterprise Risk Management Focus

✓ “Three Pillars” of NMI’s Credit Risk Management Framework

✓ Broadly constructive credit environment

NationalMI.

Deploying a robust risk management program to secure performance across all market cycles

Credit Risk Management Framework

– *Three Foundational Pillars*



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National MI takes an “all seasons” approach to risk – applying best-in-class tools across all market cycles



Individual risk underwriting

- ✓ Losses occur at a loan level – credit risk management requires **loan-level knowledge**
- ✓ NMI **individually underwrites or validates ~80% of loans we insure**
- ✓ Rest of industry relies on portfolio QC reviews



Rate GPS Granular Pricing System

- ✓ All buyers, lenders and homes are different – these differences impact loan performance
- ✓ **Rate GPS considers a broad range of risk variables** – far beyond FICO and LTV
- ✓ **Prioritizes high-quality loans** from high-quality lenders



Comprehensive reinsurance program

- ✓ Broad reinsurance program spanning traditional quota share and capital markets ILN issuance
- ✓ **Enhances return profile and mitigates impact of credit volatility** under stress scenarios

Individual Risk Underwriting Advantage

- Capture and assess full loan file
- Increased knowledge of individual loan characteristics and emerging risk trends
- Opportunity for corrective action before underwriting defects become defaults
- Embeds positive selection bias in client selection and delegated flow
- Supports sensible servicing approach and customer feedback loop

- ★ **Best-in-class credit performance**
- ★ **Improved data capture and cycle awareness**
- ★ **Superior customer engagement**
- ★ **Cost efficient structure**

Highest Quality Insured Portfolio in the MI Industry



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Credit Risk Standards & Rigorous Underwriting Process

- High quality by FICO, LTV and DTI
- Minimal layered risk concentration
- 100% fully documented loan files
- No aggressive product types
- No pre-financial crisis exposure
- Geographic diversification
- ~80% underwritten or validated
- Risk-based pricing – *Rate GPS*

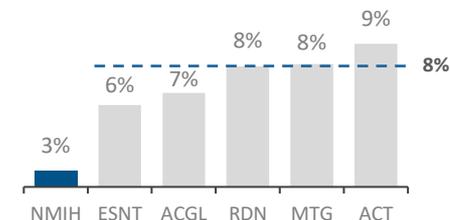
Highest Quality In-Force Portfolio - \$36.3bn RIF

Primary RIF by FICO

Weighted average
FICO = 749

| | |
|---------|-----|
| ≥760 | 51% |
| 740-759 | 17% |
| 720-739 | 14% |
| 700-719 | 9% |
| 680-699 | 6% |
| <679 | 3% |

MI industry comparison:
<680 FICO RIF concentration

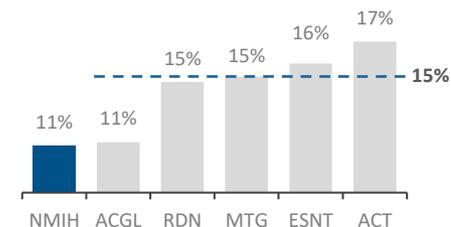


Primary RIF by LTV

Weighted average
LTV = 92%

| | |
|--------------|-----|
| ≤85.00% | 7% |
| 85.01-90.00% | 30% |
| 90.01-95.00% | 53% |
| >95.00% | 11% |

MI industry comparison:
97% LTV¹ RIF concentration



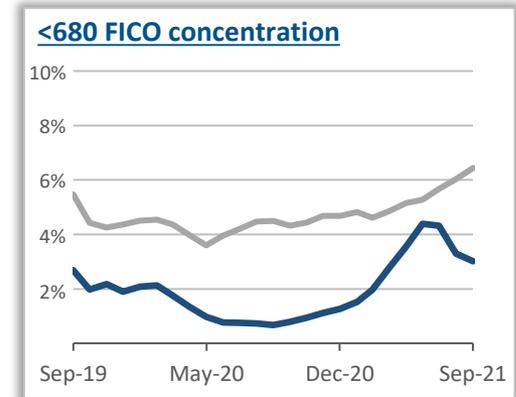
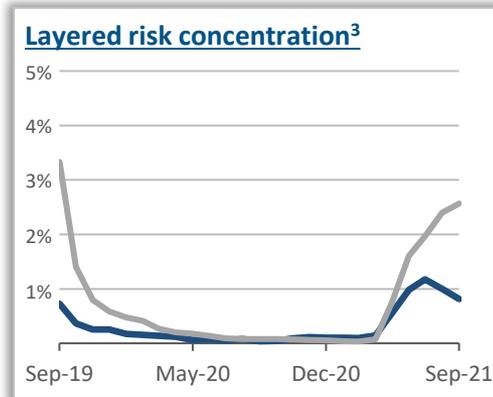
¹ Represents 95.01% and above, as reported by NMIH and peers
Note: Data as of 9/30/21 as disclosed in SEC filings and/or quarterly financial supplements

Rate GPS Is a Powerful Credit Risk Management Tool

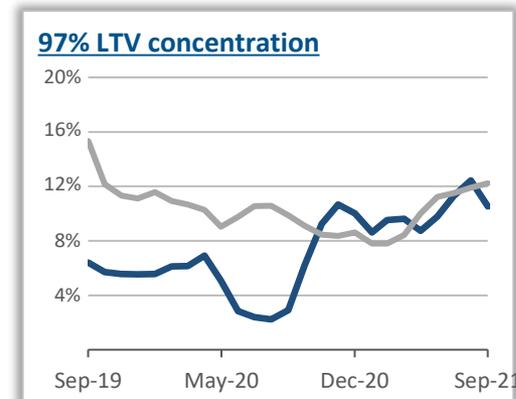
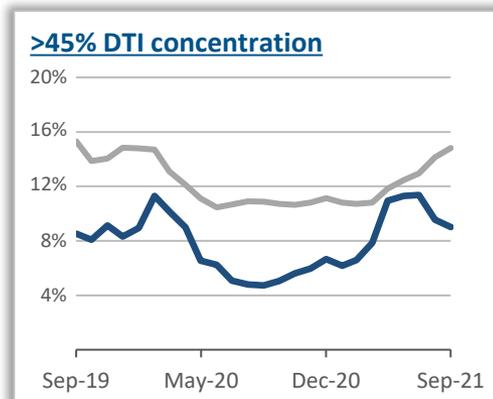


- ✓ National MI sources +95% of its production through Rate GPS
- ✓ Considers broad range of variables with proven impact on credit performance
- ✓ Dynamically considers relationship between multiple risk variables
- ✓ Utilize to tactically shape insured portfolio – with immediate impact
- ✓ Allows for quick changes to address risks that may emerge in future

New business risk concentration: National MI vs. rest of industry^{1,2}



■ National MI ■ Rest of industry

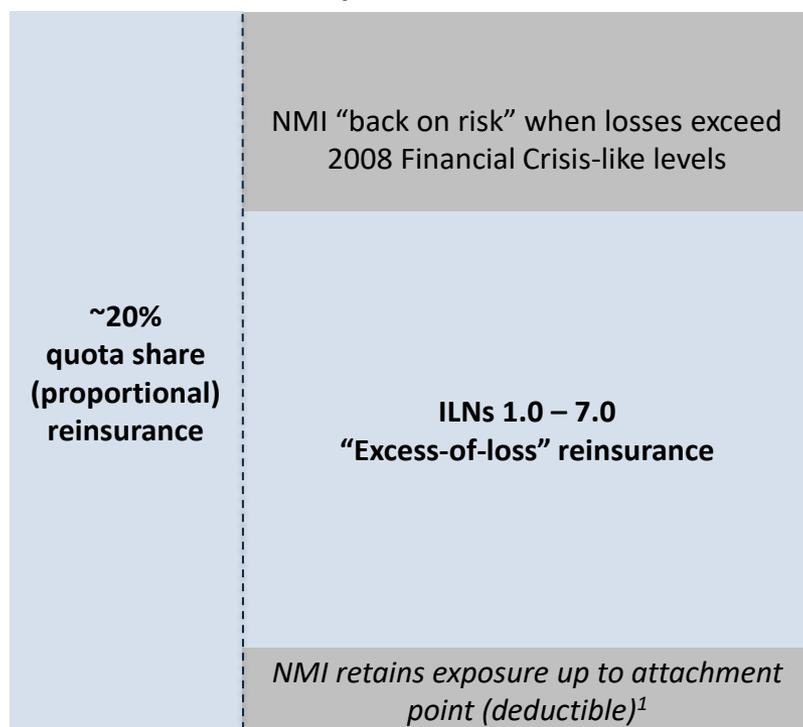


¹ New business risk concentration based on first payment date, which differs from date of NIW production. NIW production is determined by loan closing date; first payments generally follow loan closing by one to two months
² NMI first payment data based on internal company reports; rest of industry estimated based on GSE MBS data pertaining to high LTV loans, adjusted to exclude NMI figures as provided by company
³ Layered risk defined as loans with two or more in-focus risk characteristics (<680 FICO, >45% DTI, 97% LTV)
 Source: Fannie Mae and Freddie Mac MBS data files

Comprehensive Reinsurance Program

Reinsurance “Tower” Illustration

Comprehensive reinsurance coverage on nearly all risk ever written



- National MI utilizes reinsurance as both:
 - Source of efficient funding for its PMIERS, Standard & Poor’s and state regulatory capital needs; *and*
 - Risk management tool to limit the potential volatility of its credit portfolio across market cycles
- National MI has secured reinsurance coverage from both traditional reinsurers and capital markets investors
 - 2016, 2018, 2020, 2021 and 2022 QSRs
 - 2017, 2018, 2019, 2020 and 2021 ILNs
- **National MI intends to be active in both markets on a consistent basis going forward**

(1) Attachment points may vary for each ILN transaction and National MI’s retained exposure for each transaction is considered individually

Reinsurance Mitigates Impact of “Tail Events”



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DAY 2021

Illustrative “Lifetime” Stress Losses⁽¹⁾ – 2021 CCAR Severely Adverse Scenario

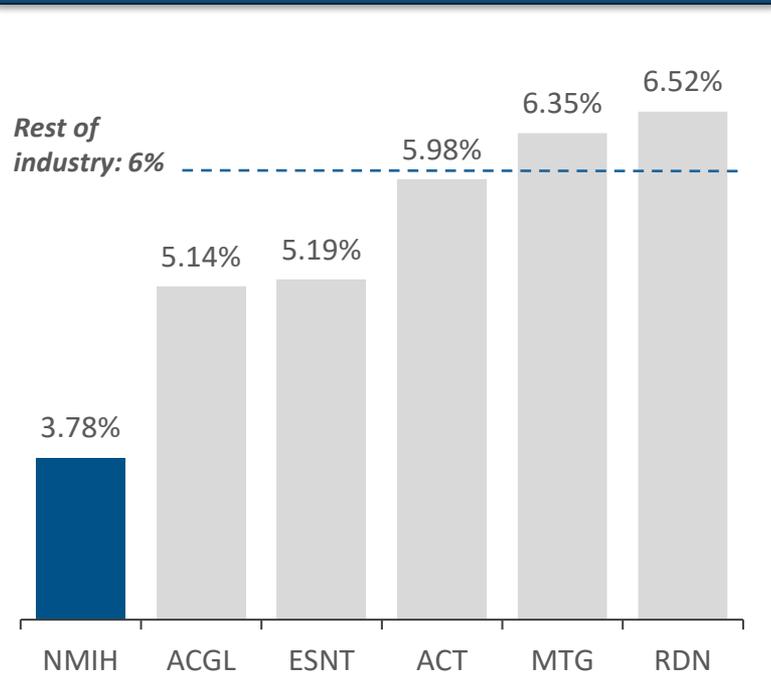
| | | | |
|---|---|------------|-----------------------|
| A | Insurance in-force | \$143.6 bn | @ 9/30/21 |
| B | Net yield | 32.4 bps | |
| C | Remaining weighted average life | 4.5 years | |
| D | Remaining “lifetime” premiums | \$2,094 mm | $A \times B \times C$ |
| E | Cumulative claims rate in stress scenario | 4.0% | |
| F | Performing portfolio in stress scenario | 96.0% | $1 - E$ |
| G | “Remaining” lifetime premiums in stress scenario | \$2,010 mm | $D \times F$ |
| H | Insurance in-force | \$143.6 bn | |
| I | Coverage % | 25.0% | |
| J | Gross RIF | \$36.3 bn | $H \times I$ |
| K | QS cession | 21.0% | |
| L | Net RIF | \$28.6 bn | $J \times (1 - K)$ |
| M | Cumulative claims rate in stress scenario | 4.0% | |
| N | Stress losses before cession to ILNs | \$1,146 mm | $L \times M$ |
| O | Stress losses ceded to ILNs (from trust balances) | \$539 mm | |
| P | Expected lifetime losses in stress scenario | \$606 mm | $N - O$ |
| Q | Implied “lifetime loss ratio” | 30.2% | $P \div G$ |

(1) Not a forecast; for illustration purposes only. Some totals may not foot due to rounding

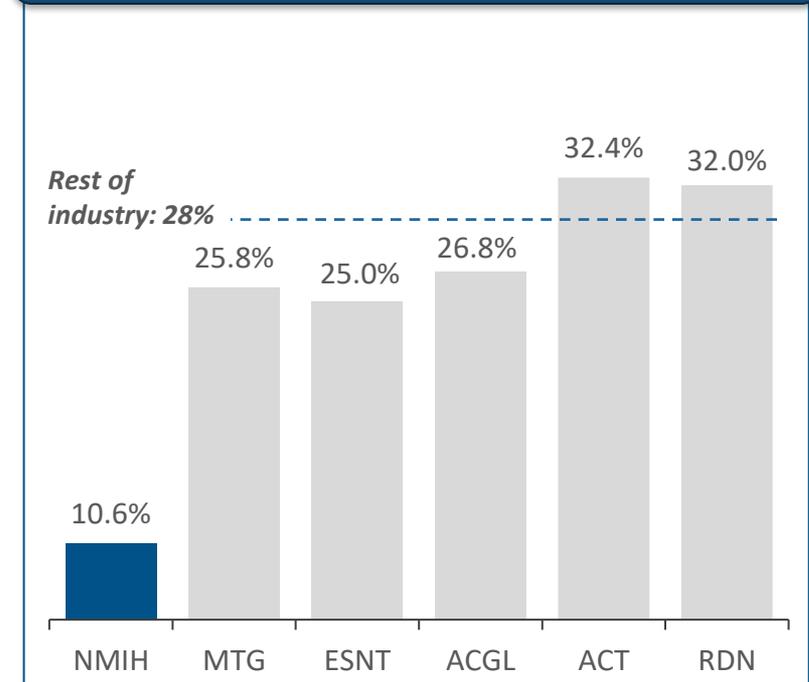
Strongest Credit Performance in MI Industry Through COVID Stress

Outperformance through stress underscores expected stability across market cycles

Peak COVID Default Rates⁽¹⁾



Cumulative Loss Ratio⁽²⁾
(Q2'20-Q3'21)



⁽¹⁾ Default rates as reported by each individual company in SEC filings, earnings releases, financial supplements or press releases. Periods in which peak default rates occurred may not align and underlying definitions and calculations of default rate may not be uniform across companies

⁽²⁾ Cumulative loss ratio calculated as claims expense divided by reported net premiums earned as reported by each individual company in SEC filings; ACGL and ACT ratios represent performance of reported mortgage insurance segments

Prioritizing Risk Management

✓ Enterprise Risk Management Focus

✓ “Three Pillars” of NMI’s Credit Risk Management Framework

✓ Broadly constructive credit environment

National  **Mi.**

Deploying a robust risk management program to secure performance across all market cycles

Broadly Constructive Credit Environment

- Macro backdrop is favorable – low unemployment and strong economic growth
- Massive expansion of household wealth and strength of the consumer balance sheet
- Resilient housing market and record home price appreciation – nationwide
- Broad underwriting rigor and credit discipline across mortgage origination landscape
- Broadly supportive policy and regulatory environment providing assistance to borrowers in need

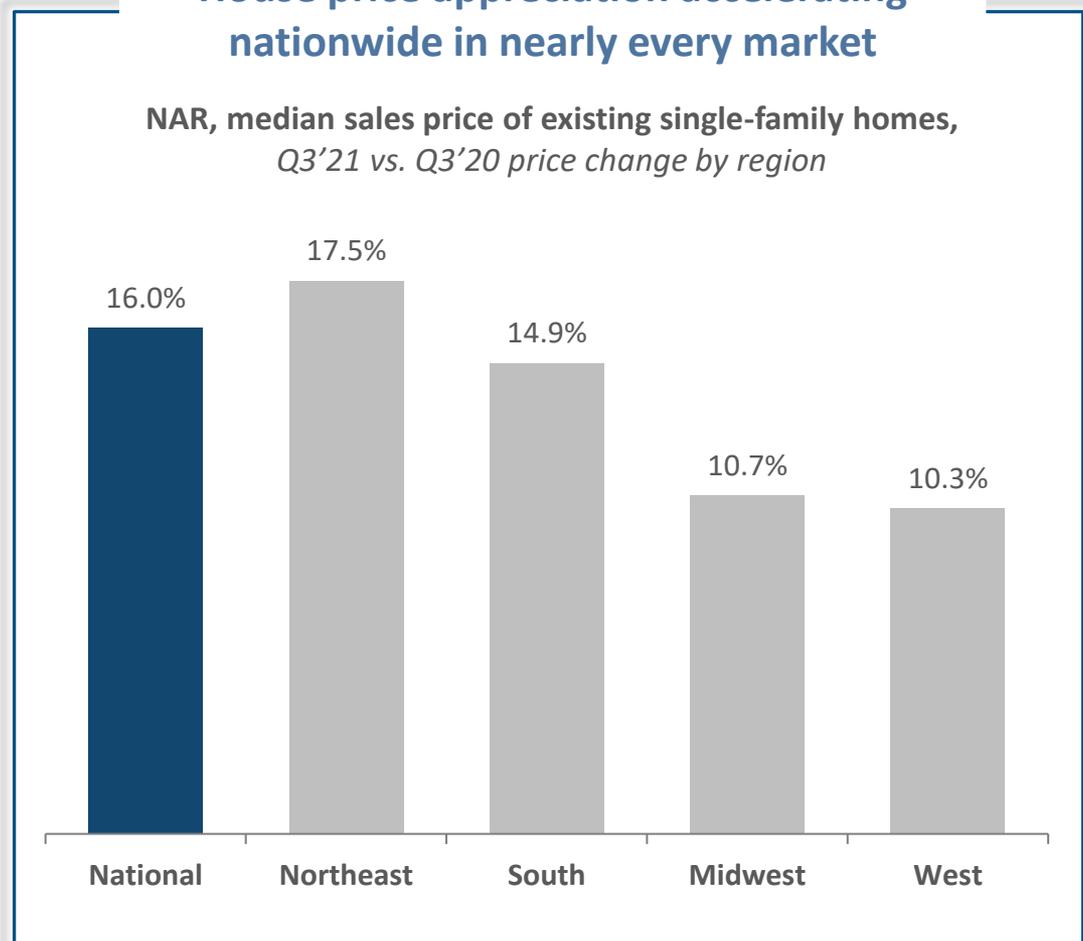
Housing Market Resiliency – Nationwide House Price Appreciation

National Association of Realtors, *Quarterly Metropolitan Median Area Price Report – November 2021*

- Median single-family home prices grew year-over-year in 182 of 183 metropolitan statistical areas tracked by NAR
- 78% of metros – 142 areas out of 183 – had double-digit price growth year-on-year

House price appreciation accelerating nationwide in nearly every market

NAR, median sales price of existing single-family homes, Q3'21 vs. Q3'20 price change by region



House Price Considerations

Supply-Demand Imbalance:

Growing deficit of housing in U.S. fueling sustained home price appreciation

Supply

New single-family construction¹
1979 = 1.3mm units
2019 = 903k units

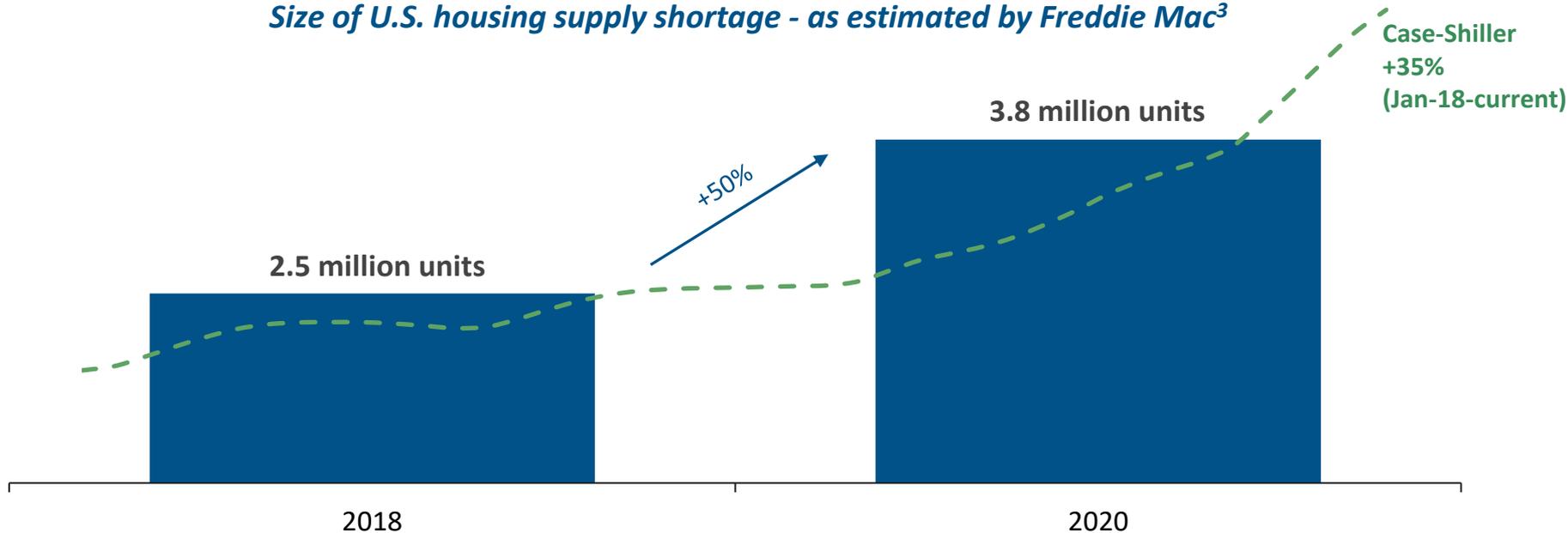
Demand

Millennial generation²
72mm total
~4mm reaching typical
homebuying age annually

Duration

"We don't expect the shortage to
slow down in the next 10 years" –
Freddie Mac

Size of U.S. housing supply shortage - as estimated by Freddie Mac³



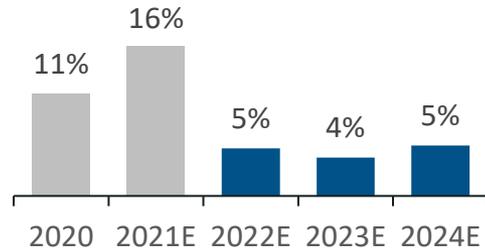
⁽¹⁾ U.S. Census Bureau single-family housing units completed

⁽²⁾ Pew Research Center; CDC Vital Statistics of the United States

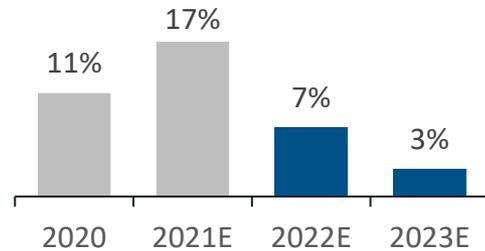
⁽³⁾ Freddie Mac Research Note "Housing Supply: A Growing Deficit," May 7, 2021

Supply-Demand Imbalance Drives Continued House Price Appreciation

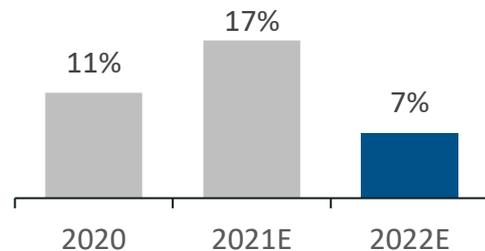
MBA HPA forecast⁽¹⁾



Fannie Mae HPA forecast⁽²⁾

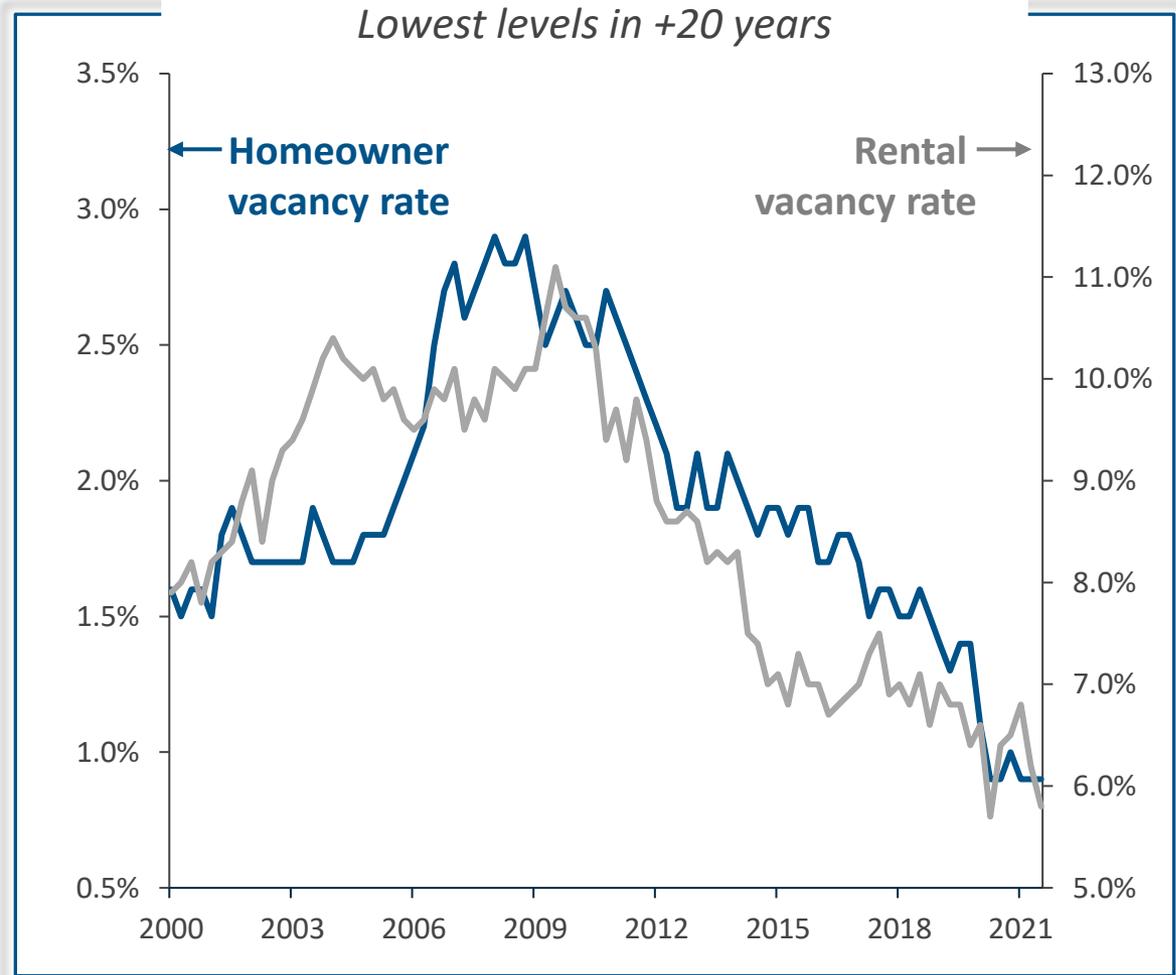


Freddie Mac HPA forecast⁽³⁾



Homeowner and rental vacancy rates⁽⁴⁾

Lowest levels in +20 years

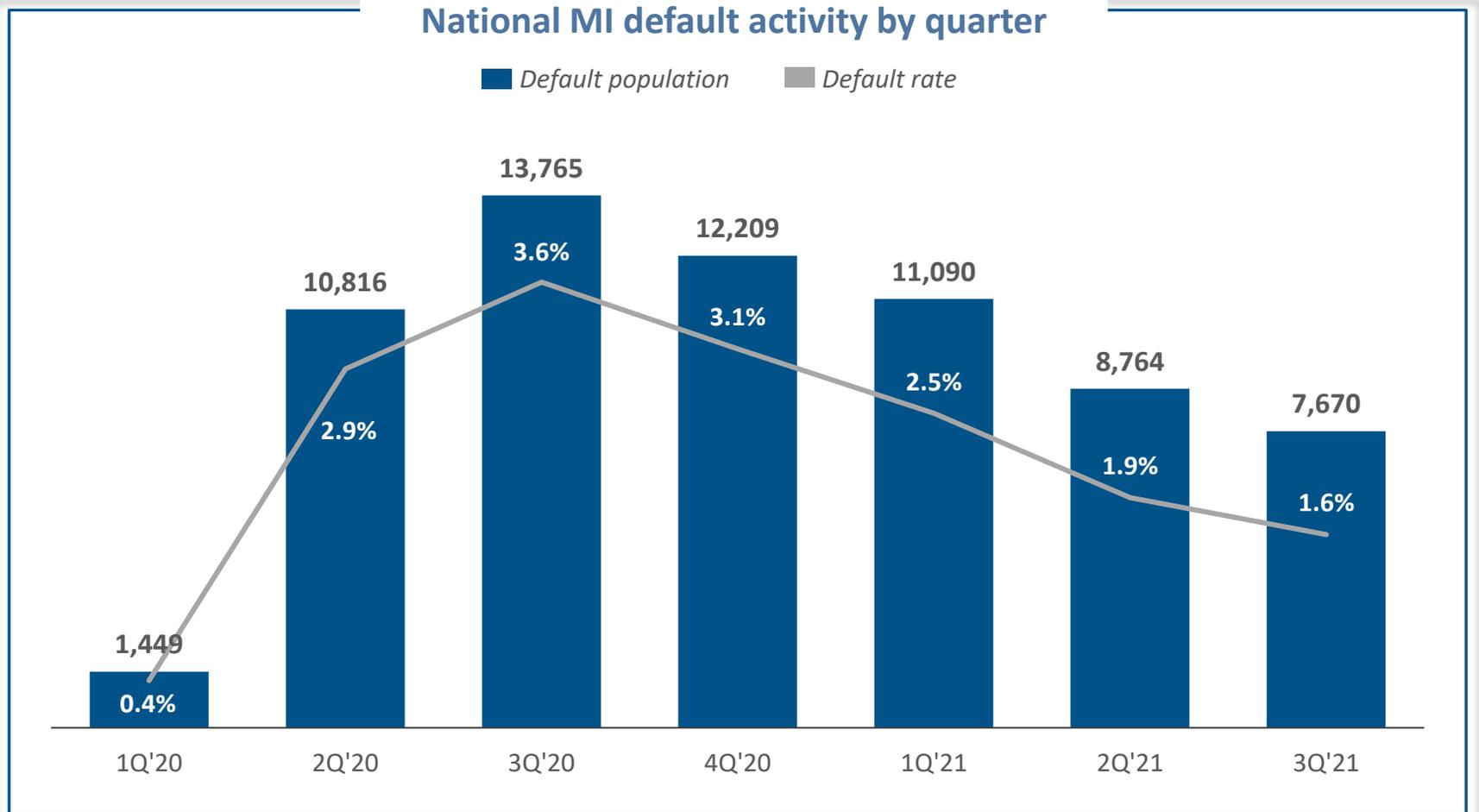


(1) MBA Mortgage Finance Forecast, November 2021 – FHFA U.S. House Price Index; (2) Fannie Mae Housing Forecast, November 2021 – FHFA Purchase Only Index; (3) Freddie Mac Economic & Housing Research Forecast, September 2021 – Freddie Mac House Price Index; (4) St. Louis Federal Reserve Economic Data – Homeowner Vacancy Rate (not seasonally adjusted) and Rental Vacancy Rate (not seasonally adjusted)

Encouraging Credit Trends in In-Force Portfolio

Credit strength through COVID-19 –
National MI default activity by quarter

■ Default population ■ Default rate

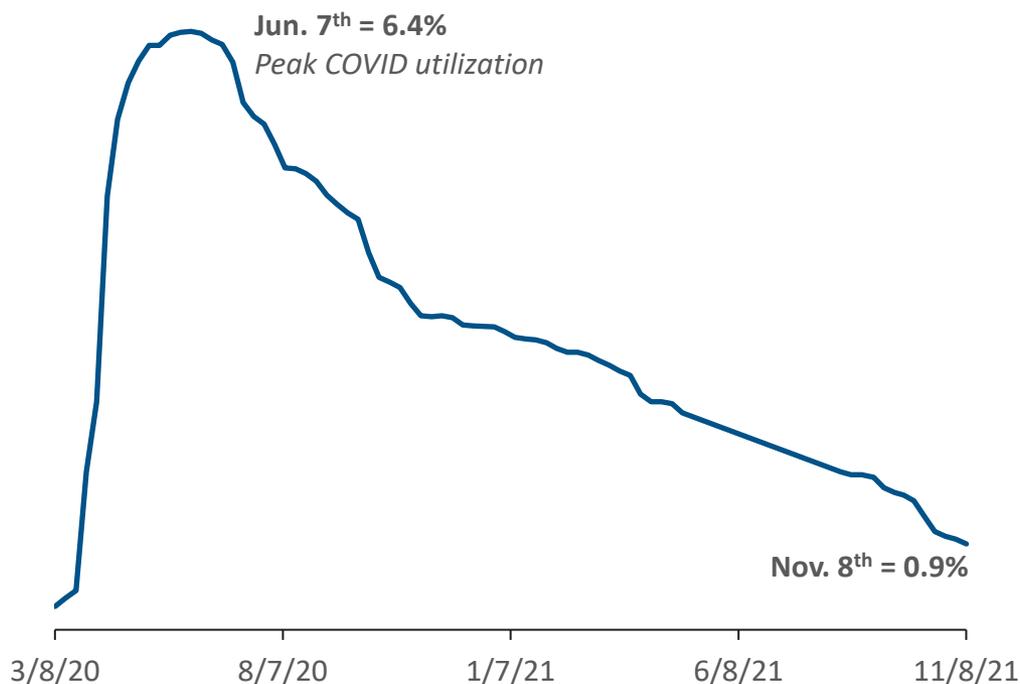


Forbearance Programs – Significant Positive for the Market

- Forbearance and foreclosure moratoriums have been highly effective
- Provided borrowers a “bridge” to a better environment and an ability to stay in their homes
- Well-defined (and expanded) set of modification alternatives has eased the transition back to performing status for many
- Early data indicates long-lived COVID defaulted borrowers having success transitioning to a cure as their 18-month forbearance periods expire

Borrower reliance on GSE forbearance programs declining as recovery takes hold

MBA, weekly servicer forbearance and call volume summary,
% of GSE loans estimated to be in forbearance

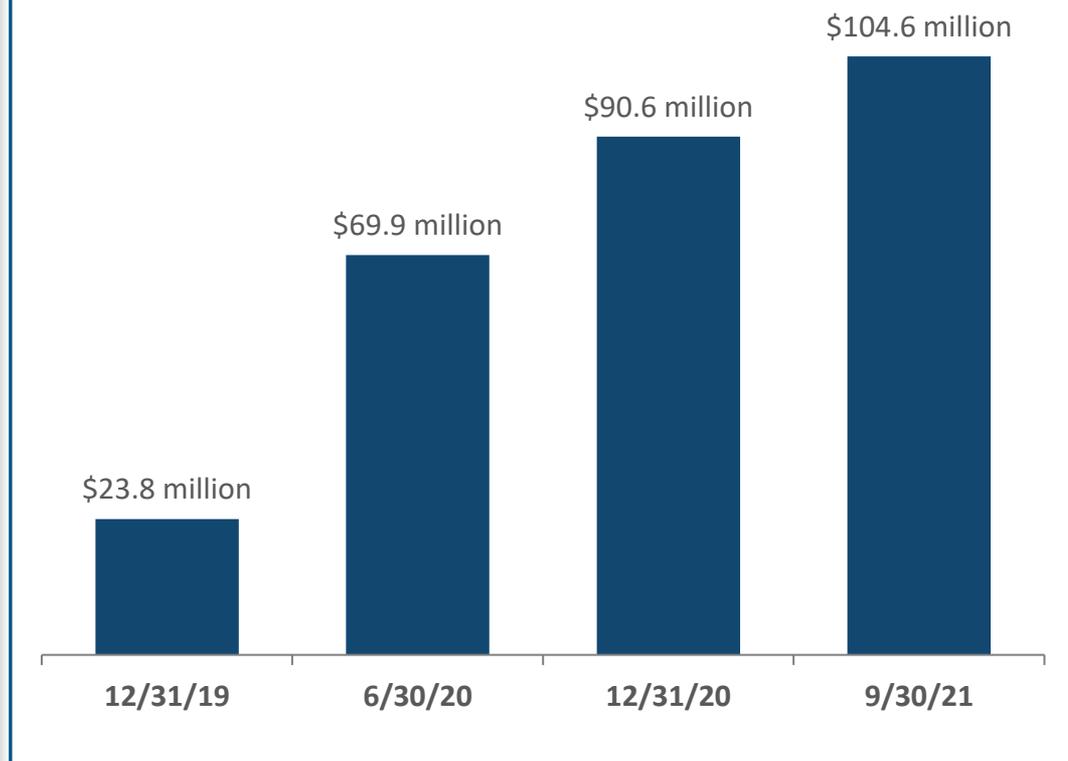


Loss Reserve Snapshot

- Carry reserves based on individual assessment of each defaulted loan
- Utilize econometric model that considers borrower and loan risk attributes, as well as key macro factors
- Aimed to establish conservative reserves through pandemic given unprecedented nature of stress
- Record house price appreciation has equitized our risk exposure and moved us further away from expected loss on many policies
- Expect ultimate pandemic-related losses to be modest

COVID stress driving growth in default population and increased reserving need

Gross claims and claims expense reserves
(for primary insurance)



Risk Management in Focus

✓ Enterprise Risk Management Focus

✓ “Three Pillars” of NMI’s Credit Risk Management Framework

✓ Broadly constructive credit environment

National 

Deploying a robust risk management program to secure performance across all market cycles



INVESTOR DAY 2021

Financial Review

Adam Pollitzer
Chief Financial Officer

Standout Success to Date

Achieving Record Results
*High-Growth, High>Returns,
Low Volatility*

Exceptional Opportunity to Drive Continued Growth and Value

Long-Term Opportunity
*Positioned to Achieve Strong
Mid-Teen Returns*

Pathway to Capital Distribution

Unlocking Shareholder Value
*Maximizing Financial
Strength and Flexibility*

Summary Financial Snapshot

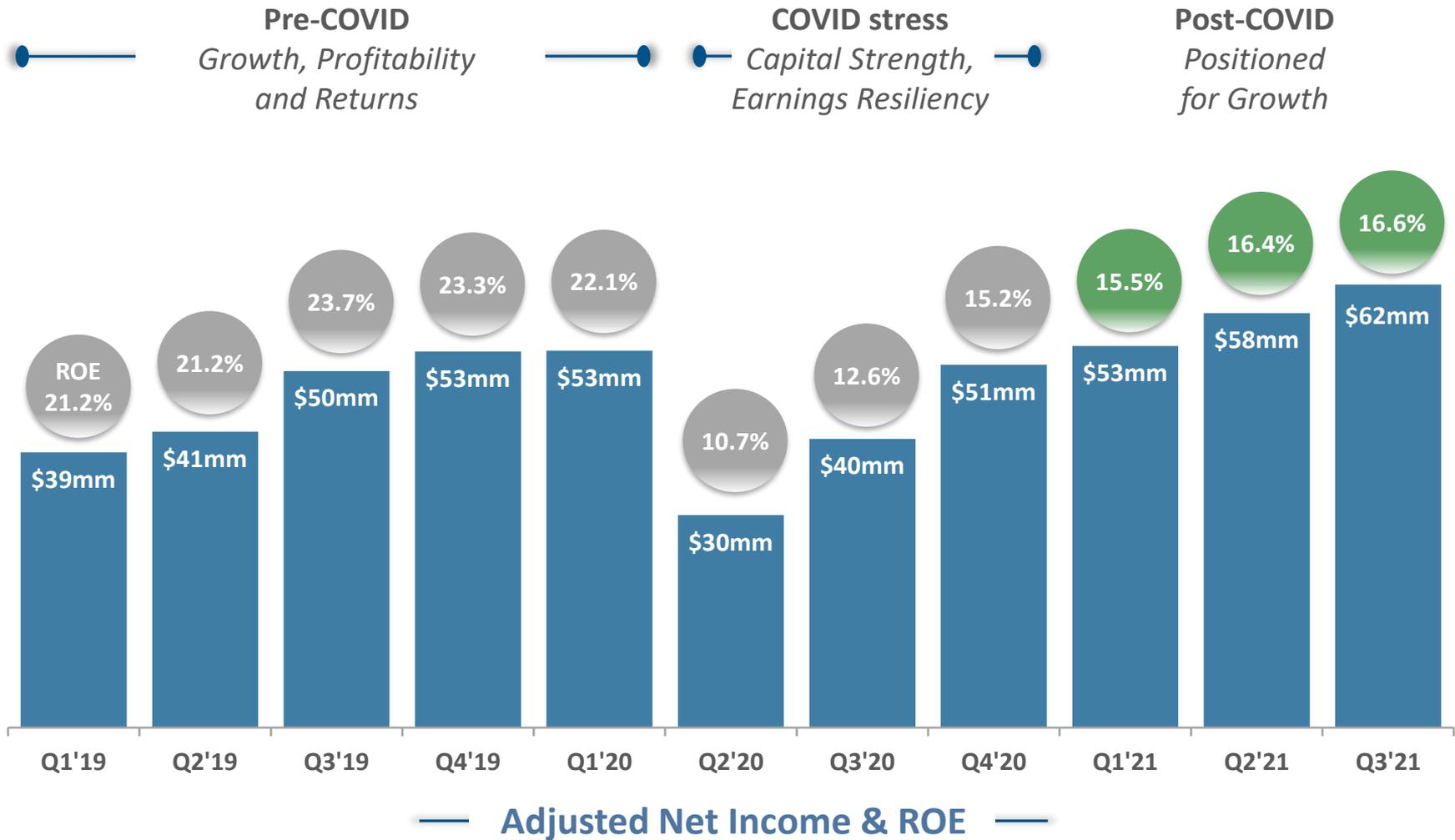


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| | 3Q'21 LTM | Three-year CAGR / average |
|------------------------------|-----------------|---------------------------|
| ✓ NIW | \$87.0 billion | +47.3% |
| ✓ IIF | \$143.6 billion | +31.2% |
| ✓ Revenue | \$469.9 million | +22.9% |
| ✓ Adjusted net income* | \$224.1 million | +33.0% |
| ✓ Adjusted return on equity* | 15.9% | 17.7% |
| ✓ Book value | \$1.5 billion | +31.9% |
| ✓ Book value per share | \$17.68 | +21.1% |
| ✓ Loss ratio | 3.8% | 7.4% |
| ✓ Adjusted expense ratio* | 30.8% | 33.7% |

* Adjusted net income, adjusted return on equity and adjusted expense ratio are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Outperformance Through COVID Stress



Note: Adjusted net income and adjusted return on equity are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Delivering Financial Success

Standout Success to Date

Achieving Record Results
*High-Growth, High>Returns,
Low Volatility*

Exceptional Opportunity to Drive
Continued Growth and Value

Long-Term Opportunity
*Positioned to Achieve Strong
Mid-Teen Returns*

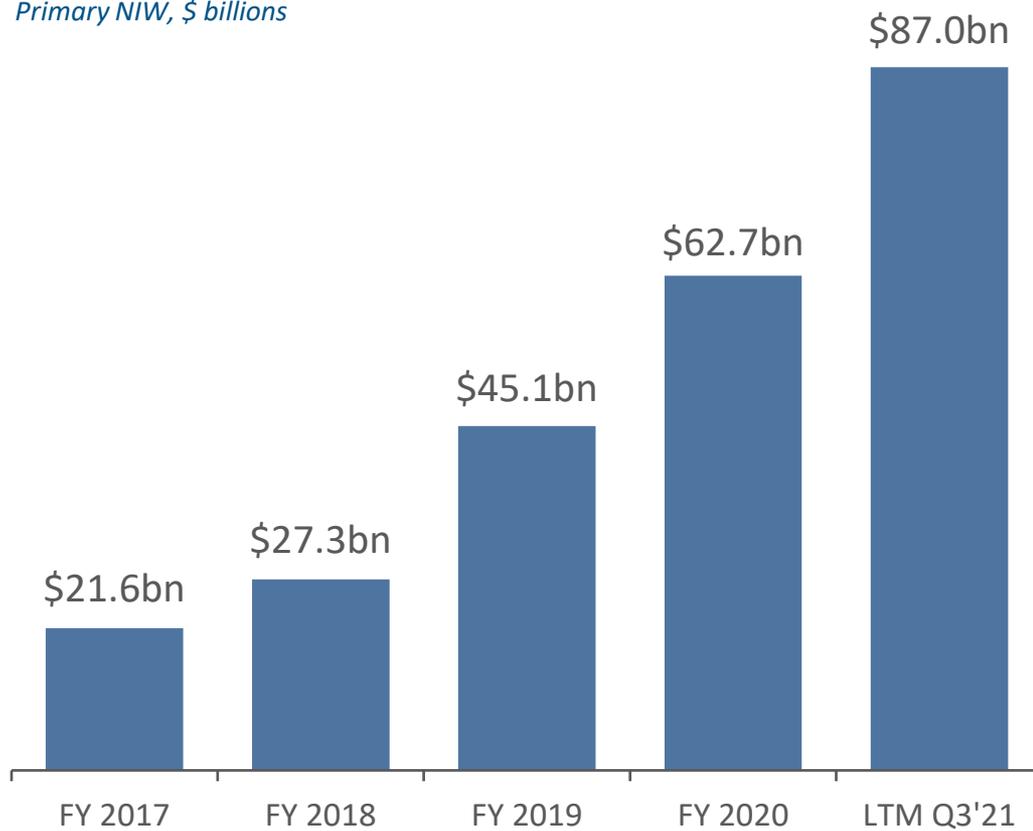
Pathway to Capital Distribution

Unlocking Shareholder Value
*Maximizing Financial
Strength and Flexibility*

Dramatically Scaling New Business Production

Layering High-Quality NIW Volume and Building Embedded Portfolio Value

Primary NIW, \$ billions



* LTM Q3'21 NIW production

Pricing
Supports strong mid-teens returns

Credit quality
55bps layered risk concentration*

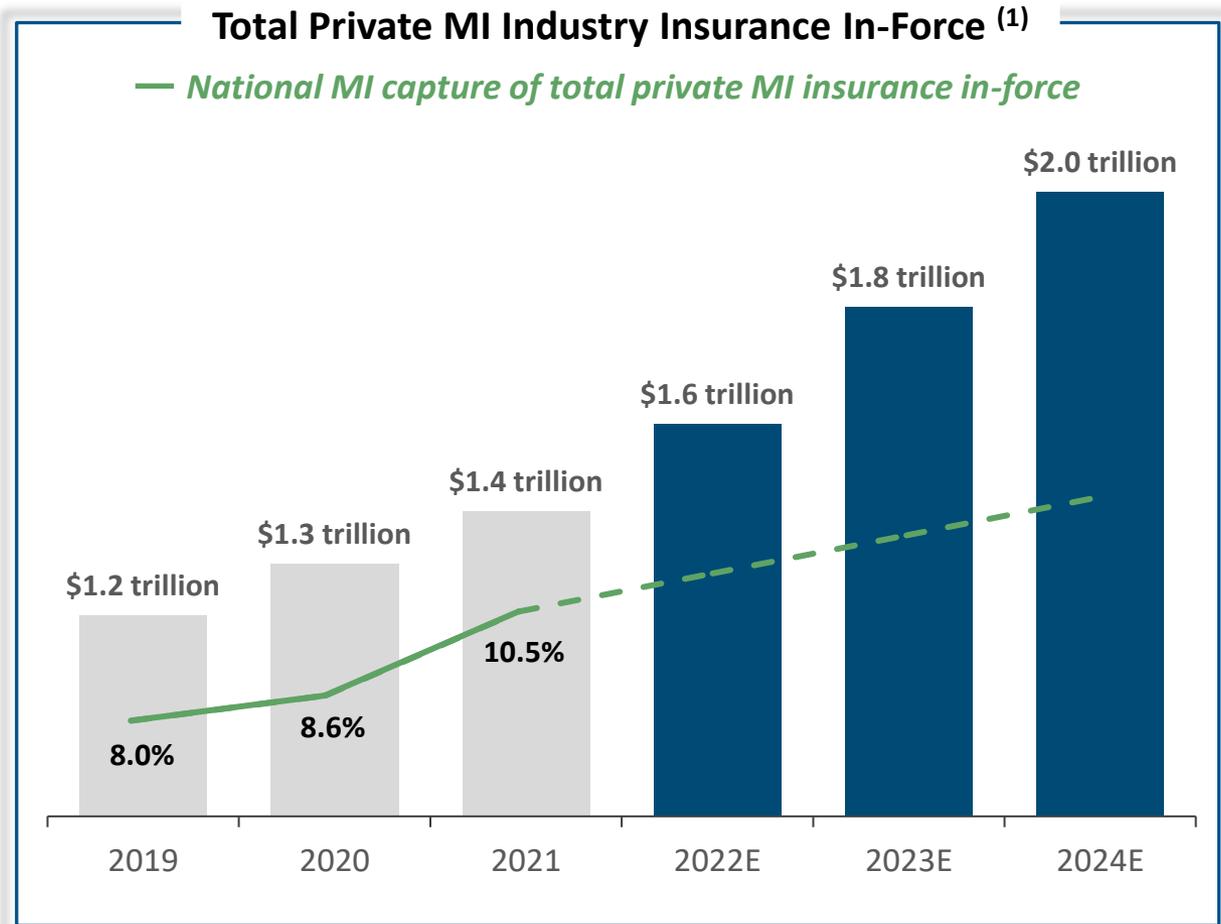
Capital
6.10% PMIERs charge*

“Stickiness”
2.9% average note rate*

Significant Opportunity for Profitable Growth

- Secular trends driving sustained private mortgage insurance NIW opportunity and growth in industry insurance in-force
- NMI uniquely positioned to deliver best-in-class growth
- Dramatic scaling of our NIW production driving increased capture of total industry insurance in-force

Stacking high-quality new production and driving sustained IIF growth fuels continued financial success

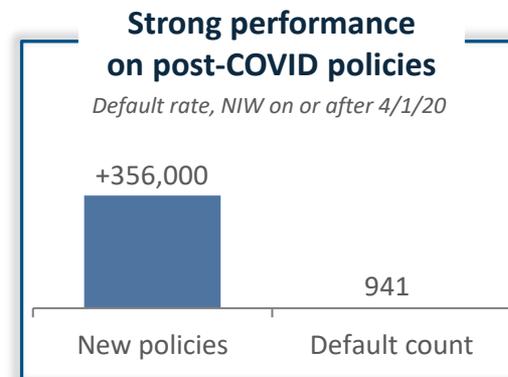
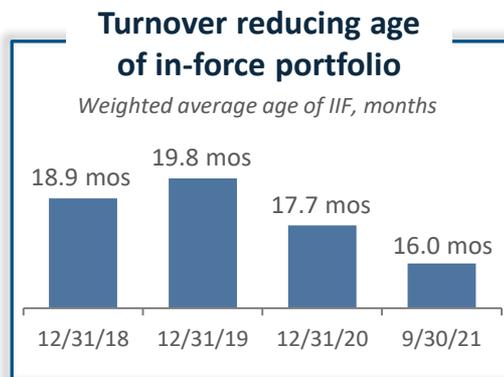
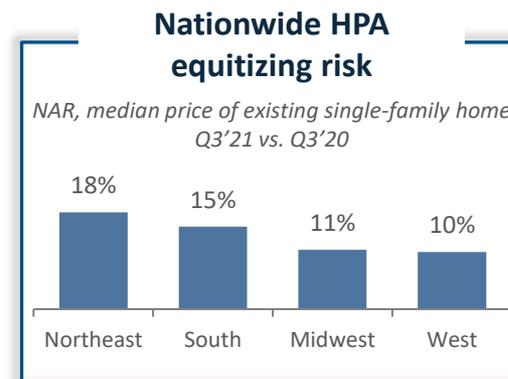
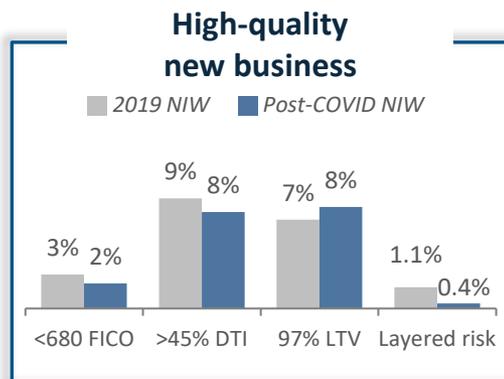


(1) Forecasted private mortgage insurance industry insurance in-force based on anticipated NIW, and observed and projected persistency rates. National MI capture of total private MI insurance in-force in future periods presented for illustrative purposes only, not as a forecast.

Post-COVID Loss Perspective

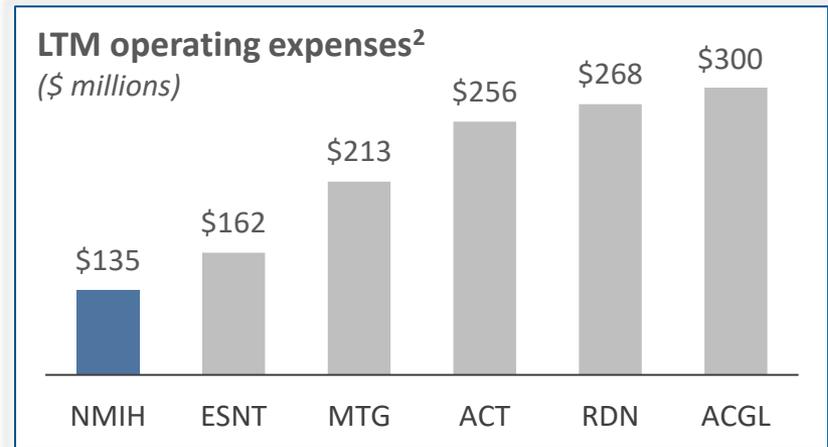
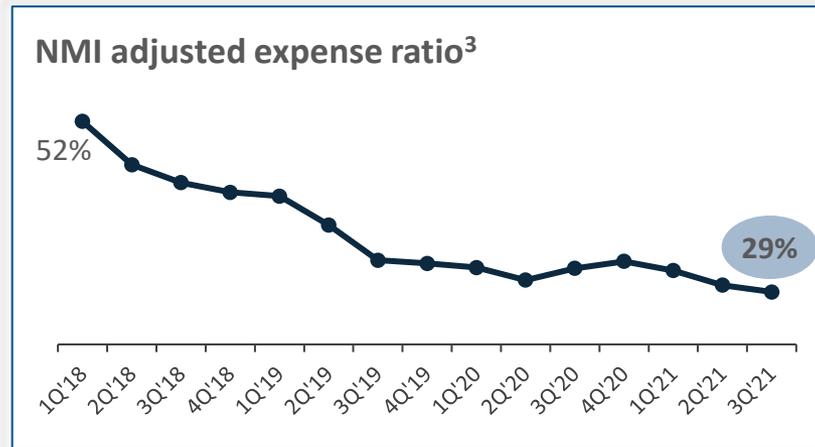
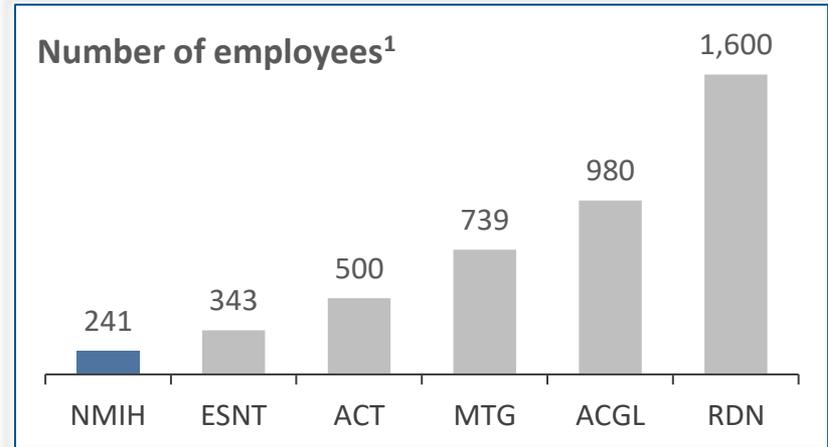
Opportunity for continued credit strength over long-term

- High-quality new business production
- Rigorous underwriting environment
- Sustained HPA equitizing exposure on new policies
- Turnover reducing average age of in-force portfolio
- New borrowers demonstrating performance through stress
- Continued success in risk transfer markets



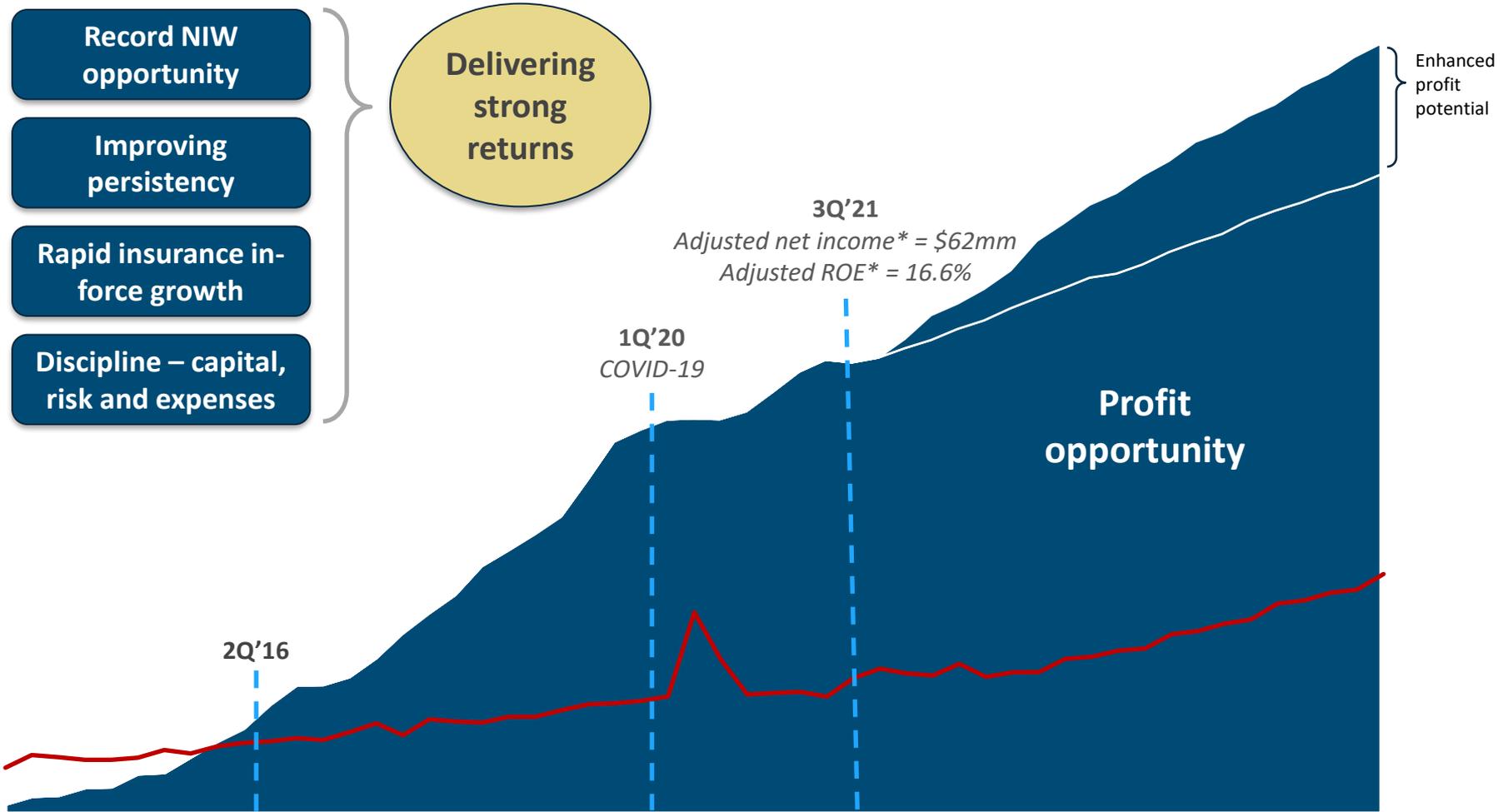
Focus on Efficiency and Expense Management

- **Smallest employee base in industry**
...by far
- **Smallest expense base in industry**
...by far
- **Driving significant expense efficiency**
...quickly scaling our expense ratio



¹ Employee count as of most recent available reporting period; NMIH as of 9/30/21; ESNT as of 9/30/21; ACT as of 6/30/21; MTG and RDN as of 12/31/20 (MTG excludes "on call" employees, RDN includes all employees – MI only employee base not disclosed); ACGL represents Mortgage Segment employees as of 2/21/18 per 2017 10K. ² NMIH presented on adjusted basis; ESNT, MTG and ACT total company as reported; RDN MI segment as reported – including RDN's allocation of corporate items; ACGL MI segment as reported – excluding corporate allocation. ³ Presented on an adjusted basis which is a non-GAAP measure. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Profit Potential is Significant and Highly Visible



Not a forecast. For illustrative purposes only.

* Adjusted net income and ROE are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Positioned to Deliver Strong Mid-Teen Returns

“Decomposition” of Adjusted Return on Equity

| | 2020 | 3Q'21 | Long-term outlook |
|--|--------------|--------------|-------------------|
| Underwriting contribution | | | |
| Net premiums earned | \$397.2mm | \$113.6mm | |
| Adjusted combined ratio | 46.9% | 31.8% | 40.0-50.0% |
| Underwriting leverage (NPE / equity) | 0.35x | 0.31x | 0.35-0.40x |
| Pre-tax underwriting RoE contribution | 14.4% | 16.3% | 17.5-24.0% |
| Asset contribution | | | |
| Net investment income | \$31.9mm | \$9.8mm | |
| Net investment yield | 2.2% | 1.9% | 2.0-2.5% |
| Asset leverage (invested assets / equity) | 1.28x | 1.36x | 1.30-1.40x |
| Pre-tax investment RoE contribution | 2.8% | 2.6% | 2.6-3.5% |
| Financing cost | | | |
| Interest expense | \$21.8mm | \$7.9mm | |
| Cost of debt (all in GAAP) | 7.9% | 7.9% | 7.8% |
| Financial leverage (debt / equity) | 23.9% | 26.9% | 20.0-25.0% |
| Pre-tax financing RoE impact | -1.9% | -2.1% | -1.5-1.8% |
| Adjusted pre-tax return on equity | 19.3% | 21.3% | +20.0% |
| Effective tax rate | 21.6% | 22.0% | 22.5% |
| Adjusted return on equity | 15.1% | 16.6% | +15.0% |

Note: Long-term outlook for illustration purposes; does not represent a forecast. Adjusted combined ratio, pre-tax return on equity and return on equity are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, refer to the Appendix, or the investor relations section of the company's website at www.nationalmi.com

Delivering Financial Success

Standout Success to Date

Achieving Record Results
*High-Growth, High>Returns,
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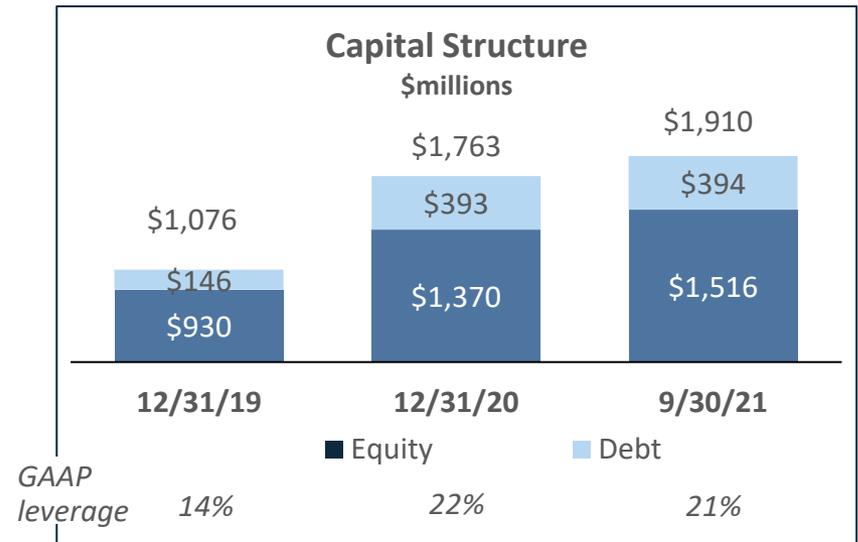
Exceptional Opportunity to Drive
Continued Growth and Value

Long-Term Opportunity
*Positioned to Achieve Strong
Mid-Teen Returns*

Pathway to Capital Distribution

Unlocking Shareholder Value
*Maximizing Financial
Strength and Flexibility*

Strong Balance Sheet



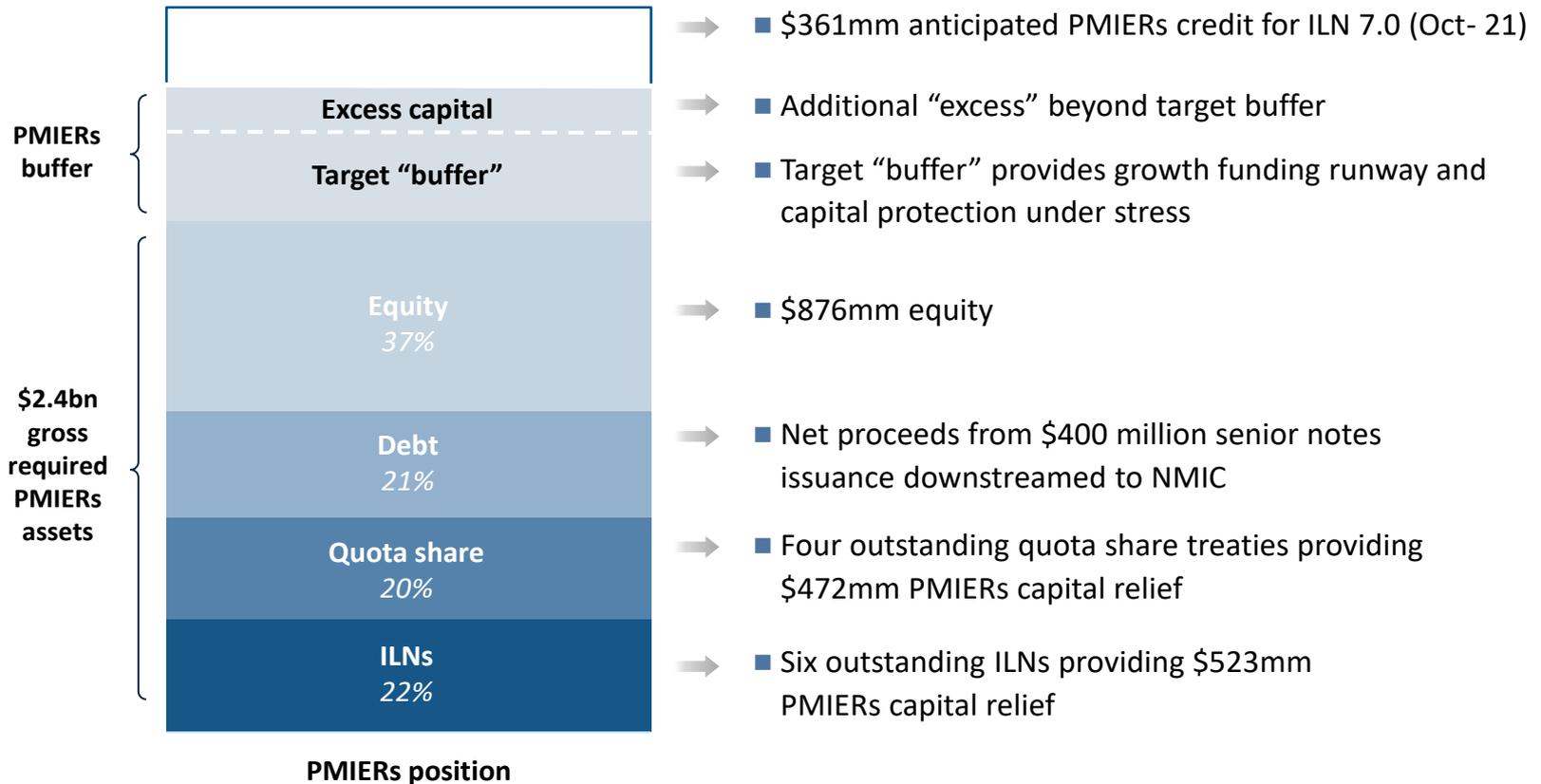
| \$ millions | 12/30/19 | 12/30/20 | 9/30/21 ¹ |
|--------------------|----------|----------|----------------------|
| Available assets | \$1,016 | \$1,751 | \$1,993 |
| Required assets | 773 | 984 | 1,005 |
| PMIERS excess | \$243 | \$766 | \$988 |
| PMIERS sufficiency | 131% | 179% | 198% |

¹ Pro Forma for ILN of \$364 million aggregate principal amount of 12.5-year mortgage insurance-linked notes issued by Oaktown Re VII Ltd. on 10/26/21 providing an estimated \$361mm of PMIERS credit.

Maintaining Funding Strength and Efficiency

Balanced funding position supports growth, returns and flexibility

PMIERS funding composition as of 9/30/21



Capacity to Fund Significant Growth and Distributions

Sizeable Growth Capital Runway

| | As of 9/30/21 | Pro forma 9/30/21 ¹ |
|---|--------------------|--------------------------------|
| NIW volume (Q3'21) | \$18.1bn | \$18.1bn |
| NIW volume (per month) | \$6.0bn | \$6.0bn |
| Coverage % | ~25.0% | ~25.0% |
| Risk written (per month) | \$1.5bn | \$1.5bn |
| PMIERS charge on new production | ~6.5% | ~6.5% |
| Gross PMIERS requirement (per month) | \$97.5mm | \$97.5mm |
| Quota share cession (2022+) | 0.0% | 20.0% ★ |
| Net PMIERS requirement (per month) | \$97.5mm | \$81.0mm |
| PMIERS asset generation (Q3'21) | \$106.0mm | \$106.0mm |
| PMIERS asset generation (per month) | \$35.0mm | \$35.0mm |
| PMIERS growth funding need (per month) | \$62.5mm | \$46.0mm |
| PMIERS excess funding position | \$627.0mm | \$988.0mm ★ |
| Undrawn revolving credit capacity | \$110.0mm | \$250.0mm ★ |
| Holding company liquidity | \$79.0mm | \$79.0mm |
| Immediately available growth capital | \$816.0mm | \$1,317mm |
| Funding runway | 13 months → | 29 months |

Benchmark Considerations

| | |
|---|--|
| ✓ | PMIERS 35% long-term buffer |
| ✓ | State Risk-to-Capital 25:1 maximum |
| ✓ | Debt leverage 20-25% long-term target |
| ✓ | Holding Company Liquidity |
| ✓ | Reinsurance Optimization |
| | Access to Capital <i>Regulatory Approval</i> |

¹ Pro Forma for transactions completed after September 30, 2021. Quota share cession reflects 2022 and 2023 QSR Transactions established in October 2021, PMIERS excess funding position reflects estimated \$361mm of PMIERS credit for ILN closed in October 2021 and undrawn revolving credit capacity reflects amended \$250 million credit facility closed in November 2021

Pathway to Capital Distribution

Multiple drivers support near-term opportunity to unlock capital

- 1 Continued strength in operating and financial performance **Ongoing**
- 2 Scale insurance in-force and organic capital generation **Ongoing**
- 3 Bolster funding backstop and forward reinsurance runway **2021**
- 4 Increased statutory dividend capacity **2022+**
- 5 Continued success in the risk transfer (ILN / QSR) market **2022+**
- 6 Resolution of COVID stress / reserves **2022-2023**
- 7 Unlock equity underpinning seasoned ILNs **2022-2023**

Concluding Remarks



Building significant value for shareholders and securing future outperformance across all market cycles



Significant success to date provides strong foundation



Outperformance through COVID stress highlights platform stability



Secular trends support record mortgage insurance market



Exceptional opportunity to drive growth and unlock shareholder value

NMI
HOLDINGS, INC.

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Questions & Answers

NMI
HOLDINGS, INC.

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Appendix

Use of Non-GAAP Financial Measures



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We believe the use of the non-GAAP measures of adjusted operating expense, adjusted expense ratio, adjusted combined ratio, adjusted pre-tax income, adjusted net income, adjusted pre-tax return-on-equity, adjusted effective tax rate and adjusted return-on-equity enhances the comparability of our fundamental financial performance between periods, and provides relevant information to investors. These non-GAAP financial measures align with the way the company's business performance is evaluated by management. These measures are not prepared in accordance with GAAP and should not be viewed as alternatives to GAAP measures of performance. These measures have been presented to increase transparency and enhance the comparability of our fundamental operating trends across periods. Other companies may calculate these measures differently; their measures may not be comparable to those we calculate and present.

Adjusted operating expense is defined as GAAP operating expense, excluding the periodic costs recorded to GAAP operating expense incurred in connection with capital markets transactions and other infrequent, unusual or non-operating items in the periods in which such items are incurred.

Adjusted operating expense ratio is defined as GAAP operating expense, excluding the periodic costs recorded to GAAP operating expense incurred in connection with capital markets transactions and other infrequent, unusual or non-operating items in the periods in which such items are incurred divided by net premiums earned during such periods.

Adjusted combined ratio is defined as the total of GAAP underwriting and operating expenses, excluding the pre-tax effects of periodic costs incurred in connection with capital markets transactions and insurance claims and claims expenses, divided by net premiums earned.

Adjusted pre-tax income is defined as GAAP income before tax, excluding the pre-tax effects of the gain or loss related to the change in fair value of our warrant liability, periodic costs incurred in connection with capital markets transactions, net realized gains or losses from our investment portfolio, and other infrequent, unusual or non-operating items in the periods in which such items are incurred.

Adjusted net income is defined as GAAP net income excluding the after-tax effects of the gain or loss related to the change in fair value of our warrant liability, periodic costs incurred in connection with capital markets transactions, net realized gains or losses from our investment portfolio, and other infrequent, unusual or non-operating items in the periods in which such items are incurred. Adjustments to components of pre-tax income are tax effected using the applicable federal statutory tax rate for the respective periods.

Adjusted pre-tax return-on-equity is calculated by dividing adjusted pre-tax income on an annualized basis by the average shareholders' equity for the period.

Adjusted return-on-equity is calculated by dividing adjusted net income on an annualized basis by the average shareholders' equity for the period.

Adjusted effective tax rate is calculated by dividing GAAP income tax expense adjusted for the tax-effects of net realized gains or losses from our investment portfolio, periodic costs incurred in connection with capital market transaction and other infrequent, unusual or non-operating items in the periods in which such items are incurred, using the applicable federal statutory tax rate for the respective periods by adjusted pre-tax income for the period.

Although adjusted operating expense, adjusted expense ratio, adjusted combined ratio, adjusted pre-tax income, adjusted net income, adjusted pre-tax return-on-equity, adjusted effective tax rate and adjusted return-on-equity exclude certain items that have occurred in the past and are expected to occur in the future, the excluded items: (1) are not viewed as part of the operating performance of our primary activities; or (2) are impacted by market, economic or regulatory factors and are not necessarily indicative of operating trends, or both. These adjustments, and the reasons for their treatment, are described below.

- (1) Change in fair value of warrant liability. Outstanding warrants at the end of each reporting period are revalued, and any change in fair value is reported in the statement of operations in the period in which the change occurred. The change in fair value of our warrant liability can vary significantly across periods and is influenced principally by equity market and general economic factors that do not impact or reflect our current period operating results. We believe trends in our operating performance can be more clearly identified by excluding fluctuations related to the change in fair value of our warrant liability.
- (2) Capital markets transaction costs. Capital markets transaction costs result from activities that are undertaken to improve our debt profile or enhance our capital position through activities such as debt refinancing and capital markets reinsurance transactions that may vary in their size and timing due to factors such as market opportunities, tax and capital profile, and overall market cycles.
- (3) Net realized investment gains and losses. The recognition of the net realized investment gains or losses can vary significantly across periods as the timing is highly discretionary and is influenced by factors such as market opportunities, tax and capital profile, and overall market cycles that do not reflect our current period operating results.
- (4) Other infrequent, unusual or non-operating items. Items that are the result of unforeseen or uncommon events and are not expected to recur with frequency in the future. Identification and exclusion of these items provides clarity about the impact special or rare occurrences may have on our current financial performance. Infrequent, unusual or non-operating adjustments for the three and nine months ended September 30, 2021, include severance, restricted stock modification and other expenses incurred in connection with the CEO transition we announced on September 9, 2021. Past adjustments under this category include the effects of the release of the valuation allowance recorded against our net federal and certain state net deferred tax assets in 2016 and the re-measurement of our net deferred tax assets in connection with tax reform in 2017. We believe such items are infrequent or non-recurring in nature, and are not indicative of the performance of, or ongoing trends in, our primary operating activities or business.

Financial Highlights and Non-GAAP Reconciliation



NMI Holdings, Inc.



Non-GAAP reconciliation

| (\$ in thousands, except per share values) | Third Quarter | | Second | | Third Quarter | | Second | | Third Quarter | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| | 9/30/2019 | 12/31/2019 | First Quarter | Quarter | Third Quarter | Fourth Quarter | First Quarter | Quarter | Third Quarter | Third Quarter |
| | 9/30/2019 | 12/31/2019 | 3/31/2020 | 6/30/2020 | 9/30/2020 | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 | 9/30/2021 |
| As Reported: | | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Net premiums earned | \$ 92,381 | \$ 95,517 | \$ 98,717 | \$ 98,944 | \$ 98,802 | \$ 100,709 | \$ 105,879 | \$ 110,888 | \$ 113,594 | |
| Net investment income | 7,882 | 7,962 | 8,104 | 7,070 | 8,337 | 8,386 | 8,814 | 9,382 | 9,831 | |
| Net realized investment gains (losses) | 81 | 264 | (72) | 711 | (4) | 295 | - | 12 | 3 | |
| Other revenues | 1,244 | 1,154 | 900 | 1,223 | 648 | 513 | 501 | 483 | 613 | |
| Total revenues | \$ 101,588 | \$ 104,897 | \$ 107,649 | \$ 107,948 | \$ 107,783 | \$ 109,903 | \$ 115,194 | \$ 120,765 | \$ 124,041 | |
| Expenses | | | | | | | | | | |
| Insurance claims and claims expenses | \$ 2,572 | \$ 4,269 | \$ 5,697 | \$ 34,334 | \$ 15,667 | \$ 3,549 | \$ 4,962 | \$ 4,640 | \$ 3,204 | |
| Underwriting and operating expenses | 32,335 | 31,296 | 32,277 | 30,370 | 33,969 | 34,994 | 34,065 | 34,725 | 34,669 | |
| Service expenses | 909 | 937 | 734 | 1,090 | 557 | 459 | 591 | 481 | 787 | |
| Interest expense | 2,979 | 2,974 | 2,744 | 5,941 | 7,796 | 7,906 | 7,915 | 7,922 | 7,930 | |
| (Gain) loss from change in fair value of warrant liability | (1,139) | 2,632 | (5,959) | 1,236 | 437 | 1,379 | 205 | (658) | - | |
| Total expenses | \$ 37,656 | \$ 42,108 | \$ 35,493 | \$ 72,971 | \$ 58,426 | \$ 48,287 | \$ 47,738 | \$ 47,110 | \$ 46,590 | |
| Income before income taxes | \$ 63,932 | \$ 62,789 | \$ 72,156 | \$ 34,977 | \$ 49,357 | \$ 61,616 | \$ 67,456 | \$ 73,655 | \$ 77,451 | |
| Income tax expense | 14,169 | 12,594 | 13,885 | 8,129 | 11,178 | 13,348 | 14,565 | 16,133 | 17,258 | |
| Net income | \$ 49,763 | \$ 50,195 | \$ 58,271 | \$ 26,848 | \$ 38,179 | \$ 48,268 | \$ 52,891 | \$ 57,522 | \$ 60,193 | |
| Adjustments: | | | | | | | | | | |
| (Gain) loss from change in fair value of warrant liability | \$ (1,139) | \$ 2,632 | \$ (5,959) | \$ 1,236 | \$ 437 | \$ 1,379 | \$ 205 | \$ (658) | \$ - | |
| Capital markets transaction costs | 1,689 | - | 474 | 2,790 | 2,254 | 1,719 | 378 | 1,615 | 481 | |
| Net realized investment (gains) losses | (81) | (264) | 72 | (711) | 4 | (295) | - | (12) | (3) | |
| Other infrequent, unusual or non-operating items | - | - | - | - | - | - | - | - | 1,289 | |
| Adjusted income before income taxes | \$ 64,401 | \$ 65,157 | \$ 66,743 | \$ 38,292 | \$ 52,052 | \$ 64,419 | \$ 68,039 | \$ 74,600 | \$ 79,218 | |
| Income tax expense (benefit) on adjustments | \$ 338 | \$ (55) | \$ 115 | \$ 437 | \$ 474 | \$ 299 | \$ 79 | \$ 337 | \$ 139 | |
| Adjusted Net income | \$ 49,894 | \$ 52,618 | \$ 52,743 | \$ 29,726 | \$ 40,400 | \$ 50,772 | \$ 53,395 | \$ 58,130 | \$ 61,821 | |
| Weighted average diluted shares outstanding | 70,137 | 70,276 | 70,401 | 74,174 | 85,599 | 86,250 | 86,487 | 86,819 | 86,880 | |
| Dilutive effect of non-vested shares and warrants | - | - | - | - | - | - | - | - | - | |
| Weighted average diluted shares outstanding – Adjusted | 70,137 | 70,276 | 70,401 | 74,174 | 85,599 | 86,250 | 86,487 | 86,819 | 86,880 | |
| Diluted EPS – Reported | \$ 0.69 | \$ 0.71 | \$ 0.74 | \$ 0.36 | \$ 0.45 | \$ 0.56 | \$ 0.61 | \$ 0.65 | \$ 0.69 | |
| Diluted EPS – Adjusted | \$ 0.71 | \$ 0.75 | \$ 0.75 | \$ 0.40 | \$ 0.47 | \$ 0.59 | \$ 0.62 | \$ 0.67 | \$ 0.71 | |
| Shareholders' equity | \$ 873,487 | \$ 930,420 | \$ 974,890 | \$ 1,257,037 | \$ 1,307,556 | \$ 1,369,591 | \$ 1,380,308 | \$ 1,459,905 | \$ 1,516,226 | |
| Return on equity – Reported | 23.6% | 22.3% | 24.5% | 9.6% | 11.9% | 14.4% | 15.4% | 16.2% | 16.2% | |
| Return on equity – Adjusted | 23.7% | 23.3% | 22.1% | 10.7% | 12.6% | 15.2% | 15.5% | 16.4% | 16.6% | |
| Expense ratio - Reported | 35.0% | 32.8% | 32.7% | 30.7% | 34.4% | 34.7% | 32.2% | 31.3% | 30.5% | |
| Expense ratio - Adjusted | 33.2% | 32.8% | 32.2% | 30.5% | 32.1% | 33.0% | 31.8% | 29.9% | 29.0% | |
| Loss ratio - Reported and Adjusted | 2.8% | 4.5% | 5.8% | 34.7% | 15.9% | 3.5% | 4.7% | 4.2% | 2.8% | |
| Combined ratio - Reported | 37.8% | 37.2% | 38.5% | 65.4% | 50.2% | 38.3% | 36.9% | 35.5% | 33.3% | |
| Combined ratio - Adjusted | 36.0% | 37.2% | 38.0% | 65.2% | 48.0% | 36.6% | 36.5% | 34.0% | 31.8% | |

Cautionary Note Regarding Forward-Looking Statements



Certain statements contained in this presentation or any other written or oral statements made by or on behalf of the Company in connection therewith may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the U.S. Private Securities Litigation Reform Act of 1995 (the "PSLRA"). The PSLRA provides a "safe harbor" for any forward-looking statements. All statements other than statements of historical fact included in or incorporated by reference in this release are forward-looking statements, including any statements about our expectations, outlook, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believe," "can," "could," "may," "predict," "assume," "potential," "should," "will," "estimate," "perceive," "plan," "project," "continuing," "ongoing," "expect," "intend" and similar words or phrases. All forward-looking statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that may turn out to be inaccurate and could cause actual results to differ materially from those expressed in them. Many risks and uncertainties are inherent in our industry and markets. Others are more specific to our business and operations. Important factors that could cause actual events or results to differ materially from those indicated in such statements include, but are not limited to: uncertainty relating to the coronavirus ("COVID-19") pandemic and the measures taken by governmental authorities and other third parties to combat it, including their impact on the global economy, the U.S. housing, real estate, housing finance and mortgage insurance markets, and the Company's business, operations and personnel, changes in the business practices of Fannie Mae and Freddie Mac (collectively, the "GSEs"), including decisions that have the impact of decreasing or discontinuing the use of mortgage insurance as credit enhancement generally, or with first time homebuyers or on very high loan-to-value mortgages; our ability to remain an eligible mortgage insurer under the private mortgage insurer eligibility requirements ("PMIERS") and other requirements imposed by the GSEs, which they may change at any time; retention of our existing certificates of authority in each state and the District of Columbia ("D.C.") and our ability to remain a mortgage insurer in good standing in each state and D.C.; our future profitability, liquidity and capital resources; actions of existing competitors, including other private mortgage insurers and government mortgage insurers, such as the Federal Housing Administration, U.S. Department of Agriculture's Rural Housing Service and the U.S. Department of Veterans Affairs, and potential market entry by new competitors or consolidation of existing competitors; developments in the world's financial and capital markets and our access to such markets, including reinsurance; adoption of new or changes to existing laws and regulations that impact our business or financial condition directly or the mortgage insurance industry generally or their enforcement and implementation by regulators, including the implementation of the final rules defining and/or concerning "Qualified Mortgage" and "Qualified Residential Mortgage"; U.S. federal tax reform and other potential changes in tax law and their impact on us and our operations; legislative or regulatory changes to the GSEs' role in the secondary mortgage market or other changes that could affect the residential mortgage industry generally or mortgage insurance industry in particular; potential future lawsuits, investigations or inquiries or resolution of current lawsuits or inquiries; changes in general economic, market and political conditions and policies, interest rates, inflation and investment results or other conditions that affect the housing market or the markets for home mortgages or mortgage insurance; our ability to successfully execute and implement our capital plans, including our ability to access the capital, credit and reinsurance markets and to enter into, and receive approval of, reinsurance arrangements on terms and conditions that are acceptable to us, the GSEs and our regulators; our ability to implement our business strategy, including our ability to write mortgage insurance on high quality low-down payment residential mortgage loans, implement successfully and on a timely basis, complex infrastructure, systems, procedures, and internal controls to support our business and regulatory and reporting requirements of the insurance industry; our ability to attract and retain a diverse customer base, including the largest mortgage originators; failure of risk management or pricing or investment strategies; decrease in the length of time our insurance policies are in force; emergence of unexpected claim and coverage issues, including claims exceeding our reserves or amounts we had expected to experience; potential adverse impacts arising from natural disasters, including, with respect to affected areas, a decline in new business, adverse effects on home prices, and an increase in notices of default on insured mortgages; the inability of our counterparties, including third party reinsurers, to meet their obligations to us; failure to maintain, improve and continue to develop necessary information technology systems or the failure of technology providers to perform; and, our ability to recruit, train and retain key personnel. These risks and uncertainties also include, but are not limited to, those set forth under the heading "Risk Factors" detailed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2020, as subsequently updated through other reports we file with the SEC. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. We caution you not to place undue reliance on any forward-looking statement, which speaks only as of the date on which it is made, and we undertake no obligation to publicly update or revise any forward-looking statement to reflect new information, future events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events except as required by law.