UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): August 1, 2023

NMI Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	001-36174	45-4914248
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2100 Powell Street, 12th Floor, Emeryville, CA
(Address of Principal Executive Offices)

94608
(Zip Code)

(855) 530-6642

(Registrant’s Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01	NMIH	Nasdaq

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On August 1, 2023, NMI Holdings, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2023. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information included in, or furnished with, this report has been "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference in any filing or other document under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing or document.

Item 9.01. Financial Statements and Exhibits.

(d) ***Exhibits.***

Exhibit No.	Description
99.1	NMI Holdings, Inc. Press Release dated August 1, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NMI Holdings, Inc.
(Registrant)

Date: August 1, 2023 By: /s/ William J. Leatherberry
William J. Leatherberry
EVP, General Counsel

FOR IMMEDIATE RELEASE

NMI Holdings, Inc. Reports Second Quarter 2023 Financial Results; Announces Additional $200 Million Share Repurchase Authorization

EMERYVILLE, Calif., Aug. 1, 2023 -- NMI Holdings, Inc. (Nasdaq: NMIH) today reported net income of $80.3 million, or $0.95 per diluted share, for the second quarter ended June 30, 2023, which compares to $74.5 million, or $0.88 per diluted share, in the first quarter ended March 31, 2023 and $75.4 million, or $0.86 per diluted share, in the second quarter ended June 30, 2022. Adjusted net income for the quarter was $80.3 million, or $0.95 per diluted share, which compares to $74.5 million, or $0.88 per diluted share, in the first quarter ended March 31, 2023 and $74.3 million, or $0.86 per diluted share, in the second quarter ended June 30, 2022.

The company also announced today that its Board of Directors has authorized an additional $200 million share repurchase plan effective through December 31, 2025.

Adam Pollitzer, President and Chief Executive Officer of National MI, said, “We’re proud to have again delivered standout results in the second quarter, including continued growth in our high-quality insured portfolio, record profitability and strong returns. We ended the quarter with a robust funding position and our additional $200 million repurchase authorization will provide investors with further ability to directly access value as we continue to perform, grow our earnings and compound book value. Looking forward, we’re well positioned to continue to serve our customers and their borrowers, support our talented team, and deliver sustained long-term performance for our shareholders.”

Selected second quarter 2023 highlights include:

- Primary insurance-in-force at quarter end was $191.3 billion, compared to $186.7 billion at the end of the first quarter and $168.6 billion at the end of the second quarter of 2022
- Net premiums earned were $126.0 million, compared to $121.8 million in the first quarter and $120.9 million in the second quarter of 2022
- Total revenue was $142.7 million, compared to $136.8 million in the first quarter and $132.2 million in the second quarter of 2022
- Underwriting and operating expenses were $27.4 million, compared to $25.8 million in the first quarter and $30.7 million in the second quarter of 2022
- Insurance claims and claim expenses were $2.9 million, compared to $6.7 million in the first quarter and a benefit of $3.0 million in the second quarter of 2022
- Shareholders’ equity was $1.7 billion at quarter end and book value per share was $21.25. Book value per share excluding the impact of net unrealized gains and losses in the investment portfolio was $23.53, up 4% compared to $22.56 in the first quarter and 18% compared to $19.91 in the second quarter of 2022
- Annualized return on equity for the quarter was 18.6%, compared to 17.9% in the first quarter and 19.7% in the second quarter of 2022
- At quarter-end, total PMIERs available assets were $2.5 billion and net risk-based required assets were $1.3 billion

	Quarter Ended 6/30/2023	Quarter Ended 3/31/2023	Quarter Ended 6/30/2022	Change (1) Q/Q	Change (1) Y/Y
INSURANCE METRICS ($billions)					
Primary Insurance-in-Force	$ 191.3	$ 186.7	$ 168.6	2 %	13 %
New Insurance Written - NIW					
Monthly premium	11.3	8.6	15.7	32 %	(28)%
Single premium	0.2	0.2	0.9	15 %	(77)%
Total (2)	11.5	8.7	16.6	31 %	(31)%
FINANCIAL HIGHLIGHTS (Unaudited, $millions, except per share amounts)					
Net Premiums Earned	126.0	121.8	120.9	3 %	4 %
Insurance Claims and Claim Expenses (Benefits)	2.9	6.7	(3.0)	(57)%	N/A
Underwriting and Operating Expenses	27.4	25.8	30.7	6 %	(11)%
Net Income	80.3	74.5	75.4	8 %	6 %
Book Value per Share (excluding net unrealized gains and losses) (3)	23.53	22.56	19.91	4 %	18 %
Loss Ratio	2.3 %	5.5 %	(2.5)%		
Expense Ratio	21.8 %	21.2 %	25.4 %		

(1) Percentages may not be replicated based on the rounded figures presented in the table.
(2) Total may not foot due to rounding.
(3) Book value per share (excluding net unrealized gains and losses) is defined as total shareholder's equity, excluding the after-tax effects of unrealized gains and losses on our investment portfolio, divided by shares outstanding.

Conference Call and Webcast Details

The company will hold a conference call, which will be webcast live today, August 1, 2023, at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time. The webcast will be available on the company's website, www.nationalmi.com, in the "Investor Relations" section. The conference call can also be accessed by dialing (844) 481-2708 in the U.S., or (412) 317-0664 internationally by referencing NMI Holdings, Inc.

About NMI Holdings, Inc.

NMI Holdings, Inc. (NASDAQ: NMIH), is the parent company of National Mortgage Insurance Corporation (National MI), a U.S.-based, private mortgage insurance company enabling low down payment borrowers to realize home ownership while protecting lenders and investors against losses related to a borrower's default. To learn more, please visit www.nationalmi.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release 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: changes in general economic, market and political conditions and policies (including rising interest rates and inflation) and investment results or other conditions that affect the U.S. housing market or the U.S. markets for home mortgages, mortgage insurance, reinsurance and credit risk transfer markets, including the risk related to geopolitical instability, inflation, an economic downturn (including any decline in home prices) or recession, and their impacts on our business, operations and personnel; changes in the charters, business practices, policy, pricing or priorities of Fannie Mae and Freddie Mac (collectively, the GSEs), which may include 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; or changes in the direction of housing policy objectives of the Federal Housing Finance Agency (FHFA), such as the FHFA's priority to increase the accessibility to and affordability of homeownership for low-and-moderate income borrowers and underrepresented communities; 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, the U.S. Department of Agriculture's Rural Housing Service and the U.S. Department of Veterans Affairs (collectively, government MIs), and potential market entry by new competitors or consolidation of existing competitors; adoption of new or changes to existing laws, rules 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 legal and regulatory claims, investigations, actions, audits or inquiries that could result in adverse judgements, settlements, fines or other reliefs that could require significant expenditures or have other negative effects on our business; uncertainty relating to the coronavirus (COVID-19) virus and its variants or the measures taken by governmental authorities and other third-parties to contain the spread of COVID-19, including their impact on the global economy, the U.S. housing, real estate, housing finance and mortgage insurance markets, and our business, operations and personnel; our ability to successfully execute and implement our capital plans, including our ability to access the equity, 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; lenders, the GSEs, or other market participants seeking alternatives to private mortgage insurance; 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; climate risk and efforts to manage or regulate climate risk by government agencies could affect our business and operations; potential adverse impacts arising from the occurrence of any man-made disasters or public health emergencies, including pandemics; the inability of our counter-parties, 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; effectiveness and security of our information technology systems and digital products and services, including the risks these systems, products or services may fail to operate as expected or planned, or expose us to cybersecurity or third-party risks (including exposure of our confidential customer and other confidential information); and 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, 2022, 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.

Use of Non-GAAP Financial Measures

We believe the use of the non-GAAP measures of adjusted income before tax, adjusted net income, adjusted diluted EPS, adjusted return-on-equity, adjusted expense ratio, adjusted combined ratio and book value per share (excluding net unrealized gains and losses) 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 income before tax 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 diluted EPS is defined as adjusted net income divided by adjusted weighted average diluted shares outstanding. Adjusted weighted average diluted shares outstanding is defined as weighted average diluted shares outstanding, adjusted for changes in the dilutive effect of non-vested shares that would otherwise have occurred had GAAP net income been calculated in accordance with adjusted net income. There will be no adjustment to weighted average diluted shares outstanding in the periods that non-vested shares are anti-dilutive under GAAP.

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

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

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.

Book value per share (excluding net unrealized gains and losses) is defined as total shareholder's equity, excluding the after-tax effects of unrealized gains and losses on investments, divided by shares outstanding.

Although adjusted income before tax, adjusted net income, adjusted diluted EPS, adjusted return-on-equity, adjusted expense ratio, adjusted combined ratio and book value per share (excluding net unrealized gains and losses) 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. Furthermore, all unexercised warrants expired in April 2022 and, as such, no change in fair value will be recognized in future reporting periods. 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. Past adjustments under this category include infrequent, unusual or non-operating adjustments related to severance, restricted stock modification and other expenses incurred in connection with the CEO transition announced in September 2021 and 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.

(5) *Net unrealized gains and losses on investments.* The recognition of the net unrealized gains or losses on investment can vary significantly across periods and is influenced by factors such as interest rate movement, overall market and economic conditions, and tax and capital profiles. These valuation adjustments may not necessarily result in economic gains or losses and not reflective of ongoing operations. Trends in the profitability of our fundamental operating activities can be more clearly identified without the fluctuations of these unrealized gains or losses.

Investor Contact
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Consolidated statements of operations and comprehensive income (loss) (unaudited)	**For the three months ended June 30,**		**For the six months ended June 30,**	
	2023	**2022**	**2023**	**2022**
	(In Thousands, except for per share data)			
Revenues				
Net premiums earned	$ 125,985	$ 120,870	$ 247,739	$ 237,365
Net investment income	16,518	10,921	31,412	21,120
Net realized investment gains (losses)	—	53	(33)	461
Other revenues	182	376	346	715
Total revenues	142,685	132,220	279,464	259,661
Expenses				
Insurance claims and claim expenses (benefits)	2,873	(3,036)	9,574	(3,655)
Underwriting and operating expenses	27,448	30,700	53,234	63,635
Service expenses	267	336	347	766
Interest expense	8,048	8,051	16,087	16,092
Gain from change in fair value of warrant liability	—	(1,020)	—	(1,113)
Total expenses	38,636	35,031	79,242	75,725
Income before income taxes	104,049	97,189	200,222	183,936
Income tax expense	23,765	21,745	45,480	40,812
Net income	$ 80,284	$ 75,444	$ 154,742	$ 143,124
Earnings per share				
Basic	$ 0.97	$ 0.88	$ 1.86	$ 1.67
Diluted	$ 0.95	$ 0.86	$ 1.83	$ 1.63
Weighted average common shares outstanding				
Basic	82,958	85,734	83,277	85,842
Diluted	84,190	86,577	84,504	86,943
Loss ratio (1)	2.3%	(2.5)%	3.9%	(1.5)%
Expense ratio (2)	21.8%	25.4%	21.5%	26.8%
Combined ratio (3)	24.1%	22.9%	25.4%	25.3%
Net income	$ 80,284	$ 75,444	$ 154,742	$ 143,124
Other comprehensive (loss) income, net of tax:				
Unrealized (losses) gains in accumulated other comprehensive (loss) income, net of tax (benefit) expense of $(4,120) and $(17,004) for the three months ended June 30, 2023 and 2022, and $4,513 and $(43,180) for the six months ended June 30, 2023 and 2022, respectively	(15,499)	(63,967)	16,977	(162,438)
Reclassification adjustment for realized (gains) losses included in net income, net of tax expense (benefit) of $0 and $11 for the three months ended June 30, 2023 and 2022, and $(7) and $97 for the six months ended June 30, 2023 and 2022, respectively	—	(44)	26	(367)
Other comprehensive (loss) income, net of tax	(15,499)	(64,011)	17,003	(162,805)
Comprehensive income (loss)	$ 64,785	$ 11,433	$ 171,745	$ (19,681)

(1) Loss ratio is calculated by dividing insurance claims and claim expenses (benefits) by net premiums earned.
(2) Expense ratio is calculated by dividing other underwriting and operating expenses by net premiums earned.
(3) Combined ratio may not foot due to rounding.

Consolidated balance sheets (unaudited)	**June 30, 2023**	**December 31, 2022**
Assets	*(In Thousands, except for share data)*	
Fixed maturities, available-for-sale, at fair value (amortized cost of $2,465,556 and $2,352,747 as of June 30, 2023 and December 31, 2022, respectively)	$ 2,233,656	$ 2,099,389
Cash and cash equivalents (including restricted cash of $2,222 and $2,176 as of June 30, 2023 and December 31, 2022, respectively)	73,319	44,426
Premiums receivable	72,367	69,680
Accrued investment income	17,393	14,144
Deferred policy acquisition costs, net	61,162	58,564
Software and equipment, net	32,262	31,930
Intangible assets and goodwill	3,634	3,634
Reinsurance recoverable	24,023	21,587
Prepaid federal income taxes	154,409	154,409
Other assets	17,625	18,267
Total assets	$ 2,689,850	$ 2,516,030
Liabilities		
Debt	$ 396,808	$ 396,051
Unearned premiums	105,067	123,035
Accounts payable and accrued expenses	72,506	74,576
Reserve for insurance claims and claim expenses	110,448	99,836
Reinsurance funds withheld	1,696	2,674
Deferred tax liability, net	242,144	193,859
Other liabilities	12,226	12,272
Total liabilities	940,895	902,303
Shareholders' equity		
Common stock - class A shares, $0.01 par value; 86,925,030 shares issued and 82,289,763 shares outstanding as of June 30, 2023 and 86,472,742 shares issued and 83,549,879 shares outstanding as of December 31, 2022 (250,000,000 shares authorized)	870	865
Additional paid-in capital	977,295	972,717
Treasury Stock, at cost: 4,635,267 and 2,922,863 common shares as of June 30, 2023 and December 31, 2022, respectively	(97,675)	(56,575)
Accumulated other comprehensive loss, net of tax	(187,320)	(204,323)
Retained earnings	1,055,785	901,043
Total shareholders' equity	1,748,955	1,613,727
Total liabilities and shareholders' equity	$ 2,689,850	$ 2,516,030

Non-GAAP Financial Measure Reconciliations (unaudited)

	As of and for the three months ended			For the six months ended	
	6/30/2023	3/31/2023	6/30/2022	06/30/23	6/30/2022
As Reported	*(In Thousands, except for per share data)*				
Revenues					
Net premiums earned	$ 125,985	$ 121,754	$ 120,870	$ 247,739	$ 237,365
Net investment income	16,518	14,894	10,921	31,412	21,120
Net realized investment (losses) gains	—	(33)	53	(33)	461
Other revenues	182	164	376	346	715
Total revenues	142,685	136,779	132,220	279,464	259,661
Expenses					
Insurance claims and claim expenses (benefits)	2,873	6,701	(3,036)	9,574	(3,655)
Underwriting and operating expenses	27,448	25,786	30,700	53,234	63,635
Service expenses	267	80	336	347	766
Interest expense	8,048	8,039	8,051	16,087	16,092
Gain from change in fair value of warrant liability	—	—	(1,020)	—	(1,113)
Total expenses	38,636	40,606	35,031	79,242	75,725
Income before income taxes	104,049	96,173	97,189	200,222	183,936
Income tax expense	23,765	21,715	21,745	45,480	40,812
Net income	$ 80,284	$ 74,458	$ 75,444	$ 154,742	$ 143,124
Adjustments:					
Net realized investment losses (gains)	—	33	(53)	33	(461)
Gain from change in fair value of warrant liability	—	—	(1,020)	—	(1,113)
Capital markets transaction costs	—	—	(55)	—	205
Adjusted income before taxes	104,049	96,206	96,061	200,255	182,567
Income tax expense (benefit) on adjustments [1]	—	7	(23)	7	(54)
Adjusted net income	$ 80,284	$ 74,484	$ 74,339	$ 154,768	$ 141,809
Weighted average diluted shares outstanding	84,190	84,840	86,577	84,504	86,943
Diluted EPS	$ 0.95	$ 0.88	$ 0.86	$ 1.83	$ 1.63
Adjusted diluted EPS	$ 0.95	$ 0.88	$ 0.86	$ 1.83	$ 1.63
Return-on-equity	18.6 %	17.9 %	19.7 %	18.4 %	18.5 %
Adjusted return-on-equity	18.6 %	17.9 %	19.4 %	18.4 %	18.4 %
Expense ratio [2]	21.8 %	21.2 %	25.4 %	21.5 %	26.8 %
Adjusted expense ratio [3]	21.8 %	21.2 %	25.4 %	21.5 %	26.7 %
Combined ratio [4]	24.1 %	26.7 %	22.9 %	25.4 %	25.3 %
Adjusted combined ratio [5]	24.1 %	26.7 %	22.9 %	25.4 %	25.2 %
Book value per share [6]	$ 21.25	$ 20.49	$ 18.01		
Book value per share (excluding net unrealized gains and losses) [7]	$ 23.53	$ 22.56	$ 19.91		

(1) Marginal tax impact of non-GAAP adjustments is calculated based on our statutory U.S. federal corporate income tax rate of 21%, except for those items that are not eligible for an income tax deduction.
(2) Expense ratio is calculated by dividing underwriting and operating expenses by net premiums earned.
(3) Adjusted expense ratio is calculated by dividing adjusted underwriting and operating expense (underwriting and operating expenses excluding costs related to capital markets reinsurance transactions) by net premiums earned.
(4) Combined ratio is calculated by dividing the total of underwriting and operating expenses and insurance claims and claims expenses (benefit) by net premiums earned.
(5) Adjusted combined ratio is calculated by dividing the total of adjusted underwriting and operating expenses (underwriting and operating expenses excluding costs related to capital market reinsurance transaction) and insurance claims and claims expenses (benefit) by net premiums earned.
(6) Book value per share is calculated by dividing total shareholder's equity by shares outstanding.
(7) Book value per share (excluding net unrealized gains and losses) is defined as total shareholder's equity, excluding the after-tax effects of unrealized gains and losses on our investment portfolio, divided by shares outstanding.

Historical Quarterly Data	**2023**		**2022**			
	June 30	**March 31**	**December 31**	**September 30**	**June 30**	**March 31**
	(In Thousands, except for per share data)					
Revenues						
Net premiums earned	$ 125,985	$ 121,754	$ 119,584	$ 118,317	$ 120,870	$ 116,495
Net investment income	16,518	14,894	13,341	11,945	10,921	10,199
Net realized investment (losses) gains	—	(33)	6	14	53	408
Other revenues	182	164	176	301	376	339
Total revenues	142,685	136,779	133,107	130,577	132,220	127,441
Expenses						
Insurance claims and claim expenses (benefits)	2,873	6,701	3,450	(3,389)	(3,036)	(619)
Underwriting and operating expenses	27,448	25,786	26,711	27,144	30,700	32,935
Service expenses	267	80	131	197	336	430
Interest expense	8,048	8,039	8,035	8,036	8,051	8,041
Gain from change in fair value of warrant liability	—	—	—	—	(1,020)	(93)
Total expenses	38,636	40,606	38,327	31,988	35,031	40,694
Income before income taxes	104,049	96,173	94,780	98,589	97,189	86,747
Income tax expense	23,765	21,715	21,840	21,751	21,745	19,067
Net income	$ 80,284	$ 74,458	$ 72,940	$ 76,838	$ 75,444	$ 67,680
Earnings per share						
Basic	$ 0.97	$ 0.89	$ 0.87	$ 0.91	$ 0.88	$ 0.79
Diluted	$ 0.95	$ 0.88	$ 0.86	$ 0.90	$ 0.86	$ 0.77
Weighted average common shares outstanding						
Basic	82,958	83,600	83,592	84,444	85,734	85,953
Diluted	84,190	84,840	84,809	85,485	86,577	87,310
Other data						
Loss ratio [(1)]	2.3 %	5.5 %	2.9 %	(2.9)%	(2.5)%	(0.5)%
Expense ratio [(2)]	21.8 %	21.2 %	22.3 %	22.9 %	25.4 %	28.3 %
Combined ratio [(3)]	24.1 %	26.7 %	25.2 %	20.1 %	22.9 %	27.7 %

(1) Loss ratio is calculated by dividing insurance claims and claim expenses (benefits) by net premiums earned.
(2) Expense ratio is calculated by dividing underwriting and operating expenses by net premiums earned.
(3) Combined ratio may not foot due to rounding.

Portfolio Statistics

The table below highlights trends in our primary portfolio as of the date and for the periods indicated.

Primary portfolio trends	**As of and for the three months ended**					
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**
	($ Values In Millions, except as noted below)					
New insurance written (NIW)	$ 11,478	$ 8,734	$ 10,719	$ 17,239	$ 16,611	$ 14,165
New risk written	3,022	2,258	2,797	4,616	4,386	3,721
Insurance in force (IIF) [1]	191,306	186,724	183,968	179,173	168,639	158,877
Risk in force [1]	49,875	48,494	47,648	46,259	43,260	40,522
Policies in force (count) [1]	611,441	600,294	594,142	580,525	551,543	526,976
Average loan size *($ value in thousands)* [1]	$ 313	$ 311	$ 310	$ 309	$ 306	$ 301
Coverage percentage [2]	26.1 %	26.0 %	25.9 %	25.8 %	25.7 %	25.5 %
Loans in default (count) [1]	4,349	4,475	4,449	4,096	4,271	5,238
Default rate [1]	0.71 %	0.75 %	0.75 %	0.71 %	0.77 %	0.99 %
Risk in force on defaulted loans [1]	$ 335	$ 337	$ 323	$ 284	$ 295	$ 362
Net premium yield [3]	0.27 %	0.26 %	0.26 %	0.27 %	0.30 %	0.30 %
Earnings from cancellations	$ 1.1	$ 1.4	$ 1.5	$ 1.8	$ 2.2	$ 2.9
Annual persistency [4]	86.0 %	85.1 %	83.5 %	80.1 %	76.0 %	71.5 %
Quarterly run-off [5]	3.7 %	3.2 %	3.3 %	4.0 %	4.3 %	5.0 %

(1) Reported as of the end of the period.
(2) Calculated as end of period risk-in-force (RIF) divided by end of period IIF.
(3) Calculated as net premiums earned, divided by average primary IIF for the period, annualized.
(4) Defined as the percentage of IIF that remains on our books after a given twelve-month period.
(5) Defined as the percentage of IIF that is no longer on our books after a given three-month period.

NIW, IIF and Premiums

The tables below present primary NIW and primary and pool IIF, as of the dates and for the periods indicated.

Primary NIW	**For the three months ended**					
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**
	(In Millions)					
Monthly	$ 11,266	$ 8,550	$ 10,451	$ 16,676	$ 15,695	$ 13,094
Single	212	184	268	563	916	1,071
Primary	$ 11,478	$ 8,734	$ 10,719	$ 17,239	$ 16,611	$ 14,165

Primary and pool IIF	**As of**					
	June 30, 2023	**March 31, 2023**	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**
	(In Millions)					
Monthly	$ 171,685	$ 166,924	$ 163,903	$ 158,897	$ 148,488	$ 139,156
Single	19,621	19,800	20,065	20,276	20,151	19,721
Primary	191,306	186,724	183,968	179,173	168,639	158,877
Pool	1,000	1,025	1,049	1,078	1,114	1,162
Total	$ 192,306	$ 187,749	$ 185,017	$ 180,251	$ 169,753	$ 160,039

The following table presents the amounts related to the company's quota-share reinsurance transactions (the 2016 QSR Transaction, 2018 QSR Transaction, 2020 QSR Transaction, 2021 QSR Transaction, 2022 QSR Transaction, 2022 Seasoned QSR Transaction, and 2023 QSR Transaction and collectively, the QSR Transactions), insurance-linked note transactions (2018 ILN Transaction, 2019 ILN Transaction, 2020-2 ILN Transaction, 2021-1 ILN Transaction, and 2021-2 ILN Transaction and collectively, the ILN Transactions), and traditional reinsurance transactions (2022-1 XOL Transaction, 2022-2 XOL Transaction, 2022-3 XOL Transaction and 2023-1 XOL Transaction and collectively, the XOL Transactions) for the periods indicated.

	For the three months ended					
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	(In Thousands)					
The QSR Transactions						
Ceded risk-in-force	$ 12,761,294	$ 12,635,442	$ 12,617,169	$ 12,511,797	$ 9,040,944	$ 8,504,853
Ceded premiums earned	(42,002)	(42,096)	(42,246)	(42,265)	(30,231)	(29,005)
Ceded claims and claim expenses (benefits)	803	1,965	1,934	248	(403)	(159)
Ceding commission earned	9,877	9,965	10,089	10,193	6,146	5,886
Profit commission	23,486	22,279	22,314	23,899	17,778	16,723
The ILN Transactions (1)						
Ceded premiums	$ (8,815)	$ (9,095)	$ (10,112)	$ (10,730)	$ (10,132)	$ (10,939)
The XOL Transactions						
Ceded Premiums	$ (7,672)	$ (7,237)	$ (6,199)	$ (4,808)	$ (2,907)	$ —

(1) Effective March 25, 2022 and April 25, 2022, NMIC exercised its optional clean-up call to terminate and commute its previously outstanding excess of loss reinsurance agreements with Oaktown Re Ltd. and Oaktown Re IV Ltd., respectively. Effective July 25, 2023, NMIC exercised its optional call to terminate and commute its previously outstanding excess of loss reinsurance agreement with Oaktown Re II Ltd. NMIC no longer makes risk premium payments to Oaktown Re Ltd., Oaktown Re II Ltd. and Oaktown Re IV Ltd. thereafter.

The tables below present our total primary NIW by FICO, loan-to-value (LTV) ratio, and purchase/refinance mix for the periods indicated.

Primary NIW by FICO	For the three months ended			For the six months ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(In Millions)				
>= 760	$ 6,919	$ 5,251	$ 7,990	$ 12,170	$ 14,362
740-759	1,836	1,514	2,900	3,350	5,288
720-739	1,541	1,107	2,056	2,648	3,993
700-719	668	456	1,650	1,124	3,289
680-699	413	342	1,277	755	2,521
<=679	101	64	738	165	1,323
Total	$ 11,478	$ 8,734	$ 16,611	$ 20,212	$ 30,776
Weighted average FICO	763	762	751	762	750

Primary NIW by LTV	For the three months ended			For the six months ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(In Millions)				
95.01% and above	$ 1,003	$ 358	$ 1,577	$ 1,361	$ 2,943
90.01% to 95.00%	5,323	4,085	8,253	9,408	15,308
85.01% to 90.00%	3,891	3,234	4,772	7,125	8,640
85.00% and below	1,261	1,057	2,009	2,318	3,885
Total	$ 11,478	$ 8,734	$ 16,611	$ 20,212	$ 30,776
Weighted average LTV	92.0 %	91.6 %	92.2 %	91.9 %	92.1 %

Primary NIW by purchase/refinance mix	**For the three months ended**			**For the six months ended**	
	June 30, 2023	**March 31, 2023**	**June 30, 2022**	**June 30, 2023**	**June 30, 2022**
			(In Millions)		
Purchase	$ 11,233	$ 8,494	$ 16,203	$ 19,727	$ 29,601
Refinance	245	240	408	485	1,175
Total	$ 11,478	$ 8,734	$ 16,611	$ 20,212	$ 30,776

The table below presents a summary of our primary IIF and RIF by book year as of June 30, 2023.

Primary IIF and RIF	**As of June 30, 2023**	
	IIF	**RIF**
	(In Millions)	
June 30, 2023	$ 19,811	$ 5,176
2022	54,739	14,496
2021	68,016	17,553
2020	30,799	7,978
2019	8,385	2,220
2018 and before	9,556	2,452
Total	$ 191,306	$ 49,875

The tables below present our total primary IIF and RIF by FICO and LTV, and total primary RIF by loan type as of the dates indicated.

Primary IIF by FICO		**As of**	
	June 30, 2023	**March 31, 2023**	**June 30, 2022**
		(In Millions)	
>= 760	$ 94,931	$ 91,623	$ 83,769
740-759	33,841	33,156	29,195
720-739	26,862	26,233	23,240
700-719	18,261	18,203	16,221
680-699	12,506	12,502	11,160
<=679	4,905	5,007	5,054
Total	$ 191,306	$ 186,724	$ 168,639

Primary RIF by FICO		**As of**	
	June 30, 2023	**March 31, 2023**	**June 30, 2022**
		(In Millions)	
>= 760	$ 24,472	$ 23,472	$ 21,159
740-759	8,888	8,692	7,564
720-739	7,090	6,903	6,044
700-719	4,865	4,847	4,289
680-699	3,315	3,311	2,936
<=679	1,245	1,269	1,268
Total	$ 49,875	$ 48,494	$ 43,260

Primary IIF by LTV	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
	(In Millions)		
95.01% and above	$ 18,141	$ 17,583	$ 16,068
90.01% to 95.00%	91,719	89,125	77,804
85.01% to 90.00%	58,210	56,425	51,029
85.00% and below	23,236	23,591	23,738
Total	$ 191,306	$ 186,724	$ 168,639

Primary RIF by LTV	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
	(In Millions)		
95.01% and above	$ 5,600	$ 5,413	$ 4,914
90.01% to 95.00%	27,097	26,326	22,974
85.01% to 90.00%	14,400	13,937	12,553
85.00% and below	2,778	2,818	2,819
Total	$ 49,875	$ 48,494	$ 43,260

Primary RIF by Loan Type	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
Fixed	98 %	98 %	99 %
Adjustable rate mortgages:			
Less than five years	—	—	—
Five years and longer	2	2	1
Total	100 %	100 %	100 %

The table below presents a summary of the change in total primary IIF for the dates and periods indicated.

Primary IIF	As of and for the three months ended		
	June 30, 2023	March 31, 2023	June 30, 2022
	(In Millions)		
IIF, beginning of period	$ 186,724	$ 183,968	$ 158,877
NIW	11,478	8,734	16,611
Cancellations, principal repayments and other reductions	(6,896)	(5,978)	(6,849)
IIF, end of period	$ 191,306	$ 186,724	$ 168,639

Geographic Dispersion

The following table shows the distribution by state of our primary RIF as of the periods indicated.

Top 10 primary RIF by state	**As of**		
	June 30, 2023	**March 31, 2023**	**June 30, 2022**
California	10.4 %	10.5 %	10.8 %
Texas	8.7	8.8	9.0
Florida	7.9	8.0	8.3
Georgia	4.1	4.1	4.0
Virginia	4.0	4.1	4.3
Washington	4.0	4.0	3.9
Illinois	3.9	3.9	3.9
Pennsylvania	3.4	3.4	3.3
Colorado	3.4	3.5	3.7
Maryland	3.3	3.3	3.5
Total	53.1 %	53.6 %	54.7 %

The table below presents selected primary portfolio statistics, by book year, as of June 30, 2023.

	As of June 30, 2023									
Book Year	**Original Insurance Written**	**Remaining Insurance in Force**	**% Remaining of Original Insurance**	**Policies Ever in Force**	**Number of Policies in Force**	**Number of Loans in Default**	**# of Claims Paid**	**Incurred Loss Ratio (Inception to Date) (1)**	**Cumulative Default Rate (2)**	**Current default rate (3)**
	($ Values In Millions)									
2014 and prior	$ 3,613	$ 188	5 %	15,441	1,191	14	56	3.7 %	0.5 %	1.2 %
2015	12,422	1,098	9 %	52,548	6,170	104	131	2.5 %	0.4 %	1.7 %
2016	21,187	2,263	11 %	83,626	11,926	220	157	1.8 %	0.5 %	1.8 %
2017	21,582	2,782	13 %	85,897	14,989	403	129	2.4 %	0.6 %	2.7 %
2018	27,295	3,225	12 %	104,043	16,736	480	121	3.6 %	0.6 %	2.9 %
2019	45,141	8,385	19 %	148,423	35,522	546	44	3.3 %	0.4 %	1.5 %
2020	62,702	30,799	49 %	186,174	101,899	538	10	2.1 %	0.3 %	0.5 %
2021	85,574	68,016	79 %	257,972	214,464	1,283	7	5.3 %	0.5 %	0.6 %
2022	58,734	54,739	93 %	163,281	154,826	753	—	21.8 %	0.5 %	0.5 %
2023	20,212	19,811	98 %	54,625	53,718	8	—	0.2 %	— %	— %
Total	$ 358,462	$ 191,306		1,152,030	611,441	4,349	655			

(1) Calculated as total claims incurred (paid and reserved) divided by cumulative premiums earned, net of reinsurance.
(2) Calculated as the sum of the number of claims paid ever to date and number of loans in default divided by policies ever in force.
(3) Calculated as the number of loans in default divided by number of policies in force.

The following table provides a reconciliation of the beginning and ending reserve balances for primary insurance claims and claim expenses (benefits):

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
	(In Thousands)			
Beginning balance	$ 108,157	$ 102,372	$ 99,836	$ 103,551
Less reinsurance recoverables [1]	(23,479)	(20,080)	(21,587)	(20,320)
Beginning balance, net of reinsurance recoverables	84,678	82,292	78,249	83,231
Add claims incurred:				
Claims and claim expenses (benefits) incurred:				
Current year [2]	17,262	8,707	44,870	18,787
Prior years [3]	(14,389)	(11,743)	(35,296)	(22,442)
Total claims and claim expenses (benefits) incurred	2,873	(3,036)	9,574	(3,655)
Less claims paid:				
Claims and claim expenses paid:				
Current year [2]	54	26	54	26
Prior years [3]	1,072	356	1,344	676
Total claims and claim expenses paid	1,126	382	1,398	702
Reserve at end of period, net of reinsurance recoverables	86,425	78,874	86,425	78,874
Add reinsurance recoverables [1]	24,023	19,588	24,023	19,588
Ending balance	$ 110,448	$ 98,462	$ 110,448	$ 98,462

(1) Related to ceded losses recoverable under the QSR Transactions.

(2) Related to insured loans with their most recent defaults occurring in the current year. For example, if a loan defaulted in a prior year and subsequently cured and later re-defaulted in the current year, the default would be included in the current year. Amounts are presented net of reinsurance and included $39.1 million attributed to net case reserves and $5.0 million attributed to net IBNR reserves for the six months ended June 30, 2023 and $14.0 million attributed to net case reserves and $4.5 million attributed to net IBNR reserves for the six months ended June 30, 2022.

(3) Related to insured loans with defaults occurring in prior years, which have been continuously in default before the start of the current year. Amounts are presented net of reinsurance and included $30.3 million attributed to net case reserves and $4.5 million attributed to net IBNR reserves for the six months ended June 30, 2023 and $17.0 million attributed to net case reserves and $4.7 million attributed to net IBNR reserves for the six months ended June 30, 2022.

The following table provides a reconciliation of the beginning and ending count of loans in default:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Beginning default inventory	4,475	5,238	4,449	6,227
Plus: new defaults	1,417	1,069	2,975	2,232
Less: cures	(1,493)	(2,011)	(3,000)	(4,143)
Less: claims paid	(46)	(24)	(67)	(43)
Less: rescission and claims denied	(4)	(1)	(8)	(2)
Ending default inventory	4,349	4,271	4,349	4,271

The following table provides details of our claims paid, before giving effect to claims ceded under the QSR Transactions, for the periods indicated:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
	($ Values In Thousands)			
Number of claims paid [(1)]	46	24	67	43
Total amount paid for claims	$ 1,386	$ 471	$ 1,730	$ 873
Average amount paid per claim	$ 30	$ 20	$ 26	$ 20
Severity [(2)]	62 %	46 %	56 %	43 %

(1) Count includes 17 and 24 claims settled without payment during the three and six months ended June 30, 2023, respectively, and 10 and 16 claims settled without payment during the three and six months ended June 30, 2022, respectively.
(2) Severity represents the total amount of claims paid including claim expenses divided by the related RIF on the loan at the time the claim is perfected, and is calculated including claims settled without payment.

The following table shows our average reserve per default, before giving effect to reserves ceded under the QSR Transactions, as of the dates indicated:

	As of June 30,	
Average reserve per default:	2023	2022
	(In Thousands)	
Case [(1)]	$ 23.5	$ 21.3
IBNR [(1)(2)]	1.9	1.8
Total	$ 25.4	$ 23.1

(1) Defined as the gross reserve per insured loan in default.
(2) Amount includes claims adjustment expenses.

The following table provides a comparison of the PMIERs *available assets* and *risk-based required asset amount* as reported by NMIC as of the dates indicated:

	As of		
	June 30, 2023	March 31, 2023	June 30, 2022
	(In Thousands)		
Available Assets	$ 2,491,280	$ 2,480,882	$ 2,169,388
Risk-Based Required Assets	1,317,961	1,231,780	1,240,143