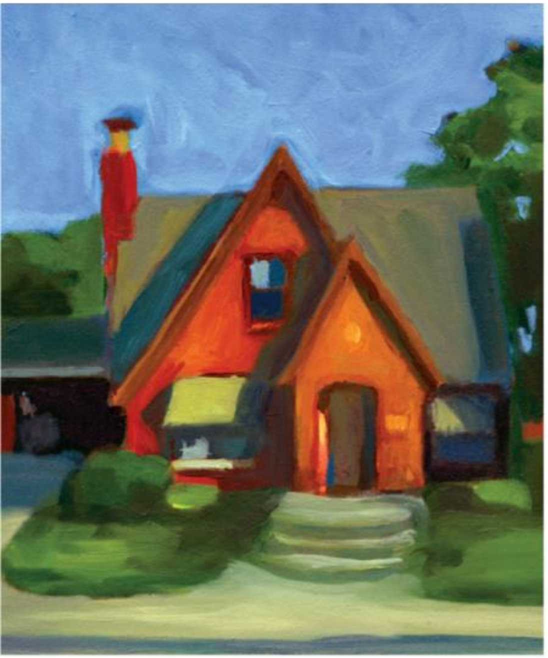
MGIC

KBW Mortgage Finance Conference

June 1, 2016



MGIC Investment Corporation (NYSE: MTG)

Forward Looking Statements and Risk Factors

As used in this presentation, "we," "our" and "us" refer to MGIC Investment Corporation's consolidated operations or to MGIC Investment Corporation, as the context requires, and "MGIC" refers to Mortgage Guaranty Insurance Corporation.

This presentation may contain forward looking statements. Our actual results could be affected by the risk factors that are summarized and appear at the end of this presentation. These risk factors may also cause actual results to differ materially from the results contemplated by any forward looking statements that we may make.

Forward looking statements consist of statements which relate to matters other than historical fact, including matters that inherently refer to future events. Among others, statements that include words such as "believe," "anticipate," "will" or "expect," or words of similar import, are forward looking statements.

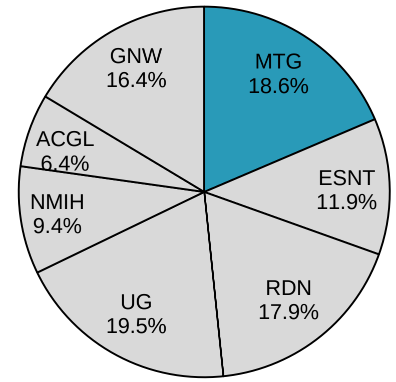
We are not undertaking any obligation to update any forward looking statements or other statements we may make even though these statements may be affected by events or circumstances occurring after the forward looking statements or other statements were made. No investor should rely on the fact that such statements are current at any time other than the time at which this presentation was prepared in May 2016.

MGIC is an Industry Leader

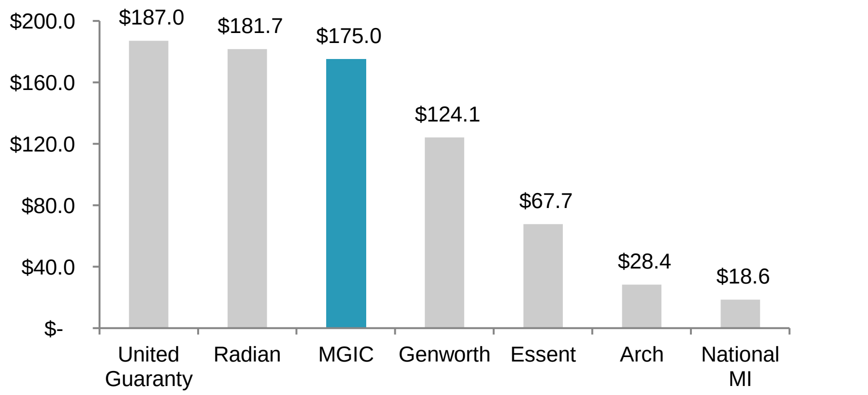
MGIC at a Glance

- Ready, willing and able to expand our role in a robust mortgage finance system
- Credit trends continue to develop favorably
- Exceptional customer service with industry-leading low expense ratio
- Experienced sales and operations staff supporting ~2,700 lenders
- Nearly 60 years of experience provides an unparalleled foundation for success
- Financial / Operating Statistics as of 3/31/16;
  - $4.8bn high quality investment portfolio
  - $69 million net income
  - $2.3bn shareholders' equity

Q1 2016 Market Share by NIW (1)



Q1 2016 Market Rank by Primary IIF ($bn) (2)



(1) Inside Mortgage Finance May 13, 2016
(2) Per company Q1 2016 earnings press release

Key Elements of MGIC’s Strategy

Continued MI Leadership

- Levered to improving macroeconomic and housing conditions
- Established market player positioned to take advantage of current environment
- Leading player in monthly/annual premium market
- Most diverse customer base in industry

Risk & Capital Management

- Stable and improving financial position
- Pre-crisis vintage losses declining on an absolute basis
- Comfortably exceed robust regulatory capital requirements (PMIERs and NAIC)
- Established strategic reinsurance relationships

Opportunities for Growth

- Household formations returning to historical norms
- Down payment major obstacle to home ownership
- Strong demand for low down-payment lending
- Exploring potential for additional risk sharing (deep cover MI) with GSEs

Insurance Subsidiary Dividends Expected to Provide HoldCo with Stable Cash Flow

MGIC

State Insurance Regulations Govern Dividend Payment Capability

MGIC Investment Corporation (NYSE:MTG)

- *HoldCo Cash & Investments: $265mm*
- *$55 million debt service (1)*

Mortgage Guaranty Insurance Corporation (MGIC)

- *Flagship Writing Company that collects premiums and pays credit losses*
- *$2.2 billion Statutory Capital*
    - *$500 million of Available Assets in excess of PMIERs requirement*
- *Can dividend to HoldCo without OCI approval if dividend is lesser of (1) adjusted statutory net income or (2) 10% of statutory surplus as of the prior year*
- *In April 2016, MGIC received approval from OCI to dividend $16mm to HoldCo*

Other Insurance Operations

- *Reinsurance affiliates*
- *Inactive insurance enterprises*

Non-Insurance Operations

- *MGIC Investor Services Corporation*
    - *Primarily contract underwriting*

1) Annual debt service includes $12 million that will be paid to MGIC

MGIC Investment Corporation
Q1 16 Financial Overview

MGIC

	3 Months Ending		% Change
	Mar-15	Mar-16	y/o/y
	(All Amounts Shown in Millions Except Where Indicated)		
Net Premium Earned	$ 217	$ 221	1.9%
Net realized investment gains	$ 26	$ 3	-88.4%
Total Revenues	$ 270	$ 259	-4.3%
Incurred Losses	$ 82	$ 85	3.9%
Loss on debt extinguishment	$ -	$ 13	
Pretax Income	$ 136	$ 104	-24.0%
Net Primary Paid Losses (excluding settlements)	$ 217	$ 166	-23.5%
Default Inventory (# of Units)	72,236	55,590	-23.0%
Investments (incl. Cash and Cash Equivalents)	$ 4,830	$ 4,814	-0.3%
Insurance in force (billions)	$ 166	$ 175	5.4%
Key Operating Metrics			
Loss Ratio (%)	37.6	38.4	
Expense Ratio (%)	16.4	16.9	
Statutory Risk to Capital - MGIC	13.7:1	12.3:1	

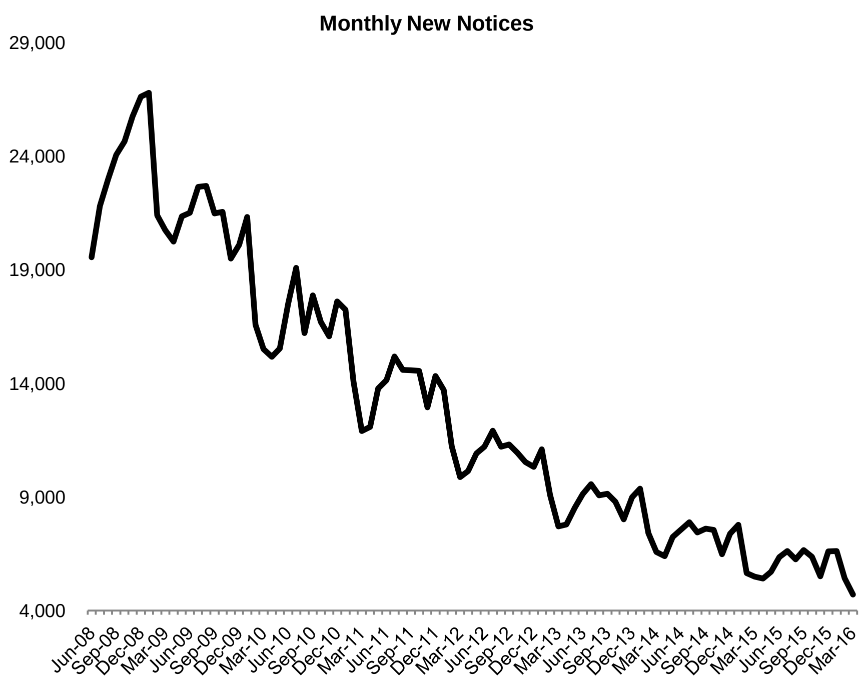
- ✓ Rating agency upgrades
  - ✓ MGIC upgraded to BBB from BB+ by S & P
  - ✓ MGIC upgraded to Baa3 from Ba1 by Moody's
- ✓ $69.2 million net income; P/L reflects GAAP tax provision but no cash payment required as deferred tax asset is consumed
- ✓ Key items impacting comparability of Q1 16 to Q1 15
  - ✓ Realized gains down $23 million
  - ✓ Less positive loss development $20 million
  - ✓ Loss on debt extinguishment $13 million
  - ✓ Other income $4 million higher
  - ✓ Income tax provision $31 million higher
- ✓ $1.1 billion statutory capital in excess of state requirement and $500 million of Available Assets in excess of GSE Minimum Required Assets
- ✓ ~$1.8 billion in loss reserves - average reserve/delinquent loan ~$30,300
- ✓ $16 million dividend paid from MGIC to MTG in April after receiving appropriate approval; expect recurring dividends

Source: Company filings, Company data

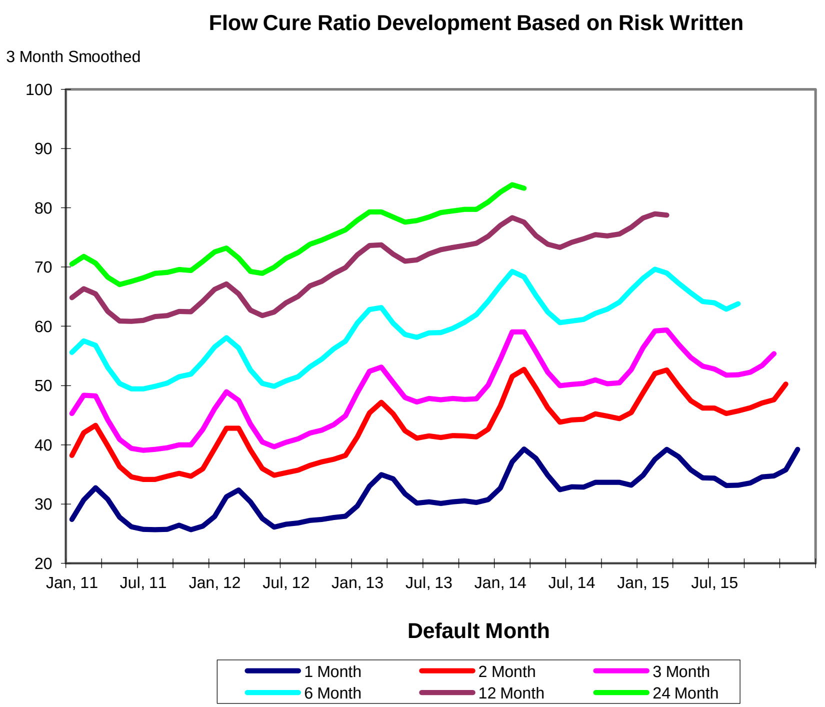
A Closer Look at Losses Incurred –
New Notices received in the Current Reporting Period

Claim rate and severity applied to new notice activity is the primary driver of current period losses incurred

Number of new delinquent notices received has been declining



Expect the claim rate on *new* notices to *gradually* move towards 10% from current levels of 12 – 13%



Excludes : Rescissions and Denials

Flow cure ratio development is calculated by taking the cumulative number of cures that occur red at each interval shown divided by the total number of delinquencies received in a given month.

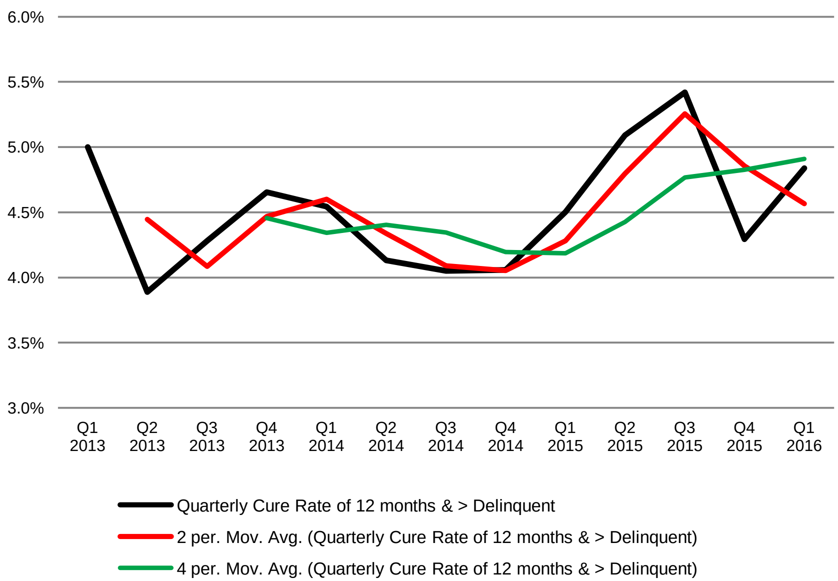
A Closer Look at Losses Incurred –

Reserve Development for Notices Received in Prior Periods

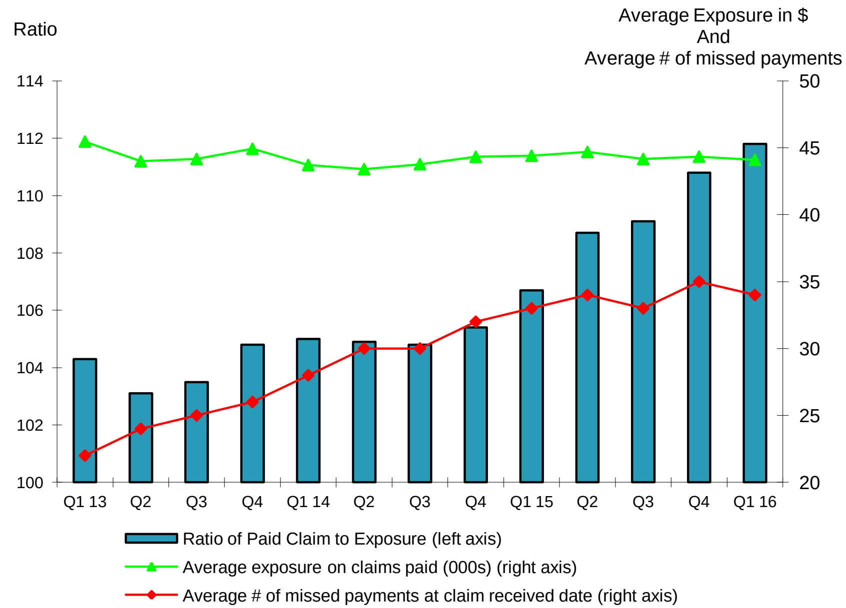
*A 100bp change in claim rate **and** a $1,000 change in severity applied to the **total** delinquent inventory would impact reserves by $68 million*(1)

- Reserve factors are adjusted as a result of analyzing multiple trends
- Ratio of paid claim amount to the exposure amount has increased as aged delinquents turn into claims
  - ~50% of delinquent inventory has been reported delinquent 12 months or more as of March 31, 2016
  - ~25% of delinquent inventory has been reported delinquent 36 months or more as of March 31, 2016

12 months or more delinquent Quarterly Cure Rate Trends (2)



Claim Payment Trends



1. *As of December 31, 2015 and includes approximately $2 million associated with pool loss reserves*
2. *Quarterly cure rate is the ratio of the number of loans that were 12 payments or more delinquent at the beginning of each period shown that were reported cured at the end of the same period / divided by the total number of loans that were delinquent 12 or more months as of the beginning of the period shown*

Positive Business Trends

as of March 31, 2016

MGIC

Legacy Credit Continues to Improve

- Default inventory down 23% y/o/y
- 11% fewer new delinquency notices received Q1 16 v. Q1 15
- Claim rate applied to new notices improved as economic and housing conditions continue to improve
- 2009 and > generating ~10% of credit losses
- Supportive economic and housing market fundamentals

Growing Insurance in Force with Industry-leading Low Expense Ratio

- $8.3 billion of NIW in Q1 16; predominantly BPMI
- 2009 and > plus HARP is ~77% of Insurance in Force
- Insurance in Force up 5% y/o/y
- Industry low expense ratio
- Supportive household formation and first time home buyer fundamentals

Increasing Financial Strength and Flexibility

- MGIC has $2.2 billion of statutory capital; $1.1 billion in excess of minimum required by state regulator
- Consistently generating net income
- Shareholder equity for MTG totaled $2.3 billion
- $265 million of cash and investments at holding company
- Strategic relationships with reinsurance partners

Leverage our customer experience to prudently grow insurance in force, while achieving acceptable returns

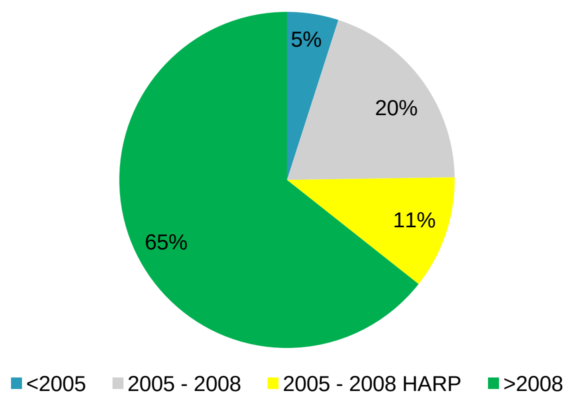
Positive Business Trends

as of March 31, 2016

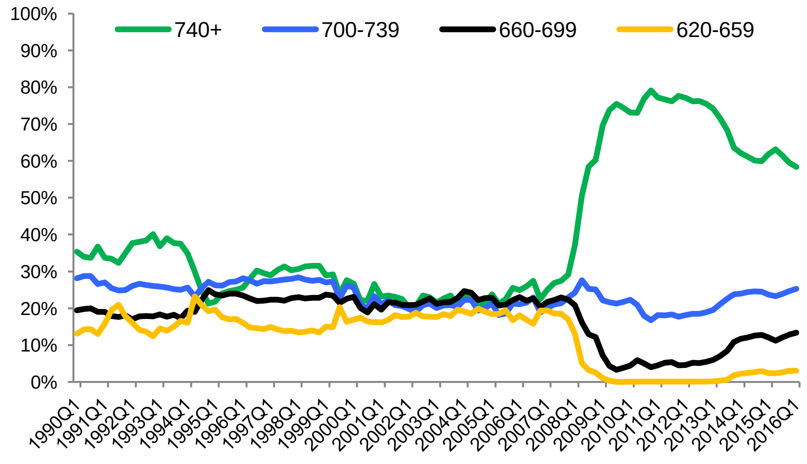
MGIC

Risk in Force as of 3/31/2016

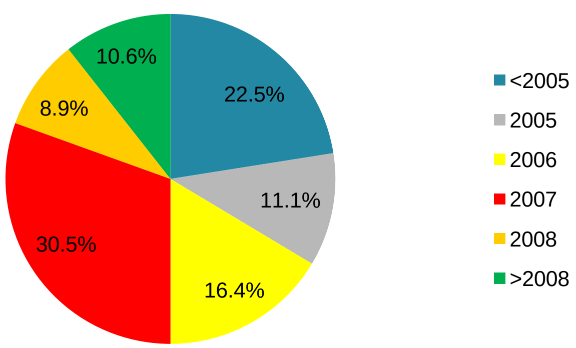
$45.6 Billion



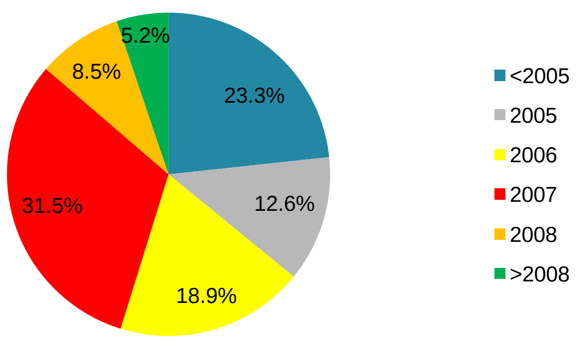
New Insurance Written By FICO Score



New Notices Received in Q1 2016



Primary Delinquent Inventory

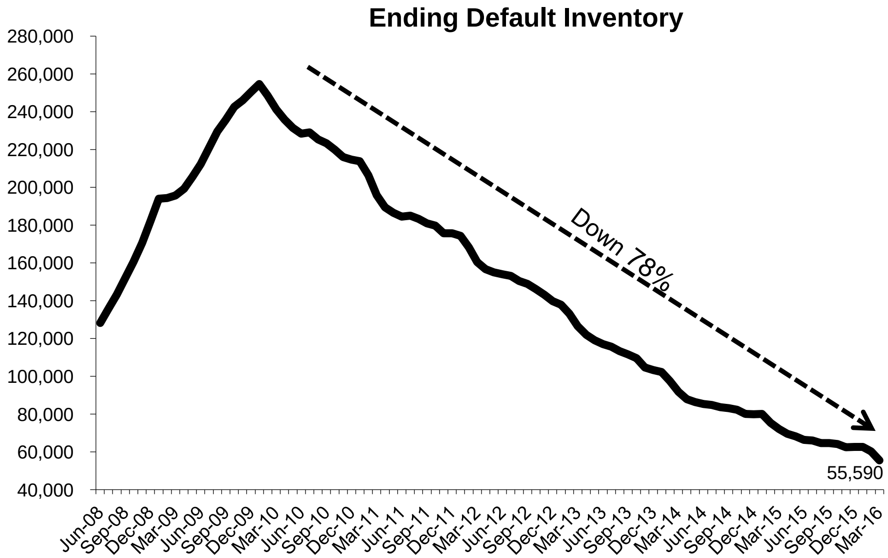


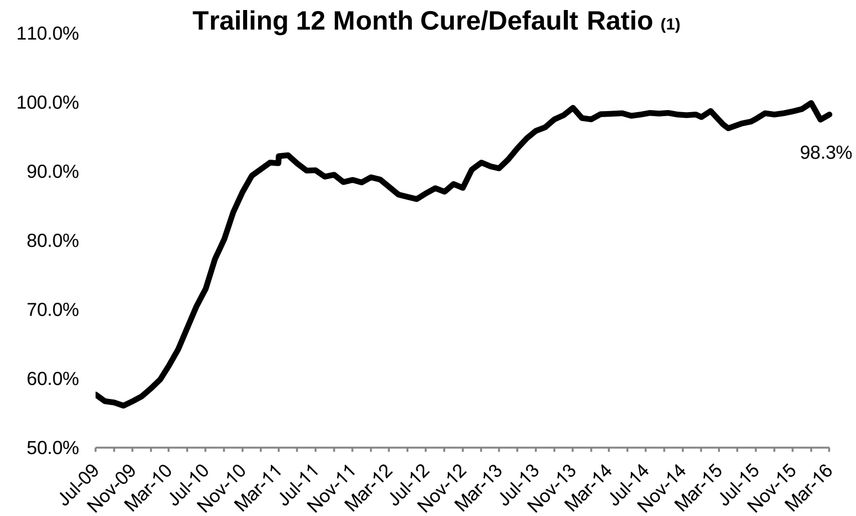
Source: Company filings, Company data

Positive Business Trends

as of March 31, 2016

MGIC





- ✓ *New notices of default down 11% y/o/y @ 3/31/16*
  - *~90% of new notices from 2008 and earlier books*
- ✓ *Default inventory declined 23% y/o/y @ 3/31/16*
  - *95% of default inventory from 2008 and earlier books*
- ✓ *~83% of Q1 2016 new notices are prior delinquencies*

1. Trailing 12 month cure/default ratio is the sum of the last 12 month's cures / the sum of the last 12 month's new notices of default

Attractive In-Force Book

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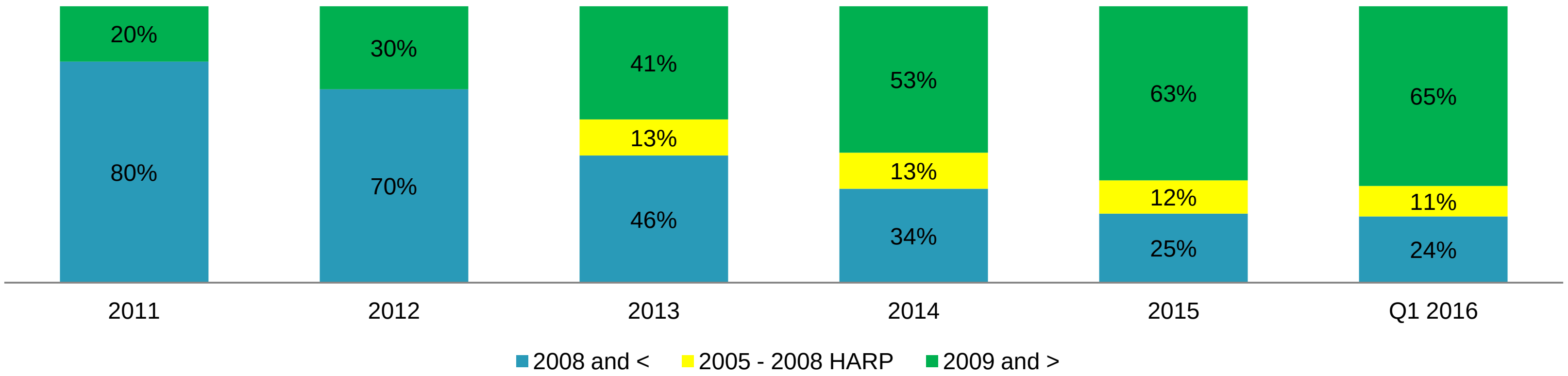
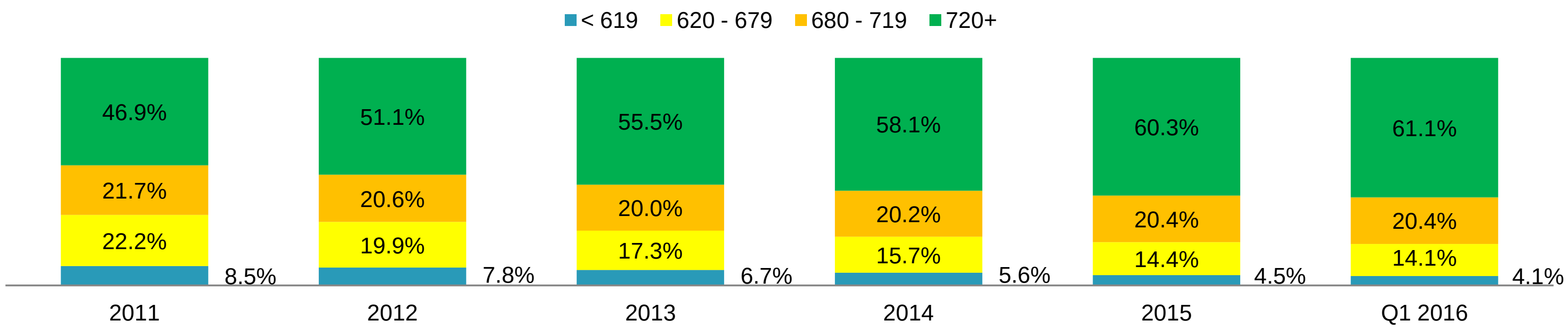
Composition of Primary Risk in Force by Vintage



Direct Primary RIF ($bn)	$44.5	$41.7	$41.1	$42.9	$45.5	$45.6

Composition of Primary Risk in Force by FICO Score At Time Of Orignation

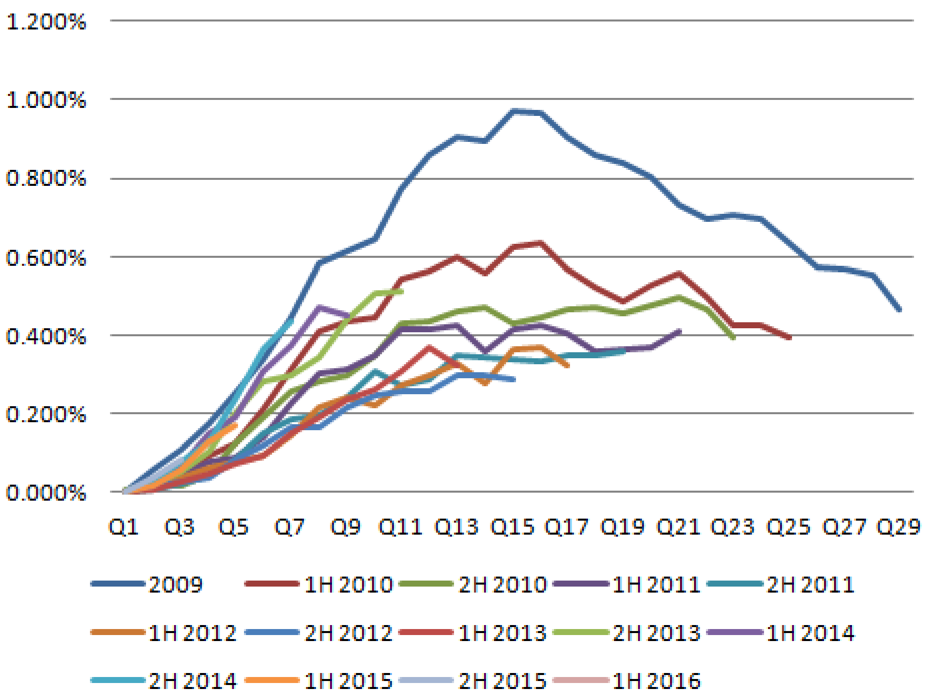


Source: Company filings, Company data

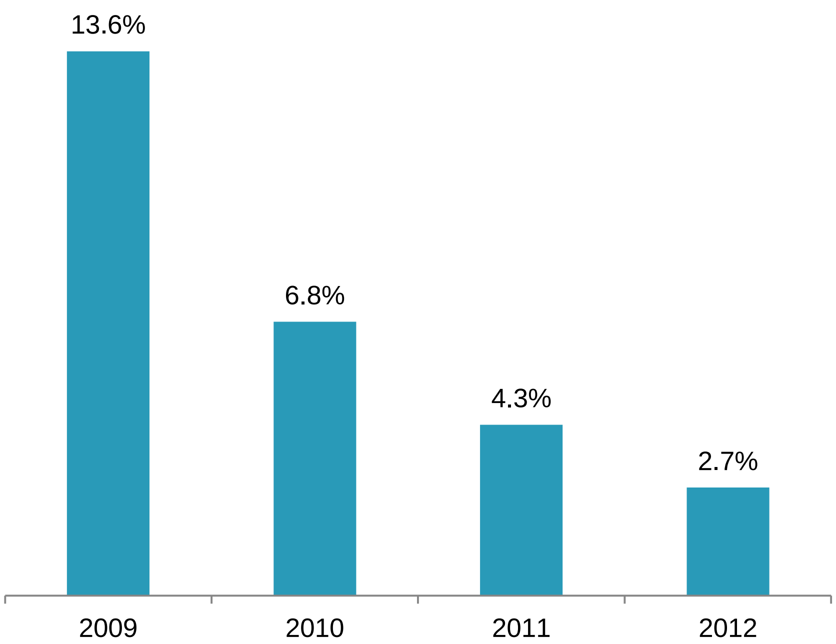
High Quality Business Contained in 2009 and Forward Books

MGIC

Static Pool Delinquency Rates[1] (Based on Loan Count)



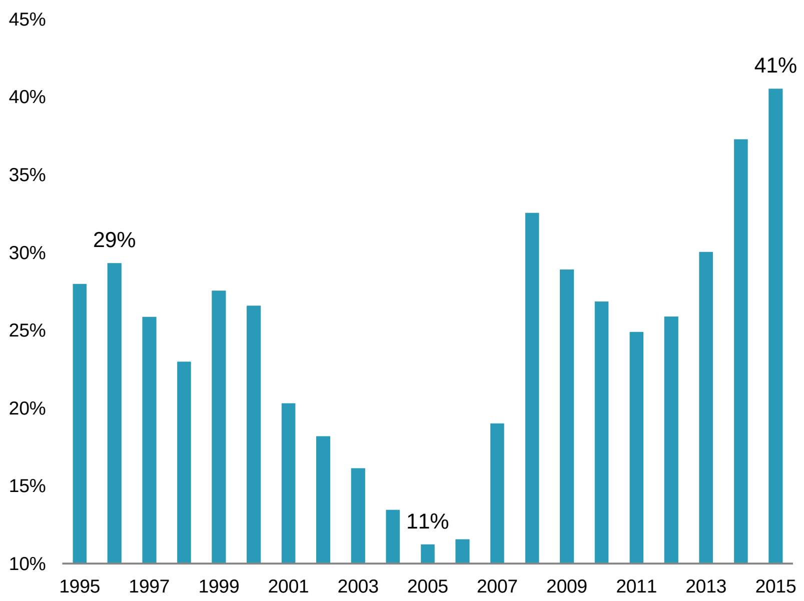
Ever to Date Loss Ratio[2]



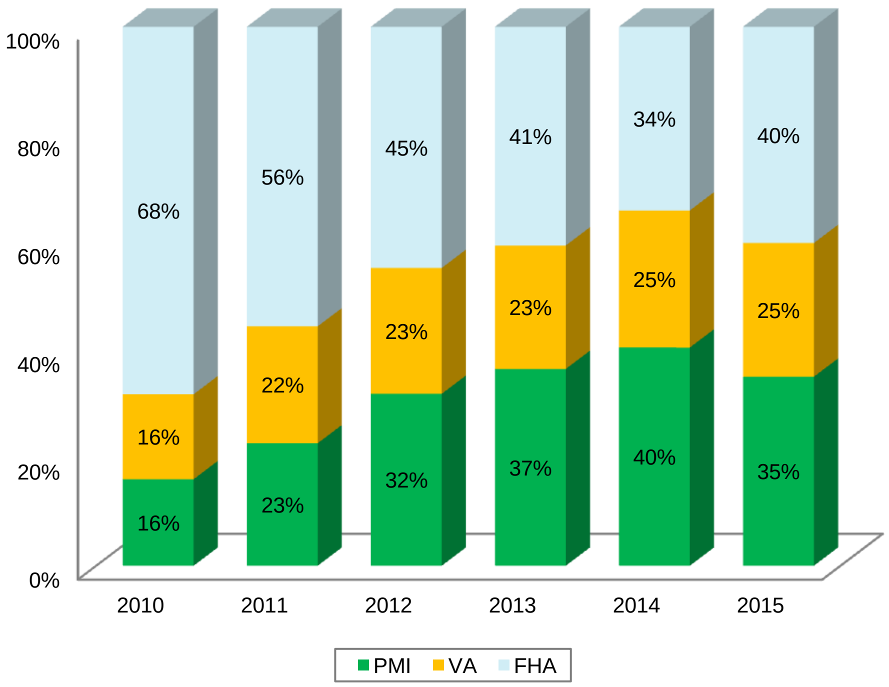
1. *Static Pool Delinquency Rates = (total number of delinquent loans at the end of the stated reporting period) / (original number of loans insured in the 6 month periods shown), 2009 is based on the full year .*
2. *Ever to date loss ratio is the sum of paid losses plus established primary loss reserves (not including IBNR)divided by net premiums earned for each book year shown as of December 31, 2015.*

High LTV Lending Trends

Low Down Payment (High LTV) Loans as % of Total Market (1)



Low Down Payment MI Market Share (2)



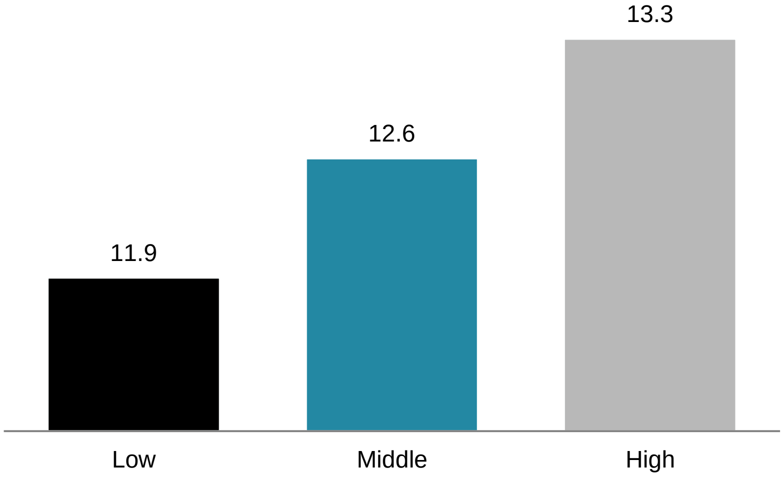
1) *Insured loans equals the total dollar volume of PMI, FHA and VA insurance issued in that period as a percentage of total originations for the same period as reported by Inside Mortgage Finance*
2) *Source: Inside Mortgage Finance*

Demographic Drivers of Demand

MGIC

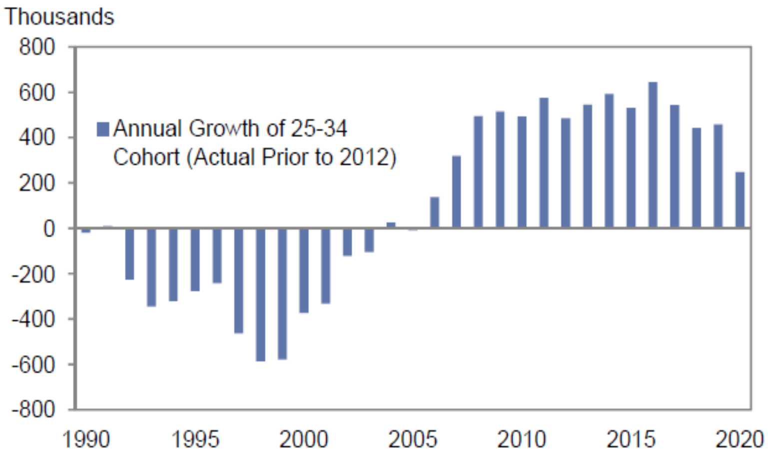
Avg. Annual # of New Households 2014 - 2024

Growth Estimates (millions)



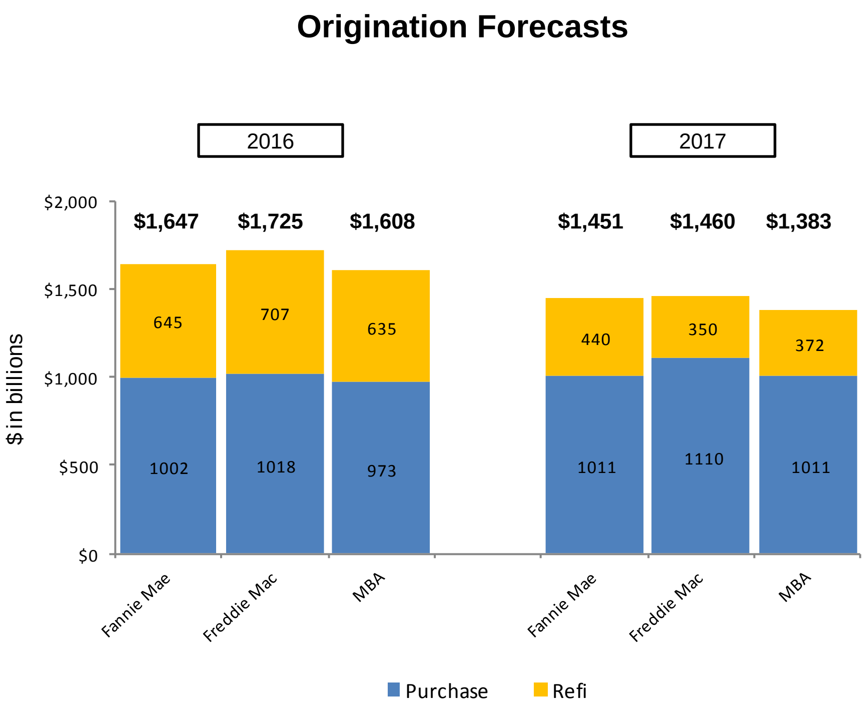
Annual Growth of 25 – 34 Year Olds

A large increase in the 25 – 34 year old cohort



*Source: **Goldman Sachs; Joint Center for Housing Studies Harvard University, Baseline Household Projections for the Next Decade and Beyond March 2014; Census Bureau***

Mortgage Origination Outlook



- ✓ Housing remains affordable
- ✓ 2016 origination forecasts range from $1.6 to $1.7 trillion
- ✓ 2017 GSEs and MBA all forecasting an increase in purchases offset by decrease in refinances
- ✓ Decreasing distressed and cash sales
- ✓ Good environment for Private MI

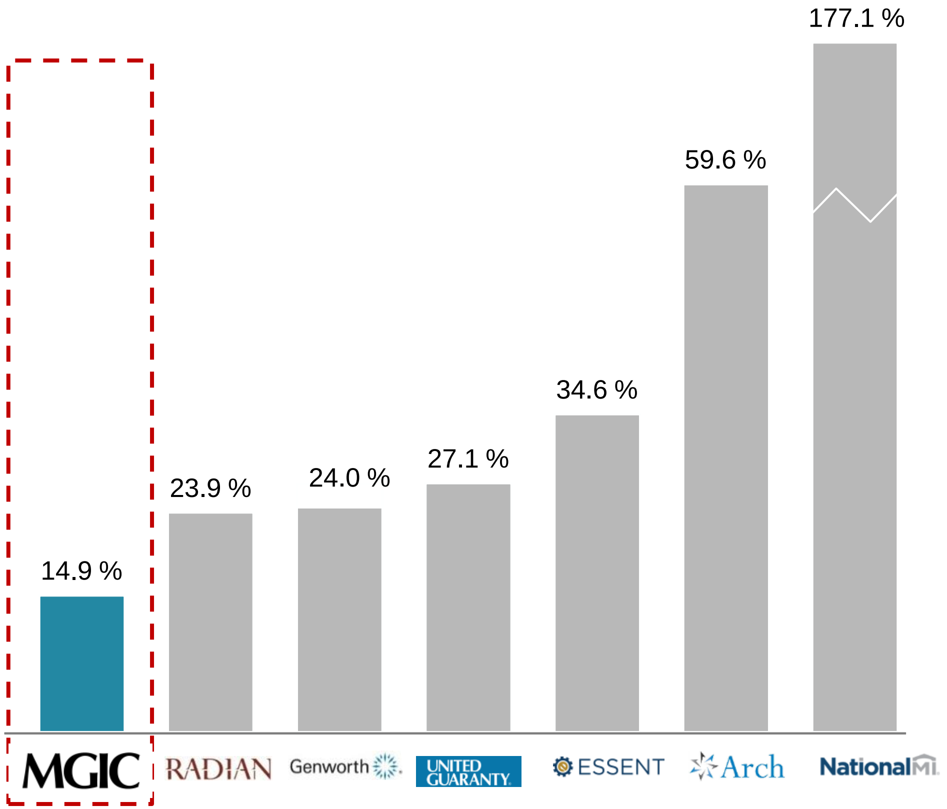
Source: As of May 2016; Fannie Mae, Freddie Mac, and MBA

MGIC is Well Positioned to Take Advantage of the Current Environment

MGIC's Strong Positioning

- Industry's lowest expense ratio
- Focused on monthly premium business, in which MGIC estimates its market share is ~20%
- Strong relationships with large, diverse customer base
  - ~2,700 master policy holders delivered insurance in 2015
  - No single customer comprises more than 6% of new business YTD 2016
  - Top 25 customers deliver ~40% of new business YTD 2016
  - Established sales force with long term relationships with key customers

2015 Expense Ratio[1]



Source: Company Filings as of December 31, 2015

1. Expense Ratio for MGIC is for insurance operations only; expense ratio for peers as disclosed in quarterly earnings press releases

Current Debt Structure

MGIC

	03/31/2016		% of Total Capitalization	Coupon	Maturity	Tranche Ratings
Convertible Senior Note	$	195		5.000%	1-May-17	- / BB
Convertible Senior Note	$	491		2.000%	1-Apr-20	- / BB
Convertible Junior Sub. Debentures (1)	$	257		9.000%	1-Apr-63	B1 / B+
Holding Company Debt	**$**	**943**	**27.4%**			
Cash and Cash Equivalents at Holding Company	$	265				
Net Debt Outstanding at Holding Company	**$**	**678**	**20.1%**			
Fixed Rate Advance from FHLBC	$	155		1.910%	10-Feb-23	
Total Debt Outstanding	**$**	**1,098**	**31.9%**			
Shareholders' Equity	$	2,343	68.1%			
Total Capitalization (Debt + Equity)	**$**	**3,441**	**100.0%**			

$195 million
5% Convertible Senior Notes
May 2017 Maturity
Conversion Price: $13.44
~$10mm annual debt service

- MTG repurchased $138 million in Q1 16
- Current plan is to repay at maturity
- Lowers leverage ratio and minimizes dilution
- Utilizes holding company resources
- Earlier action possible depending on shareholder value equation
- 14.5 million shares, if converted

$500 million
2% Convertible Senior Notes
April 2020 Maturity
Conversion Price: $6.95
~$10mm annual debt service

- Trading like equity given conversion price
- Can force conversion in April 2017 if stock price is $9.03 or >
- Forcing conversion lowers leverage ratio and debt service costs; preserves holding company resources
- 71.9 million shares if converted

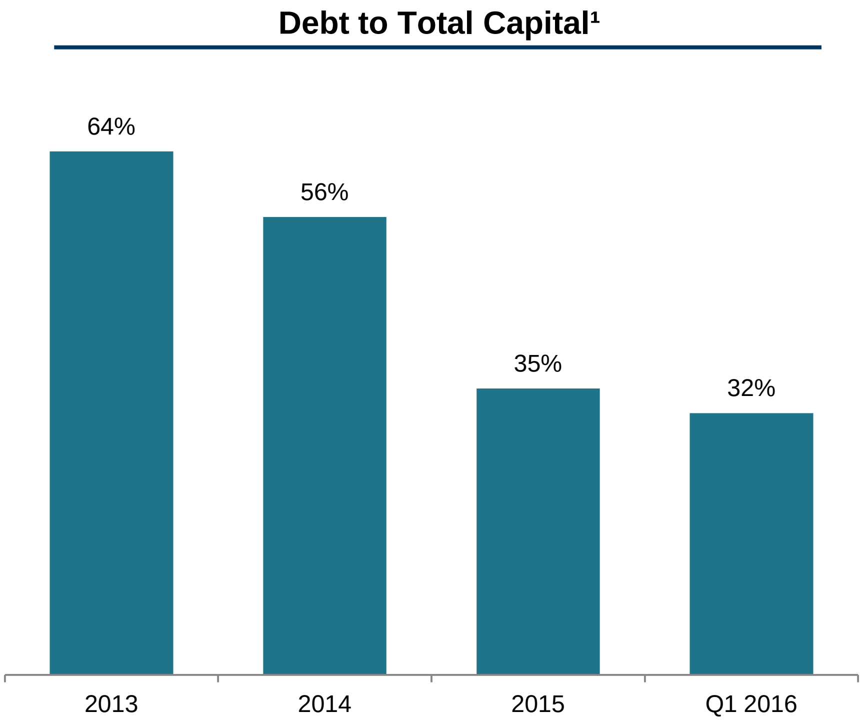
$257 million (net of $133 million held by MGIC)
9% Junior Subordinated Debentures
April 2063 Maturity
Conversion Price: $13.50
~$23mm annual debt service (net of $12 mm payable to MGIC)

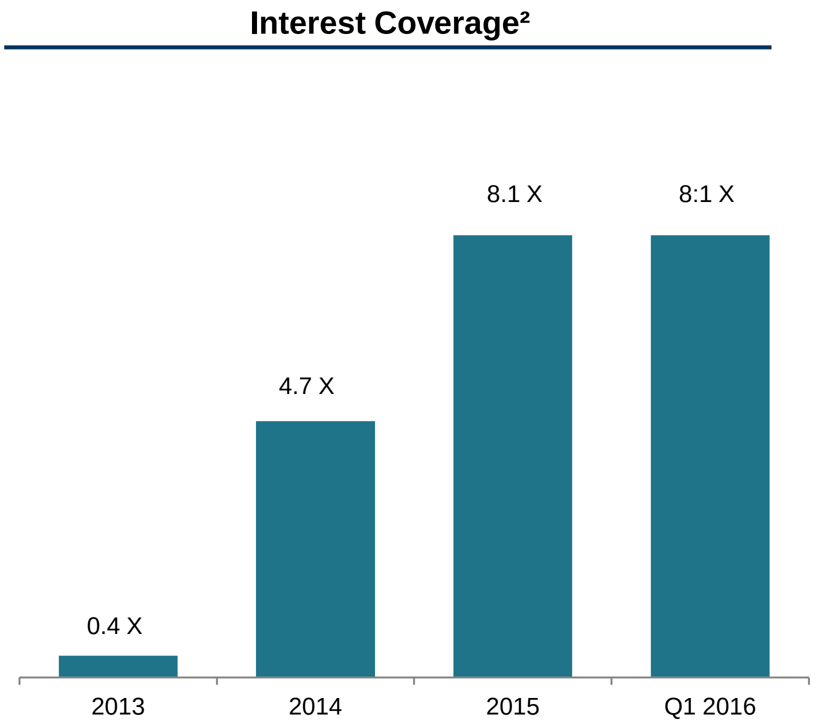
- MGIC repurchased $133 million of MTG debt in Q1 16
- Continue to service debt
- Opportunistically seek ways to restructure in a manner that adds to long term shareholder value
- 19.0 million shares if converted

1. *Convertible Junior Debentures excludes the $133 million that is still outstanding and owned by MGIC as it has been eliminated from the consolidated GAAP financial statements of MTG*

Strong Financial Profile Consistent with Investment Grade Credit Metrics

MGIC





- ***$265mm of HoldCo liquidity as of March 31, 2016***
- ***~$64mm of expected dividends from MGIC in 2016***

1. *Total debt outstanding / Total debt outstanding plus shareholders' equity as of each year end shown*
2. *Interest Coverage is equal to income before tax plus interest expense / interest expense as shown on consolidated GAAP income statement. Interest expense excludes interest due to MGIC from MTG on the $133 million that is still outstanding and owned by MGIC as it has been eliminated from the consolidated GAAP financial statements of MTG*

Summary

MGIC

- **Financial position**
  - Solid statutory capital position
  - 2009 – Q1 2016 or “new” books are very profitable
    - New books plus HARP account for ~76% of Primary RIF
  - Generating GAAP profits; Growing insurance in force and premiums
  - Declining losses
  - Reinsurance increases capital strength and financial flexibility

- **Established market player in a proven industry**
  - Solid market share within industry
  - Lowest expense ratio in industry
  - Experienced sales and underwriting organization
  - ~2,700 lenders purchase insurance from MGIC

- **Growth opportunities**
  - Purchase market remains strong/Pent up demand
  - Need and demand for low down-payment lending
  - Possible risk sharing with GSEs, FHA, and VA
  - Eventual return of non-GSE market

- **Regulatory environment**
  - Clarified eligibility criteria with GSEs
  - Congressional Activity
    - FHA
    - GSEs
  - NAIC exposure draft of the Mortgage Guaranty Insurance Risk-Based Capital and the Loan-level Cash-flow Models
  - Focus is on expanding access to credit

Summary of Risk Factors

- ***Competition or changes in our relationships with our customers could reduce our revenues, reduce our premium yields and / or increase our losses.***
- ***The amount of insurance we write could be adversely affected if lenders and investors select alternatives to private mortgage insurance.***
- ***Changes in the business practices of the GSEs, federal legislation that changes their charters or a restructuring of the GSEs could reduce our revenues or increase our losses.***
- ***We may not continue to meet the GSEs' private mortgage insurer eligibility requirements and our returns may decrease as we are required to maintain more capital in order to maintain our eligibility.***
- ***The benefit of our net operating loss carryforwards may become substantially limited.***
- ***We are involved in legal proceedings and are subject to the risk of additional legal proceedings in the future.***
- ***We are subject to comprehensive regulation and other requirements, which we may fail to satisfy.***
- ***Resolution of our dispute with the Internal Revenue Service could adversely affect us.***
- ***Because we establish loss reserves only upon a loan default rather than based on estimates of our ultimate losses on risk in force, losses may have a disproportionate adverse effect on our earnings in certain periods.***
- ***Because loss reserve estimates are subject to uncertainties, paid claims may be substantially different than our loss reserves.***
- ***We rely on our management team and our business could be harmed if we are unable to retain qualified personnel or successfully develop and/or recruit their replacements.***
- ***Loan modification and other similar programs may not continue to provide substantial benefits to us.***
- ***If the volume of low down payment home mortgage originations declines, the amount of insurance that we write could decline, which would reduce our revenues.***
- ***State capital requirements may prevent us from continuing to write new insurance on an uninterrupted basis.***
- ***Downturns in the domestic economy or declines in the value of borrowers' homes from their value at the time their loans closed may result in more homeowners defaulting and our losses increasing, with a corresponding decrease in our returns.***
- ***The mix of business we write affects the likelihood of losses occurring, our Minimum Required Assets under the PMIERs, and our premium yields.***
- ***The premiums we charge may not be adequate to compensate us for our liabilities for losses and as a result any inadequacy could materially affect our financial condition and results of operations.***
- ***We are susceptible to disruptions in the servicing of mortgage loans that we insure.***
- ***Changes in interest rates, house prices or mortgage insurance cancellation requirements may change the length of time that our policies remain in force.***
- ***Your ownership in our company may be diluted by additional capital that we raise or if the holders of our outstanding convertible debt convert that debt into shares of our common stock.***
- ***Our holding company debt obligations materially exceed our holding company cash and investments.***
- ***We could be adversely affected if personal information on consumers that we maintain is improperly disclosed and our information technology systems may become outdated and we may not be able to make timely modifications to support our products and services.***

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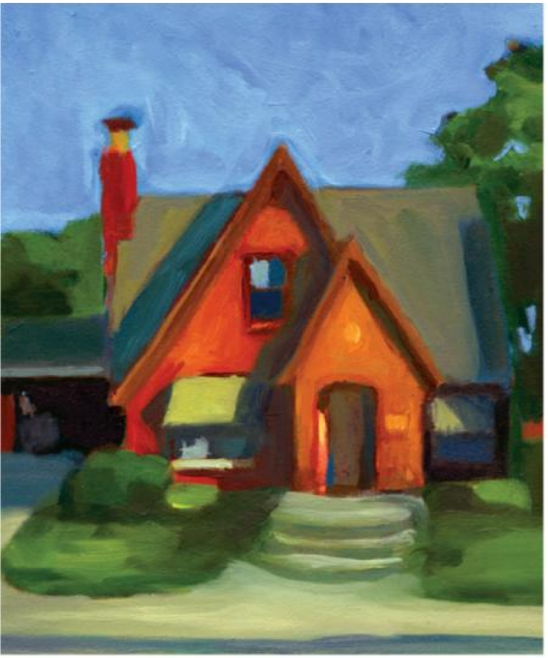

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