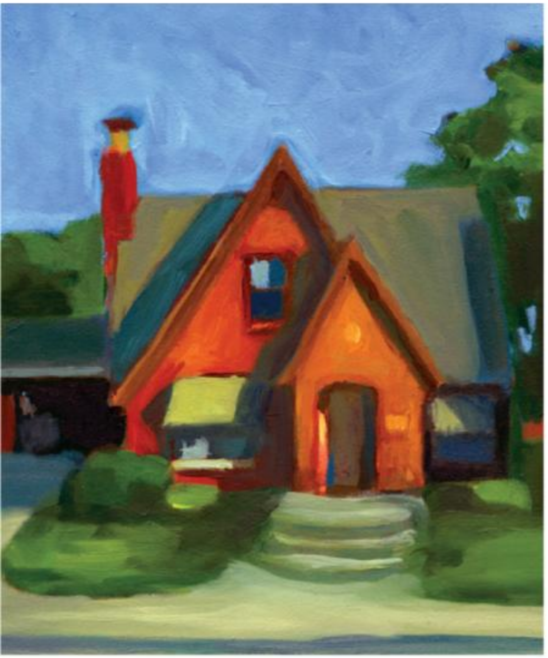
MGIC



Barclay's Global Financial Services Conference
September 17, 2015

MGIC Investment Corporation (NYSE: MTG)

Forward Looking Statements and Risk Factors

As used below, “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 August 2015.

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Private Mortgage Insurance Is Prepared for the Future

MGIC

Tested

- In a home price decline worse than the Great Depression, mortgage insurers served their role as the absorber of first-loss risk, paying over $50 billion in claims since 2007

Strengthened

- $6.5 billion new capital raised by existing companies beginning in 2007
- $1.4 billion new capital raised by new entrants
- Reinsurance transactions

Building for the Future

- New Master Policy
- New GSE Eligibility Requirements

MGIC Investment Corporation Overview

MGIC

✓ Who we are

- The nation's oldest private mortgage insurer, with insurance in force of $168.8 billion
- In 1957 Max Karl founded the modern MI industry and MGIC in Milwaukee, WI
- ~800 employees, including an experienced sales and underwriting team covering the U.S. and other locations

✓ What we do

- Take ***first-loss*** credit position on low down payment residential mortgages
- ***Reduce*** cost for borrowers and promote risk-sharing compared to FHA
- Enable ***private*** investment in mortgage credit risk
- Provide ***long term*** credit enhancement options to investors in mortgages

✓ What we are focused on

- Expanding opportunities for responsible borrowers to achieve and sustain homeownership
- Maximizing the amount of new business written while maintaining rational underwriting guidelines and pricing for appropriate returns for the credit risk undertaken
- Mitigating losses in a professional and responsible manner
- Maintaining industry leading cost advantage

MGIC Investment Corporation
1H 2015 Financial Overview

`	6 Months Ending				% Change
		Jun-14		Jun-15	y/o/y
	(All Amounts Shown in Millions Except Where Indicated)				
NIW (billions)	$	13.5	$	20.8	54.1%
Net Premium Written	$	431	$	461	6.9%
Total Revenues	$	466	$	513	10.1%
Incurred Losses	$	264	$	172	-34.8%
Net Income (Loss)	$	106	$	247	133.9%
Paid Losses	$	643	$	454	-29.4%
Default Inventory (# of Units)		85,416		66,357	-22.3%
Investments (incl. Cash and Cash Equivalents)	$	4,974	$	4,768	-4.1%
Loss Reserves	$	2,676	$	2,111	-21.1%
Key Operating Metrics					
Loss Ratio (%)		62.5		39.9	
Expense Ratio (%)		15.0		15.7	
Statutory Risk to Capital - MGIC		15.2:1		13.2:1	
Insurance in Force (billions)		159.3		168.8	
Persistency %		82.4		80.4	

- ✓ $247 million net income
  - Risk to capital improves to 13.2:1
- ✓ 1H15 market share ~20%
  - $21 billion NIW
  - Insurance in force grows 6% y/o/y
- ✓ Incurred losses down 35% y/o/y
  - ~$2.1 billion in loss reserves - average reserve/delinquent loan ~$30,000
  - New notices down / higher cure rate applied to new notices
- Maintained low expense ratio

MGIC Investment Corporation
Investment Portfolio Overview

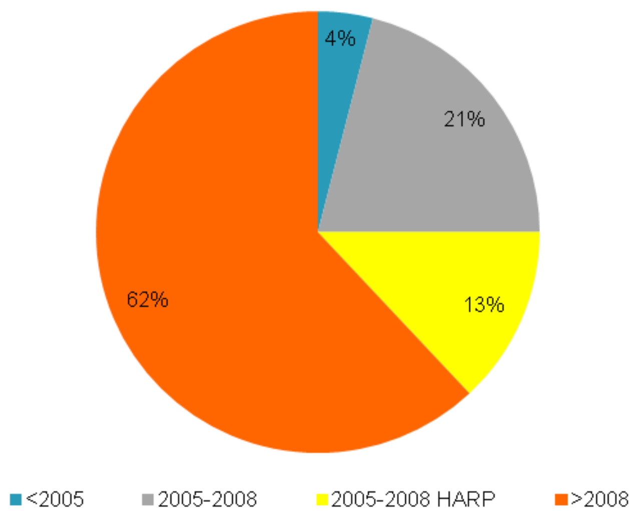
- $4.8 billion as of June 30, 2015 including $463 million at holding company
- 100% Investment Grade,
  - ~81% with an underlying rating of “A” or better
- Effective Duration of 4.4 years (excludes cash and cash equivalents)
- Imbedded pre-tax yield, based on book value, is 2.4%

>2008 + HARP Now ~70% of In Force

Risk in Force as of 06/30/2015

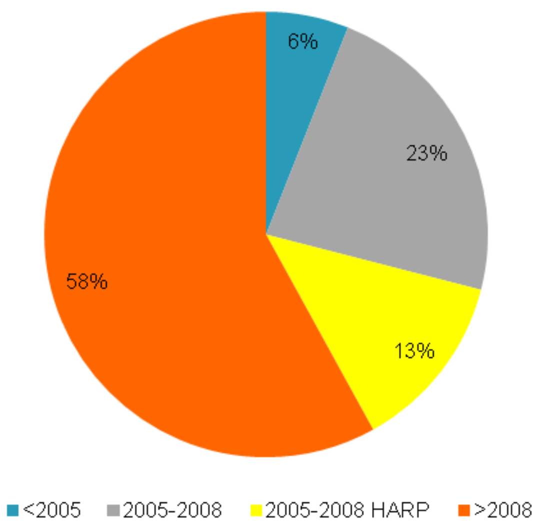
Flow

Total RIF: $40.8 billion



Total

Total RIF: $44.0 billion

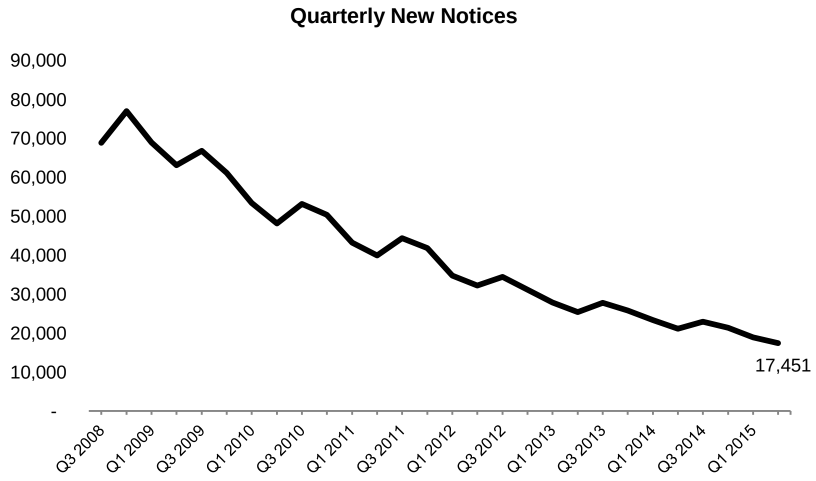


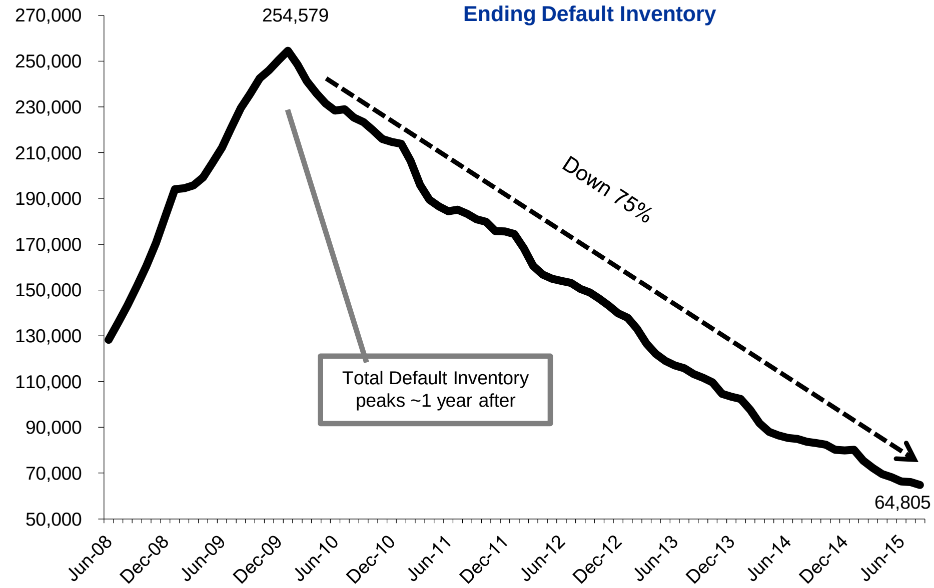
Source: Company data

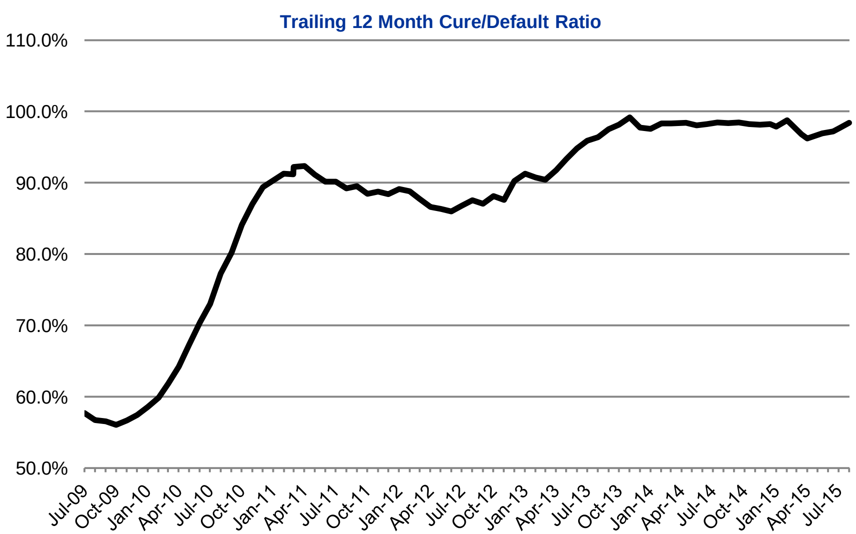
Note: Risk in force is before reinsurance. Includes bulk in force, which has been in run-off since 2008.

Positive Credit Trends

MGIC





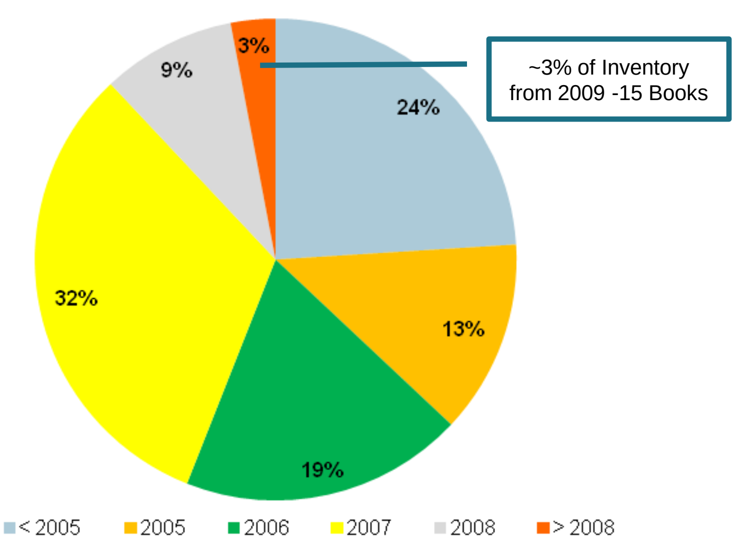


- ✓ *Approximately 85% of 1h 2015 new notices are prior delinquencies*
- ✓ *Delinquent inventory declined 22% y/o/y @ 6/30/15*
- ✓ *Claims received down 28% y/o/y @ 6/30/15*
- ✓ *Paid losses down 29% y/o/y @ 6/30/15*

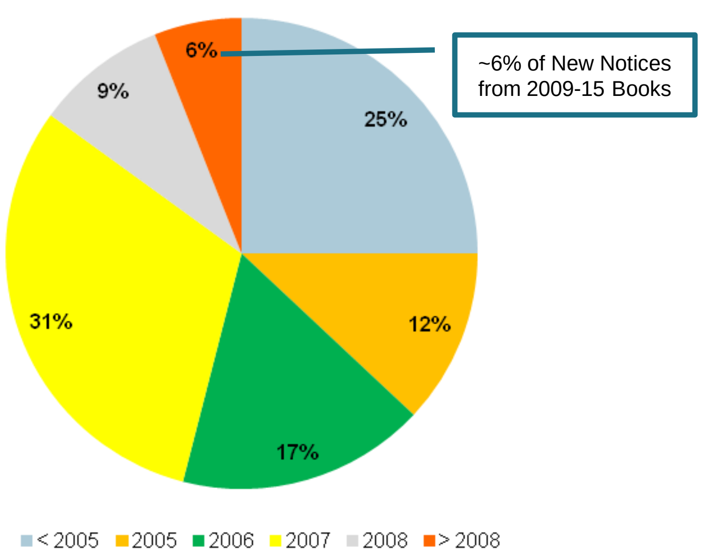
(1) Trailing 12 month cure/default ratio is the sum of the last 12 month's cures / the sum of the last 12 month's new notices of default

2009 and Forward Generating Low Level of Delinquencies

Primary Delinquent Inventory Q2 2015



New Notices Received in Q2 2015



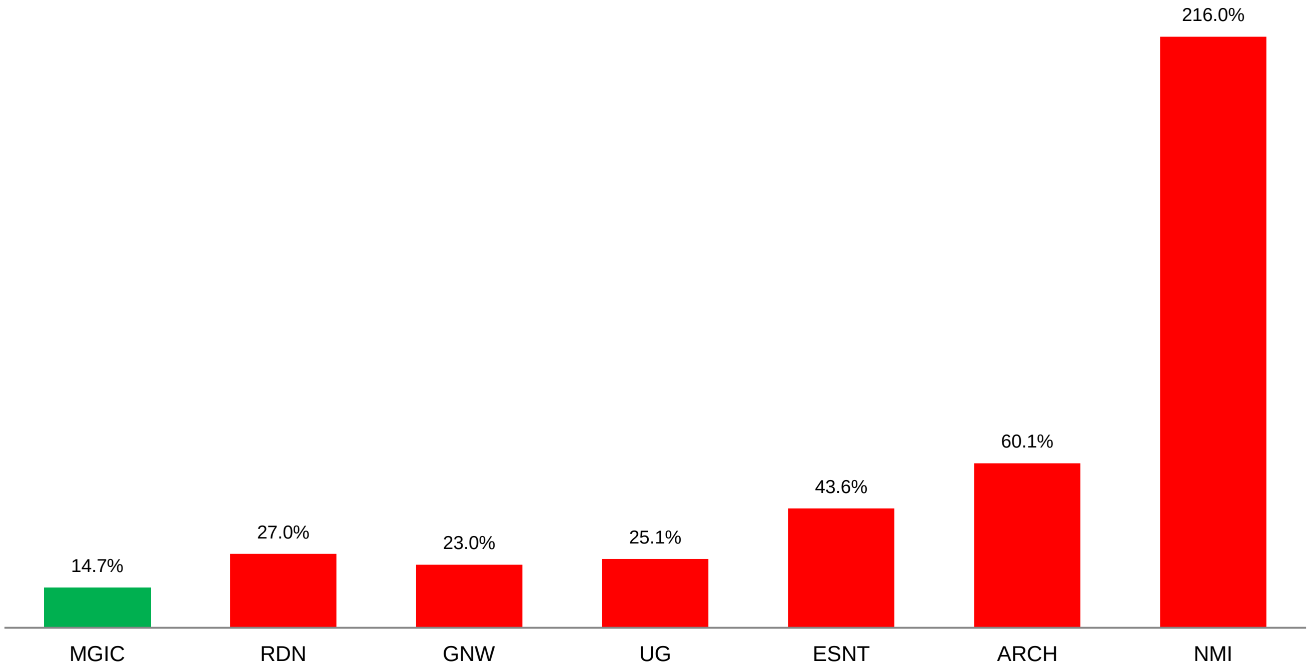
Source: Company data

Note: Risk in force is before reinsurance. Includes bulk in force, which has been in run-off since 2008.

MGIC is Maintaining Cost Advantages

MGIC

Highly Efficient and Low Cost Platform (1)

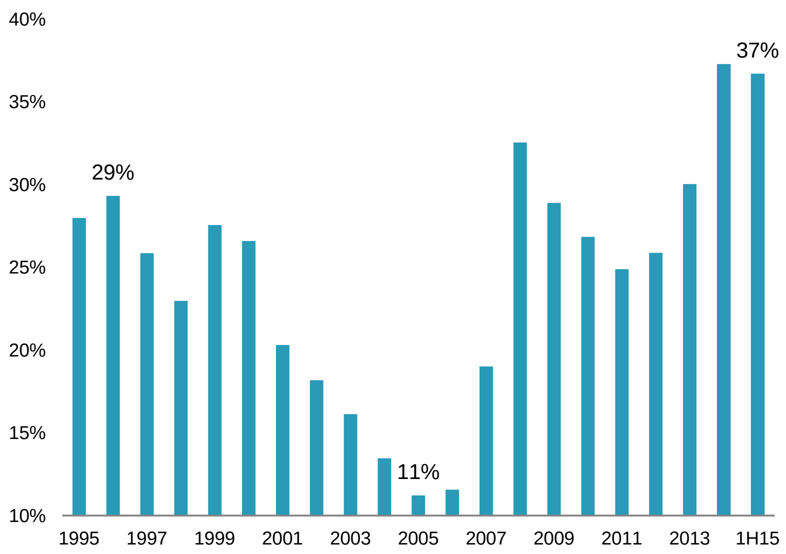


MGIC 1H 15 Expense Ratio 15.7%

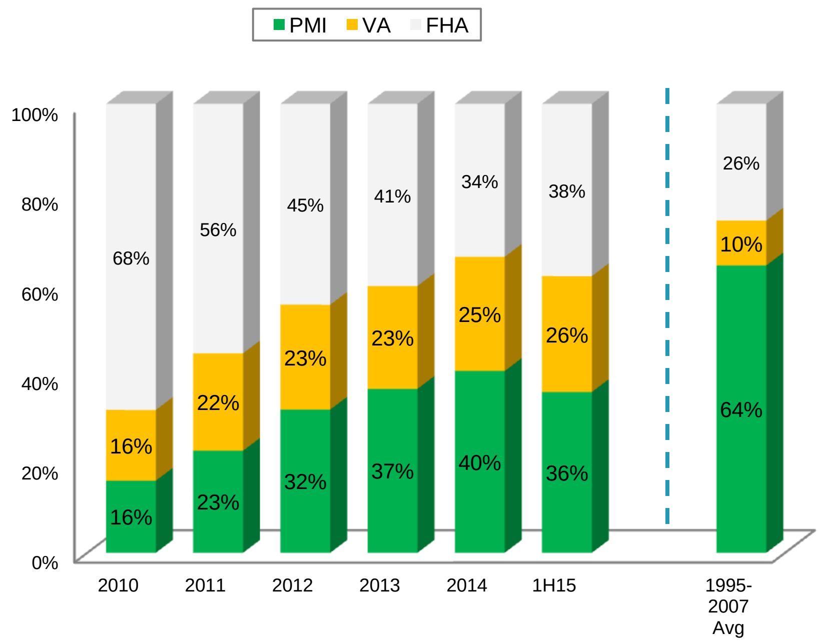
1) 2014 Full Year Expense Ratio for MGIC is for insurance operations only; FY 2014 Expense Ratio for RDN, GNW, UG, ESNT, ARCH and NMI as disclosed in press releases

New Business Trends

Insured Loans as % of Total Market (1)



Low Down Payment MI Market Share (2)

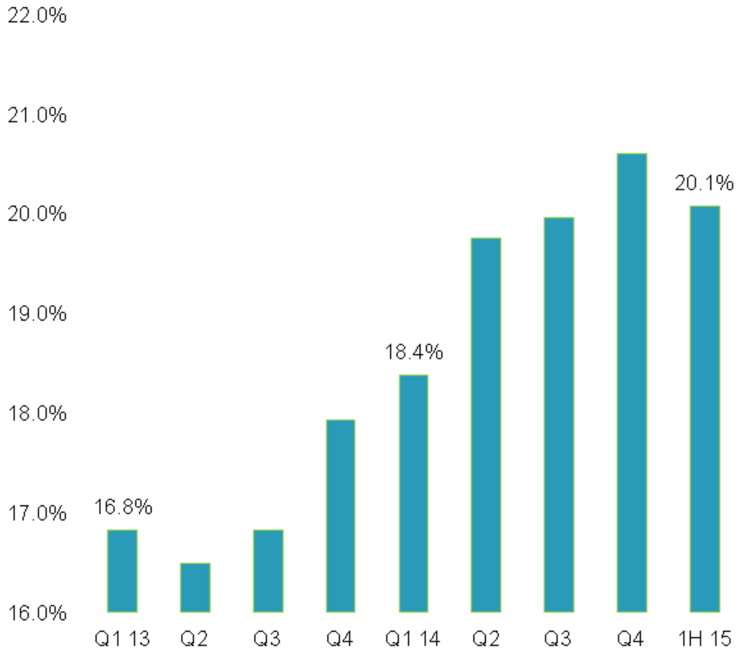


1) *Insured loans equals the total dollar volume of PMI, FHA and VA insurance issued in that period as a percentage of total originations for the same period as reported by Inside Mortgage Finance*
2) *Source: Inside Mortgage Finance*

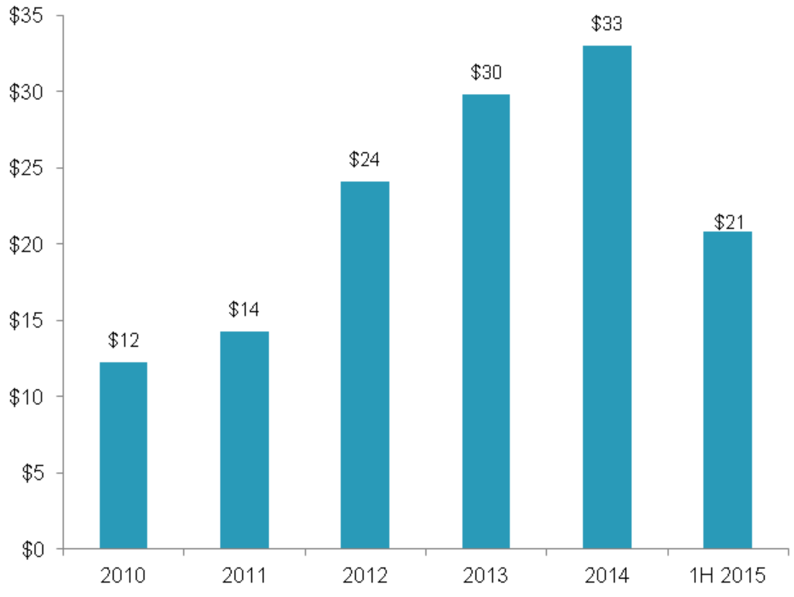
New Business Trends

MGIC

MGIC Market Share of NIW(1)



Total NIW *(Billions)*



$8.5 billion of NIW in July/August 2015

1) Source: MGIC and Inside Mortgage Finance, not including HARP

Reinsurance Overview

MGIC

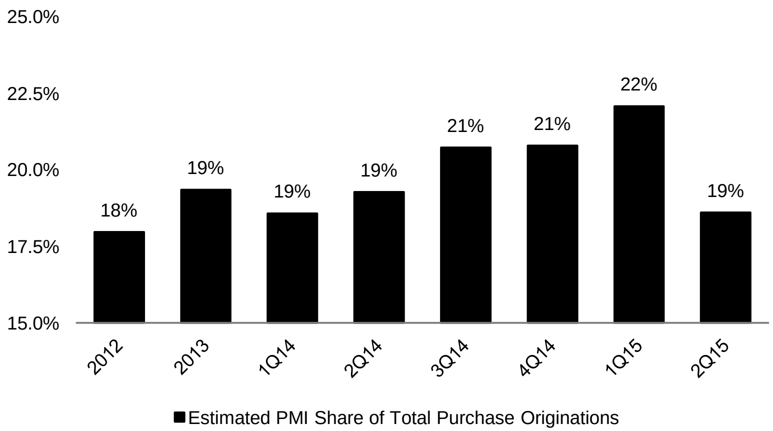
Key Terms

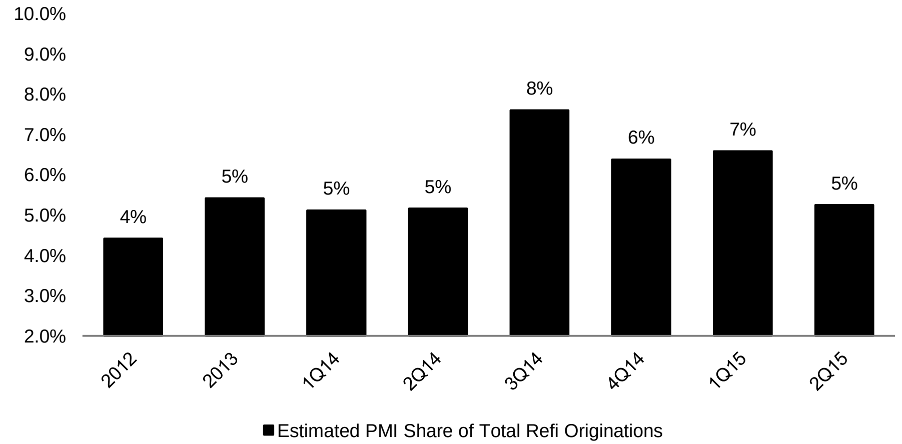
- 30% Quota Share / 20% Ceding Commission
- Profit Commission (variable dependent on losses incurred and ceded)
- Covers new business through 2016 / ~75% of in force
- 10 Year term / MTG option for early termination in 2018
- Effective July 1, 2015

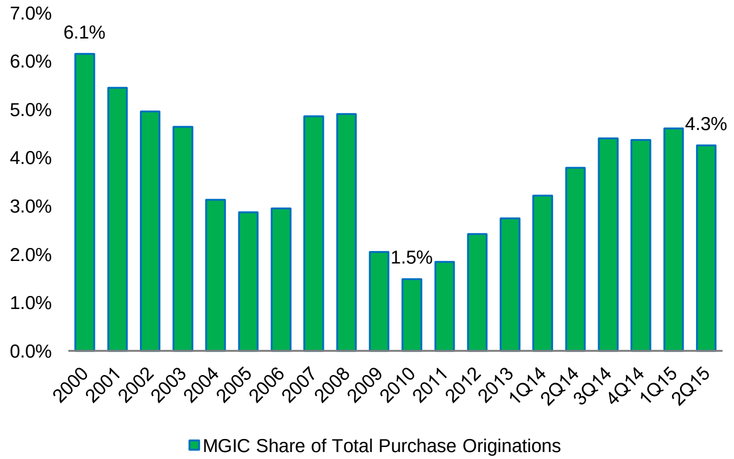
Reasons to utilize reinsurance

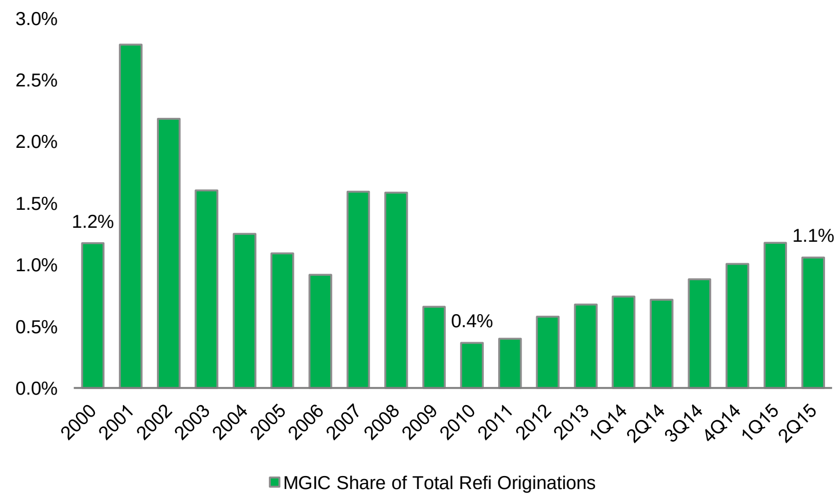
- Reinsurance provided at a reasonable cost of capital
- Materially reduces required assets under PMIERs
- Provides financial and strategic flexibility
- Increases return on capital

Purchase Market Share is Estimated To be ~4x Refinance Market Share







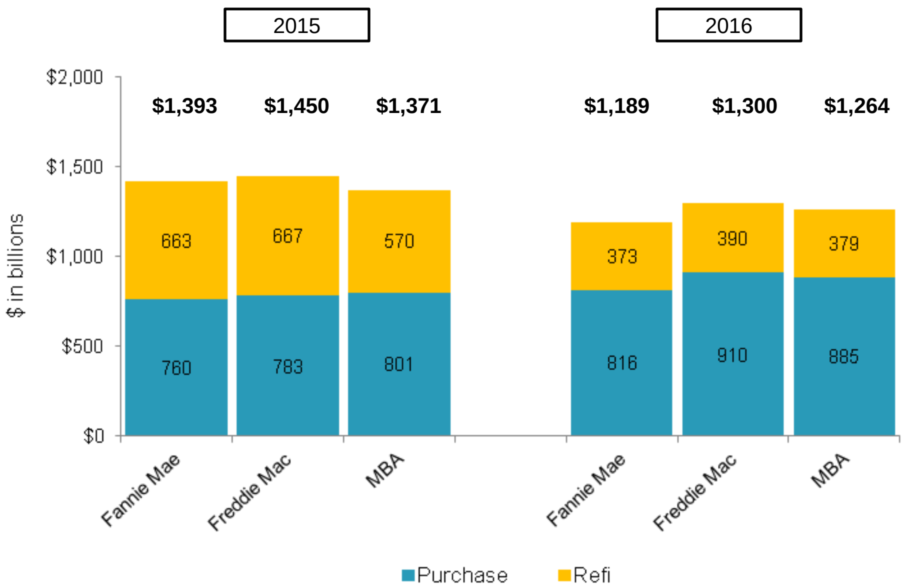


Private MI purchase and refinance percentages estimated using Arch, Essent, Genworth, Radian and MGIC press release information as a proxy for the industry which is then multiplied by the total private mortgage insurance written as published by Inside Mortgage Finance, which includes HARP refinances. Arch, Essent, Genworth, Radian and MGIC NIW does not include HARP refinance transactions. MGIC percentages are calculated using company data and total purchase and refinance data as published by IMF .

Mortgage Origination Outlook

MGIC

Origination Forecasts



- ✓ Housing remains affordable
- ✓ 2015 origination forecasts range from $1.3 to $1.4 trillion
- ✓ 2016 forecasts 7-16% increase in purchase market offset by decrease in refinance market
- ✓ Decreasing distressed and cash sales
- ✓ Good environment for Private MI

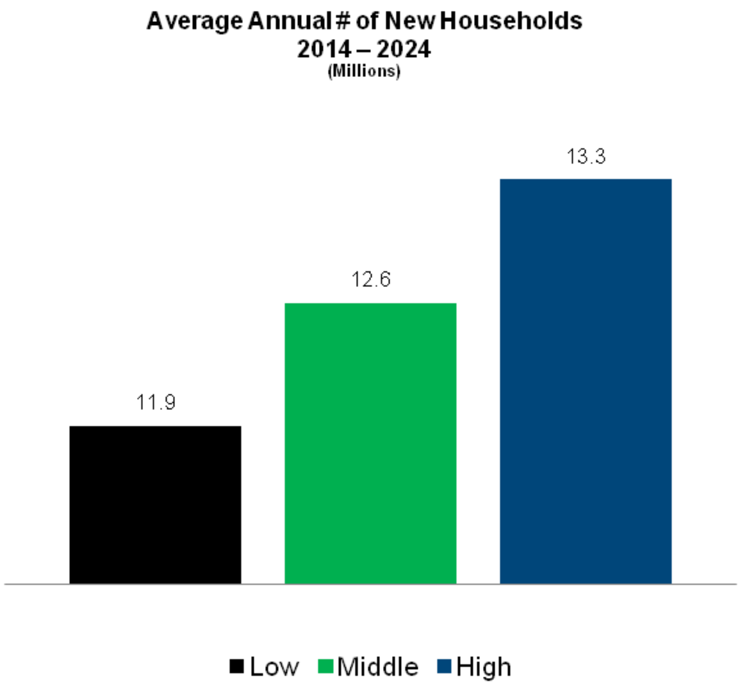
Source: Fannie Mae, Freddie Mac, and MBA

Demographic Drivers of Demand

MGIC

- ✓ Pent up demand
  - ✓ Household formations slowed between 2007 and 2012
- ✓ Forecasts estimate that between 1.1 – 1.3 million households will be formed annually through 2024
- ✓ Majority of growth from minority groups that are typically first time homebuyers
  - ✓ By 2025, minorities will make up 36 percent of all US households and 46 percent of those aged 25–34, thus accounting for nearly half of the typical first-time homebuyer market
- ✓ Millennials / Gen Y / Next Gen

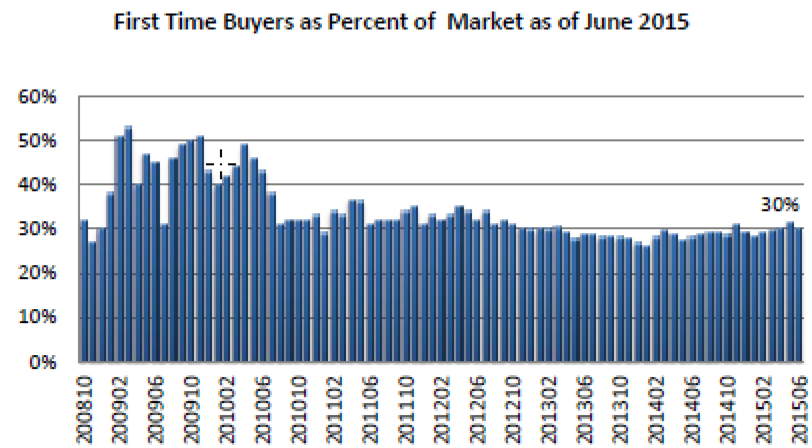
Growth Estimates

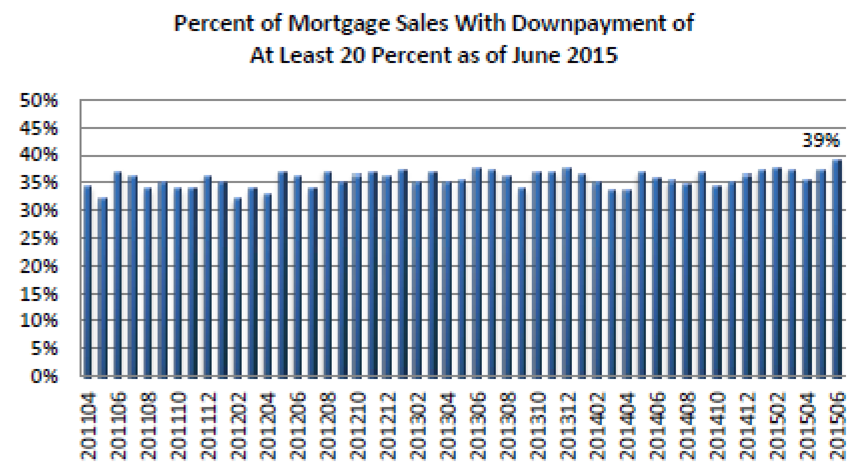


*Source: **Joint Center for Housing Studies Harvard University, Baseline Household Projections for the Next Decade and Beyond March 2014***

Many Borrowers Require High LTV Loans

- Down payment cited as one of the main obstacles to home ownership
- ~30% of home purchasers are 1st time home buyers who typically lack a 20% down payment
  - ~66% of FTHB had a downpayment of 6% or less
- ~50% of ***ALL*** home buyers use a down payment of less than 20%

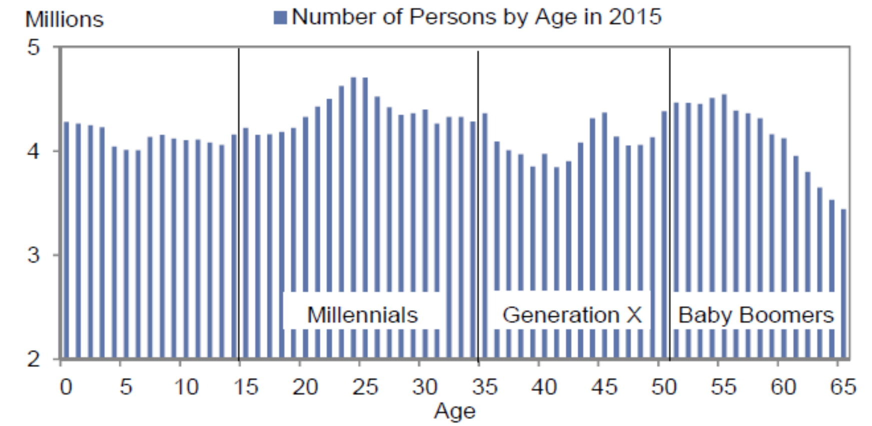




Source: National Association of Realtors June 2015 Survey

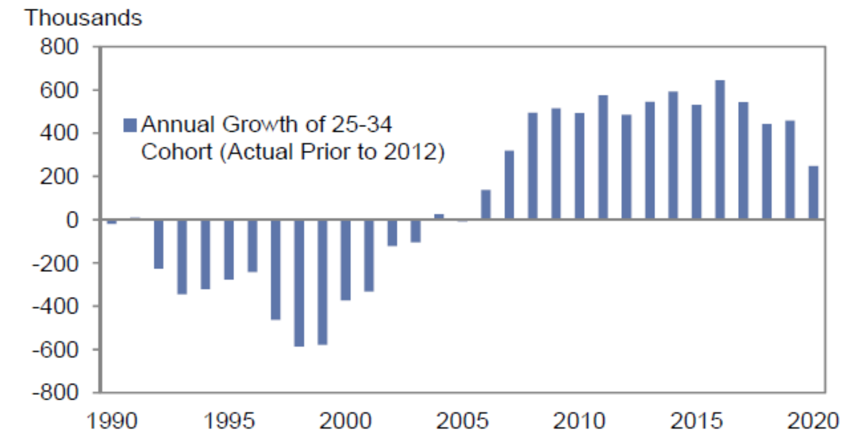
A Closer Look At Millenials

Millennials and Baby Boomers are the largest age cohorts
Number of persons by age in 2015



Source: Census Bureau.

A large increase in the 25-34 year old cohort in coming years...
Annual growth of 25-34 year olds



Source: Census Bureau.

<u>Home Buying Trends</u>

Composition of Home Buyers

- ✓ 32% Millennials
- ✓ 27% Gen X

First Time Home Buyers

- ✓ 68% of Millenials
- ✓ 29% of Gen X

Average Down Payment

- ✓ 7% for Millenials
- ✓ 10% for Gen X

Sources: Goldman Sachs and 2015 National Association of REALTORS® Home Buyer and Seller Generational Trends – March 2015

Regulatory Environment

- New Master Policy in effect
  - Standardization provides consistent terms of coverage across carriers
  - Provides assurances about the consistent handling and payment of claims
  - Brings greater transparency to contractual protections for lenders and investors
- New Financial Requirements
  - GSEs/FHFA
    - Effective date of December 31, 2015
    - MGIC taking actions to be in position to certify compliance on or before Effective Date
    - Financial requirement on new business allows for adequate returns after considering reinsurance
  - NAIC
    - Expected to propose revised capital requirements (timing unknown at this time)
    - Not expected to be more restrictive than GSE financial requirements
- Housing Policy
  - No real progress on GSE reform; status quo continues for most lenders
  - Depressed levels of non-GSE securitization
  - The PMI industry message is that MIs can do more to take risk from GSEs and taxpayers

Summary

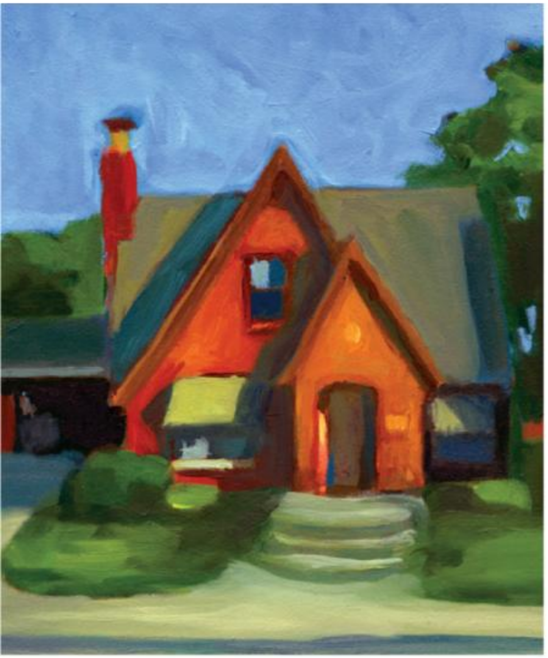
MGIC

- **Financial position**
  - Solid statutory capital position
  - 2009 – 2015 or "new" books are very profitable
    - New books plus HARP account for ~70% 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**
  - Market share for 1H 15: ~20%
  - Lowest expense ratio in industry
  - Experienced sales and underwriting organization
  - ~3,000 lenders purchase insurance from MGIC
- **Significant 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 updates on the horizon
  - Focus is on expanding access to credit

Summary of Risk Factors

- *We may not continue to meet the GSEs' mortgage insurer eligibility requirements and our returns may decrease as we are required to maintain more capital in order to maintain our eligibility.*
- *The amount of insurance we write could be adversely affected if lenders and investors select alternatives to private mortgage insurance.*
- *Competition or changes in our relationships with our customers could reduce our revenues, reduce our premium yields and/or increase our losses.*
- *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.*
- *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.*
- *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 benefits to us and our losses on loans that re-default can be higher than what we would have paid had the loan not been modified.*
- *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.*
- *The mix of business we write affects the likelihood of losses occurring, our Minimum Required Assets for purposes of the GSE Financial Requirements, 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 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.*
- *Our Australian operations may suffer significant losses.*

MGIC



Company Contact:

Michael Zimmerman
Senior Vice President
Investor Relations

Direct: (414) 347-6596
mike_zimmerman@mgic.com