



Information Supplement
Second Quarter 2016

Reinsurance Illustration

Assumptions

Without Reinsurance

NIW	1,000,000
Coverage	25%
Insured Risk	250,000
Price	0.500%
Loss Ratio	2%
Expense Ratio	20%

Reinsurance

Cession	25%
Ceding Commission	20%
Reinsurer's Margin	20%

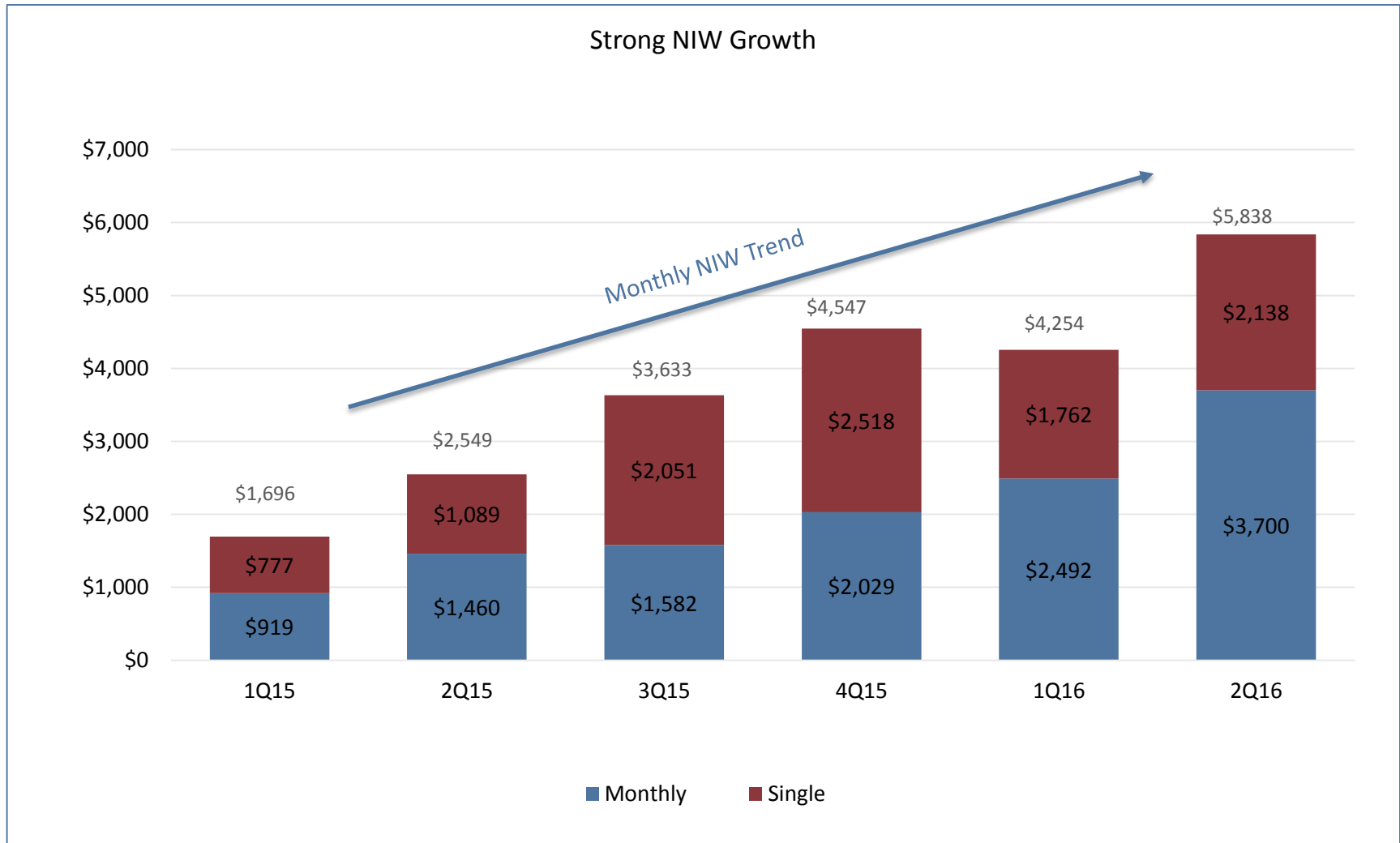
This illustration is based on terms of recent mortgage insurance industry reinsurance agreements. In this illustration, the reinsurer receives a margin equal to 20% of the ceded premiums, while the originating insurer receives a pre-tax margin of up to 80% of the ceded premium.

	Without Reinsurance	Impact of Cession	With Reinsurance
Direct Premiums	5,000	(1,250)	3,750
Profit Commission	-	725	725
Net Premiums	5,000	(525)	4,475
Losses	100	(25)	75
Expenses	1,000	(250)	750
Pretax Income	3,900	(250)	3,650

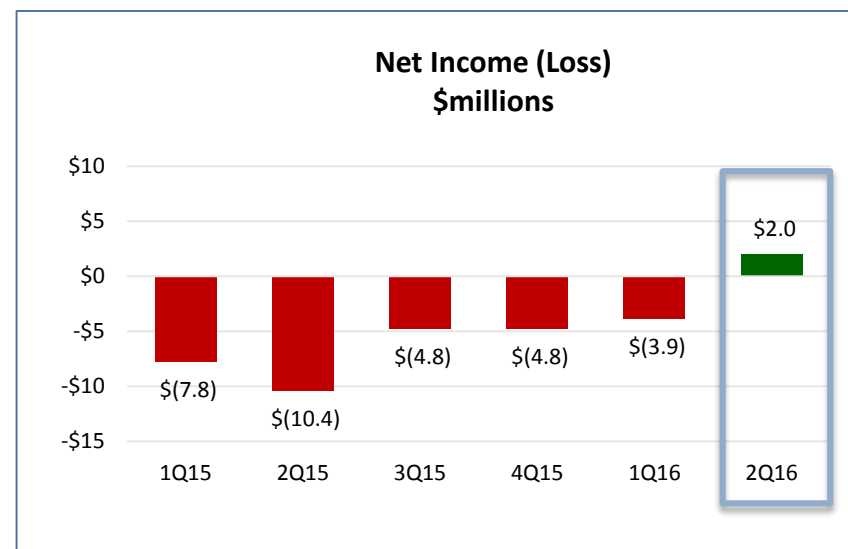
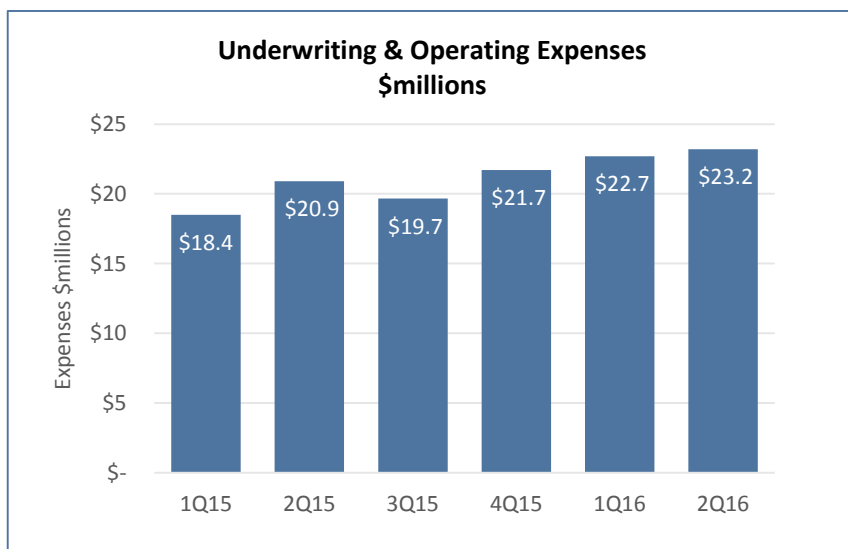
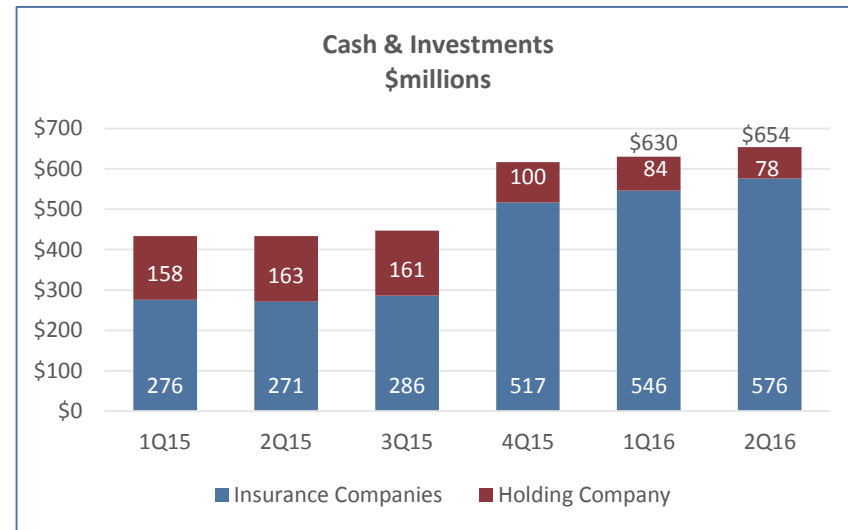
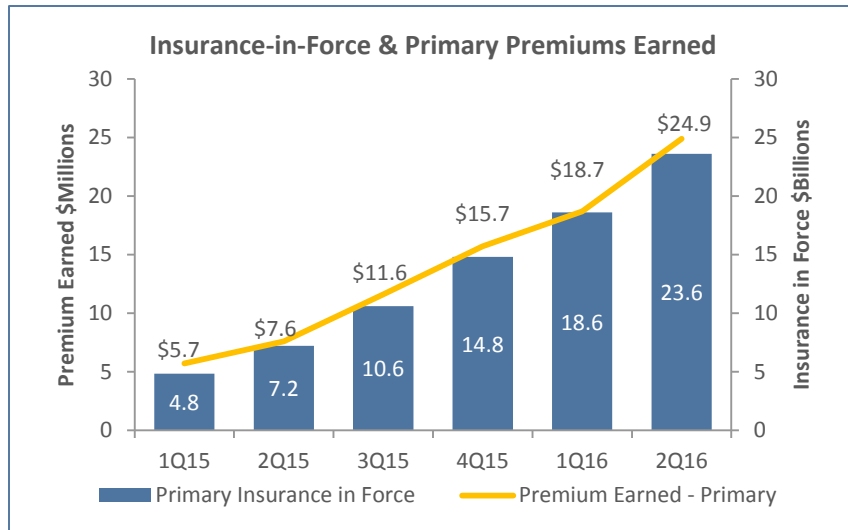
Profit Commission	Impact of Cession	% of Gross Cession	Accounting Classification
Ceded Premiums	1,250	100%	Premium Revenue
Ceded Losses	(25)	-2%	Losses
Ceding Commission	(250)	-20%	Underwriting Expense
Reinsurer's Margin	(250)	-20%	
Profit Commission	725	58%	Premium Revenue

For illustration only: actual terms of any reinsurance treaty may vary

Second Quarter 2016: Continued High Performance



2Q16 Financial Highlights



Primary Portfolio Metrics

Origination year

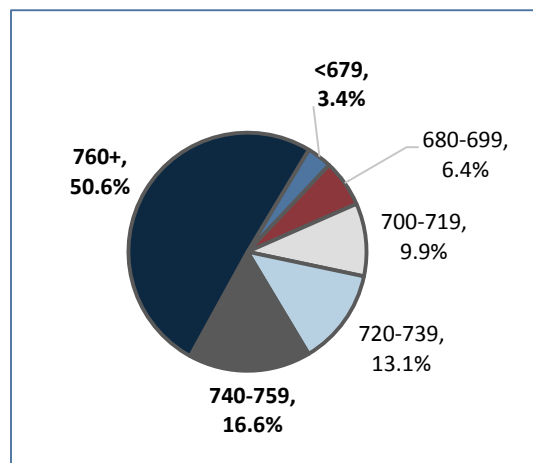
As of June 30, 2016

	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⁾
	<i>(\$ Values in Millions)</i>								
2013	\$ 162	\$ 59	36%	655	289	—	1	—%	0.2%
2014	3,451	2,266	66%	14,786	10,640	30	2	2.0%	—%
2015	12,422	11,348	91%	52,550	49,180	47	2	1.9%	0.4%
2016 (through June 30)	10,092	9,951	99%	40,862	40,438	2	—	0.2%	—%
Total	\$ 26,127	\$ 23,624		108,853	100,547	79	5		

⁽¹⁾ The ratio of total losses incurred (paid and reserved) divided by the total premiums earned.

⁽²⁾ The sum of claims paid ever to date and notices of default as of the end of the period divided by policies ever in force.

Primary RIF By FICO Score
as of June 30, 2016



Primary portfolio trends

As of and for the quarter ended

	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	<i>(\$ Values In Millions)</i>				
New insurance written	\$ 5,838	\$ 4,254	\$ 4,547	\$ 3,633	\$ 2,549
New risk written	1,411	1,016	1,105	887	615
Insurance in force ⁽¹⁾	23,624	18,564	14,824	10,601	7,190
Risk in force ⁽¹⁾	5,721	4,487	3,586	2,553	1,715
Policies in force (count) ⁽¹⁾	100,547	79,700	63,948	46,175	31,682
Weighted-average coverage ⁽²⁾	24.2%	24.2%	24.2%	24.1%	23.9%
Loans in default (count)	79	55	36	20	9
Percentage of loans in default	0.1%	0.1%	0.1%	—%	—%
Risk in force on defaulted loans	\$ 4	\$ 3	\$ 2	\$ 1	\$ 1
Average premium yield ⁽³⁾	0.47%	0.45%	0.49%	0.52%	0.51%
Annual persistency ⁽⁴⁾	83.3%	82.7%	79.6%	71.6%	65.5%

⁽¹⁾ Reported as of the end of the period.

⁽²⁾ End of period RIF divided by IIF.

⁽³⁾ Average premium yield is calculated by dividing primary net premiums earned by average IIF for the period, annualized.

⁽⁴⁾ Defined as the percentage of IIF that remains on our books after any 12-month period.

Growing Customer Base

2016 YTD:

- Signed up 97 new customers to master policies
- Generated NIW with 124 new active customers

Customers with Approved Master Policies and Those Generating Applications, NIW During the Period

