RADIAN Ensuring the American Dream®

Financial Results

Fourth Quarter 2014

Safe Harbor Statements

All statements in this report that address events, developments or results that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Exchange Act and the U.S. Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as “anticipate,” “may,” “will,” “could,” “should,” “would,” “expect,” “intend,” “plan,” “goal,” “contemplate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “seek,” “strategy,” “future,” “likely” or the negative or other variations on these words and other similar expressions. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management’s current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements including:

- changes in general economic and political conditions, including unemployment rates, changes in the U.S. housing and mortgage credit markets (including declines in home prices and property values), the performance of the U.S. or global economies, the amount of liquidity in the capital or credit markets, changes or volatility in interest rates or consumer confidence and changes in credit spreads, all of which may be impacted by, among other things, legislative activity or inactivity, actual or threatened downgrades of U.S. government credit ratings, or actual or threatened defaults on U.S. government obligations;
- changes in the way customers, investors, regulators or legislators perceive the strength of private mortgage insurers, in particular in light of the fact that certain of our former competitors have ceased writing new insurance business and have been placed under supervision or receivership by insurance regulators;
- catastrophic events, increased unemployment, home price depreciation or other negative economic changes in geographic regions where our mortgage insurance exposure is more concentrated;
- our ability to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs;
- our ability to maintain an adequate Risk-to-capital position, minimum policyholder position and other surplus requirements for Radian Guaranty, our principal mortgage insurance subsidiary, and an adequate minimum policyholder position and surplus for our insurance subsidiaries that provide reinsurance or capital support to Radian Guaranty;
- Radian Guaranty’s ability to comply with the financial requirements of the PMIERs (once adopted) within the applicable transition period which, based on the proposed PMIERs, may require us to contribute a substantial portion of our holding company cash and investments to Radian Guaranty, and could depend on our ability to, among other things: (1) successfully consummate the transactions contemplated by the Radian Asset Assurance Stock Purchase Agreement; and (2) successfully leverage other options such as commutations or external reinsurance for a portion of our mortgage insurance risk in force in a manner that provides capital relief that is compliant with the PMIERs. Contributing a substantial portion of our holding company cash and investments to Radian Guaranty would leave Radian Group with less liquidity to satisfy its obligations, and we may be required or we may decide to seek additional capital by incurring additional debt, by issuing additional equity, or by selling assets, which we may not be able to do on favorable terms, if at all. The ultimate form of the PMIERs and the timeframe for their implementation remain uncertain;
- changes in the charters or business practices of, or rules or regulations applicable to the GSEs, including the adoption of the PMIERs, which in their current proposed form: (1) would require Radian Guaranty to hold significantly more capital than is currently required and could negatively impact our returns on equity; (2) could limit the type of business that Radian Guaranty and other private mortgage insurers are willing to write, which could reduce our NIW; (3) could increase the cost of private mortgage insurance, including as compared to the FHA’s pricing, or result in the emergence of other forms of credit enhancement; and (4) could require changes to our business practices that may result in substantial additional costs in order to achieve and maintain compliance with the PMIERs;

Safe Harbor Statements (Continued)

- the possibility that we have not accurately projected our net shortfall under the PMIERs which may be impacted by, among other things: our understanding and interpretation of the PMIERs financial requirements which may differ from the interpretation that the Government Sponsored Enterprises (GSEs) apply; and the performance of our mortgage insurance business, including our level of defaults, the losses we incur on new and existing defaults, the projected roll-off of our existing risk in force, and the amount and credit characteristics of new business we write;
- our ability to continue to effectively mitigate our mortgage insurance losses, including the possibility of a decrease in net rescissions or denials resulting from an increase in the number of successful challenges to previously rescinded policies or claim denials (including as part of one or more settlements of disputed rescissions or denials), or as a result of the GSEs intervening in or otherwise limiting our loss mitigation practices, including settlements of disputes regarding loss mitigation activities;
- the negative impact that our loss mitigation activities may have on our relationships with our customers and potential customers, including the potential loss of current or future business and the heightened risk of disputes and litigation;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance;
- adverse changes in the severity or frequency of losses associated with certain products that we formerly offered (and which constitute a small part of our insured portfolio) that are riskier than traditional mortgage insurance policies;
- a substantial decrease in the persistency rates of our mortgage insurance policies, which has the effect of reducing our premium income on our Monthly Premium policies and could decrease the profitability of our mortgage insurance business;
- heightened competition for our mortgage insurance business from others such as the FHA, the U.S. Department of Veterans Affairs and other private mortgage insurers (including with respect to other private mortgage insurers, those that have been assigned higher ratings than we have, that may be perceived as having a greater ability to comply with the PMIERs Financial Requirements than we do, that may have access to greater amounts of capital than we do, that are less dependent on capital support from their subsidiaries than we are or that are new entrants to the industry, and therefore, are not burdened by legacy obligations) and the impact such heightened competition may have on our returns and our NIW;
- changes to the current system of housing finance, including the possibility of a new system in which private mortgage insurers are not required or their products are significantly limited in effect or scope;
- the effect of the Dodd-Frank Act on the financial services industry in general, and on our businesses in particular;
- the adoption of new or application of existing federal or state laws and regulations, or changes in these laws and regulations or the way they are interpreted, including, without limitation: (i) the resolution of existing, or the possibility of additional, lawsuits or investigations; (ii) changes to the Mortgage Guaranty Insurers Model Act being considered by the NAIC that could include more stringent capital and other requirements for Radian Guaranty in states that adopt the new Mortgage Guaranty Insurers Model Act in the future; and (iii) legislative and regulatory changes (a) impacting the demand for our products, (b) limiting or restricting the products we may offer or increasing the amount of capital we are required to hold, (c) affecting the form in which we execute credit protection, or (d) otherwise impacting our existing businesses or future prospects;
- the amount and timing of potential payments or adjustments associated with federal or other tax examinations, including deficiencies assessed by the IRS resulting from the examination of our 2000 through 2007 tax years, which we are currently contesting;
- the possibility that we may fail to estimate accurately the likelihood, magnitude and timing of losses in connection with establishing loss reserves for our mortgage insurance businesses;
- volatility in our earnings caused by changes in the fair value of our assets and liabilities carried at fair value, including a significant portion of our investment portfolio and certain of our long-term incentive compensation awards;

Safe Harbor Statements (Continued)

- changes in GAAP or SAP, rules and guidance, or their interpretation;
- legal and other limitations on amounts we may receive from our subsidiaries as dividends or through our tax- and expense-sharing arrangements with our subsidiaries;
- the possibility that we may need to impair the estimated fair value of goodwill established in connection with our acquisition of Clayton, the valuation of which requires the use of significant estimates and assumptions with respect to the estimated future economic benefits arising from certain assets acquired in the transaction such as the value of expected future cash flows of Clayton, Clayton’s workforce, expected synergies with our other affiliates and other unidentifiable intangible assets; and
- our ability to consummate the transactions contemplated by the Stock Purchase Agreement which depends on, among other things, obtaining certain regulatory approvals.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2013, Item 1A of Part II of our Quarterly Reports on Form 10-Q filed in 2014, and subsequent reports and registration statements filed from time to time with the U.S. Securities and Exchange Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we filed this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements made in this report to reflect new information or future events or for any other reason.

Who Is Radian?

Radian Group Inc., headquartered in Philadelphia, provides private mortgage insurance, risk management products and real estate services to financial institutions.

For more than **35 years**, our services have helped promote and preserve homeownership opportunities for homebuyers, while protecting lenders from default-related losses on residential first mortgages and facilitating the sale of low downpayment mortgages in the secondary market.

NYSE: RDN
www.radian.biz

Ensuring the American Dream®

Q4 Highlights

Net income of $428 million or $1.78 net income per diluted share

Includes net income of $878 million or $3.63 per diluted share from continuing operations and net loss of $450 million or $1.85 per diluted share from discontinued operations

Includes $815.6 million related to the reversal of DTA valuation allowance

Includes $18.7 million of net gains on investments

Book value per share of $10.98

Adjusted pretax operating income from continuing operations of $58 million[(1)]

Consists of $56.3 million of income from Mortgage Insurance segment and $2.1 million of income from Mortgage and Real Estate Services segment

Approximately $670 million of currently available holding company liquidity after a $100 million contribution of capital from Radian Group to Radian Guaranty

Risk-to-capital ratio for Radian Guaranty of 17.9 to 1

Strong share of high-quality new mortgage insurance business

NIW of $10.0 billion compared to $9.3 billion in Q4 2013

100% Prime; 60% with FICO of 740 or above

Clayton total service revenues of $34 million

Gross profit on services of $14.8 million

(1) Adjusted results, as used in this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to the comparable GAAP measures, see Radian's website. For a definition of adjusted pretax operating income (loss) see Exhibit F to Radian's fourth quarter 2014 earnings press release dated February 12, 2014.

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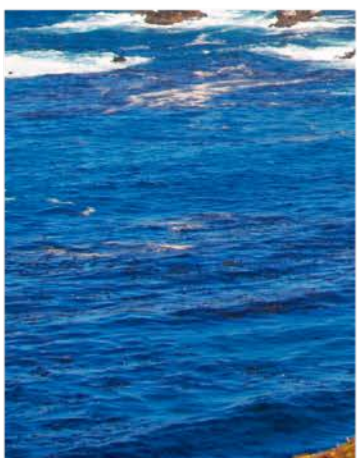
Q4 Highlights

Improved composition of MI portfolio

New business written after 2008 represents 79% of primary risk in force

New business written after 2008, excluding HARP volume, represents 69% of primary risk in force



Industry-leading mortgage insurance in force grows to $172 billion

Compared to $169.2 billion as of September 30, 2014, and $161.2 billion as of December 31, 2013

Persistency, the percentage of mortgage insurance in force that remains on books after a 12-month period, was 83.4%

Continued decline in number of mortgage insurance defaults

Total number of primary delinquent loans decreased by 26% from Q4 2013

Primary mortgage insurance delinquency rate decreased to 5.2% from 7.3% in Q4 2013

Mortgage insurance loss provision of $84 million

Loss reserves of approximately $1.6 billion – down from $2.2 billion in Q4 2013

Primary reserves (excluding IBNR and other reserves) were $27,683 per primary default vs. $26,717 in Q4 2013

Loss ratio of 36.9% was down compared to 71.9% in Q4 2013

Total mortgage insurance net claims paid of $117 million

Expects net claims paid for full-year 2015 of $600 million to $700 million which includes $250 million of claims expected to be paid related to September 2014 BAC Settlement Agreement

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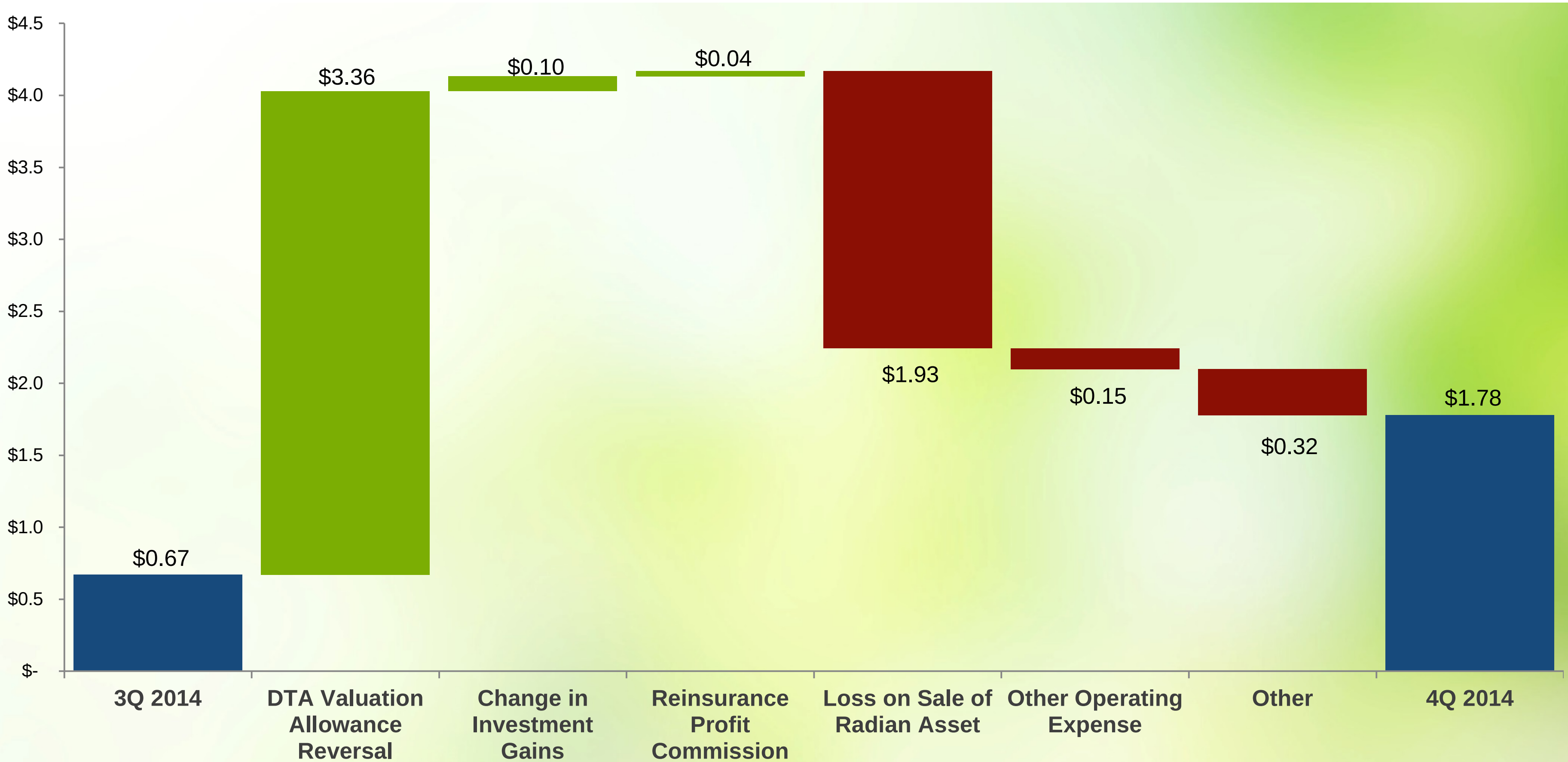
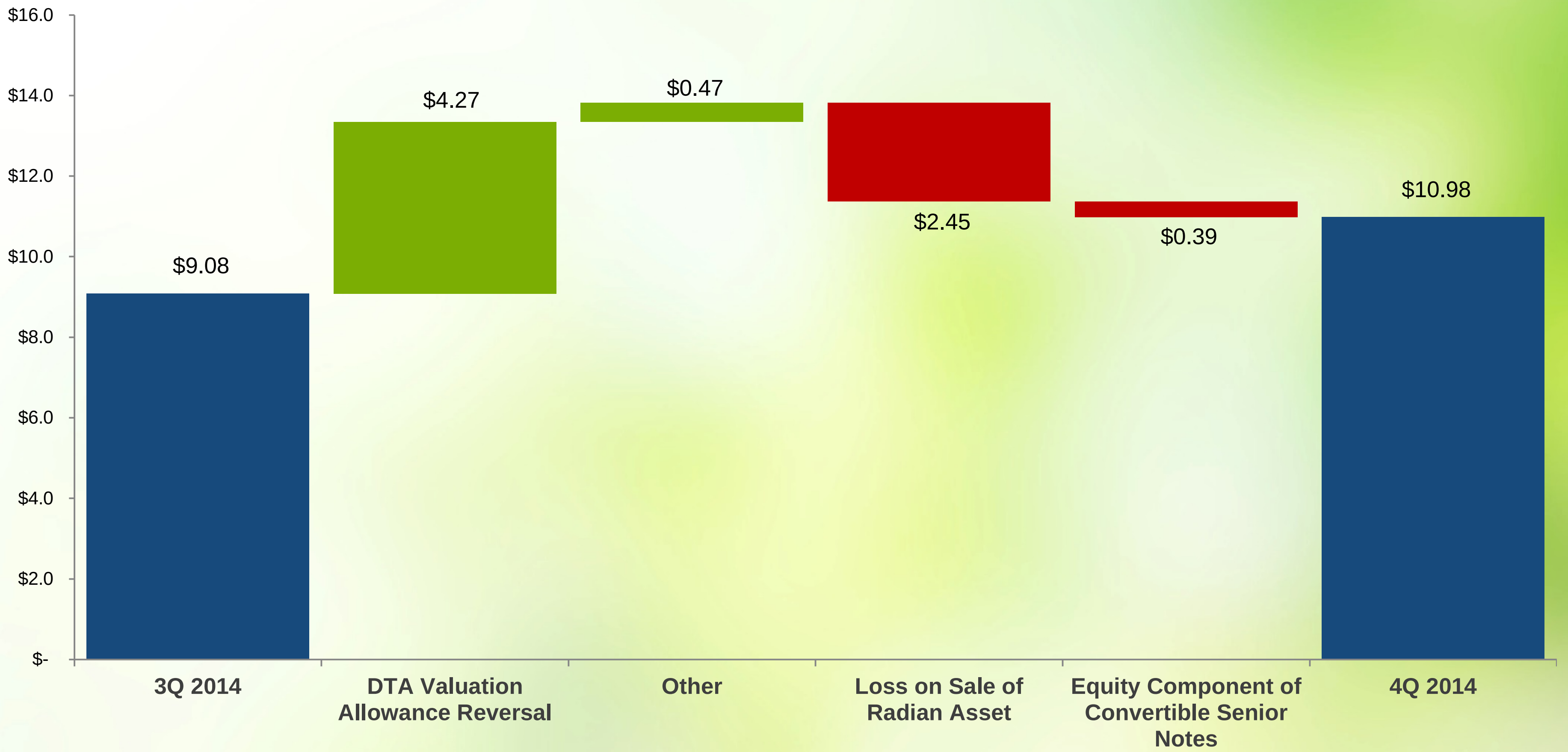
Q3 to Q4 2014 GAAP Earnings Per Share



Q3 to Q4 2014 GAAP Book Value per Share



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Financial Highlights

Radian Group Inc. Consolidated
($ in millions, except per share amounts)

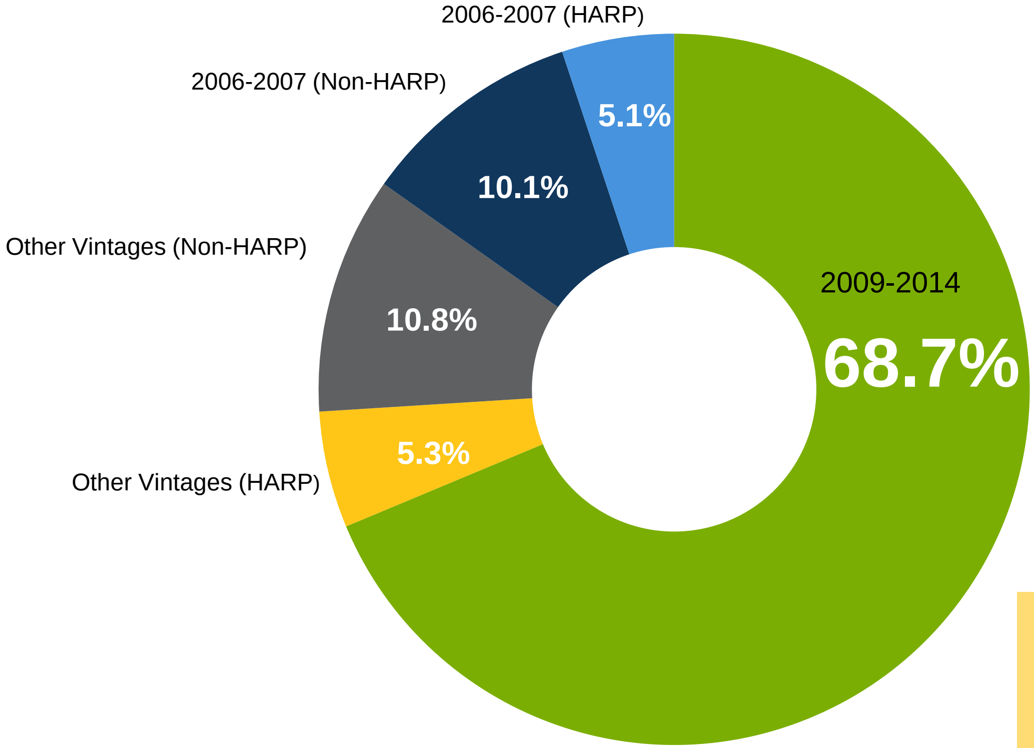
	December 31, 2014	December 31, 2013 [1]	December 31, 2012 [1]
Total assets	$ 6,860.0	$ 5,621.7	$ 5,903.2
Loss reserves	$ 1,560.0	$ 2,164.4	$ 3,087.3
Unearned premiums	$ 644.5	$ 567.1	$ 382.4
Long-term debt	$ 1,209.9	$ 930.1	$ 663.6
Stockholders' equity	$ 2,097.1	$ 939.6	$ 736.3
Book value per share	$ 10.98	$ 5.43	$ 5.51
Available holding company liquidity	$ 769.5 [2]	$ 615.3	$ 375.6
Statutory capital (Radian Guaranty)	$ 1,714.6	$ 1,340.8	$ 926.0
Risk-to-capital ratio (Radian Guaranty)	17.9:1*	19.5:1	20.8:1

(1) As a result of the December 22, 2014 Radian Asset Assurance Stock Purchase Agreement to sell 100% of the issued and outstanding shares of Radian Asset Assurance, Radian's financial guaranty insurance subsidiary, we have reclassified the results related to the disposition as assets/liabilities held for sale for all periods presented in our consolidated balance sheet.
(2) Before consideration of February 2015 contribution of $100 million of capital from Radian Group to Radian Guaranty to support continued growth in the company's net risk in force.
*Preliminary

MORTGAGE INSURANCE

Improved Composition of MI Portfolio[1]

NIW since 2009 and HARP volume combined **now represents 79%** of Radian's mortgage insurance primary risk in force as of Q4 2014



Approximately 69% of Radian's performing mortgage insurance risk in force from the 2005 - 2008 vintage years has never been in default.

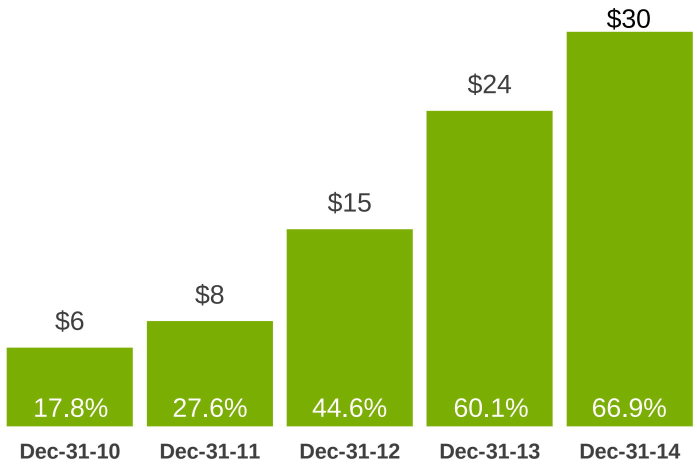
(1) Includes amounts subject to the Freddie Mac Agreement.

Profitability of Newer Vintages Improving Performance of MI Portfolio

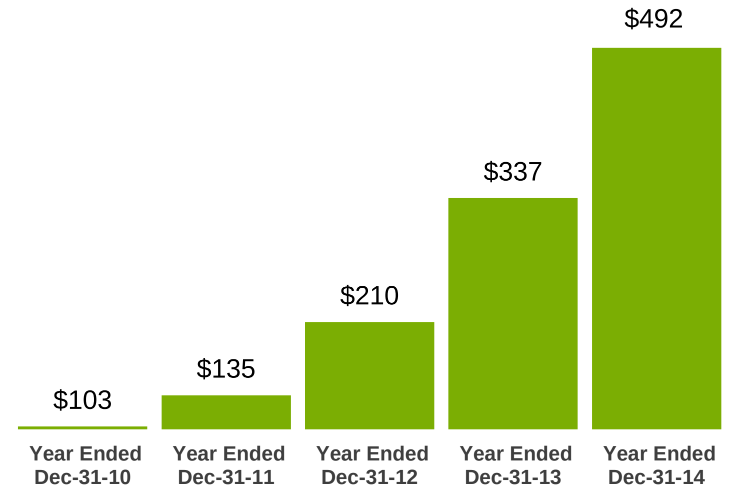
Gross Primary Risk in Force
($ in billions)

Earned Premiums Less Incurred Losses
($ in millions)(1)

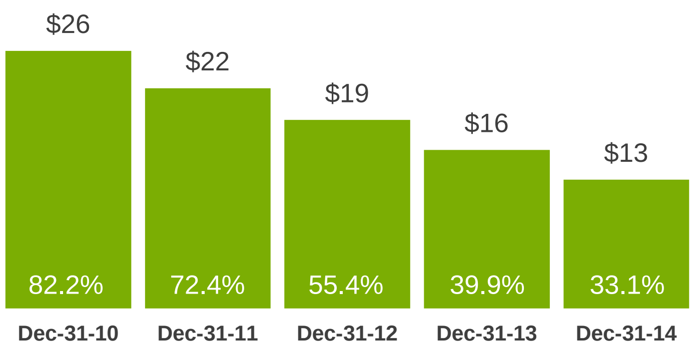
2009 and Later Vintages



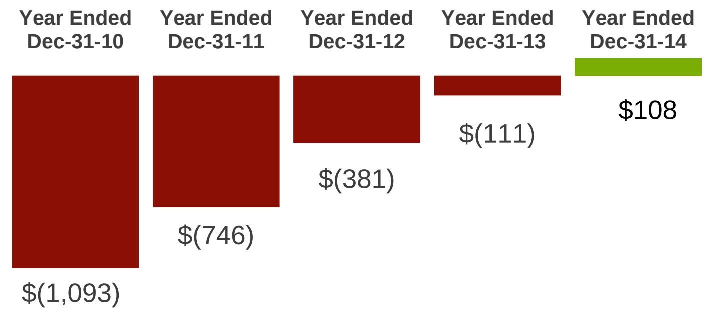
% of Portfolio



2008 and Prior Vintages



% of Portfolio



(1) Represents premiums earned and incurred losses on first-lien portfolio including the impact of ceded premiums and losses related to the 2012 Quota Share Reinsurance transactions, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions.

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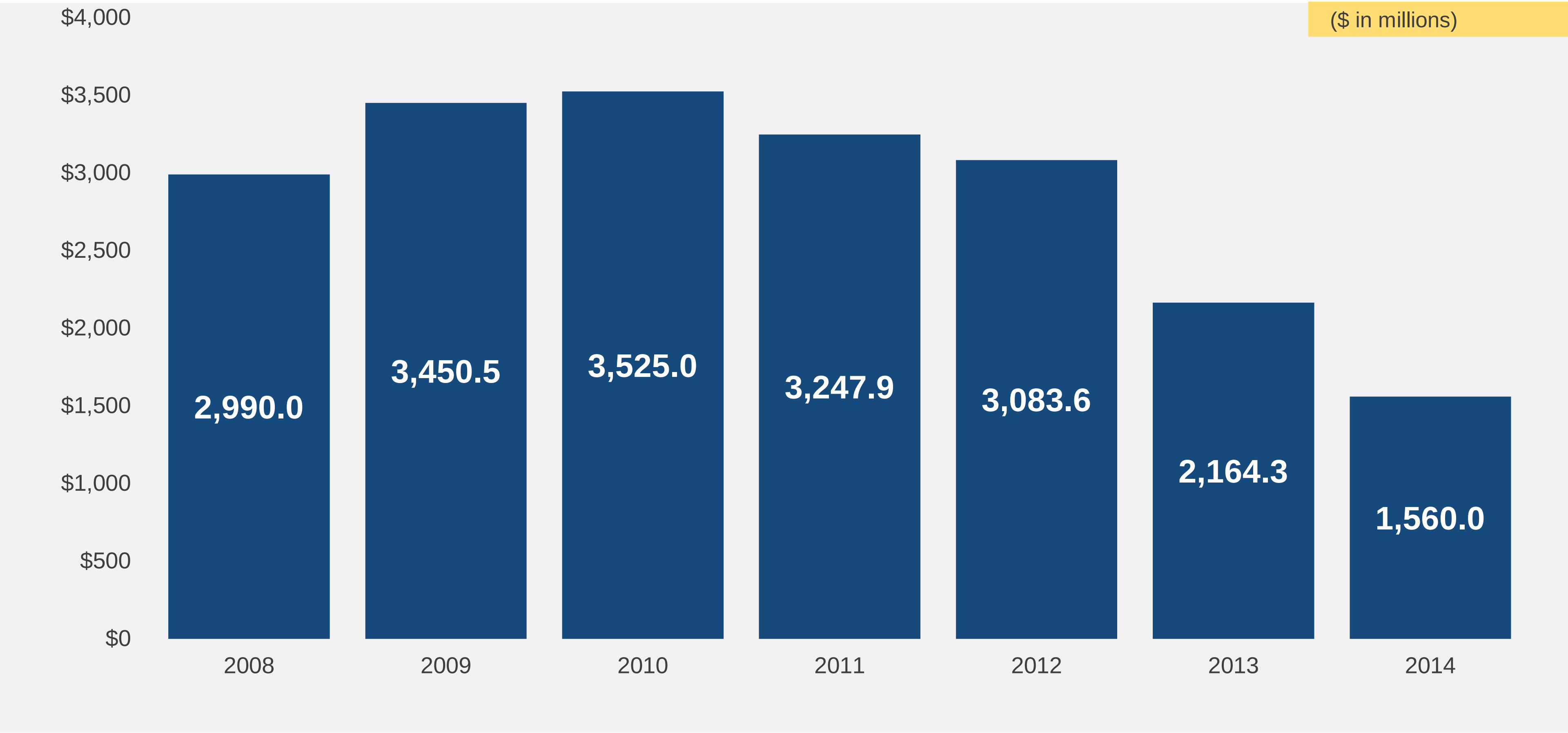
First-Lien Mortgage Insurance: 2014 Performance by Vintage

($ in millions)

	Year Ended December 31, 2014			Three Months Ended December 31, 2014
Vintage	Premiums Earned(1)	Incurred Losses(1)	Net	Net
2005 and Prior	$ 101.8	$ 13.9	$ 87.9	$ (0.4)
2006	61.3	58.0	3.3	(0.7)
2007	110.0	121.7	(11.7)	(5.3)
2008	66.2	37.9	28.3	2.8
2009	32.7	3.7	29.0	6.3
2010	27.0	1.7	25.3	4.8
2011	46.3	2.8	43.5	11.0
2012	137.2	5.5	131.7	36.3
2013	206.3	9.5	196.8	48.0
2014	67.3	1.8	65.5	33.0

(1) Represents premiums earned and incurred losses on first-lien portfolio including the impact of ceded premiums and losses related to the 2012 Quota Share Reinsurance transactions, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions.

Total Mortgage Insurance Loss Reserves



Components of Provision for Losses

($ in millions)

	Three Months Ended	
	December 31, 2014	**December 31, 2013**
New defaults	$ 77.5	$ 111.7
Existing defaults, Second-lien, LAE and Other [(1)]	6.1	32.4
Provision for Losses	**$83.6**	**$144.1**

(1) Represents the provision for losses attributable to loans that were in default as of the beginning of each period indicated, including: (a) the change in reserves for loans that were in default status (including pending claims) as of both the beginning and end of each period indicated; (b) the net impact to provision for losses from loans that were in default as of the beginning of each period indicated but were either cured, prepaid, or resulted in a paid claim or a rescission or denial during the period indicated; (c) the impact to our IBNR reserve during the period related to changes in actual and estimated reinstatements of previously rescinded policies and denied claims, including potential reinstatements we are in the process of discussing with servicers, including those subject to the BofA Settlement Agreement; (d) Second-lien loss reserves and premium deficiency reserves; and (e) LAE and other loss reserves.

Primary Loans in Default

December 31, 2014

($ in thousands)

	Total		Foreclosure Stage Defaulted Loans	Cure % During the 4th Quarter	Reserve for Losses	% of Reserve
Missed payments	**#**	**%**	**#**	**%**	**$**	**%**
3 payments or fewer	11,192	24.7%	174	30.6%	$142,503	11.9%
4-11 payments	10,413	23.0	695	15.8	195,439	16.3
12 payments or more	18,071	39.9	3,984	3.9	593,466	49.5
Pending claims	5,643	12.4	N/A	0.8	266,826	22.3
	45,319[(1)]	**100.0%**	**4,853**		**$1,198,234**	**100.0%**
IBNR and other					223,115	
LAE					56,164	
Total primary reserves					**$1,477,513**	

Key Reserve Assumptions	Gross Default to Claim Rate %	Net Default to Claim Rate %	Severity %
	57%	**52%**	**104%**

(1) Primary risk in force on defaulted loans at December 31, 2014 was $2.1 billion, which excludes risk related to loans subject to the Freddie Mac Agreement. Excludes 4,467 loans subject to the Freddie Mac Agreement that are in default at December 31, 2014, as we no longer have claims exposure on these loans.

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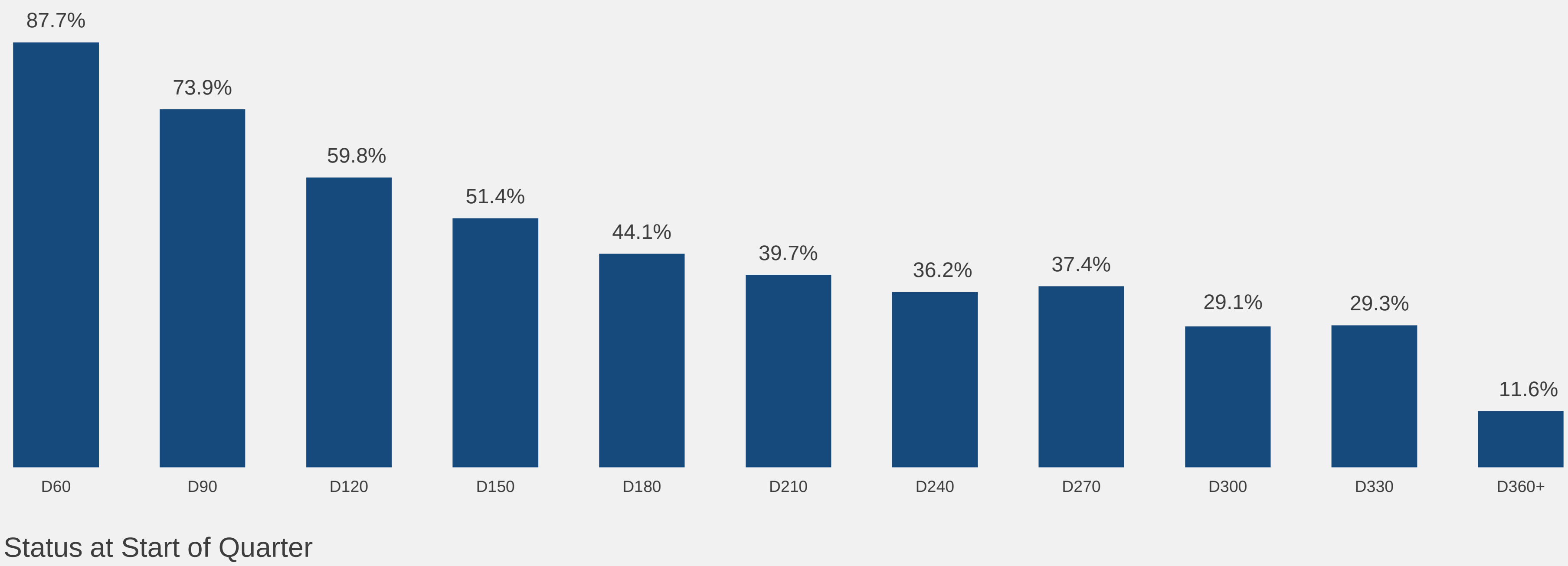
Primary Loans in Default: Payments Made in Quarter

41% made at least one monthly payment in Q4 2014 but remained in default

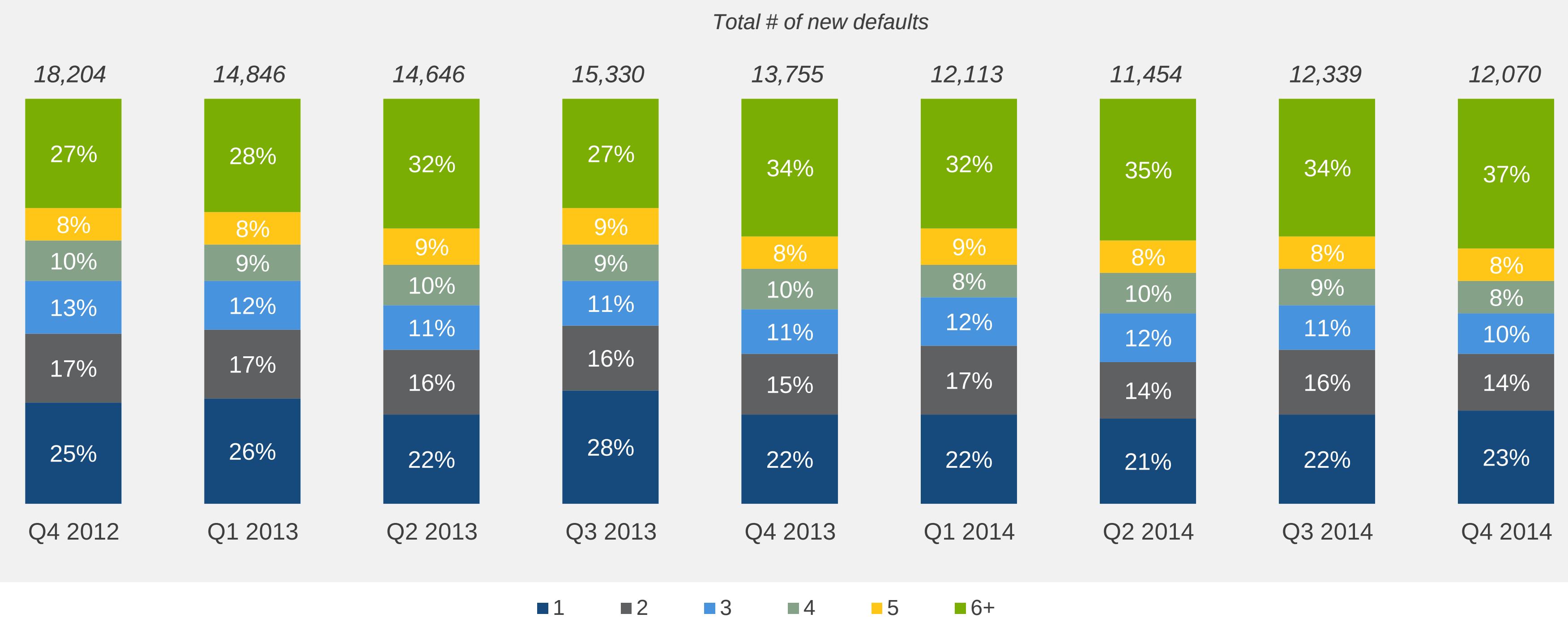
Defaults that Made at Least One Payment in Q4 2014



Primary Loans in Default: Frequency of Re-default Activity

Nearly **77%** of New Defaults in Q4 2014 Were Previously Delinquent

New Defaults by Number of Times Previously in Default (%)

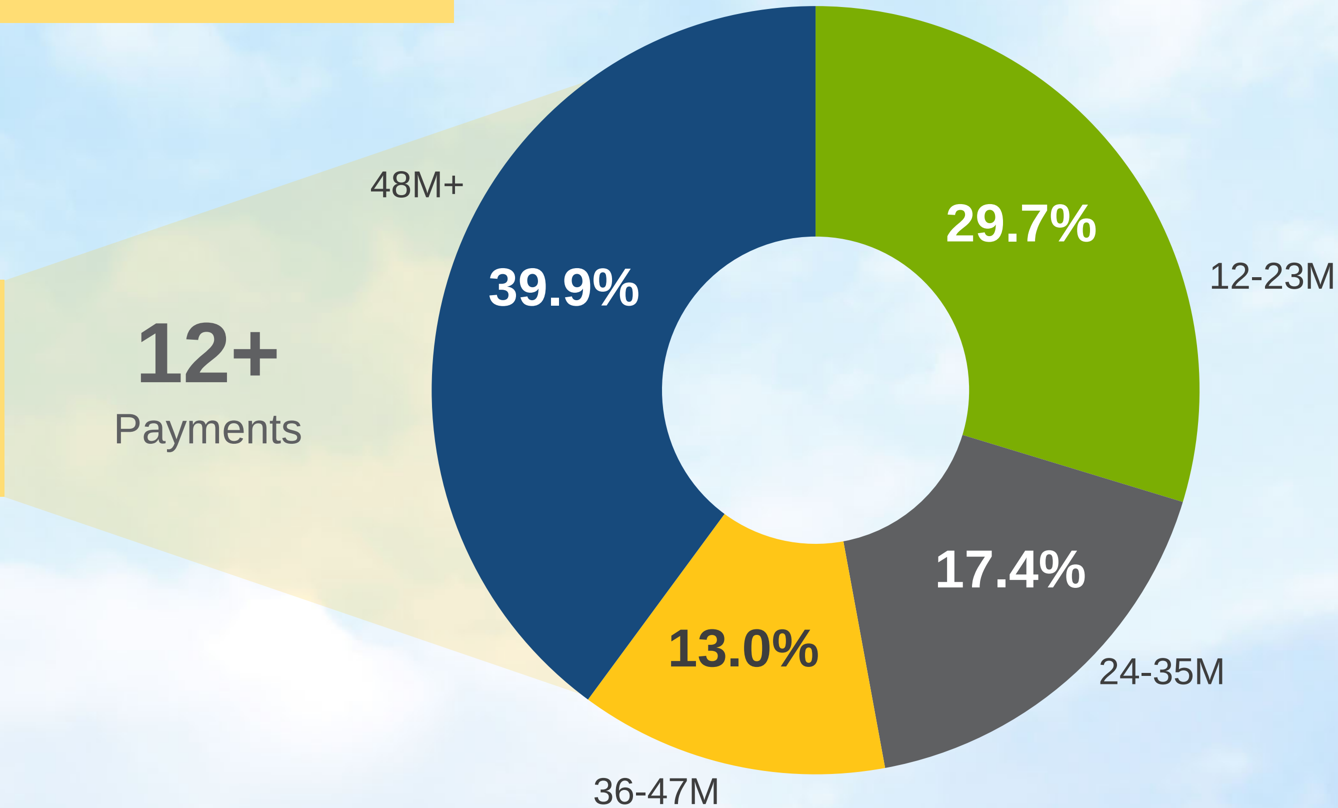


- Repeat defaults have previously demonstrated an ability to cure and therefore a lower propensity to result in a future claim.

Primary Loans in Default: Aging Breakdown of 12 Months and Greater (12M+) Bucket[(1)]

53% of 12M+ Defaults Are Greater Than Three Years Old

Missed Payments
3 payments or fewer
4-11 payments
12 payments or more [(1)]



(1) Includes pending claims.

Direct Primary Risk in Force and Reserves by Vintage

	December 31, 2014		December 31, 2013		December 31, 2012	
	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses
2005 and prior	8.2%	34.0%	11.1%	32.9%	16.5%	31.9%
2006	4.6	18.0	5.8	18.0	8.0	17.9
2007	10.6	33.1	13.1	34.5	17.6	35.8
2008	7.9	11.4	9.9	12.1	13.3	12.9
2009	2.5	1.0	3.6	1.2	5.9	1.1
2010	2.1	0.3	3.0	0.4	5.0	0.3
2011	4.2	0.5	5.7	0.4	8.6	0.1
2012	15.1	0.8	19.3	0.4	25.1	-
2013	23.8	0.8	28.5	0.1	-	-
2014	21.0	0.1	-	-	-	-
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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Primary Insurance in Force: Default Rollforward

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13
Beginning Default Inventory	**46,843**	**48,904**	**53,119**	**60,909**	**65,239**
New Defaults (1)	12,070	12,339	11,454	12,113	13,755
Cures (1)	(10,739)	(10,777)	(10,930)	(13,645)	(12,440)
Claims Paid (2) (3)	(2,235)	(3,067)	(4,698)	(6,049)	(5,407)
Rescissions (4)	(37)	(70)	(61)	(59)	(99)
Denials (5)	(146)	(188)	16	(65)	(253)
Rescissions/Denials relating to BofA Settlement Agreement (6)	(437)	(298)	4	(85)	114
Ending Default Inventory	**45,319**	**46,843**	**48,904**	**53,119**	**60,909**

(1) Amounts reflected above are compiled on a monthly basis consistent with reports received from loan servicers. The number of New Defaults and Cures presented includes the following number of monthly defaults that both defaulted and cured within the period indicated:

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13
	4,834	4,663	4,271	5,332	4,799

(2) Includes those charged to a deductible or captive.

(3) Excludes 253 claims processed in accordance with the terms of the Freddie Mac Agreement in Q4 2014.

(4) Net of any previously rescinded policies that were reinstated during the period. Such reinstated rescissions may ultimately result in a paid claim. In Q4 2014, there were 51 rescissions and 14 reinstatements of previously rescinded policies.

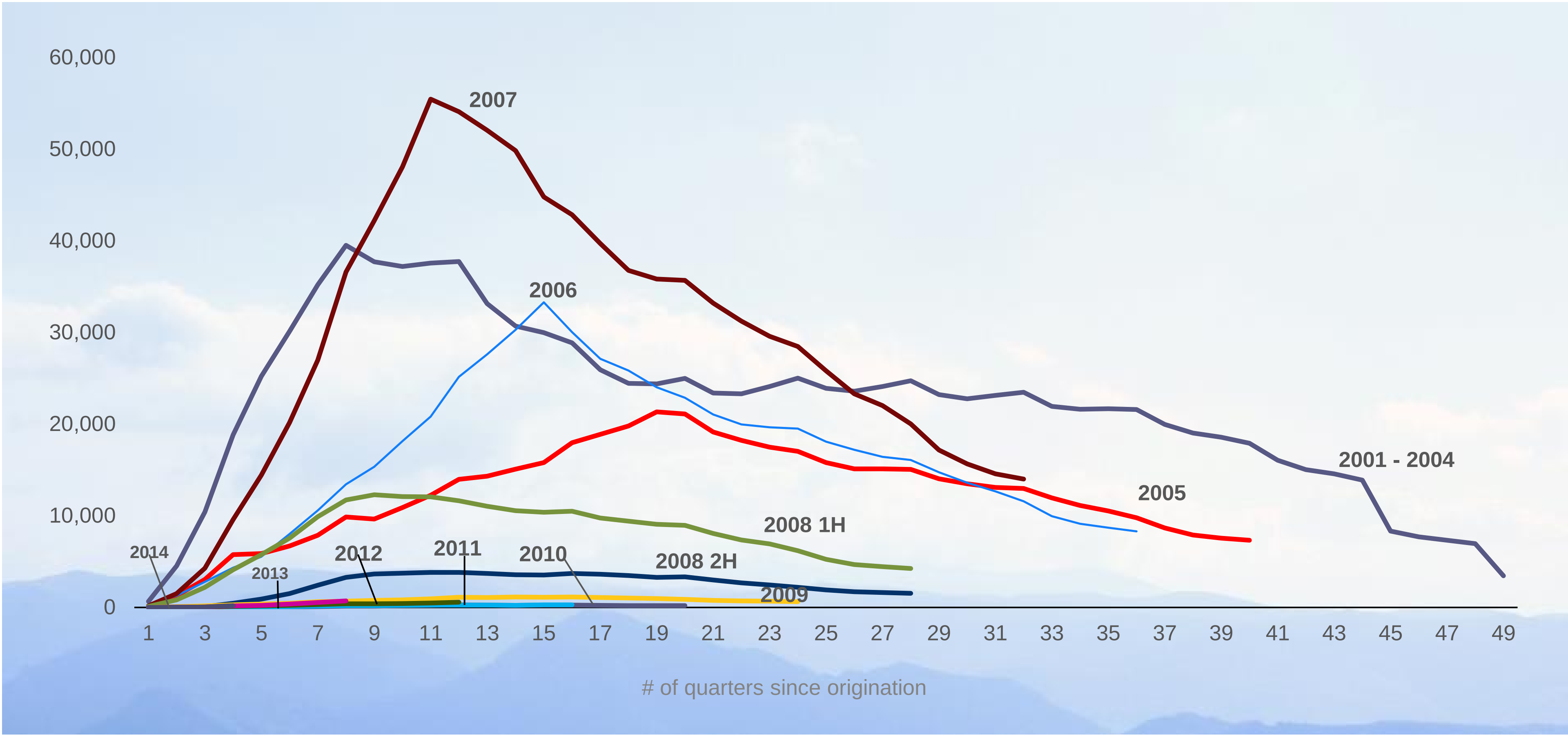
(5) Net of any previously denied claims that were reinstated during the period. Such previously denied but reinstated claims are generally reviewed for possible rescission prior to any claim payment. In Q4 2014, there were 520 denials and 374 reinstatements of previously denied claims.

(6) Net of any previously rescinded policies and denied claims that were reinstated during the period. In Q4 2014, there were 52 rescissions and 6 reinstatements of previously rescinded policies, and 468 denials and 77 reinstatements of previously denied claims.

Primary Mortgage Insurance Default Rates

(1) Insured loans subject to the Freddie Mac Agreement are included in the denominator (9,101 insured loans at December 31, 2014) and loans in default subject to the Freddie Mac Agreement are excluded from the numerator (4,467 loans in default at December 31, 2014).

Primary Default Count by Vintages 2001 - 2014



- Second half of 2008 was a turning point in the company's book, with improved credit performance in that period and thereafter as a result of tightened credit guidelines.
- As of December 31, 2014, excludes 4,467 loans in default subject to the Freddie Mac Agreement.

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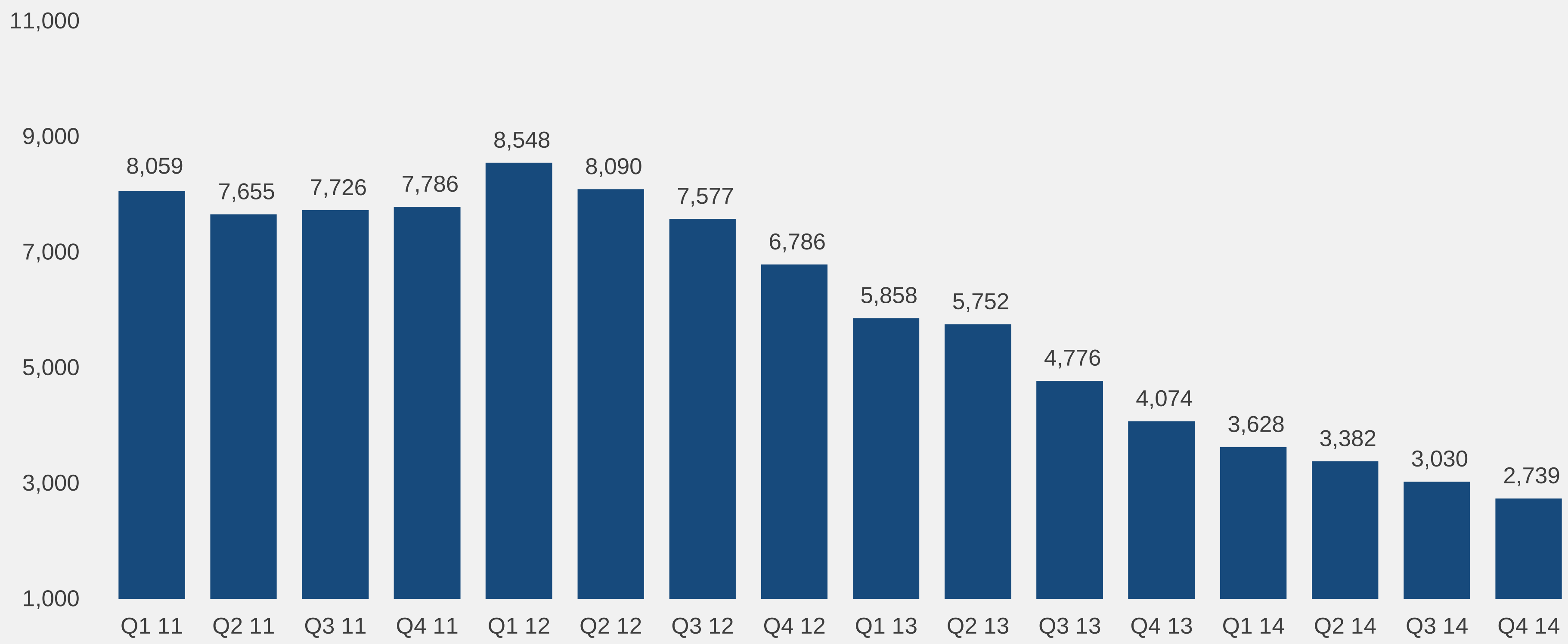
Primary New Claims Submitted by Quarter

Number of Claims Submitted by Quarter[(1)]



(1) Excludes claims submitted on Freddie Mac Agreement loans beginning August 2013.

MORTGAGE AND REAL ESTATE SERVICES

Clayton Expands Radian’s Participation in Mortgage Value Chain

	Origination	Securitization	Surveillance/ Monitoring	Asset Monetization/ Valuation
Radian Solutions	▪ Mortgage insurance credit ▪ Contract underwriting		▪ Servicer surveillance products ▪ Internal surveillance function	
Clayton Solutions	▪ Quality control ▪ Outsourced underwriting, closing and processing support ▪ Originator reviews	▪ RMBS securitization due diligence ▪ Credit and compliance review ▪ Independent collateral review ▪ Single family rental securitization review ▪ Property valuation review	▪ Servicer and sub-servicer oversight ▪ RMBS servicer surveillance ▪ Default/foreclosure loan file review	▪ Residential and commercial REO asset management ▪ Single family rental management ▪ Asset valuation

Revenues by Line of Business

($ in thousands)

	Three Months Ended	
	December 31, 2014	September 30, 2014
Services revenue:		
Loan review and due diligence	$11,189	$16,671
Component services	7,672	9,790
REO management	5,670	6,614
Surveillance	6,876	6,400
EuroRisk	3,059	2,768
Total	**34,466**	**42,243**
Direct cost of services	19,709	23,896
Gross profit on services	**$14,757**	**$18,347**

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