

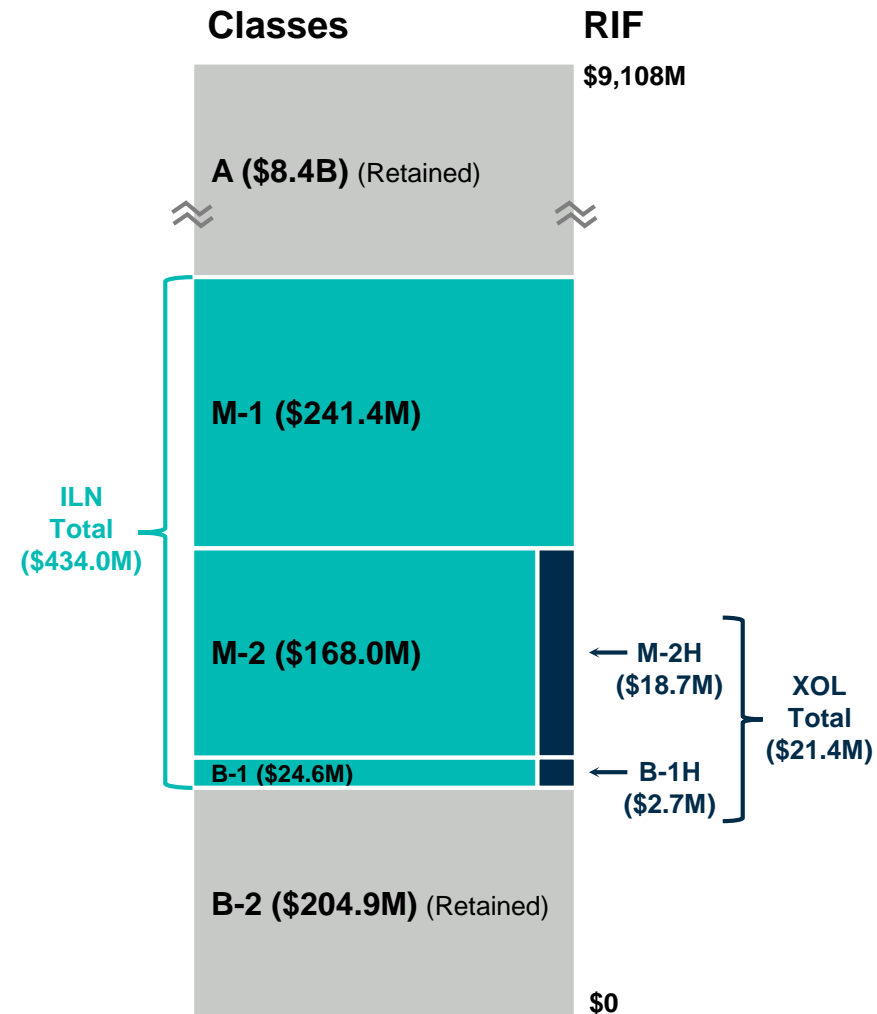


Combined ILN and XOL Reinsurance Placement

November 15, 2018

\$455 Million Combined ILN/XOL Structure

- ILNs and XOL reinsurance are taking pro rata shares of mezzanine credit risk related to Radian Guaranty's 2017 recurring premium mortgage insurance policies.
- Both the ILN and XOL reference the same static portfolio of MI policies, employ the same structure, and have a maturity of 10 years with an optional call (Radian's option) starting at year 5.
- This structure affords Radian flexibility to engage both reinsurance and capital markets regularly, and to control how much risk is transferred to each depending on market conditions.
- The senior coverage level (Class A) and the first-loss coverage level (Class B-2) will be **retained** by Radian and will not be reinsured as part of this placement. In the future, Radian may reinsure up to 100% of Class A and up to 50% of Class B-2.
- **ILNs** transfer 100% of the risk associated with Class M-1 and 90% of the risk associated with Classes M-2 and B-1.
- The **XOL** transfers the remaining 10% of the M-2 and B-1 risk to a third-party global reinsurer.
- ILNs are structured as fully collateralized reinsurance agreements with interest paid to investors in return for their bearing risk.



\$455 Million XOL and Eagle Re 2018-1 ILN Combined Structure at Closing

XOL & Eagle Re 2018-1 Ltd.'s Mortgage Insurance-Linked Notes, Series 2018-1								
Tranche Specific Information				(\$ in '000)			ILN Specific Information	
	% of RIF	Attach %	WAL ⁽¹⁾	Coverage Levels	XOL Limit	ILN Size	ILN Ratings ⁽²⁾	LIBOR Spread (bps) ⁽³⁾
A	92.75%	7.25% ⁽⁴⁾		8,448,406	RETAINED			
M-1	2.65%	4.60%	2.21	241,383	-	241,383	BBB-	170
M-2	2.05%	2.55%	4.75	186,729	18,672	168,057	BB-	300
B-1	0.30%	2.25%	5.03	27,327	2,733	24,594	B+	400
B-2	2.25%	0.00%		204,948	RETAINED			
Executed XOL and Notes	5.00%		3.42		21,405	434,034		261

Key Combined Transaction Details:

- Total Current Unpaid Principal Balance \$36.3B and total Risk in Force ("RIF") \$9.1B as of August 31, 2018, the ("Cut-off Date")
- Mortgage insurance coverage on mortgage loans having an insurance coverage effective date in 2017
- Legal Final Date: November 25, 2028
- Expected Repayment Date: November 25, 2023
- 98.7% of the Mortgage Loans (by RIF as of the Cut-off Date) are subject to the cancellation and termination provisions of the Homeowners Protection Act and similar GSE servicer requirements
- Trigger Events:
 - 100% of principal is subject to triggers
 - Minimum Credit Enhancement Test: < 8.00%
 - Sixty-Plus Delinquency Percentage Test: ≥ 4.00%
- Coverage levels A and B-2 will not be reinsured by Radian as part of this placement
- Coverage level B-2 is subject to a minimum retained share of 50% by the Ceding Insurer and its affiliates while the Notes are outstanding, which can be maintained vertically or horizontally within Coverage level B-2

- 1) Expected weighted average lives in years with respect to the Notes above are based on certain hypothetical modeling assumptions, including that (i) prepayments occur at the pricing speed of 10% CPR, calculated from the Closing Date, (ii) no Loss Reductions occur, (iii) the Notes pay on the 25th day of each calendar month beginning in December 2018 and (iv) the Ceding Insurer exercises its option to terminate the Reinsurance Agreement in connection with the Early Redemption option when first eligible.
- 2) Morningstar Credit Ratings
- 3) Coupon: One Month LIBOR + Spread. Following the Expected Repayment Date, the Spread will step up to equal the Initial Spread multiplied by 1.5.
- 4) Credit enhancement for the Class A must build to 8% before the Class M-1 and Subordinate tranches will amortize.

radian
ensuring the American dream