



RADIAN

Ensuring the American Dream[®]

Financial Results

First Quarter 2015

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;
- catastrophic events, increased unemployment, home price depreciation or other negative economic changes in geographic regions where our mortgage insurance exposure is more concentrated;
- Radian Guaranty’s ability to remain eligible under applicable requirements imposed by the Federal Housing Finance Agency and the government-sponsored entities (“GSEs”) to insure loans purchased by the GSEs;
- our ability to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs. We expect to contribute a portion of our holding company liquidity to Radian Guaranty to support Radian Guaranty’s compliance with the final PMIERS financial requirements. Our projections regarding the amount of holding company liquidity that we may contribute to Radian Guaranty are based on our estimates of Radian Guaranty’s Minimum Required Assets (as defined under the PMIERS) and Available Assets (as defined under the PMIERS), which may not prove to be accurate, and which could be impacted by: (1) our ability to receive GSE approval for the full benefit of our existing reinsurance arrangements under the PMIERS after any necessary amendments to these arrangements, (2) whether we elect to convert certain liquid assets into PMIERS compliant Available Assets; (3) factors affecting the performance of our mortgage insurance business, including our level of defaults, the losses we incur on new or existing defaults and the credit characteristics of new business that we write; and (4) the GSEs’ intention to update the factors that are applied to calculate and determine a mortgage insurer’s Minimum Required Assets every two years or more frequently, as determined by the GSEs, to reflect changes in macroeconomic conditions or loan performance. Contributing holding company cash and investments from Radian Group to Radian Guaranty will leave less liquidity to satisfy Radian Group’s future obligations. Depending on the amount of holding company contributions that we make, we may be required or 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;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future state regulatory requirements, including new capital adequacy standards that currently are being developed by the National Association of Insurance Commissioners (“NAIC”) and that could be adopted by certain states in which we write conduct business;

Safe Harbor Statements (Continued)

- changes in the charters or business practices of, or rules or regulations imposed by or applicable to the GSEs, including: (1) the implementation of the final PMIERS, which (i) will increase the amount of capital that Radian Guaranty is required to hold, and therefore, reduce our current returns on subsidiary capital; (ii) impose extensive and more stringent operational requirements in areas such as claim processing, loss mitigation, document retention, underwriting, quality control, reporting and monitoring, among others that may result in additional costs in order to achieve and maintain compliance; (iii) require the consent of the GSEs for Radian Guaranty to take certain actions such as paying dividends, entering into various inter-company agreements, and commuting or reinsuring risk, among others; (2) changes that could limit the type of business that Radian Guaranty and other private mortgage insurers are willing to write, which could reduce our NIW; (3) changes that could increase the cost of private mortgage insurance, including as compared to the Federal Housing Administration's ("FHA") pricing, or result in the emergence of other forms of credit enhancement; and (4) changes that could require us to alter our business practices, which may result in substantial additional costs in order to achieve and maintain compliance with the PMIERS;
- our ability to continue to effectively mitigate our mortgage insurance losses, including a decrease in net rescissions, denials or curtailments resulting from an increase in the number of successful challenges to previously rescinded policies, claim denials or claim curtailments (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;
- 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 have access to greater amounts of capital than we do, 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 Wall Street Reform and Consumer Protection 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: (1) the resolution of existing, or the possibility of additional, lawsuits or investigations; (2) changes to the Mortgage Guaranty Insurers Model Act ("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 Model Act in the future; and (3) 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 results of operations caused by changes in the fair value of our assets and liabilities, including a significant portion of our investment portfolio and certain of our long-term incentive compensation awards;

Safe Harbor Statements (Continued)

- changes in generally accepted accounting principles or statutory accounting practices, 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; and
- 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.

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, 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 issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements 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®

Q1 Highlights

Net income from continuing operations of \$92 million or \$0.39 net income per diluted share

Net income of \$0.5 million from discontinued operations

Includes \$16.8 million of net gains on investments and other financial instruments

Book value per share of \$11.53

Adjusted pretax operating income of \$124 million⁽¹⁾

Consists of \$125.9 million of income from the Mortgage Insurance segment and a \$2.0 million loss from the Mortgage and Real Estate Services segment

Approximately \$700 million of currently available holding company liquidity

Risk-to-capital ratio for Radian Guaranty of 17.1 to 1

Strong share of high-quality new mortgage insurance business

NIW of \$9.4 billion compared to \$6.8 billion in Q1 2014. Added 33 new MI customers in the quarter.

100% Prime; 64% with FICO of 740 or above

Mortgage and Real Estate Services segment total services revenue of \$31 million

Gross profit on services of \$12.3 million

Clayton Holdings acquired Red Bell, a real estate brokerage firm that provides products and services including AVMs, BPOs and advanced technology solutions.

(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 first quarter 2015 earnings press release dated April 30, 2015.

Q1 Highlights

Improved composition of MI portfolio

New business written after 2008 represents 80% of primary risk in force

New business written after 2008, excluding HARP volume, represents 70% of primary risk in force

Mortgage insurance in force of \$172.1 billion

Compared to \$171.8 billion as of December 31, 2014, and \$162.4 billion as of March 31, 2014

Persistency, the percentage of mortgage insurance in force that remains on books after a 12-month period, was 82.6%

Continued decline in number of mortgage insurance defaults

Total number of primary delinquent loans decreased by 24% from Q1 2014

Primary mortgage insurance delinquency rate decreased to 4.6% from 6.3% in Q1 2014

Mortgage insurance loss provision of \$46 million

Loss reserves of approximately \$1.4 billion – down from \$1.9 billion in Q1 2014

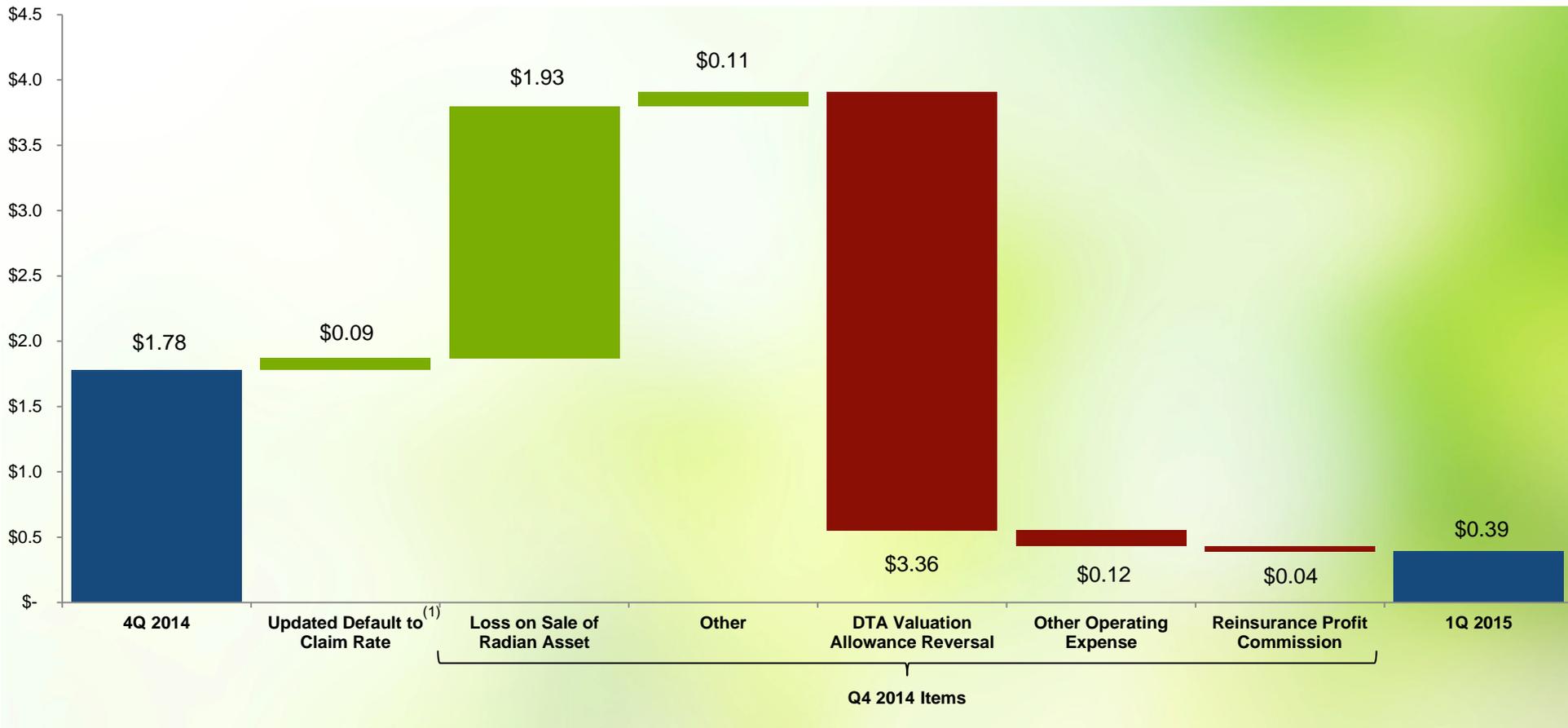
Primary reserves (excluding IBNR and other reserves) were \$28,423 per primary default vs. \$26,509 in Q1 2014

Loss ratio of 20.4% was down compared to 25.0% in Q1 2014

Total mortgage insurance net claims paid of \$207 million, including \$98.5 million related to the BofA Settlement Agreement

Expects net claims paid for full-year 2015 of \$600 - \$700 million which includes a total of \$250 million of claims expected to be paid in Q1 2015 related to the BofA Settlement Agreement

Q4 2014 to Q1 2015 GAAP Earnings Per Share



(1) Based on recent experience the company updated its default to claim rate for new notices of default from 16% to 15%.

Financial Highlights

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

	March 31, 2015	December 31, 2014	March 31, 2014 ⁽¹⁾
Total assets	\$ 6,813.9 ⁽²⁾	\$ 6,860.0	\$ 5,529.0
Loss reserves	\$ 1,384.7	\$ 1,560.0	\$ 1,894.0
Unearned premiums	\$ 657.6	\$ 644.5	\$ 580.5
Long-term debt	\$ 1,219.0	\$ 1,209.9	\$ 938.4
Stockholders' equity	\$ 2,207.0	\$ 2,097.1	\$ 1,055.6
Book value per share	\$ 11.53	\$ 10.98	\$ 6.10
Available holding company liquidity	\$ 661.9 ⁽³⁾	\$ 669.5	\$ 615.2
Statutory capital (Radian Guaranty)	\$ 1,837.0	\$ 1,714.6	\$ 1,413.7
Risk-to-capital ratio (Radian Guaranty)	17.1:1*	17.9:1	19.2:1

(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) Total assets at March 31, 2015 includes \$1.8 billion of assets held for sale related to Radian Asset Assurance. The sale was completed on April 1, 2015.

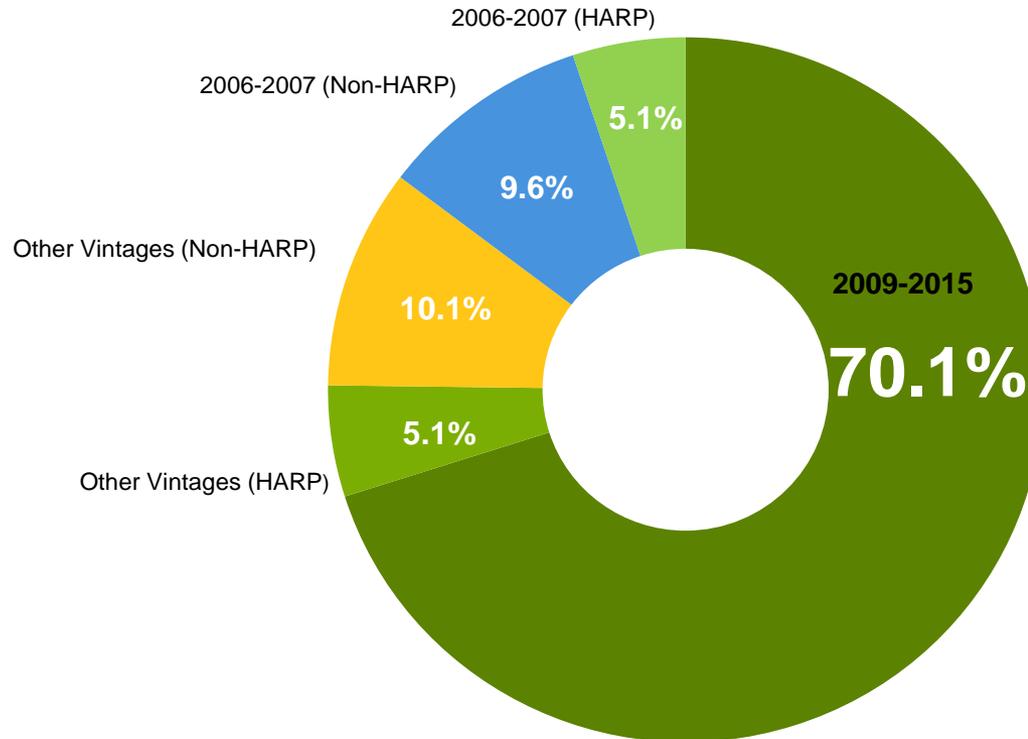
(3) Available holding company liquidity as of March 31, 2015 does not include approximately \$45.1 million of Radian Group funds that were held in a separate escrow account. These funds were released from the escrow account upon the completion of the April 1, 2015 sale of Radian Asset Assurance.

*Preliminary

MORTGAGE INSURANCE

Improved Composition of MI Portfolio⁽¹⁾

NIW since 2009 and HARP volume combined **now represents 80%** of Radian's mortgage insurance primary risk in force as of Q1 2015



Approximately 67% 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)



% of Portfolio

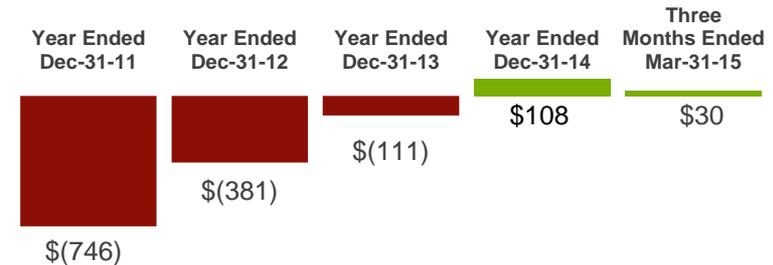


% of Portfolio

2009 and
Later
Vintages

2008 and
Prior
Vintages

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



(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.

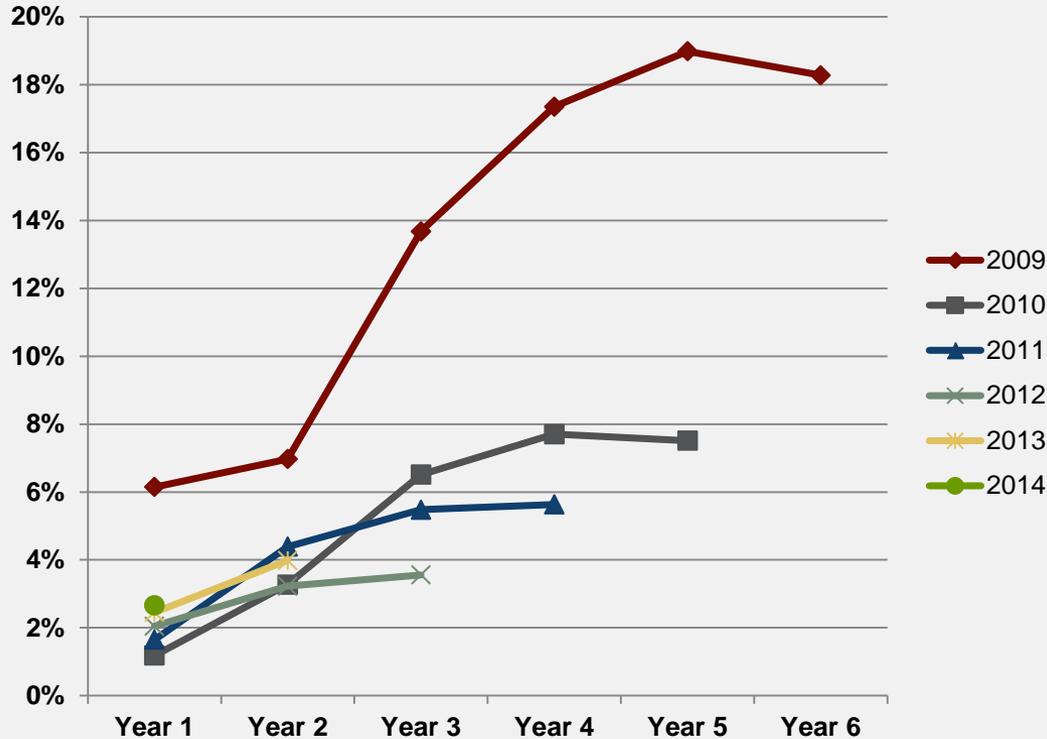
First-Lien Mortgage Insurance: 2015 Performance by Vintage

(\$ in millions)

Three Months Ended March 31, 2015			
Vintage	Premiums Earned ⁽¹⁾	Incurred Losses ⁽¹⁾	Net
2005 and Prior	\$ 21.1	\$ (5.5)	\$ 26.6
2006	13.2	10.4	2.8
2007	23.5	27.4	(3.9)
2008	14.1	9.3	4.8
2009	6.6	0.6	6.0
2010	5.7	0.2	5.5
2011	10.0	0.4	9.6
2012	30.5	0.2	30.3
2013	54.1	2.2	51.9
2014	46.2	1.4	44.8
2015	2.0	-	2.0

(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.

Primary Mortgage Insurance: Cumulative Incurred Loss Ratio by Development Year



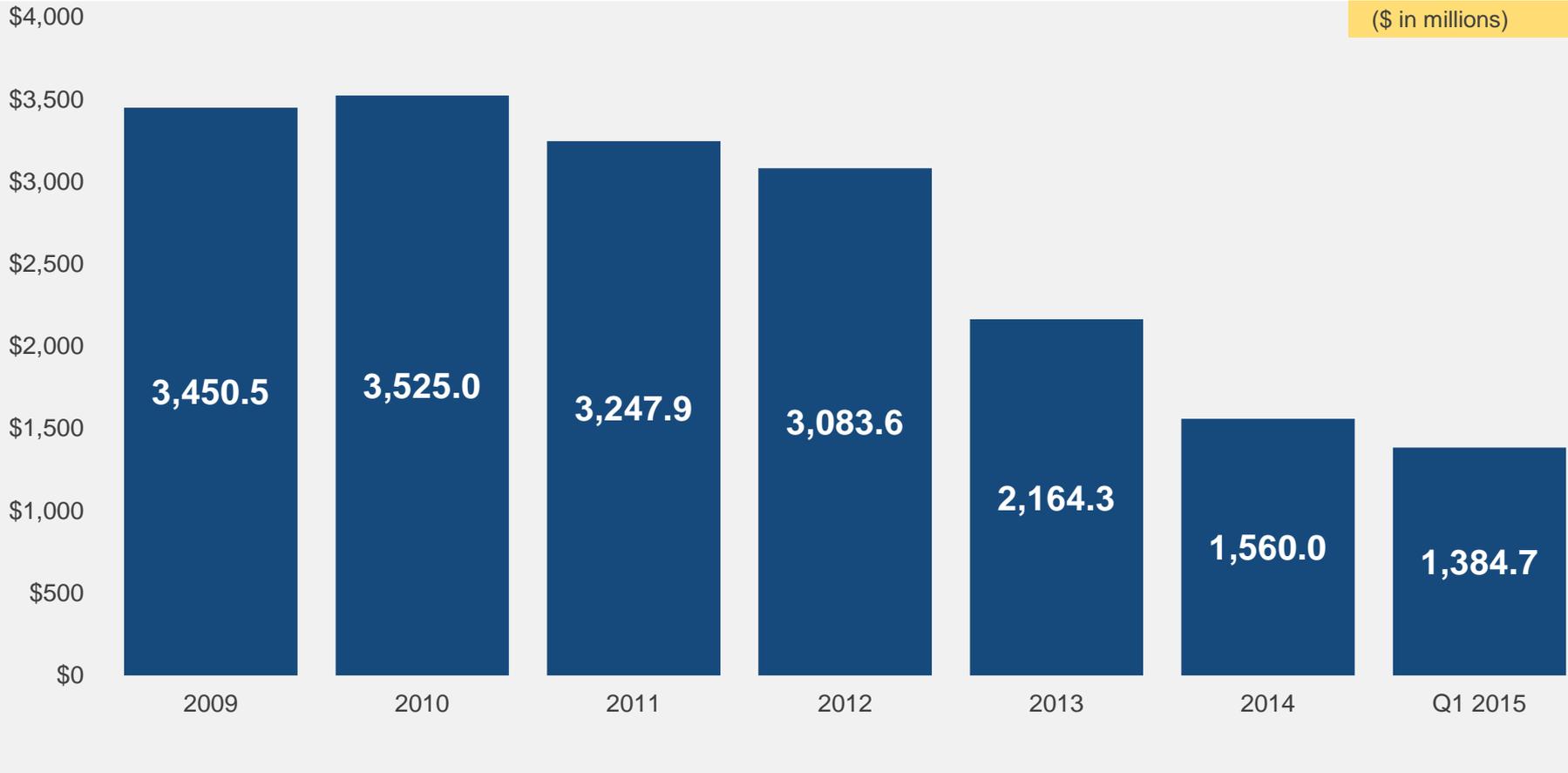
Incurred Loss Ratio							
Vintage	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Mar-15
2009	6.1%	7.0%	13.7%	17.4%	19.0%	18.3%	18.1%
2010		1.2%	3.3%	6.5%	7.7%	7.5%	7.4%
2011			1.7%	4.4%	5.5%	5.6%	5.6%
2012				2.0%	3.2%	3.6%	3.3%
2013					2.5%	4.0%	4.0%
2014						2.7%	2.8%

Private Mortgage Insurer Eligibility Requirements (PMIERs)

On April 17, 2015, the Federal Housing Finance Agency (FHFA) issued the final PMIERs developed by Fannie Mae and Freddie Mac (GSEs). The PMIERs provide revised requirements for private mortgage insurers, including Radian Guaranty, to remain eligible insurers of loans purchased by the GSEs. The effective date for existing approved insurers is December 31, 2015.

- As of March 31, 2015, Radian Guaranty would be able to **immediately comply** with the financial requirements of the PMIERs by utilizing approximately \$330 million of existing holding company liquidity.
- This estimate includes the net proceeds of \$789 million from the recent sale of Radian Asset and assumes that the company converts approximately \$130 million of existing liquid assets into PMIERs-compliant Available Assets (as defined in the PMIERs) and receives full PMIERs benefit of approximately \$145 million for its outstanding quota-share reinsurance arrangements.

Total Mortgage Insurance Loss Reserves



Components of Provision for Losses

(\$ in millions)

	Three Months Ended				
	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
New defaults	\$ 64.9	\$ 77.5	\$ 72.4	\$ 74.4	\$ 77.0
Existing defaults, Second-lien, LAE and Other⁽¹⁾	(19.0)	6.1	(23.5)	(9.8)	(27.4)
Provision for Losses	\$45.9	\$83.6	\$48.9	\$64.6	\$49.6

(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

March 31, 2015

(\$ in thousands)

	Total		Foreclosure Stage Defaulted Loans	Cure % During the 1st Quarter	Reserve for Losses	% of Reserve
Missed payments	#	%	#	%	\$	%
3 payments or fewer	9,289	23.0%	220	37.8%	\$129,298	11.8%
4-11 payments	9,758	24.1	726	16.6	187,003	17.1
12 payments or more ⁽²⁾	16,774	41.5	3,834	4.5	556,671	50.8
Pending claims ⁽²⁾	4,619	11.4	N/A	0.9	223,052	20.3
	40,440⁽¹⁾	100.0%	4,780		\$1,096,024	100.0%
IBNR and other					167,204	
LAE					53,210	
Total primary reserves					\$1,316,438	

Key Reserve Assumptions	Gross Default to Claim Rate %	Net Default to Claim Rate %	Severity %
	57%	53%	104%

- (1) Primary risk in force on defaulted loans at March 31, 2015 was \$1.9 billion, which excludes risk related to loans subject to the Freddie Mac Agreement. Excludes 3,715 loans subject to the Freddie Mac Agreement that are in default at March 31, 2015, as we no longer have claims exposure on these loans.
- (2) 52% of defaults that have missed twelve payments or more (including the portion in pending claims) are greater than three years old.

Direct Primary Risk in Force and Reserves by Vintage



	March 31, 2015		December 31, 2014		March 31, 2014	
	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses	Risk in Force	Reserve for Losses
2005 and prior	7.8%	34.7%	8.2%	34.0%	10.4%	33.6%
2006	4.4	17.9	4.6	18.0	5.6	18.0
2007	10.2	32.5	10.6	33.1	12.5	34.1
2008	7.5	10.8	7.9	11.4	9.4	11.6
2009	2.3	1.0	2.5	1.0	3.4	1.2
2010	2.0	0.4	2.1	0.3	2.8	0.4
2011	3.9	0.5	4.2	0.5	5.4	0.4
2012	14.2	0.9	15.1	0.8	18.6	0.5
2013	22.4	1.0	23.8	0.8	27.7	0.2
2014	20.0	0.3	21.0	0.1	4.2	-
2015	5.3	-	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Primary Insurance in Force: Default Rollforward

	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Beginning Default Inventory	45,319	46,843	48,904	53,119	60,909
New Defaults ⁽¹⁾	10,253	12,070	12,339	11,454	12,113
Cures ⁽¹⁾	(11,589)	(10,739)	(10,777)	(10,930)	(13,645)
Claims Paid ^{(2) (3)}	(3,932) ⁽⁴⁾	(2,235)	(3,067)	(4,698)	(6,049)
Rescissions ⁽⁵⁾	(39)	(37)	(70)	(61)	(59)
Denials ⁽⁶⁾	42	(146)	(188)	16	(65)
Rescissions/Denials relating to BofA Settlement Agreement ⁽⁷⁾	386	(437)	(298)	4	(85)
Ending Default Inventory	40,440	45,319	46,843	48,904	53,119

(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:

4,761	4,834	4,663	4,271	5,332
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(2) Includes those charged to a deductible or captive.

(3) Excludes 441 claims processed in accordance with the terms of the Freddie Mac Agreement in Q4 2014.

(4) 1,475 claims payments in Q1 2015 are associated with the implementation of the BofA Settlement Agreement.

(5) Net of any previously rescinded policies that were reinstated during the period. Such reinstated rescissions may ultimately result in a paid claim. In Q1 2015, there were 41 rescissions and 2 reinstatements of previously rescinded policies.

(6) 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 Q1 2015, there were 304 denials and 346 reinstatements of previously denied claims.

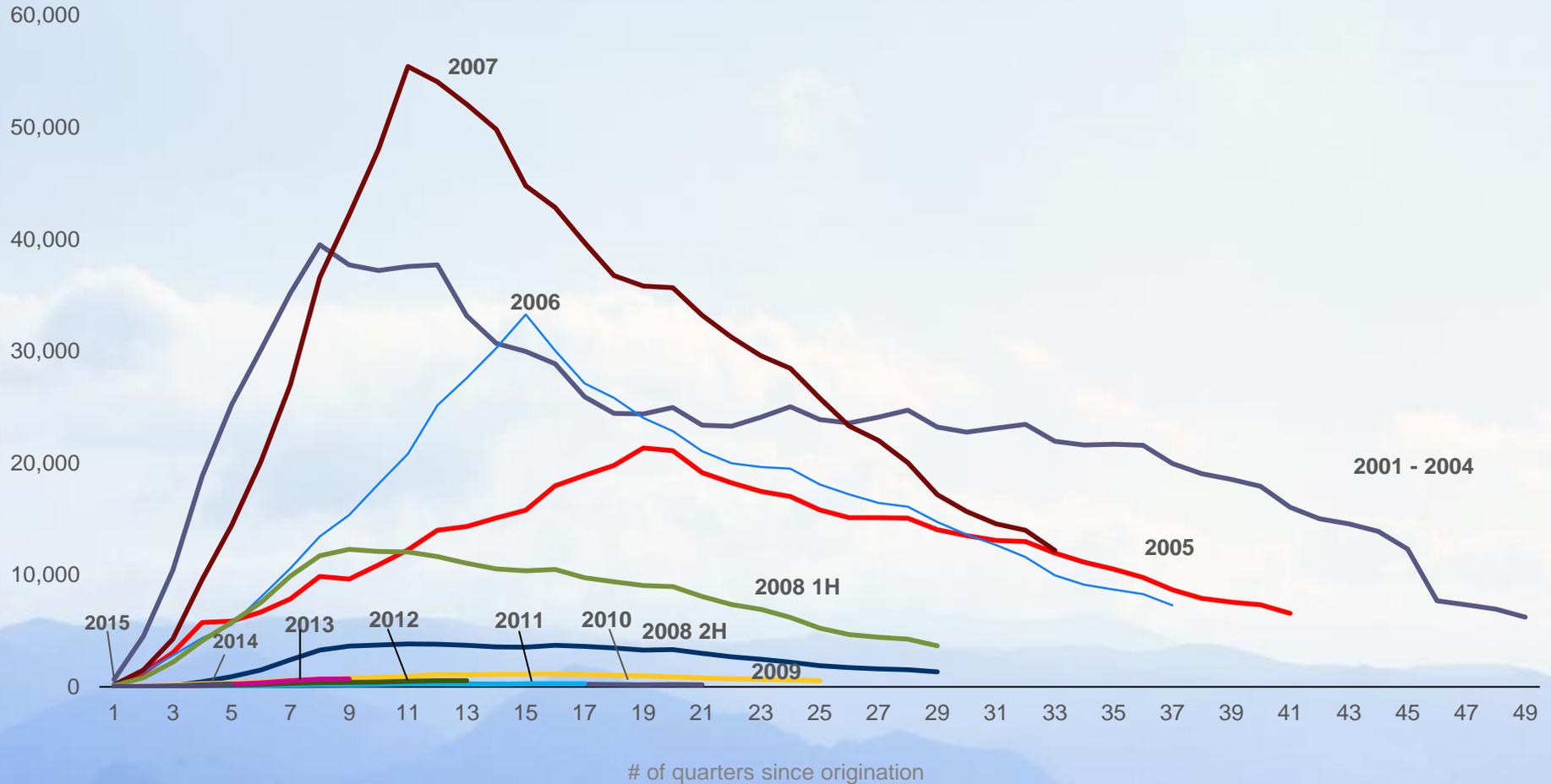
(7) Includes rescissions, denials and reinstatements on the population of loans subject to the BofA Settlement Agreement.

Primary Mortgage Insurance Default Rates



(1) Insured loans subject to the Freddie Mac Agreement are included in the denominator (8,558 insured loans at March 31, 2015) and loans in default subject to the Freddie Mac Agreement are excluded from the numerator (3,715 loans in default at March 31, 2015).

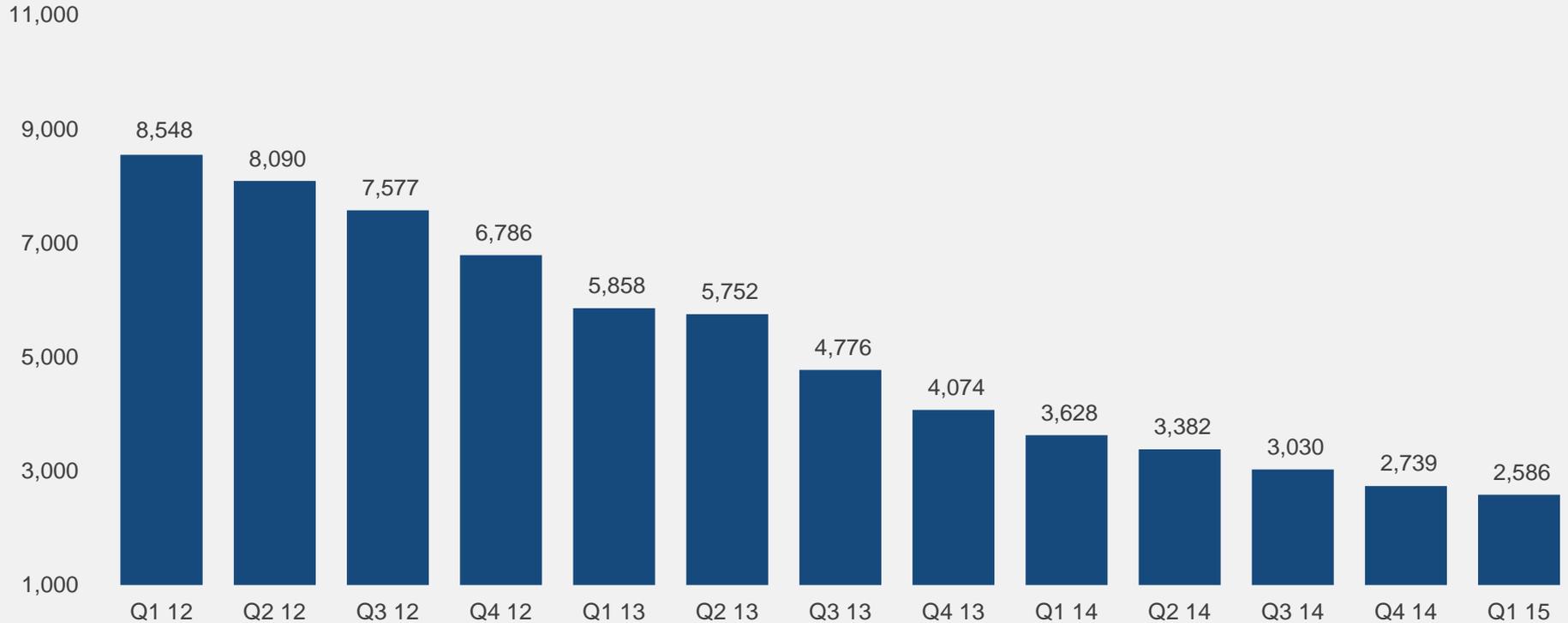
Primary Default Count by Vintages 2001 - 2015



- 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 March 31, 2015, excludes 3,715 loans in default subject to the Freddie Mac Agreement.

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

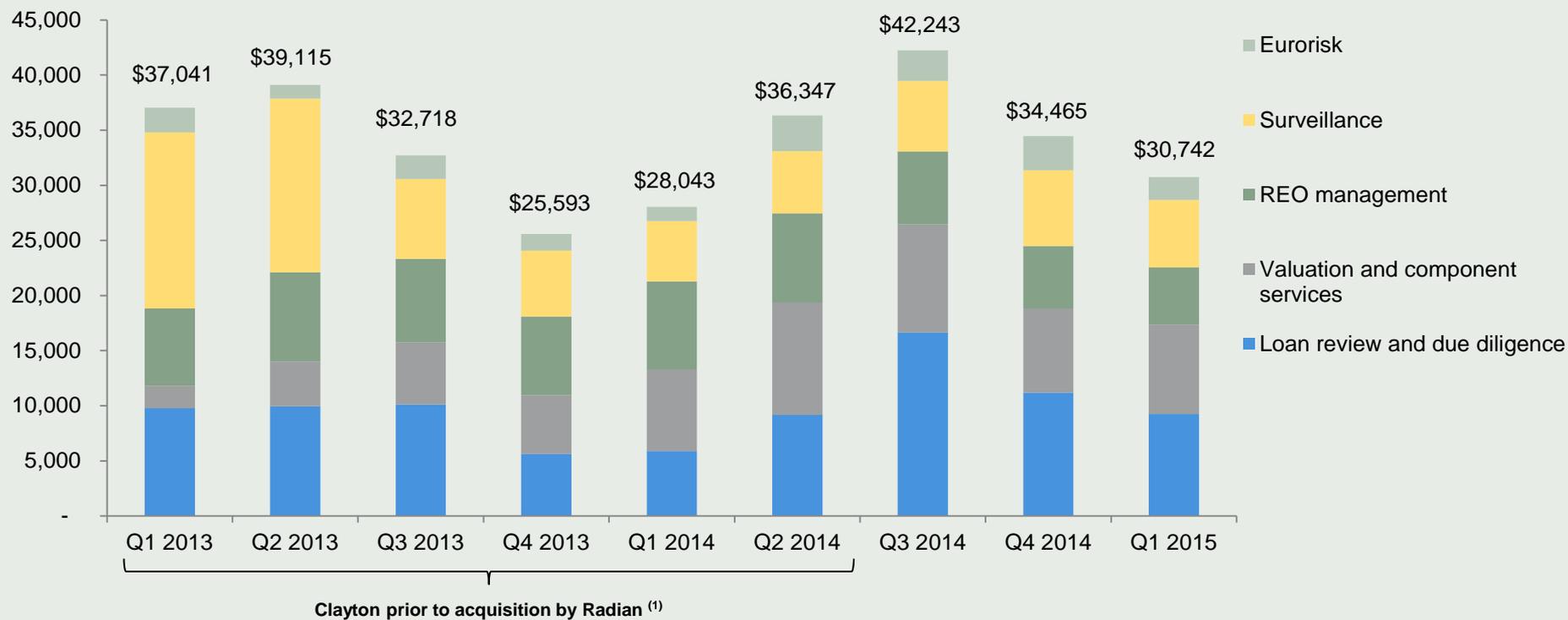
Mortgage and Real Estate Solutions

Expanding Radian's Participation in Mortgage Value Chain

				
Origination	Securitization	Surveillance/ Monitoring	Asset Management/ Valuation	
<ul style="list-style-type: none">▪ Contract underwriting▪ Quality control▪ Outsourced underwriting, closing and processing support▪ Counterparty reviews▪ Property valuation reviews	<ul style="list-style-type: none">▪ RMBS securitization due diligence▪ Credit and regulatory compliance reviews▪ Independent collateral review▪ Single family rental securitization review	<ul style="list-style-type: none">▪ Servicer and sub-servicer oversight▪ RMBS servicer surveillance▪ Servicer surveillance technology▪ Default/foreclosure loan file review▪ Single family rental surveillance	<ul style="list-style-type: none">▪ REO asset management▪ Single family rental management▪ Asset management technology solutions▪ Asset valuation technology and services	
				

Services Revenue

(\$ in thousands)



(1) Represents unaudited quarterly historical revenue for the businesses of Clayton Holdings LLC for periods prior to our acquisition on June 30, 2014.

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