Financial Results

Second Quarter 2016

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 in particular but without limitation, unemployment rates, interest rates and changes in housing markets and mortgage credit markets that could impact the size of the insurable market and the credit performance of our insured portfolio;
- changes in the way customers, investors, regulators or legislators perceive the performance and financial strength of private mortgage insurers;
- Radian Guaranty’s ability to remain eligible under the PMIERs and other applicable requirements imposed by the Federal Housing Finance Agency and by the GSEs to insure loans purchased by the GSEs;
- our ability to successfully execute and implement our capital plans and to maintain sufficient holding company liquidity to meet our short- and long-term liquidity needs;
- our ability to successfully execute and implement our business plans and strategies, including in particular but without limitation, plans and strategies that require GSE and/or regulatory approvals;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future state regulatory requirements;
- changes in the charters or business practices of, or rules or regulations imposed by or applicable to, the GSEs, including the GSEs’ interpretation and application of the PMIERs to Radian Guaranty;
- changes in the current housing finance system in the U.S., including in particular but without limitation, the role of the FHA, the GSEs and private mortgage insurers in this system;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance;
- a significant decrease in the Persistency Rates of our Monthly Premium Policies;
- heightened competition in our mortgage insurance business, including in particular but without limitation, increased price competition and competition from other forms of credit enhancement;
- 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 laws and regulations, or changes in existing laws and regulations, or the way they are interpreted;
- the outcome of legal and regulatory actions, reviews, audits, inquiries and investigations that could results in adverse judgments, settlements, fines, injunctions, restitutions or other relief that could require significant expenditures or have other effects on our business;

Safe Harbor Statements (Continued)

- the amount and timing of potential payments or adjustments associated with federal or other tax examinations, including deficiencies assessed by the IRS resulting from its 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 business;
- 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;
- changes in GAAP or SAP rules and guidance, or their interpretation;
- legal and other limitations on dividends and other amounts we may receive from our subsidiaries; and
- the possibility that we may need to impair the carrying value of goodwill established in connection with our acquisition of Clayton.

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, 2015, 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.

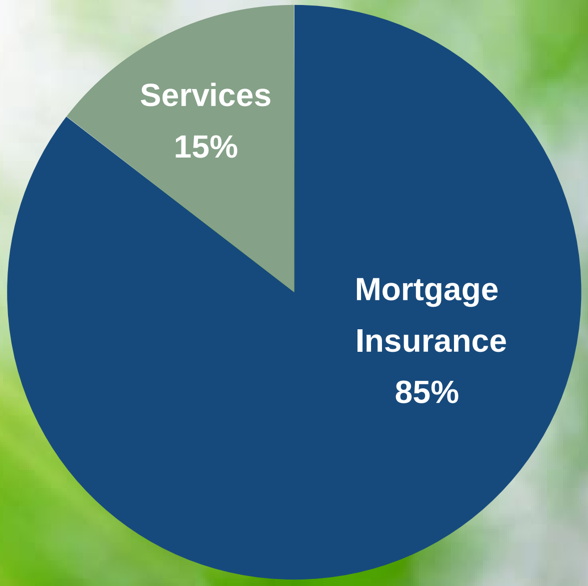
Who Is Radian?

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

- **Mortgage Insurance**, through its principal mortgage insurance subsidiary Radian Guaranty Inc., protecting lenders from default-related losses, facilitating the sale of low-downpayment mortgages in the secondary market and enabling homebuyers to purchase homes more quickly with downpayments less than 20%.

- **Mortgage and Real Estate Services**, through its principal services subsidiary Clayton, as well as Green River Capital, Red Bell Real Estate and ValuAmerica. Solutions include information and services that financial institutions, investors and government entities use to evaluate, acquire, securitize, service and monitor loans and asset-backed securities.

Q2 2016 Revenue



Total Net Premiums Earned and Services Revenue

$268 million

NYSE: RDN
www.radian.biz

Ensuring the American Dream®

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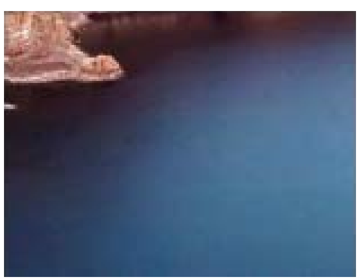
Q2 Highlights

Net income of $98.1 million or $0.44 diluted net income per share

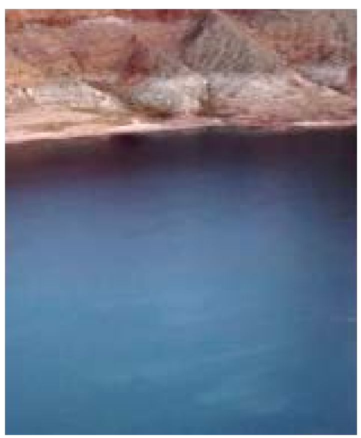
Includes $30.5 million of net gains on investments and other financial instruments

Book value per share of $13.09



Adjusted pretax operating income of $131.4 million(1)

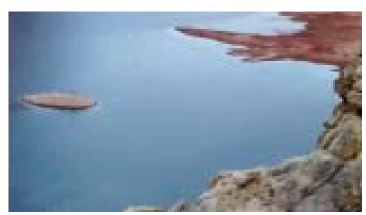
$0.38 adjusted diluted net operating income per share



Approximately $718.0 million of currently available holding company liquidity

$325 million surplus note was redeemed, which immediately resulted in a $325 million increase to Radian Group's available liquidity

Announced plan to repurchase up to $125 million of common stock and redeem $196 million of 9.000% Senior Notes due 2017



High-quality new mortgage insurance business

NIW was $12.9 billion in Q2 2016 compared to $11.8 billion in Q2 2015.

100% Prime; 61% with FICO of 740 or above

Services segment total revenue of $39.0 million

Gross profit of $13.8 million

Services adjusted EBITDA of $2.0 million(1)

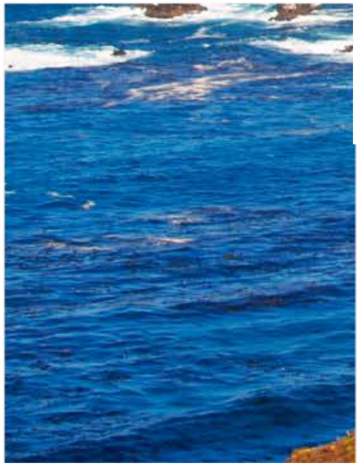
(1) Adjusted results, including Services adjusted EBITDA, as used in this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to the comparable GAAP measures, see Radian's website. For a definition of adjusted pretax operating income (loss), see Exhibit G to Radian's second quarter 2016 earnings press release dated July 28, 2016.

Q2 Highlights

Improved composition of MI portfolio

New business written after 2008 represents 86% of primary risk in force

New business written after 2008, excluding HARP volume, represents 78% of primary risk in force



Mortgage insurance in force of $177.7 billion

Compared to $175.6 billion as of December 31, 2015, and $172.7 billion as of June 30, 2015

Persistency, the percentage of mortgage insurance in force that remains on books after a 12-month period, was 79.9%. Annualized persistency for Q2 2016 was 78.0%.

Continued decline in number of mortgage insurance defaults

Total number of primary delinquent loans decreased by 20.8% from Q2 2015

Primary mortgage insurance delinquency rate decreased to 3.4% from 4.3% in Q2 2015

Mortgage insurance loss provision of $50.1 million

Loss reserves of approximately $0.8 billion – down from $1.0 billion as of Q4 2015

Primary reserves (excluding IBNR and other reserves) were $24,609 per primary default vs. $27,279 as of Q2 2015

Loss ratio of 21.9% increased compared to 13.3% in Q2 2015. The Q1 2016 and Q2 2015 loss ratios were impacted by positive reserve developments on prior year defaults.

Total mortgage insurance net claims paid of $90.7 million

Expect net claims paid for full-year 2016 of approximately $400

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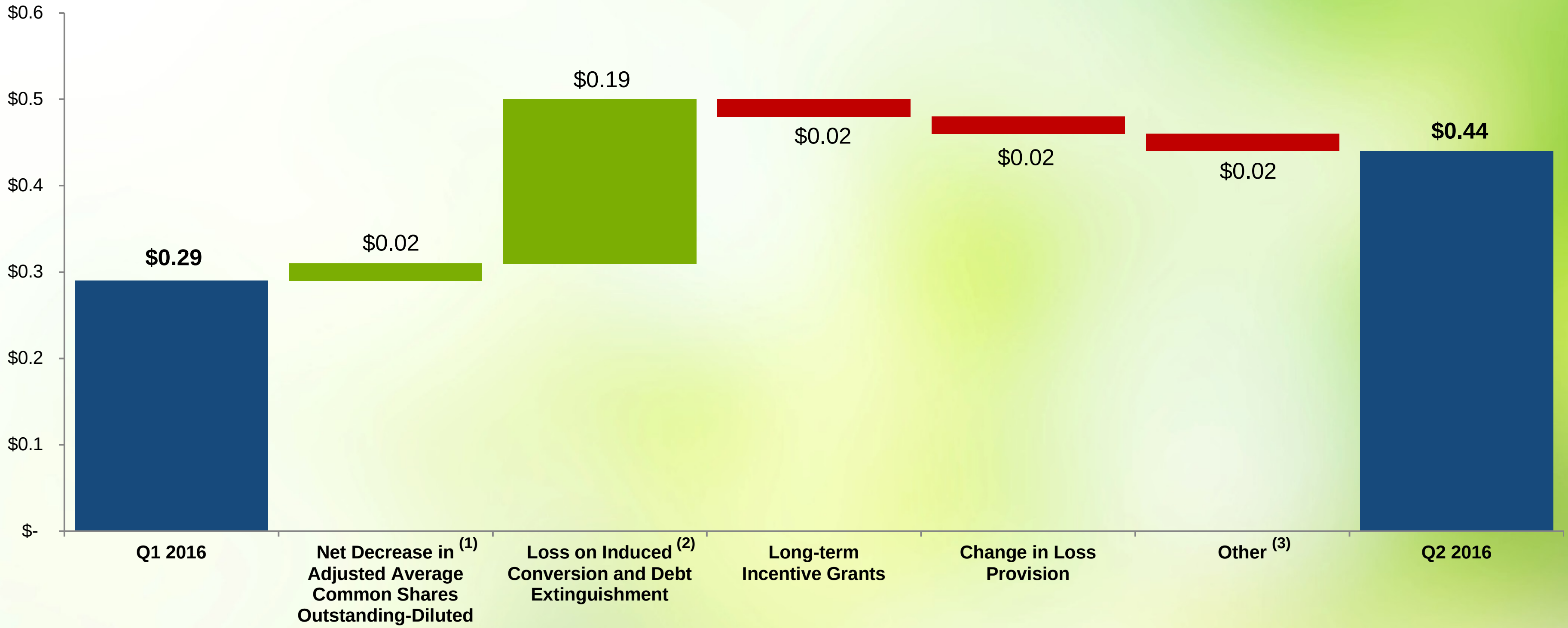
Q1 2016 to Q2 2016 GAAP Diluted Net Income Per Share



(1) The decrease in adjusted diluted average common shares outstanding represents the difference between (i) diluted net income as of June 30, 2016 divided by the average shares outstanding as of June 30, 2016; and (ii) diluted net income as of June 30, 2016 divided by the average shares outstanding as of March 31, 2016.

(2) Primarily reflects the net of tax impact of debt and capital transactions executed in the first quarter. A portion of the loss is non-deductible for tax purposes.

(3) Includes increases in net premiums earned–insurance of $0.01 and Services gross profit of $0.01.

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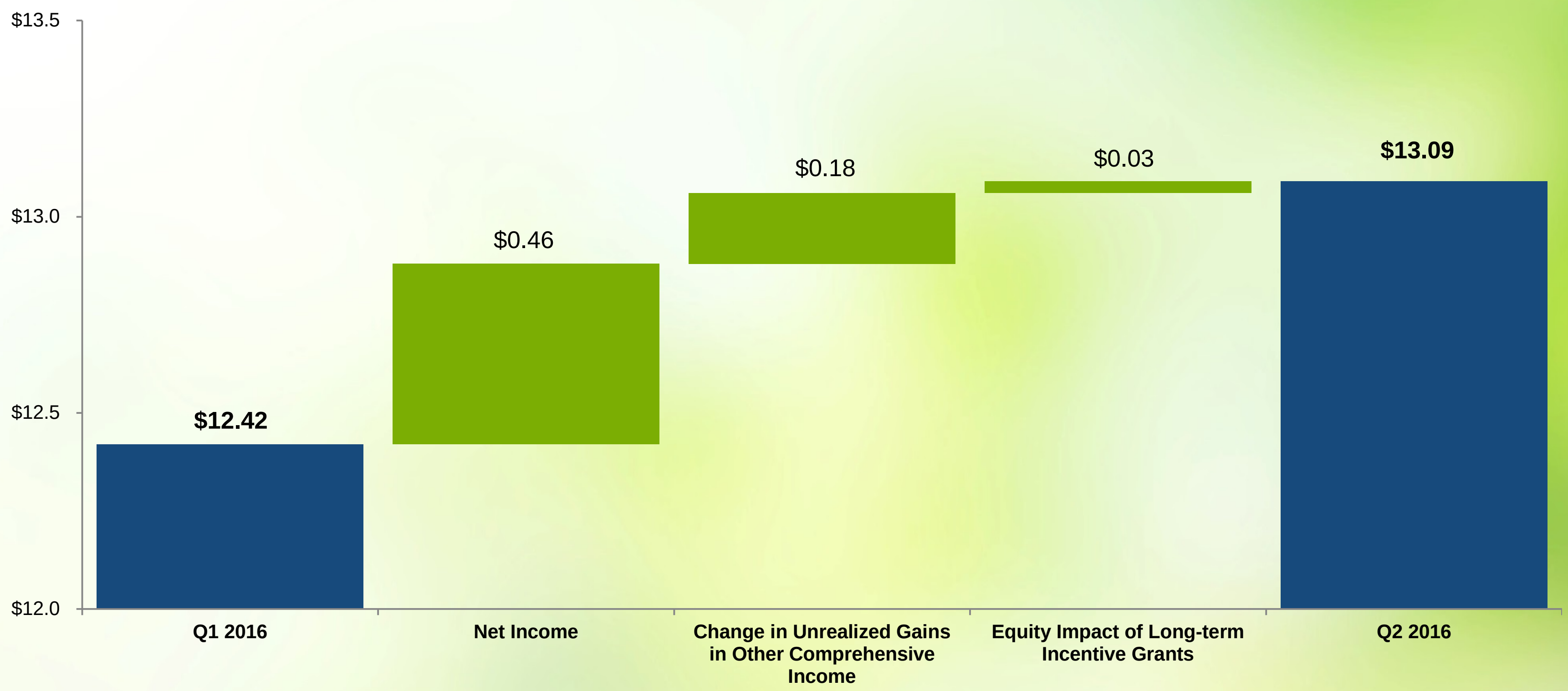
Q1 2016 to Q2 2016 GAAP Book Value Per Share(1)



(1) Activity is based on beginning-of-period shares. Book value per share for Q1 2016 and Q2 2016 is calculated based on shares outstanding at March 31, 2016 and June 30, 2016, respectively.

Financial Highlights

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

	June 30, 2016	December 31, 2015	June 30, 2015
Total assets	$ 6,067.3 [(1)]	$ 5,642.1	$ 5,736.5
Loss reserves	$ 848.4	$ 976.4	$ 1,204.8
Unearned premiums	$ 677.6	$ 680.3	$ 665.9
Long-term debt	$ 1,278.1	$ 1,219.5	$ 1,224.9
Stockholders' equity	$ 2,805.4	$ 2,496.9	$ 2,353.4
Book value per share	$ 13.09	$ 12.07	$ 11.28
Available holding company liquidity	$ 718.0	$ 342.9	$ 734.6
Statutory capital (Radian Guaranty)	$ 2,438.9 [(2)]	$ 2,547.4	$ 1,959.7

(1) Prepaid ceded premiums relating to the Single Premium QSR transaction are included in Total Assets.

(2) Reduction in statutory capital at June 30, 2016 due to repayment of $325 million surplus note to Radian Group.

MORTGAGE INSURANCE

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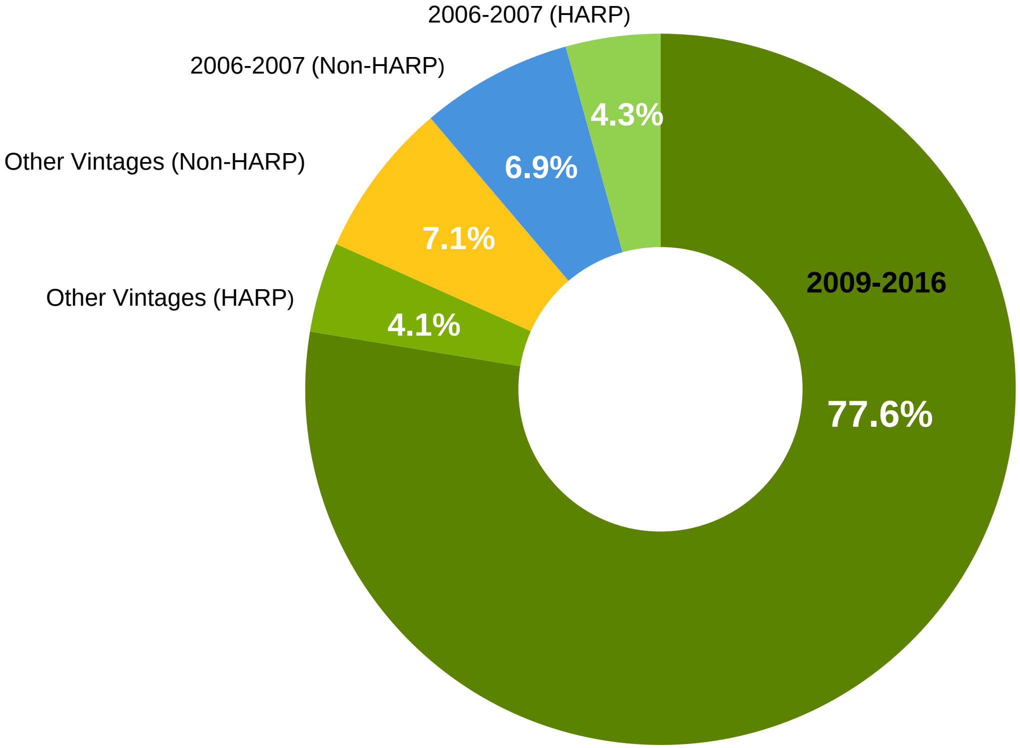
Improved Composition of MI Portfolio[1]

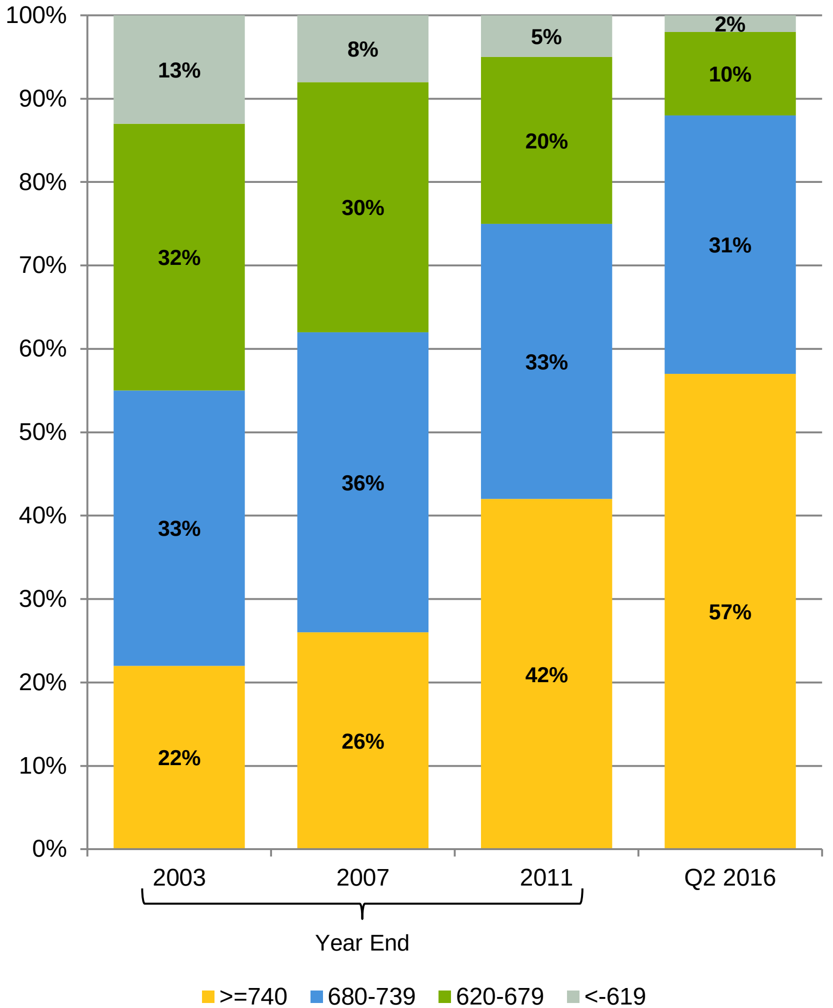
NIW since 2009 and HARP volume combined **now represents 86%** of Radian's mortgage insurance primary risk in force as of Q2 2016



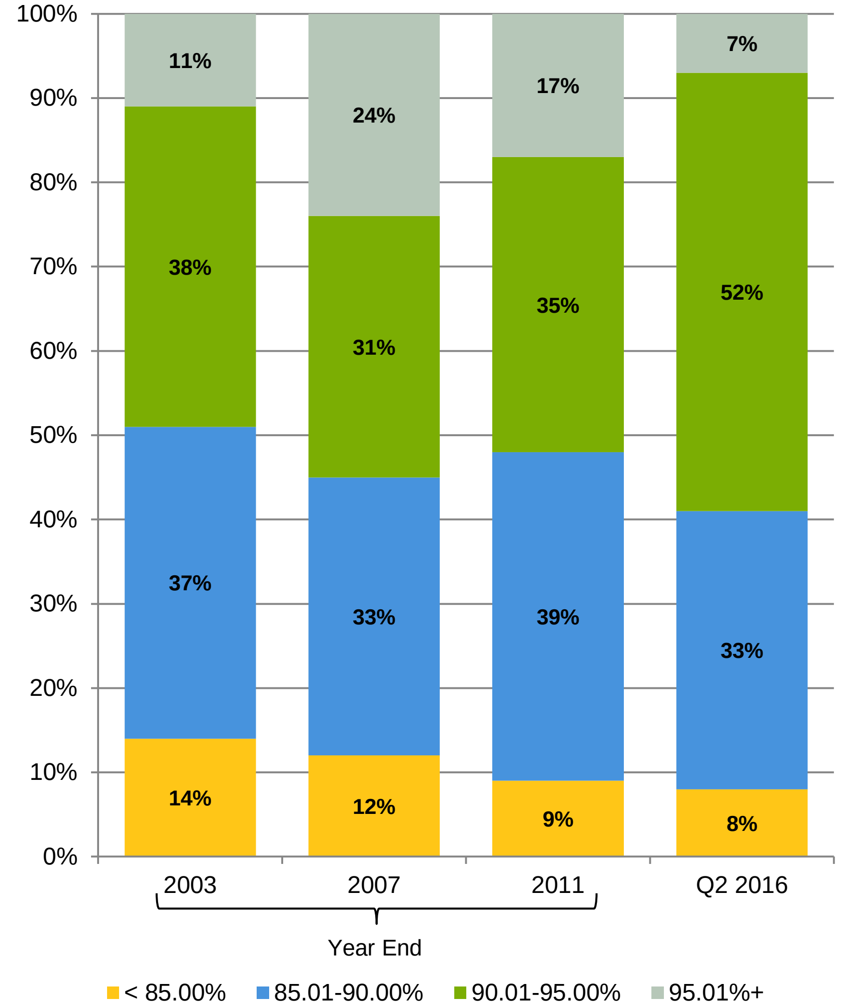
(1) Includes amounts subject to the Freddie Mac Agreement.

Improved Composition of MI Portfolio: Risk in Force by FICO and LTV

Primary RIF Distribution by FICO score



Primary RIF Distribution by LTV



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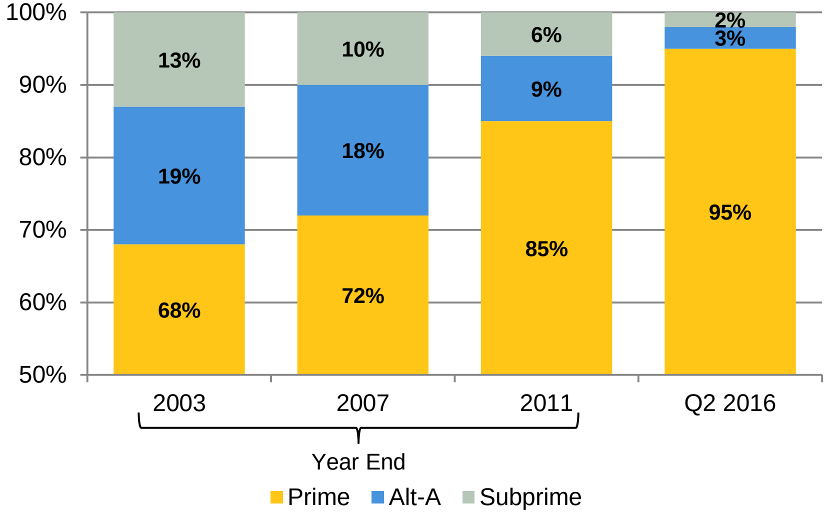
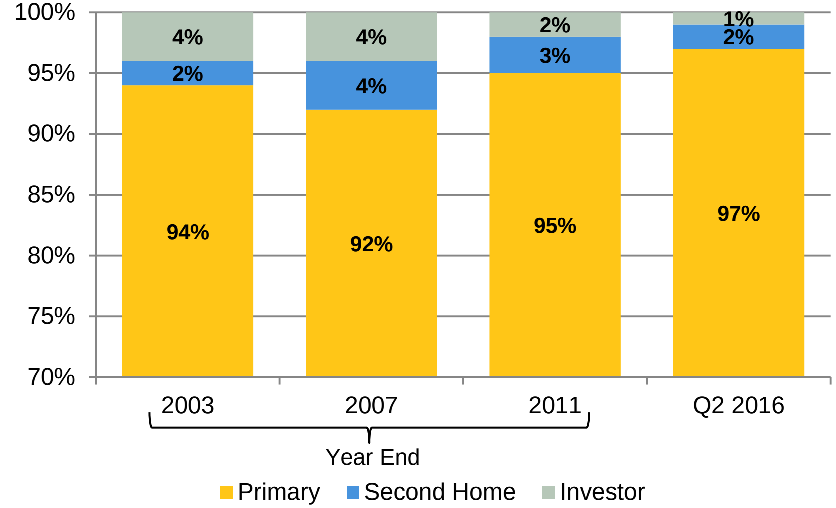
Improved Composition of MI Portfolio: Other Risk in Force Characteristics

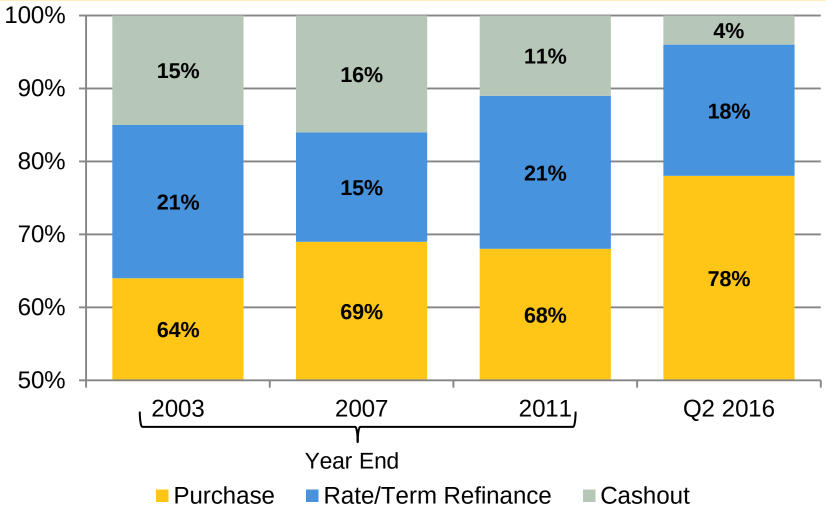
Primary RIF Distribution by Loan Grade



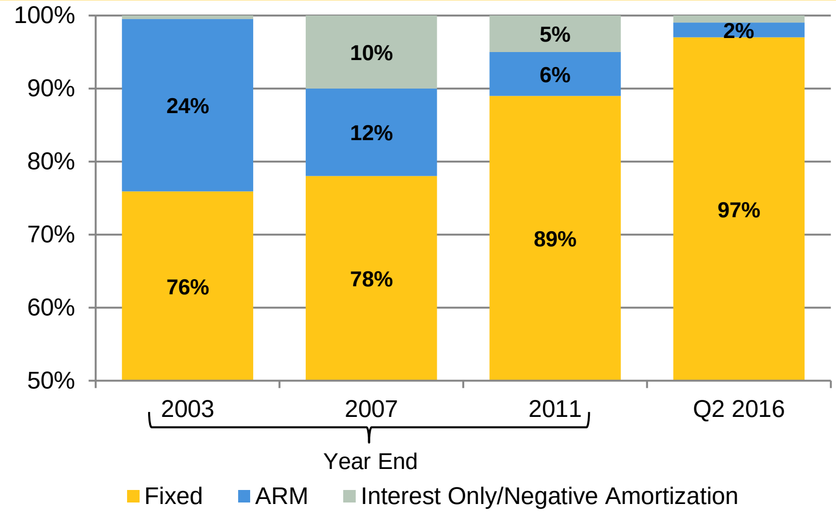
Primary RIF Distribution by Occupancy Status



Primary RIF Distribution by Loan Purpose



Primary RIF Distribution by Loan Type



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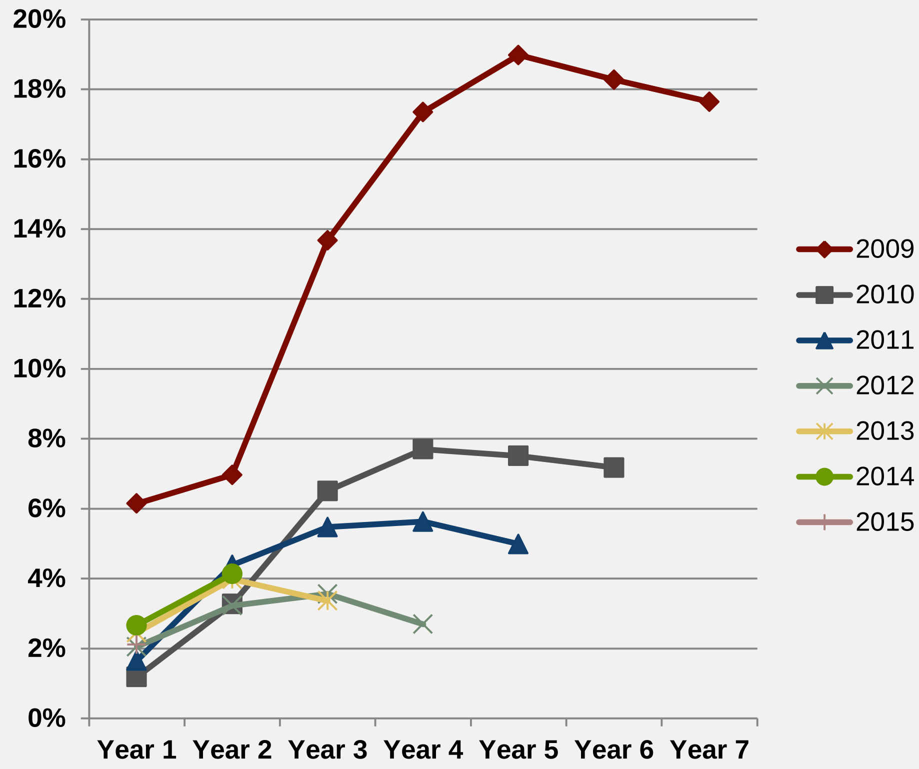
First-Lien Mortgage Insurance: 2016 Performance by Vintage

($ in millions)

	Six Months Ended June 30, 2016			Three Months Ended June 30, 2016
Vintage	**Premiums Earned[1]**	**Incurred Losses[1]**	**Net**	**Net**
2005 and Prior	$ 28.2	$ 17.5	$ 10.7	3.1
2006	22.4	18.3	4.1	(0.5)
2007	41.1	33.7	7.4	3.0
2008	23.0	10.2	12.8	5.1
2009	8.2	1.2	7.0	3.6
2010	6.4	0.1	6.3	3.2
2011	12.6	0.3	12.3	6.1
2012	42.1	1.5	40.6	20.6
2013	77.5	2.7	74.8	37.6
2014	80.5	3.6	76.9	38.7
2015	97.4	4.1	93.3	47.6
2016	13.5	0.2	13.3	11.6

(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 and the Single Premium Quota Share Reinsurance transaction, but excluding any reduction for ceded premiums and losses recoverable through our other reinsurance transactions, as these impacts are not material.

Primary Mortgage Insurance: Cumulative Incurred Loss Ratio by Development Year



Cumulative Incurred Loss Ratio								
Vintage	**Dec-09**	**Dec-10**	**Dec-11**	**Dec-12**	**Dec-13**	**Dec-14**	**Dec-15**	**Jun-16**
2009	6.1%	7.0%	13.7%	17.4%	19.0%	18.3%	17.6%	17.6%
2010		1.2%	3.3%	6.5%	7.7%	7.5%	7.2%	7.0%
2011			1.7%	4.4%	5.5%	5.6%	5.0%	4.9%
2012				2.0%	3.2%	3.6%	2.7%	2.8%
2013					2.5%	4.0%	3.4%	3.4%
2014						2.7%	4.1%	4.2%
2015							2.1%	3.3%

Radian assumes a through-the-cycle loss ratio of approximately 20% on newly originated MI business.

Components of Provision for Losses

($ in millions)

	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Current year defaults – current quarter	$ 50.9	$ 56.2	$ 62.3	$ 66.6	$ 66.0
Current year defaults – prior quarter(s)	(6.1)	-	(17.7)	(16.2)	(12.4)
Total current year defaults[(1)]	44.8	56.2	44.6	50.4	53.6
Prior year defaults	5.1	(13.5)	12.5	13.0	(19.8)
Second-lien premium deficiency reserve and other	0.2	0.6	(0.3)	0.7	(2.2)
Provision for Losses	**$ 50.1**	**$ 43.3**	**$ 56.8**	**$ 64.1**	**$ 31.6**

(1) Related to underlying defaulted loans with a most recent default notice dated in the year indicated. For example, if a loan had defaulted in a prior year, but then subsequently cured and later re-defaulted in the current year, that default would be considered a current year default.

Primary Loans in Default

June 30, 2016

($ in thousands)

	Total		Foreclosure Stage Defaulted Loans	Cure % During the 2nd Quarter	Reserve for Losses	% of Reserve
Missed payments [1]	#	%	#	%	$	%
3 payments or fewer	8,917	29.9%	153	32.2%	$94,075	13.2%
4-11 payments	7,272	24.4	543	20.0	121,827	17.1
12 payments or more [2]	11,882	39.8	3,098	6.4	410,242	57.7
Pending claims [2]	1,756	5.9	N/A	1.8	85,466	12.0
	29,827 [3]	**100.0%**	**3,794**	**16.5%**	**$711,610**	**100.0%**
IBNR and other					74,639	
LAE					22,389	
Total primary reserves					**$808,638**	

Key Reserve Assumptions	Gross Default to Claim Rate %	Net Default to Claim Rate [4] %	Severity [5] %
	49%	**46%**	**102%**

(1) 77% of new notices of defaults are from our legacy portfolio.
(2) 14% of defaults that have missed twelve payments or more (including the portion in pending claims) made a payment during Q2 2016. 49% of defaults that have missed twelve payments or more (including the portion in pending claims) are greater than three years old.
(3) Primary risk in force on defaulted loans at June 30, 2016 was $1.4 billion, which excludes risk related to loans subject to the Freddie Mac Agreement. Excludes 2,180 loans subject to the Freddie Mac Agreement that are in default at June 30, 2016, as we no longer have claims exposure on these loans.
(4) For every one percentage point change in our primary net Default to Claim Rate, we estimated a change of approximately $15 million in our primary loss reserve at June 30, 2016.
(5) For every one percentage point change in primary Claim Severity, we estimated that our total loss reserve would change by approximately $7 million at June 30, 2016.

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Primary Insurance in Force: Default Rollforward

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Beginning Default Inventory	**30,869**	**35,303**	**35,875**	**37,676**	**40,440**
New Defaults (1)	9,544	9,571	11,650	10,698	10,006
Cures (1)	(8,750)	(11,577)	(9,751)	(9,676)	(9,591)
Claims Paid (2) (3)	(1,797)	(2,488)	(2,686) (4)	(2,983) (4)	(3,891) (4)
Rescissions and Denials, net (5)	(39)	60	34	(73)	(10)
Net Reinstatements (Rescissions/Denials) relating to BofA Settlement Agreement (6)	-	-	181	233	722
Ending Default Inventory	**29,827**	**30,869**	**35,303**	**35,875**	**37,676**

(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:

	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
	3,653	4,869	4,592	4,181	3,877

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

(3) Excludes 131 claims processed in accordance with the terms of the Freddie Mac Agreement in Q2 2016.

(4) Includes claims payments associated with the implementation of the BofA Settlement Agreement.

(5) Net of any previously rescinded and denied policies and/or claims that were reinstated during the period. Reinstated rescissions may ultimately result in a paid claim. Previously denied but reinstated claims are generally reviewed for possible rescission prior to any claim payment. In Q2 2016, there were 243 reinstatements of previously rescinded policies and denied claims.

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

MORTGAGE AND REAL ESTATE SERVICES

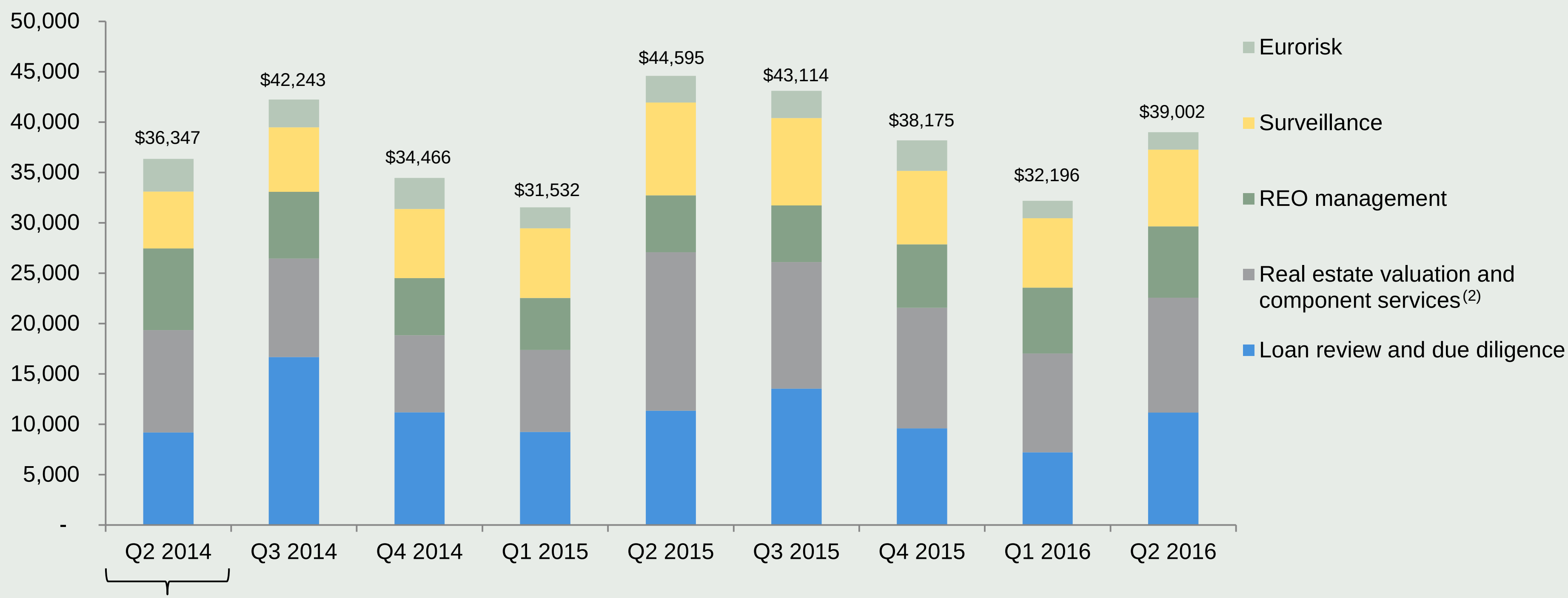
What is Mortgage and Real Estate Services?

Clayton provides risk-based analytics, residential loan due diligence, consulting, surveillance and staffing solutions.
The company also provides:

- Customized REO asset management and single-family rental component services through its **Green River Capital** subsidiary
- Advanced AVMs, BPOs and technology solutions to monitor loan portfolio performance, acquire and track NPLs, and value and sell residential real estate through its **Red Bell Real Estate** subsidiary
- Appraisal, Title, Closing and Settlement services as well as technology solutions for vendor management through its **ValuAmerica** subsidiary
- Global reach through its **Clayton EuroRisk** subsidiary

Mortgage and Real Estate Services Revenue

($ in thousands)



Clayton prior to acquisition by Radian (1)

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

(2) Includes revenue from acquisition of Red Bell Real Estate, beginning March 20, 2015, and ValuAmerica, beginning October 8, 2015.

Opportunities for Future Growth

Broaden Existing Capabilities within Residential Real Estate

MI = Mortgage Insurance

CAPITAL AND DEBT STRUCTURE

Capital Structure

Total capitalization (as of June 30, 2016)

Coupon	Description	Carrying Value ($'000)	Principal ($'000)	% of total Capitilization [2]
9.00%	Senior Notes due 2017 [1]	$193,318	$195,501	4.7%
5.50%	Senior Notes due 2019	$296,320	$300,000	7.3%
5.25%	Senior Notes due 2020	$344,702	$350,000	8.4%
7.00%	Senior Notes due 2021	$343,801	$350,000	8.4%
	Total Senior Notes	$1,178,141	$1,195,501	28.9%
3.00%	Convertible Senior Notes due 2017	$20,261	$22,233	0.5%
2.25%	Convertible Senior Notes due 2019	$79,649	$89,194	2.0%
	Total Convertible Senior Notes	$99,910	$111,427	2.4%
	Total Debt	$1,278,051	$1,306,928	31.3%
	Stockholders' Equity	$2,805,367		68.7%
	Total Capitalization	$4,083,418		100.0%

Current Radian Group Ratings

- S&P
  - **BB- with positive outlook**
  - Upgraded from B+ to BB- on March 14, 2016
- Moody's
  - **Ba3 with stable outlook**
  - Upgraded from B1 to Ba3 on January 28, 2016

- **Prudent balance sheet management and strong performance has led to upgrades**
- **Committed to returning to investment grade**

(1) On July 13, 2016, Radian Group notified the holders of its outstanding 9.000% Senior Notes due 2017 that the company will redeem the entire $196 million aggregate principal amount outstanding of the Notes on August 12, 2016. The company will publicly announce the redemption price as soon as reasonably practical after it is calculated.

(2) Based on carrying value of debt and stockholders' equity.

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