



Radian Announces First Quarter 2021 Financial Results

- GAAP net income of \$126 million, or \$0.64 per diluted share --
- Adjusted diluted net operating income of \$0.68 per diluted share --
- PMIERS excess Available Assets grows to \$1.5 billion (or 42% over the Minimum Required Assets) --
- Total Holding Company Liquidity of \$1.3 billion --
- Book value per share grows 9% year-over-year to \$22.14 --
- Resumed share repurchase program after temporarily suspending it beginning March 2020 in response to the COVID 19 pandemic --
- In April 2021, Radian Guaranty enhanced its risk profile and improved its capital position with closing of \$498 million ILN transaction --

PHILADELPHIA, May 4, 2021 - Radian Group Inc. (NYSE: RDN) today reported net income for the quarter ended March 31, 2021, of \$125.6 million, or \$0.64 per diluted share. This compares with net income for the quarter ended March 31, 2020, of \$140.5 million, or \$0.70 per diluted share.

Key Financial Highlights (dollars in millions, except per-share amounts)

	Quarter ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Net income ⁽¹⁾	\$125.6	\$148.0	\$140.5
Diluted net income per share	\$0.64	\$0.76	\$0.70
Consolidated pretax income	\$161.2	\$179.2	\$181.3
Adjusted pretax operating income ⁽²⁾	\$167.3	\$171.0	\$204.6
Adjusted diluted net operating income per share ⁽²⁾⁽³⁾	\$0.68	\$0.69	\$0.80
Return on equity ⁽¹⁾⁽⁴⁾	11.8 %	14.1 %	14.2 %
Adjusted net operating return on equity ⁽²⁾⁽³⁾	12.4 %	12.9 %	16.3 %
New Insurance Written (NIW) - mortgage insurance	\$20,161	\$29,781	\$16,706
Net premiums earned - mortgage insurance ⁽⁵⁾	\$264.7	\$286.8	\$275.0
New defaults ⁽⁶⁾	11,851	14,552	9,960
Provision for losses - mortgage insurance	\$45.9	\$56.3	\$35.2
Book value per share ⁽⁷⁾	\$22.14	\$22.36	\$20.30
PMIERS Available Assets ⁽⁸⁾	\$4,909	\$4,700	\$4,061
PMIERS excess Available Assets ⁽⁹⁾	\$1,451	\$1,338	\$1,129
Total Holding Company Liquidity ⁽¹⁰⁾	\$1,292	\$1,371	\$916
Excess Available Resources to Support PMIERS ⁽¹¹⁾	\$2,708	\$2,674	\$2,010
Total investments	\$6,672	\$6,788	\$5,609
Primary mortgage insurance in force	\$238,921	\$246,144	\$241,586
Percentage of primary loans in default ⁽¹²⁾	4.9 %	5.2 %	1.8 %
Mortgage insurance loss reserves	\$883	\$844	\$415

- (1) Net income for the first quarter of 2021 includes a pretax net loss on investments and other financial instruments of \$5.2 million, compared to a net gain on investments and other financial instruments of \$17.4 million in the fourth quarter of 2020 and a net loss on investments and other financial instruments for the first quarter of 2020 of \$22.0 million.
- (2) Adjusted results, including adjusted pretax operating income, adjusted diluted net operating income per share and adjusted net operating return on equity, are non-GAAP financial measures. For definitions and reconciliations of these measures to the comparable GAAP measures, see Exhibits F and G.
- (3) Calculated using the company's statutory tax rate of 21 percent.
- (4) Calculated by dividing annualized net income by average stockholders' equity, based on the average of the beginning and ending balances for each period presented.
- (5) The fourth quarter of 2020 includes an increase to premiums earned of \$11.3 million related to changes in present value estimates for initial premiums on monthly policies that are deferred and not collected until cancellation. The impact of changes in this estimate in other periods is not material.
- (6) Represents the number of new defaults reported during the period on loans related to primary mortgage insurance policies.
- (7) Book value per share includes accumulated other comprehensive income (loss) of \$0.61 as of March 31, 2021, \$1.38 as of December 31, 2020 and \$0.16 as of March 31, 2020.
- (8) Represents Radian Guaranty's Available Assets, calculated in accordance with the Private Mortgage Insurer Eligibility Requirements (PMIERs) financial requirements in effect for each date shown.
- (9) Represents Radian Guaranty's excess or "cushion" of Available Assets over its Minimum Required Assets, calculated in accordance with the PMIERs financial requirements in effect for each date shown.
- (10) Represents Radian Group's total liquidity, including the \$35 million minimum liquidity requirement and available capacity under its unsecured revolving credit facility.
- (11) Represents the sum of: (1) PMIERs excess Available Assets and (2) Total Holding Company Liquidity, net of the \$35 million minimum liquidity requirement under the unsecured revolving credit facility.
- (12) Represents the number of primary loans in default as a percentage of the total number of insured primary loans.

Adjusted pretax operating income for the quarter ended March 31, 2021, was \$167.3 million, or \$0.68 per diluted share. This compares with adjusted pretax operating income for the quarter ended March 31, 2020 of \$204.6 million, or \$0.80 per diluted share.

Book value as of March 31, 2021 was \$4.2 billion, an increase of 10 percent compared to \$3.9 billion as of March 31, 2020. Book value per share at March 31, 2021, was \$22.14, an increase of 9 percent compared to \$20.30 at March 31, 2020.

"While the unprecedented pandemic environment continued in the first quarter of 2021, year-over-year we successfully increased book value per share by 9%, grew PMIERs excess available assets to \$1.5 billion, increased monthly premium mortgage insurance in force by 9% and increased our title revenues by 56%," said Radian's Chief Executive Officer Rick Thornberry. "We are encouraged by the continued signs of improvement in the overall economy, the positive momentum in the housing market and the favorable credit trends within our portfolio. Our results are a testament to the strength of our business model and the dedication of our team, who has shown commitment to our customers, our company and to each other as we have worked together to successfully navigate this challenging environment."

FIRST QUARTER HIGHLIGHTS

- NIW was \$20.2 billion in the first quarter of 2021, compared to \$29.8 billion in the fourth quarter of 2020 and \$16.7 billion in the first quarter of 2020.
 - Of the \$20.2 billion in NIW in the first quarter of 2021, 90.2 percent was written with monthly and other recurring premiums, compared to 91.4 percent in the fourth quarter of 2020, and 81.1 percent in the first quarter of 2020.
 - Refinances accounted for 41 percent of total NIW in the first quarter of 2021, compared to 35 percent in the fourth quarter of 2020, and 34 percent in the first quarter of 2020.
- Total primary mortgage insurance in force as of March 31, 2021, declined to \$238.9 billion, a decrease of 2.9 percent compared to \$246.1 billion as of December 31, 2020, and a decrease of 1.1 percent compared to \$241.6 billion as of March 31, 2020. The year over year decrease included a 26.3 percent decline in single premium policy insurance in force, partially offset by a 8.7 percent increase in monthly premium policy insurance in force.
 - Persistency, which is the percentage of mortgage insurance that remains in force after a twelve-month period, was 57.2 percent for the twelve months ended March 31, 2021, compared to 61.2

- percent for the twelve months ended December 31, 2020 and 75.4 percent for the twelve months ended March 31, 2020.
- Annualized persistency for the three months ended March 31, 2021, was 62.5 percent, compared to 60.4 percent for the three months ended December 31, 2020, and 76.5 percent for the three months ended March 31, 2020.
 - Net mortgage insurance premiums earned were \$264.7 million for the quarter ended March 31, 2021, compared to \$286.8 million for the quarter ended December 31, 2020, and \$275.0 million for the quarter ended March 31, 2020.
 - Mortgage insurance in force portfolio premium yield was 42.7 basis points in the first quarter of 2021, compared to 44.6 basis points in the fourth quarter of 2020 and 46.1 basis points in the first quarter of 2020. Net mortgage insurance premiums earned in the fourth quarter of 2020 included an increase of \$11.3 million for the cumulative recognition of deferred initial premiums on monthly premium policies. Excluding the impact of this adjustment, in force premium yield was 42.8 basis points in the fourth quarter of 2020.
 - The impact of single premium policy cancellations before consideration of reinsurance represented 6.4 basis points of direct premium yield in the first quarter of 2021, 8.7 basis points in the fourth quarter of 2020, and 4.0 basis points in the first quarter of 2020.
 - Total net mortgage insurance premium yield, which includes the impact of ceded premiums and accrued profit commission, was 43.7 basis points in the first quarter of 2021, 46.7 basis points in the fourth quarter of 2020, or 44.8 basis points excluding the impact of the fourth quarter 2020 premium adjustment, and 45.6 basis points in the first quarter of 2020.
 - Additional details regarding premiums earned may be found in Exhibit D.
 - The mortgage insurance provision for losses was \$45.9 million in the first quarter of 2021, compared to \$56.3 million in the fourth quarter of 2020, and \$35.2 million in the first quarter of 2020.
 - The number of primary delinquent loans was 50,106 as of March 31, 2021, compared to 55,537 as of December 31, 2020 and 19,781 as of March 31, 2020.
 - The loss ratio in the first quarter of 2021 was 17.3 percent, compared to 19.6 percent in the fourth quarter of 2020 and 12.8 percent in the first quarter of 2020.
 - Total mortgage insurance claims paid were \$10.5 million in the first quarter of 2021, compared to \$40.6 million in the fourth quarter of 2020, and \$23.4 million in the first quarter of 2020. Excluding the impact of commutations and settlements, claims paid were \$6.5 million in the first quarter of 2021, compared to \$8.4 million in the fourth quarter of 2020 and \$23.4 million in the first quarter of 2020.
 - Radian's Real Estate segment offers a broad array of title, valuation, asset management and other real estate services to market participants across the real estate value chain.
 - Total Real Estate segment revenues for the first quarter of 2021 were \$25.8 million, compared to \$23.6 million for the fourth quarter of 2020, and \$26.5 million for the first quarter of 2020.
 - Adjusted earnings before interest, income taxes, depreciation and amortization (Real Estate adjusted EBITDA) for the quarter ended March 31, 2021 was a loss of \$5.9 million, compared to a loss of \$7.0 million for the quarter ended December 31, 2020, and income of \$0.9 million for the quarter ended March 31, 2020. Additional details regarding the non-GAAP measure Real Estate adjusted EBITDA may be found in Exhibits F and G.
 - The decrease in Real Estate adjusted EBITDA in the first quarter of 2021 compared to the first quarter of 2020 was primarily driven by declines in services revenue related to our asset management services and valuation services due to the continued negative impact of the COVID-19 pandemic on the operating environment and continued strategic investments focused on our title and digital real estate businesses. Such investments contributed to an increase in total expenses, which was partially offset by increases in net premiums earned and services revenue attributable to our title services business.

- Other operating expenses were \$70.3 million in the first quarter of 2021, compared to \$81.6 million in the fourth quarter of 2020, and \$69.1 million in the first quarter of 2020.
 - The decrease in the first quarter of 2021 compared to the fourth quarter of 2020 was primarily related to a \$6.9 million decrease in non-operating items as well as a decrease in share-based compensation expense, which was partially offset by a decrease in ceding commissions. The increase in the first quarter of 2021 compared to the first quarter of 2020 was driven primarily by an increase in compensation expense, which was partially offset by a decrease in travel and entertainment expense.

CAPITAL AND LIQUIDITY UPDATE

- At March 31, 2021, Excess Available Resources to Support Private Mortgage Insurer Eligibility Requirements (PMIERs) were \$2.7 billion, or 79 percent, above Radian Guaranty's Minimum Required Assets.

Radian Group

- As of March 31, 2021, Radian Group maintained \$1.0 billion of available liquidity. Total liquidity, which includes the company's \$267.5 million unsecured revolving credit facility, was \$1.3 billion as of March 31, 2021.
- For the quarter ended March 31, 2021, the company repurchased 413 thousand shares of Radian Group common stock at a total cost of \$8.6 million, including commissions. As of March 31, 2021, purchase authority of up to \$190.2 million remained available under this program. The current share repurchase authorization expires on August 31, 2021.
- On February 10, 2021, Radian Group's Board of Directors authorized a regular quarterly dividend on its common stock in the amount of \$0.125 per share and paid the dividend on March 4, 2021.
- On May 4, 2021, Radian Group's Board of Directors authorized an increase to the Company's quarterly dividend from \$0.125 to \$0.14 per share. The dividend is payable on June 4, 2021, to stockholders of record as of May 24, 2021.

Radian Guaranty

- At March 31, 2021, Radian Guaranty's Available Assets under PMIERs totaled approximately \$4.9 billion, resulting in excess available resources or a "cushion" of \$1.5 billion, or 42 percent, over its Minimum Required Assets.
- As of March 31, 2021, 60 percent of Radian Guaranty's primary mortgage insurance risk in force is subject to some form of risk distribution, providing a \$1.1 billion reduction of Minimum Required Assets under PMIERs.

Thornberry added, "We recently increased our quarterly dividend by 12% and resumed our share repurchase program based on continued signs of improvement in the overall economy, the positive momentum in the housing market and the favorable credit trends within our portfolio."

RECENT EVENTS

Insurance-Linked Note

As previously announced, in April 2021, Radian Guaranty entered into its fifth fully collateralized mortgage insurance-linked-note (ILN) reinsurance transaction, in which the company obtained \$497.7 million of credit-risk protection from Eagle Re 2021-1 Ltd. (Eagle Re) through the issuance by Eagle Re of ILNs to capital markets investors and Radian Group in the amounts of \$452.3 million and \$45.4 million, respectively, in an unregistered private offering. Eagle Re is a special purpose insurer domiciled in Bermuda and is not a subsidiary or affiliate of Radian Guaranty. Radian Guaranty's related PMIERs credit under this ILN transaction remains subject to GSE approval. As of March 31, 2021, after consideration of the April ILN transaction described above:

- Radian Guaranty's Minimum Required Assets would have decreased by approximately \$480 million, which would have resulted in an increase in PMIERS excess Available Assets or "cushion" to \$1.9 billion, or 64 percent.
- Radian Guaranty's primary mortgage insurance risk in force that is subject to some form of risk distribution would have increased to 78 percent, providing a \$1.6 billion reduction of Minimum Required Assets under PMIERS.

Radian Guaranty Operating Statistics for April 2021

The information below includes total new primary defaults, which include defaults under forbearance programs in response to the COVID-19 pandemic, as well as cures, claims paid and rescissions/denials. The information regarding new defaults and cures is reported to Radian Guaranty from loan servicers. We consider a loan to be in default for financial statement and internal tracking purposes upon receipt of notification by servicers that a borrower has missed two monthly payments. Default reporting, particularly on a monthly basis, may be affected by several factors, including the date on which the loan servicer's report is generated and transmitted to Radian Guaranty, the impact of updated information submitted by servicers and the timing of servicing transfers.

	April 2021	March 2021	February 2021	January 2021
Beginning primary default inventory (# of loans)	50,106	52,882	54,488	55,537
New defaults	2,751	3,314	3,873	4,664
Cures	(7,128)	(6,043)	(5,420)	(5,674)
Claims paid	(37)	(45)	(57)	(41)
Rescissions and Claim Denials, net ⁽¹⁾	(3)	(2)	(2)	2
Ending primary default inventory	45,689	50,106	52,882	54,488

(1) Net of any previous Rescissions and Claim Denials that were reinstated during the period. Such reinstated Rescissions and Claim Denials may ultimately result in a paid claim.

CONFERENCE CALL

Radian will discuss first quarter 2021 financial results in a conference call tomorrow, Wednesday, May 5, 2021, at 10:00 a.m. Eastern daylight time. The conference call will be broadcast live over the Internet at <https://radian.com/who-we-are/for-investors/webcasts> or at www.radian.com. The call may also be accessed by dialing 800.447.0521 inside the U.S., or 847.413.3238 for international callers, using passcode 50147770 by referencing Radian.

A digital replay of the webcast will be available on the Radian website approximately two hours after the live broadcast ends for a period of two weeks at <https://radian.com/who-we-are/for-investors/webcasts> using passcode 50147770.

In addition to the information provided in the company's earnings news release, other statistical and financial information, which is expected to be referred to during the conference call, will be available on Radian's website at www.radian.com, under Investors.

NON-GAAP FINANCIAL MEASURES

Radian believes that adjusted pretax operating income, adjusted diluted net operating income per share and adjusted net operating return on equity (non-GAAP measures) facilitate evaluation of the company's fundamental financial performance and provide relevant and meaningful information to investors about the ongoing operating results of the company. On a consolidated basis, these measures are not recognized in accordance with accounting principles generally accepted in the United States of America (GAAP) and should not be considered in isolation or viewed as substitutes for GAAP measures of performance. The measures described below have been established in order to increase transparency for the purpose of evaluating the company's operating trends and enabling more meaningful comparisons with Radian's competitors.

Adjusted pretax operating income (loss) is defined as GAAP consolidated pretax income (loss) excluding the effects of: (i) net gains (losses) on investments and other financial instruments; (ii) loss on extinguishment of debt; (iii) amortization and impairment of goodwill and other acquired intangible assets; and (iv) impairment of other long-lived assets and other non-operating items, such as gains (losses) from the sale of lines of business and acquisition-related income and expenses. Adjusted diluted net operating income (loss) per share is calculated by dividing (i) adjusted pretax operating income (loss) attributable to common stockholders, net of taxes computed using the Company's statutory tax rate, by (ii) the sum of the weighted average number of common shares outstanding and all dilutive potential common shares outstanding. Adjusted net operating return on equity is calculated by dividing annualized adjusted pretax operating income (loss), net of taxes computed using the Company's statutory tax rate, by average stockholders' equity, based on the average of the beginning and ending balances for each period presented.

In addition to the above non-GAAP measures for the consolidated company, we also have presented as supplemental information a non-GAAP measure for our Real Estate segment, representing a measure of earnings before interest, income tax provision (benefit), depreciation and amortization ("EBITDA"). We calculate Real Estate adjusted EBITDA by using adjusted pretax operating income as described above, further adjusted to remove the impact of depreciation and corporate allocations for interest and operating expenses. In addition, Real Estate adjusted EBITDA margin is calculated by dividing Real Estate adjusted EBITDA by GAAP total revenue for the Real Estate segment. Real Estate adjusted EBITDA and Real Estate adjusted EBITDA margin are used to facilitate comparisons with other services companies, since they are widely accepted measures of performance in the services industry and are used internally as supplemental measures to evaluate the performance of our Real Estate segment.

See Exhibit F or Radian's website for a description of these items, as well as Exhibit G for reconciliations to the most comparable consolidated GAAP measures.

ABOUT RADIAN

Radian Group Inc. (NYSE: RDN) is ensuring the American dream of homeownership responsibly and sustainably through products and services that include industry-leading mortgage insurance and a comprehensive suite of mortgage, risk, title, valuation, asset management and other real estate services. We are powered by technology, informed by data and driven to deliver new and better ways to transact and manage risk. Visit www.radian.com to learn more about how Radian is shaping the future of mortgage and real estate services.

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Radian Group Inc. and Subsidiaries
Condensed Consolidated Statements of Operations Trend Schedule
Exhibit A

(In thousands, except per-share amounts)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Revenues:					
Net premiums earned	\$ 271,872	\$ 302,140 ⁽¹⁾	\$ 286,471	\$ 249,295	\$ 277,415
Services revenue	22,895	11,440 ⁽¹⁾	33,943	28,075	31,927
Net investment income	38,251	38,115	36,255	38,723	40,944
Net gains (losses) on investments and other financial instruments	(5,181)	17,376	17,652	47,276	(22,027)
Other income	976	790	913	1,072	822
Total revenues	328,813	369,861	375,234	364,441	329,081
Expenses:					
Provision for losses	46,143	56,664	88,084	304,418	35,951
Policy acquisition costs	8,996	7,395	10,166	6,015	7,413
Cost of services	20,246	21,600	24,353	17,972	22,141
Other operating expenses	70,262	81,641	69,377	60,582	69,110
Interest expense	21,115	21,169	21,088	16,699	12,194
Amortization and impairment of other acquired intangible assets	862	2,225	961	979	979
Total expenses	167,624	190,694	214,029	406,665	147,788
Pretax income (loss)	161,189	179,167	161,205	(42,224)	181,293
Income tax provision (benefit)	35,581	31,154	26,102	(12,273)	40,832
Net income (loss)	\$ 125,608	\$ 148,013	\$ 135,103	\$ (29,951)	\$ 140,461
Diluted net income (loss) per share	\$ 0.64	\$ 0.76	\$ 0.70	\$ (0.15)	\$ 0.70

(1) Includes the impact of a line item reclassification recorded in the fourth quarter to correct earlier periods in 2020, which increased net premiums earned and decreased services revenue by \$7.8 million each. See Exhibit E for additional detail by period related to this out-of-period adjustment reflected in our All Other results.

Radian Group Inc. and Subsidiaries
Net Income (Loss) Per Share Trend Schedule
Exhibit B

The calculation of basic and diluted net income (loss) per share was as follows:

(In thousands, except per-share amounts)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Net income (loss) —basic and diluted	\$ 125,608	\$ 148,013	\$ 135,103	\$ (29,951)	\$ 140,461
Average common shares outstanding—basic	193,439	193,248	193,176	193,299	200,161
Dilutive effect of stock-based compensation arrangements ⁽¹⁾	1,764	1,415	980	—	1,658
Adjusted average common shares outstanding—diluted	195,203	194,663	194,156	193,299	201,819
Basic net income (loss) per share	\$ 0.65	\$ 0.77	\$ 0.70	\$ (0.15)	\$ 0.70
Diluted net income (loss) per share	\$ 0.64	\$ 0.76	\$ 0.70	\$ (0.15)	\$ 0.70

(1) There were no dilutive shares for the three months ended June 30, 2020, as a result of our net loss for the period. The following number of shares of our common stock equivalents issued under our share-based compensation arrangements were not included in the calculation of diluted net income (loss) per share because they were anti-dilutive:

(In thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Shares of common stock equivalents	—	324	710	2,295	132

Radian Group Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
Exhibit C

(In thousands, except per-share amounts)	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Assets:					
Investments	\$ 6,671,874	\$ 6,788,442	\$ 6,584,577	\$ 6,431,350	\$ 5,608,627
Cash	102,776	87,915	82,020	68,387	54,108
Restricted cash	20,987	6,231	4,424	16,279	7,817
Accrued investment income	34,841	34,047	36,093	34,179	32,559
Accounts and notes receivable	134,075	121,294	145,164	110,722	123,381
Reinsurance recoverables	76,664	73,202	66,515	56,852	17,722
Deferred policy acquisition costs	15,652	18,305	17,926	21,774	20,855
Property and equipment, net	78,309	80,457	88,717	89,143	87,915
Goodwill and other acquired intangible assets, net	22,181	23,043	25,268	26,229	27,208
Other assets	763,502	715,085	726,641	714,394	710,240
Total assets	\$ 7,920,861	\$ 7,948,021	\$ 7,777,345	\$ 7,569,309	\$ 6,690,432
Liabilities and stockholders' equity:					
Unearned premiums	\$ 406,689	\$ 448,791	\$ 501,787	\$ 561,280	\$ 605,045
Reserve for losses and loss adjustment expense	887,355	848,413	825,792	738,885	418,202
Senior notes	1,406,603	1,405,674	1,404,759	1,403,857	887,584
FHLB advances	138,833	176,483	141,058	175,122	173,760
Reinsurance funds withheld	282,345	278,555	318,773	312,350	302,551
Net deferred tax liability	210,571	213,897	166,136	126,883	90,500
Other liabilities	353,173	291,855	296,661	264,927	348,282
Total liabilities	3,685,569	3,663,668	3,654,966	3,583,304	2,825,924
Common stock	210	210	210	210	208
Treasury stock	(910,347)	(910,115)	(909,745)	(909,738)	(902,024)
Additional paid-in capital	2,242,950	2,245,897	2,238,869	2,232,949	2,231,670
Retained earnings	2,785,744	2,684,636	2,561,076	2,450,423	2,504,853
Accumulated other comprehensive income	116,735	263,725	231,969	212,161	29,801
Total stockholders' equity	4,235,292	4,284,353	4,122,379	3,986,005	3,864,508
Total liabilities and stockholders' equity	\$ 7,920,861	\$ 7,948,021	\$ 7,777,345	\$ 7,569,309	\$ 6,690,432
Shares outstanding	191,311	191,606	191,556	191,492	190,387
Book value per share	\$ 22.14	\$ 22.36	\$ 21.52	\$ 20.82	\$ 20.30
Debt to capital ratio ⁽¹⁾	24.9 %	24.7 %	25.4 %	26.0 %	18.7 %
Risk to capital ratio-Radian Guaranty only	11.9:1	12.7:1	13.2:1	13.3:1	13.8:1

(1) Calculated as senior notes divided by senior notes and stockholders' equity.

Radian Group Inc. and Subsidiaries
Net Premiums Earned
Exhibit D

(In thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Premiums earned:					
Direct - Mortgage:					
Premiums earned, excluding revenue from cancellations ⁽¹⁾	\$ 256,905	\$ 272,331	\$ 259,889	\$ 263,468	\$ 274,647
Single Premium Policy cancellations	38,510	53,526	65,667	50,023	24,133
Total direct - Mortgage ⁽¹⁾	295,415	325,857	325,556	313,491	298,780
Assumed - Mortgage: ⁽²⁾	2,298	2,615	2,946	3,197	3,456
Ceded - Mortgage:					
Premiums earned, excluding revenue from cancellations	(25,373)	(27,229)	(25,120)	(26,493)	(28,609)
Single Premium Policy cancellations ⁽³⁾	(11,109)	(15,197)	(18,679)	(14,424)	(7,183)
Profit commission - other ⁽⁴⁾	3,433	770	(1,347)	(28,175)	8,555
Total ceded premiums, net of profit commission - Mortgage ⁽⁵⁾	(33,049)	(41,656)	(45,146)	(69,092)	(27,237)
Net premiums earned - Mortgage ⁽¹⁾	264,664	286,816	283,356	247,596	274,999
Net premiums earned - Real Estate ⁽⁶⁾	7,208	7,572	7,099	4,734	3,149
Net premiums earned - All Other ⁽⁶⁾	—	7,752	(3,984)	(3,035)	(733)
Net premiums earned ⁽¹⁾	\$ 271,872	\$ 302,140	\$ 286,471	\$ 249,295	\$ 277,415

(1) The fourth quarter of 2020 includes an increase to premiums earned of \$11.3 million related to changes in present value estimates for initial premiums on monthly policies that are deferred and not collected until cancellation. The impact of changes in this estimate in other periods is not material.

(2) Relates primarily to premiums earned from our participation in certain credit risk transfer programs.

(3) Includes the impact of related profit commissions.

(4) The amounts represent the profit commission on the Single Premium QSR Program, excluding the impact of Single Premium Policy cancellations.

(5) See Exhibit L for additional information on ceded premiums for our various reinsurance programs.

(6) See Exhibit E for additional information on changes that impacted our reported segment results for all periods.

Radian Group Inc. and Subsidiaries
Segment Information
Exhibit E (page 1 of 4)

Summarized financial information concerning our operating segments as of and for the periods indicated is as follows. For a definition of adjusted pretax operating income and Services adjusted EBITDA, along with reconciliations to consolidated GAAP measures, see Exhibits F and G.

	Three Months Ended March 31, 2021				
(In thousands)	Mortgage	Real Estate	All Other	Inter- segment	Consolidated
Net premiums written	\$ 246,874	\$ 7,208	\$ —	\$ —	\$ 254,082
(Increase) decrease in unearned premiums	17,790	—	—	—	17,790
Net premiums earned	264,664	7,208	—	—	271,872
Services revenue	4,351	18,550	53	(59)	22,895
Net investment income	34,013	37	4,201	—	38,251
Other income	769	—	207	—	976
Total	<u>303,797</u>	<u>25,795</u>	<u>4,461</u>	<u>(59)</u>	<u>333,994</u>
Provision for losses	45,869	296	—	(22)	46,143
Policy acquisition costs	8,996	—	—	—	8,996
Cost of services	3,192	17,028	28	(2)	20,246
Other operating expenses before allocated corporate operating expenses	22,454	14,928	951	(35)	38,298
Interest expense	21,115	—	—	—	21,115
Total	<u>101,626</u>	<u>32,252</u>	<u>979</u>	<u>(59)</u>	<u>134,798</u>
Adjusted pretax operating income (loss) before allocated corporate operating expenses	202,171	(6,457)	3,482	—	199,196
Allocation of corporate operating expenses	27,884	3,996	—	—	31,880
Adjusted pretax operating income (loss)	<u>\$ 174,287</u>	<u>\$ (10,453)</u>	<u>\$ 3,482</u>	<u>\$ —</u>	<u>\$ 167,316</u>
	Three Months Ended March 31, 2020				
(In thousands)	Mortgage	Real Estate	All Other	Inter- segment	Consolidated
Net premiums written	\$ 260,974	\$ 3,149	\$ (733)	\$ —	\$ 263,390
(Increase) decrease in unearned premiums	14,025	—	—	—	14,025
Net premiums earned	274,999	3,149	(733)	—	277,415
Services revenue	3,216	23,251	5,652	(192)	31,927
Net investment income	36,198	125	4,621	—	40,944
Other income	671	—	151	—	822
Total	<u>315,084</u>	<u>26,525</u>	<u>9,691</u>	<u>(192)</u>	<u>351,108</u>
Provision for losses	35,246	743	—	(38)	35,951
Policy acquisition costs	7,413	—	—	—	7,413
Cost of services	1,757	14,989	5,500	(105)	22,141
Other operating expenses before allocated corporate operating expenses	23,593	10,579	2,106	(49)	36,229
Interest expense	12,194	—	—	—	12,194
Total	<u>80,203</u>	<u>26,311</u>	<u>7,606</u>	<u>(192)</u>	<u>113,928</u>
Adjusted pretax operating income (loss) before allocated corporate operating expenses	234,881	214	2,085	—	237,180
Allocation of corporate operating expenses	29,214	3,367	—	—	32,581
Adjusted pretax operating income (loss)	<u>\$ 205,667</u>	<u>\$ (3,153)</u>	<u>\$ 2,085</u>	<u>\$ —</u>	<u>\$ 204,599</u>

Radian Group Inc. and Subsidiaries
Segment Information
Exhibit E (page 2 of 4)

	Mortgage				
	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
(In thousands)					
Net premiums written ^{(1) (2)}	\$ 246,874	\$ 261,244	\$ 259,278	\$ 229,458	\$ 260,974
(Increase) decrease in unearned premiums	17,790	25,572	24,078	18,138	14,025
Net premiums earned	264,664	286,816	283,356	247,596	274,999
Services revenue	4,351	3,717	3,914	3,918	3,216
Net investment income	34,013	34,235	32,054	34,708	36,198
Other income	769	735	689	721	671
Total	303,797	325,503	320,013	286,943	315,084
Provision for losses	45,869	56,312	87,753	304,021	35,246
Policy acquisition costs	8,996	7,395	10,166	6,015	7,413
Cost of services	3,192	3,245	2,908	2,133	1,757
Other operating expenses before allocated corporate operating expenses ⁽³⁾	22,454	21,974	21,635	18,537	23,593
Interest expense ^{(4) (5)}	21,115	21,169	21,088	16,699	12,194
Total ⁽⁶⁾	101,626	110,095	143,550	347,405	80,203
Adjusted pretax operating income (loss) before allocated corporate operating expenses	202,171	215,408	176,463	(60,462)	234,881
Allocation of corporate operating expenses	27,884	31,102	29,127	25,359	29,214
Adjusted pretax operating income (loss)	\$ 174,287	\$ 184,306	\$ 147,336	\$ (85,821)	\$ 205,667
	Real Estate ⁽⁵⁾				
	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
	(In thousands)				
Net premiums earned ⁽⁷⁾	\$ 7,208	\$ 7,572	\$ 7,099	\$ 4,734	\$ 3,149
Services revenue ^{(6) (7)}	18,550	15,958	22,627	17,688	23,251
Net investment income	37	43	67	126	125
Total	25,795	23,573	29,793	22,548	26,525
Provision for losses	296	392	370	426	743
Cost of services	17,028	15,706	18,085	12,681	14,989
Other operating expenses before allocated corporate operating expenses ⁽³⁾	14,928	15,238	13,136	10,527	10,579
Total	32,252	31,336	31,591	23,634	26,311
Adjusted pretax operating income before allocated corporate operating expenses ⁽⁸⁾	(6,457)	(7,763)	(1,798)	(1,086)	214
Allocation of corporate operating expenses	3,996	3,369	3,248	2,823	3,367
Adjusted pretax operating income (loss)	\$ (10,453)	\$ (11,132)	\$ (5,046)	\$ (3,909)	\$ (3,153)

Radian Group Inc. and Subsidiaries
Segment Information
Exhibit E (page 3 of 4)

	All Other ^{(5) (9)}				
	2021	2020			
(In thousands)	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Net premiums earned ⁽⁷⁾	\$ —	\$ 7,752	\$ (3,984)	\$ (3,035)	\$ (733)
Services revenue ^{(6) (7)}	53	(7,963)	8,267	6,579	5,652
Net investment income	4,201	3,837	4,134	3,889	4,621
Other income	207	55	224	104	151
Total	4,461	3,681	8,641	7,537	9,691
Cost of services	28	2,835	4,127	3,177	5,500
Other operating expenses ⁽³⁾	951	3,033	1,824	3,129	2,106
Total	979	5,868	5,951	6,306	7,606
Adjusted pretax operating income (loss)	\$ 3,482	\$ (2,187)	\$ 2,690	\$ 1,231	\$ 2,085

- (1) Net of ceded premiums written under the QSR Programs and the Excess-of-Loss Program. See Exhibit L for additional information.
- (2) The fourth quarter of 2020 includes an increase to premiums earned of \$11.3 million, related to changes in present value estimates for initial premiums on monthly policies that are deferred and not collected until cancellation. The impact of changes in this estimate in other periods is not material.
- (3) Does not include impairment of long-lived assets and other non-operating items, which are not considered components of adjusted pretax operating income (loss).
- (4) Relates to interest on our borrowing and financing activities including our Senior Notes issued by our holding company and FHLB borrowings made by our mortgage insurance subsidiaries.
- (5) The wind-down of our traditional appraisal business announced in the fourth quarter of 2020 caused the composition of our reportable segments to change, including all activity related to that business and certain other adjustments to services revenue now being reflected in All Other activities. In addition, there were certain other immaterial reclassifications to net investment income and interest expense. These changes to our reportable segments have been reflected in our segment operating results for all periods presented.
- (6) Inter-segment information:

	2021	2020			
(In thousands)	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Inter-segment revenue included in:					
Mortgage	\$ —	\$ —	\$ —	\$ —	\$ 83
Real Estate	59	86	98	91	87
All Other	—	186	767	19	22
Total inter-segment revenue	\$ 59	\$ 272	\$ 865	\$ 110	\$ 192
Inter-segment expense included in:					
Mortgage	\$ 59	\$ 86	\$ 98	\$ 91	\$ 87
Real Estate	—	186	767	19	22
All Other	—	—	—	—	83
Total inter-segment expense	\$ 59	\$ 272	\$ 865	\$ 110	\$ 192

See notes continued on next page.

Radian Group Inc. and Subsidiaries
Segment Information
Exhibit E (page 4 of 4)

Notes continued from prior page.

(7) In the fourth quarter of 2020, we reclassified certain revenue previously reflected in the Real Estate segment results as services revenue to net premiums earned. As a result, for all periods presented in 2020, on the Real Estate segment, net premiums earned has been increased and services revenue has been decreased, with offsetting adjustments reflected in All Other activities.

(8) Supplemental information for Real Estate adjusted EBITDA (see definition in Exhibit F):

(In thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Adjusted pretax operating income (loss) before corporate allocations	\$ (6,457)	\$ (7,763)	\$ (1,798)	\$ (1,086)	\$ 214
Depreciation and amortization	578	744	679	771	663
Real Estate adjusted EBITDA	<u>\$ (5,879)</u>	<u>\$ (7,019)</u>	<u>\$ (1,119)</u>	<u>\$ (315)</u>	<u>\$ 877</u>

(9) All Other activities include: (i) income (losses) from assets held by our holding company; (ii) related general corporate operating expenses not attributable or allocated to our reportable segments; (iii) for all periods prior to its sale in the first quarter of 2020, income and expenses related to Clayton; (iv) for all periods presented, the income and expenses related to our traditional appraisal services; and (v) certain other immaterial revenue and expense items.

Selected Mortgage Key Ratios

	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Loss ratio ⁽¹⁾	17.3 %	19.6 %	31.0 %	122.8 %	12.8 %
Expense ratio ⁽¹⁾	22.4 %	21.1 %	21.5 %	20.2 %	21.9 %

(1) Calculated on a GAAP basis using net premiums earned.

Radian Group Inc. and Subsidiaries
Definition of Consolidated Non-GAAP Financial Measures
Exhibit F (page 1 of 2)

Use of Non-GAAP Financial Measures

In addition to the traditional GAAP financial measures, we have presented “adjusted pretax operating income (loss),” “adjusted diluted net operating income (loss) per share” and “adjusted net operating return on equity,” which are non-GAAP financial measures for the consolidated company, among our key performance indicators to evaluate our fundamental financial performance. These non-GAAP financial measures align with the way the Company’s business performance is evaluated by both management and the board of directors. These measures have been established in order to increase transparency for the purposes of evaluating our operating trends and enabling more meaningful comparisons with our peers. Although on a consolidated basis “adjusted pretax operating income (loss),” “adjusted diluted net operating income (loss) per share” and “adjusted net operating return on equity” are non-GAAP financial measures, we believe these measures aid in understanding the underlying performance of our operations. Our senior management, including our Chief Executive Officer (Radian’s chief operating decision maker), uses adjusted pretax operating income (loss) as our primary measure to evaluate the fundamental financial performance of the Company’s business segments and to allocate resources to the segments.

Adjusted pretax operating income (loss) is defined as GAAP consolidated pretax income (loss) excluding the effects of: (i) net gains (losses) on investments and other financial instruments; (ii) loss on extinguishment of debt; (iii) amortization and impairment of goodwill and other acquired intangible assets; and (iv) impairment of other long-lived assets and other non-operating items, such as gains (losses) from the sale of lines of business and acquisition-related income and expenses. Adjusted diluted net operating income (loss) per share is calculated by dividing (i) adjusted pretax operating income (loss) attributable to common stockholders, net of taxes computed using the Company’s statutory tax rate, by (ii) the sum of the weighted average number of common shares outstanding and all dilutive potential common shares outstanding. Adjusted net operating return on equity is calculated by dividing annualized adjusted pretax operating income (loss), net of taxes computed using the Company’s statutory tax rate, by average stockholders’ equity, based on the average of the beginning and ending balances for each period presented.

Although adjusted pretax operating income (loss) excludes certain items that have occurred in the past and are expected to occur in the future, the excluded items represent those that are: (i) not viewed as part of the operating performance of our primary activities or (ii) not expected to result in an economic impact equal to the amount reflected in pretax income (loss). These adjustments, along with the reasons for their treatment, are described below.

- (1) ***Net gains (losses) on investments and other financial instruments.*** The recognition of realized investment gains or losses can vary significantly across periods as the activity is highly discretionary based on the timing of individual securities sales due to such factors as market opportunities, our tax and capital profile and overall market cycles. Unrealized gains and losses arise primarily from changes in the market value of our investments that are classified as trading or equity securities. These valuation adjustments may not necessarily result in realized economic gains or losses.

Trends in the profitability of our fundamental operating activities can be more clearly identified without the fluctuations of these realized and unrealized gains or losses and changes in fair value of other financial instruments. We do not view them to be indicative of our fundamental operating activities.

- (2) ***Loss on extinguishment of debt.*** Gains or losses on early extinguishment of debt and losses incurred to purchase our debt prior to maturity are discretionary activities that are undertaken in order to take advantage of market opportunities to strengthen our financial and capital positions; therefore, we do not view these activities as part of our operating performance. Such transactions do not reflect expected future operations and do not provide meaningful insight regarding our current or past operating trends.
- (3) ***Amortization and impairment of goodwill and other acquired intangible assets.*** Amortization of acquired intangible assets represents the periodic expense required to amortize the cost of acquired intangible assets over their estimated useful lives. Acquired intangible assets are also periodically reviewed for potential impairment, and impairment adjustments are made whenever appropriate. We do not view these charges as part of the operating performance of our primary activities.
- (4) ***Impairment of other long-lived assets and other non-operating items.*** Includes activities that we do not view to be indicative of our fundamental operating activities, such as: (i) impairment of internal-use software and other long-lived assets; (ii) gains (losses) from the sale of lines of business; and (iii) acquisition-related expenses.

Radian Group Inc. and Subsidiaries
Definition of Consolidated Non-GAAP Financial Measures
Exhibit F (page 2 of 2)

In addition to the above non-GAAP measures for the consolidated company, we also have presented as supplemental information a non-GAAP measure for our Real Estate segment, representing a measure of earnings before interest, income tax provision (benefit), depreciation and amortization ("EBITDA"). We calculate Real Estate adjusted EBITDA by using adjusted pretax operating income (loss) as described above, further adjusted to remove the impact of depreciation and corporate allocations for interest and operating expenses. In addition, Real Estate adjusted EBITDA margin is calculated by dividing Real Estate adjusted EBITDA by GAAP total revenue for the Real Estate segment. Real Estate adjusted EBITDA and Real Estate adjusted EBITDA margin are used to facilitate comparisons with other services companies, since they are widely accepted measures of performance in the services industry and are used internally as supplemental measures to evaluate the performance of our Real Estate segment.

See Exhibit G for the reconciliation of the most comparable GAAP measures, consolidated pretax income (loss), diluted net income (loss) per share and return on equity to our non-GAAP financial measures for the consolidated company, adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, respectively. Exhibit G also contains the reconciliation of the most comparable GAAP measure, net income (loss), to Real Estate adjusted EBITDA.

Total adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share, adjusted net operating return on equity, Real Estate adjusted EBITDA and Real Estate adjusted EBITDA margin should not be considered in isolation or viewed as substitutes for GAAP pretax income (loss), diluted net income (loss) per share, return on equity or net income (loss). Our definitions of adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share, adjusted net operating return on equity, Real Estate adjusted EBITDA or Real Estate adjusted EBITDA margin may not be comparable to similarly-named measures reported by other companies.

Radian Group Inc. and Subsidiaries
Consolidated Non-GAAP Financial Measure Reconciliations
Exhibit G (page 1 of 3)

Reconciliation of Consolidated Pretax Income (Loss) to Adjusted Pretax Operating Income (Loss)

(In thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Consolidated pretax income (loss)	\$ 161,189	\$ 179,167	\$ 161,205	\$ (42,224)	\$ 181,293
Less reconciling income (expense) items:					
Net gains (losses) on investments and other financial instruments	(5,181)	17,376	17,652	47,276	(22,027)
Amortization and impairment of other acquired intangible assets	(862)	(2,225)	(961)	(979)	(979)
Impairment of other long-lived assets and other non-operating items ⁽¹⁾	(84)	(6,971)	(466)	(22)	(300)
Total adjusted pretax operating income (loss) ⁽²⁾	<u>\$ 167,316</u>	<u>\$ 170,987</u>	<u>\$ 144,980</u>	<u>\$ (88,499)</u>	<u>\$ 204,599</u>

(1) The amounts for all the periods presented are included in other operating expenses on the Condensed Consolidated Statement of Operations in Exhibit A and primarily relate to impairments of other long-lived assets.

(2) Total adjusted pretax operating income (loss) consists of adjusted pretax operating income (loss) for each reportable segment and All Other activities as follows:

(In thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Adjusted pretax operating income (loss):					
Mortgage segment	\$ 174,287	\$ 184,306	\$ 147,336	\$ (85,821)	\$ 205,667
Real Estate segment	(10,453)	(11,132)	(5,046)	(3,909)	(3,153)
All Other activities	3,482	(2,187)	2,690	1,231	2,085
Total adjusted pretax operating income (loss)	<u>\$ 167,316</u>	<u>\$ 170,987</u>	<u>\$ 144,980</u>	<u>\$ (88,499)</u>	<u>\$ 204,599</u>

Radian Group Inc. and Subsidiaries
Consolidated Non-GAAP Financial Measure Reconciliations
Exhibit G (page 2 of 3)

Reconciliation of Diluted Net Income (Loss) Per Share to Adjusted Diluted Net Operating Income (Loss) Per Share

	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Diluted net income (loss) per share	\$ 0.64	\$ 0.76	\$ 0.70	\$ (0.15)	\$ 0.70
Less per-share impact of reconciling income (expense) items:					
Net gains (losses) on investments and other financial instruments	(0.03)	0.09	0.09	0.24	(0.11)
Amortization and impairment of other acquired intangible assets	—	(0.01)	—	(0.01)	—
Impairment of other long-lived assets and other non-operating items	—	(0.04)	—	—	—
Income tax (provision) benefit on reconciling income (expense) items ⁽¹⁾	0.01	(0.01)	(0.02)	(0.05)	0.02
Difference between statutory and effective tax rate	(0.02)	0.04	0.04	0.03	(0.01)
Per-share impact of reconciling income (expense) items	(0.04)	0.07	0.11	0.21	(0.10)
Adjusted diluted net operating income (loss) per share ⁽¹⁾	\$ 0.68	\$ 0.69	\$ 0.59	\$ (0.36)	\$ 0.80

(1) Calculated using the company's federal statutory tax rate of 21%. Any permanent tax adjustments and state income taxes on these items have been deemed immaterial and are not included.

Reconciliation of Return on Equity to Adjusted Net Operating Return on Equity ⁽¹⁾

	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Return on equity ⁽¹⁾	11.8 %	14.1 %	13.3 %	(3.1)%	14.2 %
Less impact of reconciling income (expense) items: ⁽²⁾					
Net gains (losses) on investments and other financial instruments	(0.5)	1.7	1.7	4.8	(2.2)
Amortization and impairment of other acquired intangible assets	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)
Impairment of other long-lived assets and other non-operating items	—	(0.7)	—	—	—
Income tax (provision) benefit on reconciling income (expense) items ⁽³⁾	0.1	(0.2)	(0.3)	(1.0)	0.5
Difference between statutory and effective tax rate	(0.1)	0.6	0.7	0.3	(0.3)
Impact of reconciling income (expense) items	(0.6)	1.2	2.0	4.0	(2.1)
Adjusted net operating return on equity	12.4 %	12.9 %	11.3 %	(7.1)%	16.3 %

(1) Calculated by dividing annualized net income (loss) by average stockholders' equity, based on the average of the beginning and ending balances for each period presented.

(2) Annualized, as a percentage of average stockholders' equity.

(3) Calculated using the company's federal statutory tax rate of 21%. Any permanent tax adjustments and state income taxes on these items have been deemed immaterial and are not included.

Radian Group Inc. and Subsidiaries
Consolidated Non-GAAP Financial Measure Reconciliations
Exhibit G (page 3 of 3)

Reconciliation of Net Income (Loss) to Real Estate Adjusted EBITDA

(In thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Net income (loss)	\$ 125,608	\$ 148,013	\$ 135,103	\$ (29,951)	\$ 140,461
Less reconciling income (expense) items:					
Net gains (losses) on investments and other financial instruments	(5,181)	17,376	17,652	47,276	(22,027)
Amortization and impairment of other acquired intangible assets	(862)	(2,225)	(961)	(979)	(979)
Impairment of other long-lived assets and other non-operating items	(84)	(6,971)	(466)	(22)	(300)
Income tax (provision) benefit	(35,581)	(31,154)	(26,102)	12,273	(40,832)
Mortgage adjusted pretax operating income (loss)	174,287	184,306	147,336	(85,821)	205,667
All Other adjusted pretax operating income	3,482	(2,187)	2,690	1,231	2,085
Real Estate adjusted pretax operating income (loss)	(10,453)	(11,132)	(5,046)	(3,909)	(3,153)
Less reconciling income (expense) items:					
Allocation of corporate operating expenses to Real Estate	(3,996)	(3,369)	(3,248)	(2,823)	(3,367)
Real Estate depreciation and amortization	(578)	(744)	(679)	(771)	(663)
Real Estate adjusted EBITDA	\$ (5,879)	\$ (7,019)	\$ (1,119)	\$ (315)	\$ 877

On a consolidated basis, “adjusted pretax operating income (loss),” “adjusted diluted net operating income (loss) per share” and “adjusted net operating return on equity” are measures not determined in accordance with GAAP. “Real Estate adjusted EBITDA” and “Real Estate adjusted EBITDA margin” are also non-GAAP measures. These measures should not be considered in isolation or viewed as substitutes for GAAP pretax income (loss), diluted net income (loss) per share, return on equity or net income (loss). Our definitions of adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share, adjusted net operating return on equity, Real Estate adjusted EBITDA or Real Estate adjusted EBITDA margin may not be comparable to similarly-named measures reported by other companies. See Exhibit F for additional information on our consolidated non-GAAP financial measures.

Radian Group Inc. and Subsidiaries
Mortgage Supplemental Information - New Insurance Written
Exhibit H

(\$ in millions)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
New insurance written ("NIW")	\$ 20,161	\$ 29,781	\$ 33,320	\$ 25,459	\$ 16,706
Percentage of NIW					
Borrower-paid	99.2 %	99.2 %	98.5 %	97.8 %	96.7 %
Percentage by premium type					
Direct monthly and other recurring premiums	90.2 %	91.4 %	90.0 %	84.7 %	81.1 %
Borrower-paid ^{(1) (2)}	9.4	8.3	9.0	13.6	16.5
Lender-paid ⁽¹⁾	0.4	0.3	1.0	1.7	2.4
Direct single premiums ⁽¹⁾	9.8	8.6	10.0	15.3	18.9
Total NIW	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
NIW for purchases	59.1 %	64.6 %	70.5 %	56.4 %	66.2 %
NIW for refinances	40.9 %	35.4 %	29.5 %	43.6 %	33.8 %
Percentage of NIW by FICO score ⁽³⁾					
>=740	64.3 %	64.7 %	66.2 %	67.3 %	65.7 %
680-739	31.5	31.5	30.7	30.1	31.1
620-679	4.2	3.8	3.1	2.6	3.2
Total NIW	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percentage by LTV					
95.01% and above	8.0 %	8.9 %	9.7 %	8.3 %	9.9 %
90.01% to 95.00%	31.6	34.7	39.6	36.4	37.6
85.01% to 90.00%	31.3	29.8	28.3	29.8	30.3
85.00% and below	29.1	26.6	22.4	25.5	22.2
Total NIW	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

(1) Percentages exclude the impact of reinsurance.

(2) Borrower-paid Single Premium Policies have lower Minimum Required Assets under PMIERS as compared to lender-paid Single Premium Policies.

(3) For loans with multiple borrowers, the percentage of NIW by FICO score represents the lowest of the borrowers' FICO scores.

Radian Group Inc. and Subsidiaries
Mortgage Supplemental Information - Primary Insurance in Force and Risk in Force
Exhibit I (page 1 of 2)

(\$ in millions)	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Primary insurance in force ⁽¹⁾					
Prime	\$ 234,980	\$ 242,044	\$ 241,166	\$ 236,835	\$ 236,958
Alt-A and A minus and below	3,941	4,100	4,301	4,471	4,628
Primary	\$ 238,921	\$ 246,144	\$ 245,467	\$ 241,306	\$ 241,586
Primary risk in force ^{(1) (2)}					
Prime	\$ 57,579	\$ 59,689	\$ 59,972	\$ 59,253	\$ 59,827
Alt-A and A minus and below	929	967	1,017	1,058	1,096
Primary	\$ 58,508	\$ 60,656	\$ 60,989	\$ 60,311	\$ 60,923
Percentage of primary risk in force					
Direct monthly and other recurring premiums	80.0 %	79.1 %	76.8 %	73.8 %	72.6 %
Direct single premiums	20.0 %	20.9 %	23.2 %	26.2 %	27.4 %
Percentage of primary risk in force by FICO score ⁽³⁾					
>=740	57.2 %	57.5 %	57.6 %	57.4 %	57.2 %
680-739	34.9	34.6	34.3	34.3	34.2
620-679	7.3	7.3	7.5	7.7	8.0
<=619	0.6	0.6	0.6	0.6	0.6
Total Primary	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percentage of primary risk in force by LTV					
95.01% and above	14.4 %	14.4 %	14.3 %	14.2 %	14.3 %
90.01% to 95.00%	48.6	49.3	50.1	50.4	51.0
85.01% to 90.00%	28.2	28.0	27.9	28.1	27.9
85.00% and below	8.8	8.3	7.7	7.3	6.8
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percentage of primary risk in force by policy year					
2008 and prior	6.1 %	6.2 %	6.6 %	7.2 %	7.5 %
2009 - 2015	9.9	11.3	13.3	16.0	17.8
2016	6.8	7.6	8.9	10.6	11.7
2017	8.0	9.1	10.7	13.0	14.8
2018	8.7	9.8	11.7	14.0	16.4
2019	15.6	17.8	20.6	23.3	25.4
2020	37.2	38.2	28.2	15.9	6.4
2021	7.7	—	—	—	—
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Primary risk in force on defaulted loans	\$ 2,910	\$ 3,250	\$ 3,747	\$ 4,263	\$ 1,001

Table continued on next page.

Radian Group Inc. and Subsidiaries
Mortgage Supplemental Information - Primary Insurance in Force and Risk in Force
Exhibit I (page 2 of 2)

Table continued from prior page.

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Persistency Rate (12 months ended)	57.2 % ⁽⁴⁾	61.2 % ⁽⁴⁾	65.6 % ⁽⁴⁾	70.2 %	75.4 %
Persistency Rate (quarterly, annualized) ⁽⁵⁾	62.5 %	60.4 % ⁽⁴⁾	60.0 % ⁽⁴⁾	63.8 %	76.5 %

(1) Excludes the impact of premiums ceded under our reinsurance agreements.

(2) Does not include pool risk in force or other risk in force, which combined represent approximately 1.0% of our total risk in force for all periods presented.

(3) For loans with multiple borrowers, the percentage of primary risk in force by FICO score represents the lowest of the borrowers' FICO scores.

(4) The Persistency Rate was reduced by an increase in cancellations of Single Premium Policies due to increased cancellations identified by our ongoing servicer monitoring process for Single Premium Policies.

(5) The Persistency Rate on a quarterly, annualized basis is calculated based on loan-level detail for the quarter ending as of the date shown. It may be impacted by seasonality or other factors, including the level of refinance activity during the applicable periods, and may not be indicative of full-year trends.

Radian Group Inc. and Subsidiaries
Mortgage Supplemental Information - Claims and Reserves
Exhibit J

(\$ in thousands)	2021	2020			
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Net claims paid: ⁽¹⁾					
Total primary claims paid	\$ 6,611	\$ 8,353	\$ 11,331	\$ 22,144	\$ 24,358
Total pool and other	(138)	70	(230)	639	(911)
Subtotal	6,473	8,423	11,101	22,783	23,447
Impact of commutations and settlements ⁽²⁾	4,000	32,170	(267)	—	(56)
Total net claims paid	\$ 10,473	\$ 40,593	\$ 10,834	\$ 22,783	\$ 23,391
Total average net primary claims paid ^{(1) (3)}	\$ 43.8	\$ 46.9	\$ 46.4	\$ 47.9	\$ 50.3
Average direct primary claims paid ^{(3) (4)}	\$ 45.5	\$ 48.5	\$ 47.8	\$ 49.0	\$ 51.4

(1) Includes the impact of reinsurance recoveries and LAE.

(2) Includes payments to commute mortgage insurance coverage on certain performing and non-performing loans. For the first quarter of 2021 and the fourth quarter of 2020, primarily includes payments made to settle certain previously disclosed legal proceedings.

(3) Calculated without giving effect to the impact of commutations and settlements.

(4) Before reinsurance recoveries.

(\$ in thousands, except per default amounts)	March 31,	December 31,	September 30,	June 30,	March 31,
	2021	2020	2020	2020	2020
Reserve for losses by category ⁽¹⁾					
Mortgage reserves					
Prime	\$ 751,100	\$ 711,245	\$ 655,754	\$ 573,463	\$ 264,694
Alt-A and A minus and below	90,455	88,269	88,879	86,646	88,481
IBNR and other	6,626	9,966	43,153	43,342	40,583
LAE	21,212	20,172	18,745	16,807	9,216
Total primary reserves	869,393	829,652	806,531	720,258	402,974
Total pool reserves	13,175	14,163	14,779	14,398	11,297
Total 1st lien reserves	882,568	843,815	821,310	734,656	414,271
Other	270	292	398	335	407
Total Mortgage reserves	882,838	844,107	821,708	734,991	414,678
Real Estate reserves	4,517	4,306	4,084	3,894	3,524
Total reserves	\$ 887,355	\$ 848,413	\$ 825,792	\$ 738,885	\$ 418,202
Primary reserve per primary default excluding IBNR and other	\$ 17,219	\$ 14,759	\$ 12,168	\$ 9,706	\$ 18,320

(1) Includes ceded losses on reinsurance transactions, which are expected to be recovered and are included in the reinsurance recoverables reported in our condensed consolidated balance sheets.

Radian Group Inc. and Subsidiaries
Mortgage Supplemental Information - Default Statistics
Exhibit K

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>September 30,</u> <u>2020</u>	<u>June 30,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
<u>Default Statistics</u>					
Primary Insurance:					
<u>Prime</u>					
Number of insured loans	996,082	1,031,736	1,043,450	1,040,964	1,049,974
Number of loans in default	45,929	51,032	58,057	64,648	15,497
Percentage of loans in default	4.61 %	4.95 %	5.56 %	6.21 %	1.48 %
<u>Alt-A and A minus and below</u>					
Number of insured loans	25,282	26,208	27,310	28,357	29,375
Number of loans in default	4,177	4,505	4,680	5,094	4,284
Percentage of loans in default	16.52 %	17.19 %	17.14 %	17.96 %	14.58 %
Total Primary					
Number of insured loans	1,021,364	1,057,944	1,070,760	1,069,321	1,079,349
Number of loans in default	50,106	55,537	62,737	69,742	19,781
Percentage of loans in default	4.91 %	5.25 %	5.86 %	6.52 %	1.83 %

Radian Group Inc. and Subsidiaries
Mortgage Supplemental Information - Reinsurance Programs
Exhibit L

(\$ in thousands)	2021		2020		
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Quota Share Reinsurance (“QSR”) and Single Premium QSR Programs					
Ceded premiums written ⁽¹⁾	\$ (2,852)	\$ (1,117)	\$ 2,119	\$ 35,821	\$ 6,687
% of premiums written	(1.1)%	(0.4)%	0.8 %	13.0 %	2.4 %
Ceded premiums earned	\$ 20,788	\$ 29,510	\$ 36,742	\$ 60,652	\$ 18,712
% of premiums earned	6.8 %	8.6 %	11.2 %	19.2 %	6.2 %
Ceding commissions written	\$ (2,949)	\$ (3,847)	\$ (4,984)	\$ (5,304)	\$ 8,413
Ceding commissions earned ⁽²⁾	\$ 10,407	\$ 13,197	\$ 17,038	\$ 13,453	\$ 9,966
Profit commission	\$ 16,350	\$ 18,406	\$ 20,425	\$ (10,649)	\$ 16,405
Ceded losses	\$ 3,661	\$ 7,106	\$ 10,189	\$ 39,635	\$ 1,962
Excess-of-Loss Program					
Ceded premiums written	\$ 11,482	\$ 15,240	\$ 7,499	\$ 7,525	\$ 12,678
% of premiums written	4.4 %	5.2 %	2.8 %	2.7 %	4.5 %
Ceded premiums earned	\$ 12,154	\$ 12,037	\$ 8,290	\$ 8,321	\$ 8,405
% of premiums earned	4.0 %	3.7 %	2.5 %	2.6 %	2.8 %
Ceded RIF ⁽³⁾					
Single Premium QSR Program	\$ 6,147,808	\$ 6,646,812	\$ 7,358,932	\$ 8,173,756	\$ 8,580,047
Excess-of-Loss Program	1,525,100	1,560,600	1,170,200	1,170,200	1,230,000
QSR Program	317,827	381,787	454,585	532,743	596,166
Total Ceded RIF	\$ 7,990,735	\$ 8,589,199	\$ 8,983,717	\$ 9,876,699	\$10,406,213
PMIERS impact - reduction in Minimum Required Assets					
Excess-of-Loss Program	\$ 673,957	\$ 912,734	\$ 783,842	\$ 970,294	\$ 1,066,464
Single Premium QSR Program	388,536	423,712	469,625	517,028	501,668
QSR Program	19,378	22,712	26,213	30,837	31,638
Total PMIERS impact	\$ 1,081,871	\$ 1,359,158	\$ 1,279,680	\$ 1,518,159	\$ 1,599,770

(1) Net of profit commission.

(2) Includes amounts reported in policy acquisition costs and other operating expenses. Operating expenses include the following ceding commissions, net of deferred policy acquisition costs, for the periods indicated:

(\$ in thousands)	2021		2020		
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Ceding commissions	\$ (7,689)	\$ (10,436)	\$ (12,337)	\$ (10,406)	\$ (7,967)

(3) Included in primary RIF.

FORWARD-LOOKING STATEMENTS

All statements in this press release 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 Securities Exchange Act of 1934 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, including management’s current views regarding the likely impacts of the COVID-19 pandemic. 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 where new risks emerge from time to time and it is not possible for us to predict all risks that may affect us, particularly those associated with the COVID-19 pandemic, which has had wide-ranging and continually evolving effects. 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. These risks and uncertainties include, without limitation:

- the COVID-19 pandemic, which has caused significant economic disruption, high unemployment, periods of volatility and disruption in financial markets, and required adjustments in the housing finance system and real estate markets. The COVID-19 pandemic has adversely impacted our businesses, and we expect that the COVID-19 pandemic could further impact our business and subject us to certain risks, including those discussed in “Item 1A. Risk Factors—*The COVID-19 pandemic has adversely impacted us, and its ultimate impact on our business and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including the scope, severity and duration of the pandemic and actions taken by governmental authorities in response to the pandemic.*” and the other risk factors in our Annual Report on Form 10-K for the year ended December 31, 2020 and in our subsequent reports and registration statements filed from time to time with the U.S. Securities and Exchange Commission;
- changes in economic and political conditions that impact the size of the insurable market, the credit performance of our insured portfolio, and our business prospects;
- changes in the way customers, investors, ratings agencies, regulators or legislators perceive our performance, financial strength and future prospects;
- Radian Guaranty Inc.’s (“Radian Guaranty”) ability to remain eligible under the Private Mortgage Insurer Eligibility Requirements (the “PMIERs”) and other applicable requirements imposed by the Federal Housing Finance Agency (the “FHFA”) and by Fannie Mae and Freddie Mac (collectively, the “GSEs”) to insure loans purchased by the GSEs;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future regulatory requirements, including the PMIERs and any changes thereto, such as the application of the recent and temporary amendment that applies a reduced capital charge nationwide for certain COVID-19-related nonperforming loans, and potential changes to the Mortgage Guaranty Insurance Model Act currently under consideration;
- changes in the charters or business practices of, or rules or regulations imposed by or applicable to, the GSEs, which may include changes in response to the COVID-19 pandemic, changes in the requirements for Radian Guaranty to remain an approved insurer to the GSEs, changes in the GSEs’ interpretation and application of the PMIERs, or changes impacting loans purchased by the GSEs;
- the Enterprise Regulatory Capital Framework that was finalized by the FHFA in December 2020 and that, among other things, increases the capital requirements for the GSEs and reduces the credit they receive for risk transfer, which could impact their operations and pricing as well as the size of the insurable mortgage insurance market, and which may form the basis for future versions of the PMIERs;
- changes in the current housing finance system in the United States, including the roles of the Federal Housing Administration (the “FHA”), the GSEs and private mortgage insurers in this system;
- our ability to successfully execute and implement our capital plans, including our risk distribution strategy through the capital markets and reinsurance markets, and to maintain sufficient holding company liquidity to meet our liquidity needs;
- our ability to successfully execute and implement our business plans and strategies, including plans and strategies that require GSE and/or regulatory approvals and licenses and that are subject to complex compliance requirements;
- uncertainty from the expected discontinuance of LIBOR and transition to one or more alternative benchmarks that could cause interest rate volatility and, among other things, impact our investment portfolio, cost of debt and cost of reinsurance through mortgage insurance-linked notes transactions;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance, which could be impacted by the burdens placed on many servicers due to the COVID-19 pandemic;
- a decrease in the “Persistency Rates” (the percentage of insurance in force that remains in force over a period of time) of our mortgage insurance on monthly premium products;
- competition in our mortgage insurance business, including price competition and competition from the FHA and the U.S. Department of Veterans Affairs as well as from other forms of credit enhancement, such as GSE-sponsored alternatives to traditional mortgage insurance;

- 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, including the recent changes to the "qualified mortgages" (QM) loan requirements;
- legislative and regulatory activity (or inactivity), including the adoption of (or failure to adopt) new laws and regulations, or changes in existing laws and regulations, or the way they are interpreted or applied, including potential changes in tax law under the Biden Administration;
- legal and regulatory claims, assertions, actions, reviews, audits, inquiries and investigations that could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief that could require significant expenditures, new or increased reserves or have other effects on our business;
- the amount and timing of potential payments or adjustments associated with federal or other tax examinations;
- the possibility that we may fail to estimate accurately, especially in the event of an extended economic downturn or a period of extreme market volatility and economic uncertainty such as we have been experiencing due to the COVID-19 pandemic, the likelihood, magnitude and timing of losses in establishing loss reserves for our mortgage insurance business or to accurately calculate and/or project our Available Assets and Minimum Required Assets under the PMIERS, which will be impacted by, among other things, the size and mix of our insurance in force, the level of defaults in our portfolio, the reported status of defaults in our portfolio, including whether they are subject to forbearance, a repayment plan or a loan modification trial period granted in response to a financial hardship related to COVID-19, the level of cash flow generated by our insurance operations and our risk distribution strategies;
- volatility in our financial results caused by changes in the fair value of our assets and liabilities, including our investment portfolio;
- changes in "GAAP" (accounting principles generally accepted in the U.S.) or "SAPP" (statutory accounting principles and practices including those required or permitted, if applicable, by the insurance departments of the respective states of domicile of our insurance subsidiaries) rules and guidance, or their interpretation;
- effectiveness and security of our information technology systems and solutions, including our ability to successfully develop, launch and implement new and innovative technologies and digital solutions and the potential disruption in, or failure of, our information technology systems due to computer viruses, unauthorized access, cyber-attack, natural disasters or other similar events;
- our ability to attract and retain key employees; and
- legal and other limitations on amounts we may receive from our subsidiaries, including dividends or ordinary course distributions under our internal tax- and expense-sharing arrangements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, and to 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 press release. 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.

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