

RADIAN

First Quarter 2007

Safe Harbor Statement

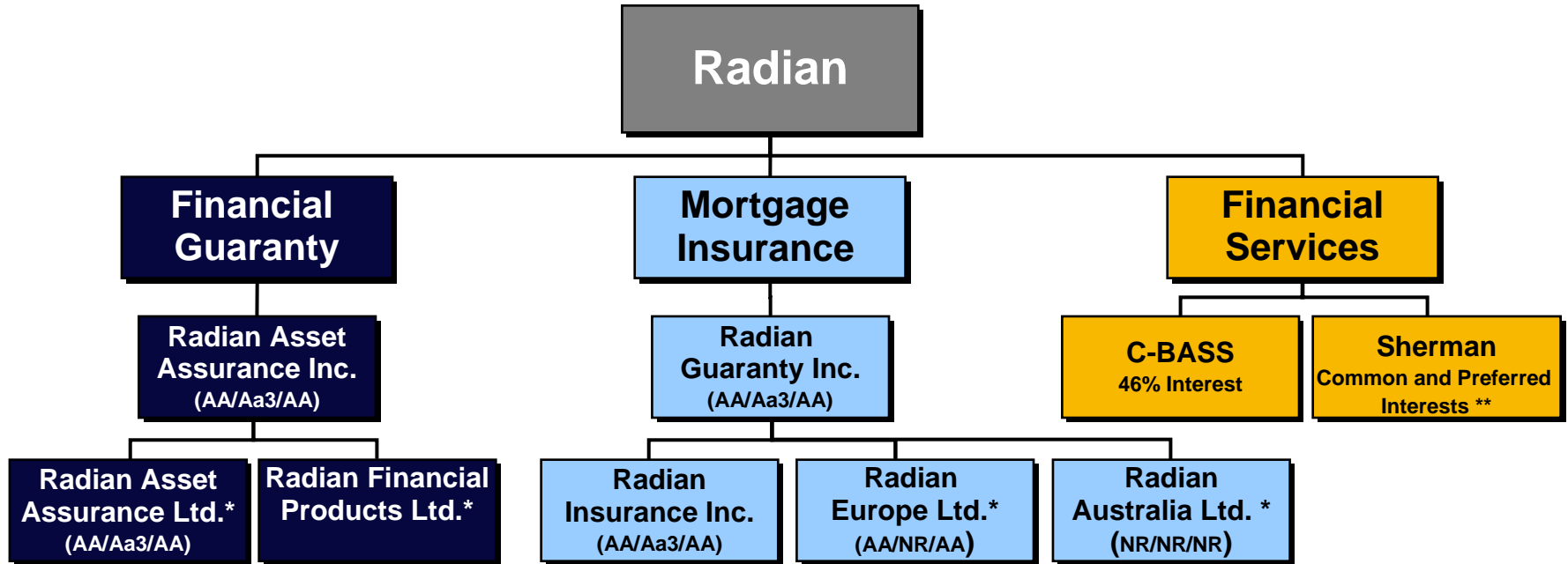
All statements made during our first-quarter conference call and in the accompanying presentation that address events or developments that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. These statements are made on the basis of management’s current views and assumptions with respect to future events. The forward-looking statements, as well as Radian’s prospects as a whole, are subject to risks and uncertainties, including the following: changes in general financial and political conditions such as extended national or regional economic recessions (or expansions), changes in housing demand or mortgage originations, changes in housing values, population trends and changes in household formation patterns, changes in unemployment rates, changes or volatility in interest rates, consumer confidence, or changes in credit spreads; changes in investor perception of the strength of private mortgage insurers or financial guaranty providers; risks faced by the businesses, municipalities or pools of assets covered by Radian’s insurance; the loss of a customer with whom Radian has a concentration of its insurance in force or the influence of large customers; increased severity or frequency of losses associated with certain Radian products that are riskier than traditional mortgage insurance and financial guaranty insurance policies; material changes in persistency rates of Radian’s mortgage insurance policies; changes in Radian’s credit ratings or the insurance financial-strength ratings assigned by the major ratings agencies to Radian’s operating subsidiaries; heightened competition from other insurance providers and from alternative products to private mortgage insurance and financial guaranty insurance; changes in the charters or business practices of Fannie Mae and Freddie Mac; the application of federal or state consumer, lending, insurance and other applicable laws and regulations, or unfavorable changes in these laws and regulations or the way they are interpreted, including: (i) the possibility of private lawsuits or investigations by state insurance departments and state attorneys general alleging that services offered by the mortgage insurance industry, such as captive reinsurance, pool insurance and contract underwriting, are violative of the Real Estate Settlement Procedures Act and/or similar state regulations (particularly in light of inquiries that we and other mortgage insurers have received from the New York Insurance Department and public reports that other state insurance departments are investigating or planning to investigate captive reinsurance arrangements used in the mortgage insurance industry) or (ii) legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance; 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 or financial guaranty businesses or to estimate accurately the fair value amounts of derivative financial guaranty contracts in determining gains and losses on these contracts; changes in accounting guidance from the SEC or the Financial Accounting Standards Board regarding income recognition and the treatment of loss reserves in the mortgage insurance or financial guaranty industries; changes in claims against mortgage insurance products resulting from the aging of Radian’s mortgage insurance policies; vulnerability to the performance of Radian’s strategic investments; changes in the availability of affordable or adequate reinsurance for our non-prime risk; legal and other limitations on the amount of dividends we may receive from our insurance subsidiaries; international expansion of our mortgage insurance and financial guaranty businesses into new markets and risks associated with our international business activities; and risks and uncertainties associated with our proposed merger with MGIC Investment Corporation (“MGIC”), including, without limitation: the ability to complete the transaction on the proposed terms and schedule; the risk that the two companies and their businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or other business relationships; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; the risk that potential sales of assets in connection with the merger may negatively impact the financial performance of the combined company; and the possibility that the merger may not be completed, whether due to the failure to receive the requisite stockholder or regulatory approvals or otherwise, which may have an adverse effect on our customers, employees and other business relationships, and may have a materially adverse impact on our financial results and prospects. For more information regarding these risks and uncertainties, as well as certain additional risks that we face, investors should refer to the risk factors detailed in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2006 and in the joint proxy statement/prospectus for our 2007 annual meeting. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of our first-quarter conference call. Radian does not intend to, and disclaims any duty or obligation to, update or revise any forward-looking statements made during our first-quarter conference call and in the accompanying presentation to reflect new information, future events or for any other reason.

Additional Information About the Radian/MGIC Transaction

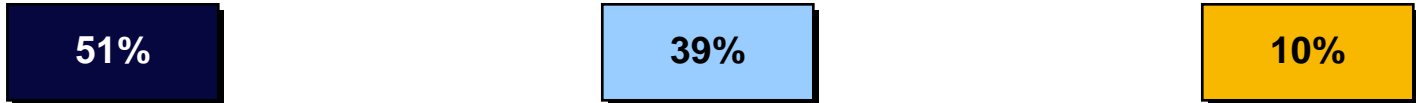
MGIC Investment Corporation and Radian Group Inc. have filed a joint proxy statement/prospectus and other relevant documents concerning the MGIC/Radian merger transaction with the United States Securities and Exchange Commission (the “SEC”). **STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE MERGER TRANSACTION OR INCORPORATED BY REFERENCE IN THE JOINT PROXY STATEMENT/PROSPECTUS BECAUSE THEY CONTAIN IMPORTANT INFORMATION.** Investors may obtain these documents free of charge at the SEC’s website (<http://www.sec.gov>). In addition, documents filed with the SEC by MGIC are available free of charge by contacting Investor Relations at MGIC Investment Corporation, 250 East Kilbourn Avenue, Milwaukee, WI 53202. Documents filed with the SEC by Radian are available free of charge by calling Investor Relations at (215) 231-1486.

Radian and MGIC and their respective directors and executive officers, certain members of management and other employees are participants in the solicitation of proxies from Radian stockholders and MGIC stockholders with respect to the proposed merger transaction. Information regarding the directors and executive officers of Radian and MGIC and the interests of such participants are included in the joint proxy statement/prospectus filed with the SEC which relates to the merger transaction, Radian’s 2007 annual meeting of stockholders and MGIC’s 2007 annual meeting of stockholders—and in the other relevant documents filed with the SEC.

Summary of Segment Structure



3 Months '07 Contribution to Net Income



Segment Equity at 3/31/07



* International Entities

**Consists of 40.96% of Class A Common Units (Class A Common units represent 94% of total equity) and 50% of the Preferred Units.

Financial Highlights

	1Q07	1Q06	Percent Change
Net income	\$113.5	\$163.7	(30.7)%
Diluted net income per share	\$1.42	\$1.96	(27.6)%
Net premiums earned- insurance	\$214.5	\$227.2	(5.6)%
Net premiums earned- credit derivatives	\$34.6	\$26.5	30.6%
Net premiums earned- total	\$249.1	\$253.7	(1.8)%
Net paid losses	\$101.5	\$88.4	14.8%
Provision for losses	\$107.0	\$78.6	36.1%
Net investment income	\$61.0	\$54.3	12.3%
Equity in net income of affiliates	\$22.8	\$58.3	(60.9)%

Dollars in millions except per share amount.

Financial Highlights

	<u>As of 3/31/07</u>
Assets	\$8,124.9
Loss reserves	\$852.5
Unearned premiums	\$974.8
Stockholders' equity	\$4,174.8
Market capitalization	\$4,406.1
Debt to capital ratio	15.2%

Dollars in millions.

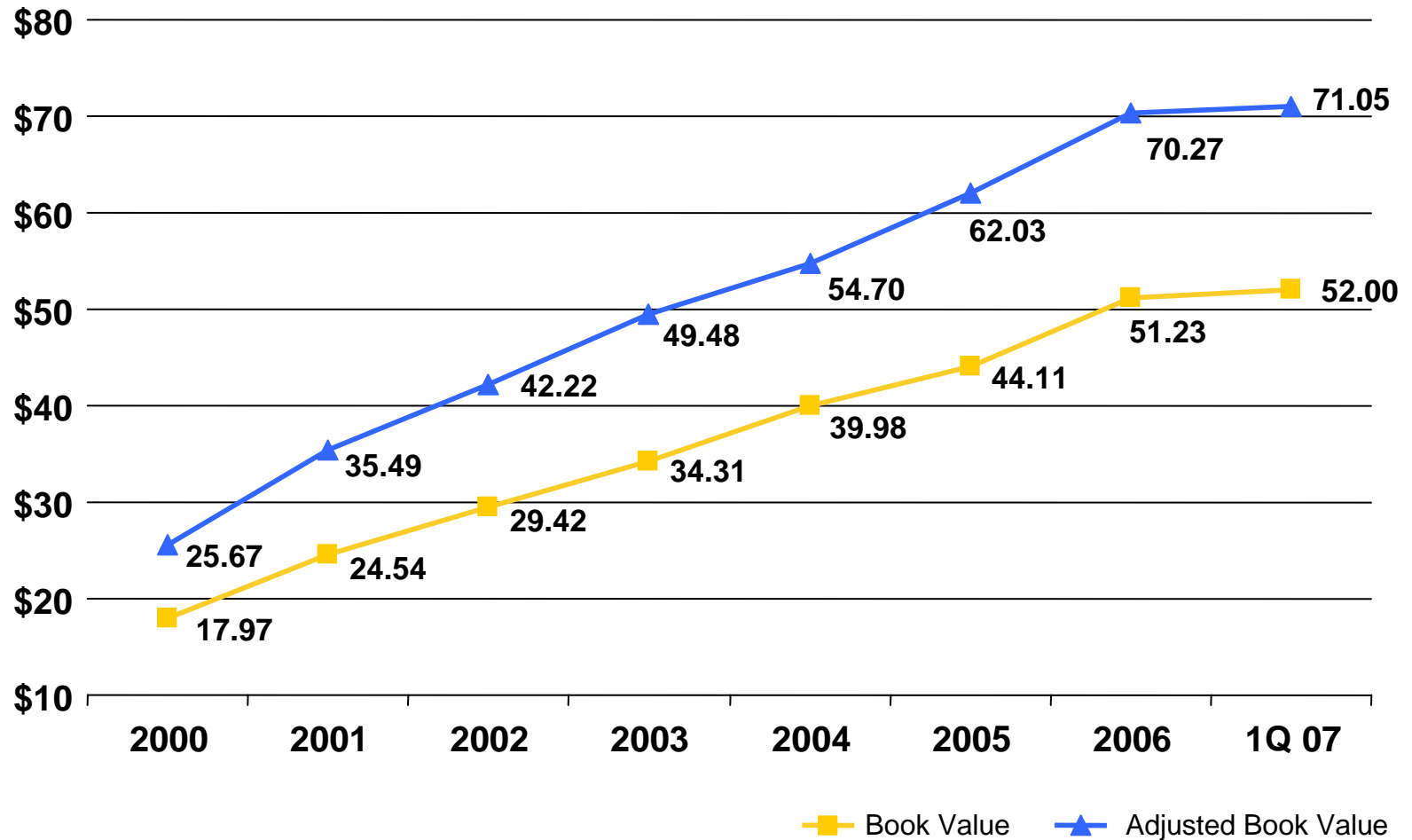
Reconciliation of Stockholders' Equity

Stockholders' Equity at 12/31/06	\$	4,067.6
Net Income		113.5
FIN 48		(21.2)
FAS 155		10.8
Dividends		(1.6)
Other Comprehensive Income		(20.4)
Stock based compensation activity		30.1
Treasury shares purchased		(4.0)
Stockholders' Equity at 3/31/07	\$	4,174.8

Dollars in millions.

Track Record

Book Value and Adjusted Book Value Per Share Growth



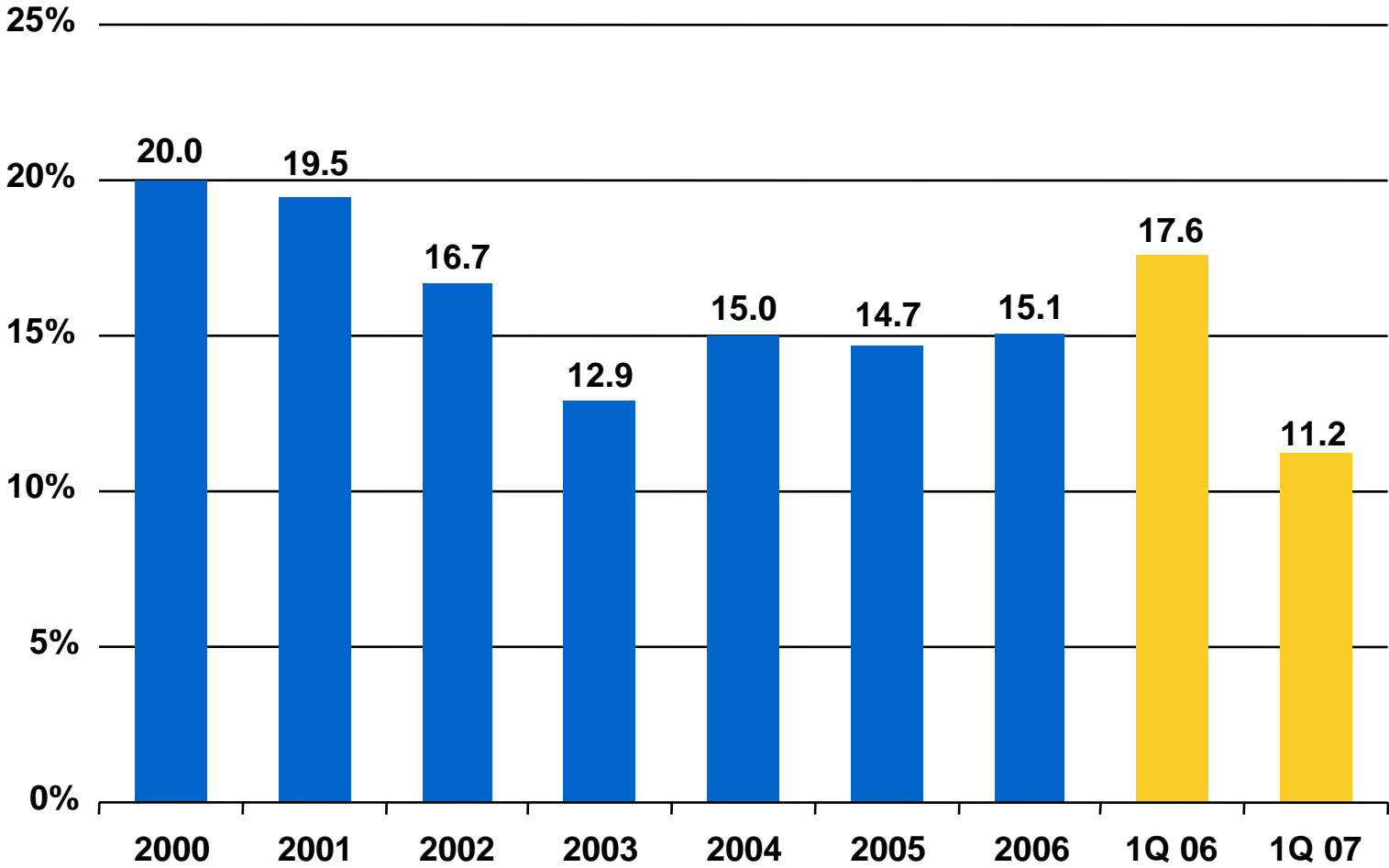
Per-share amounts.

Reconciliation of Book Value to Adjusted Book Value

(\$ in millions except book value per share)	Book Value As Reported	Additions			Deductions			Expense Factor for Future Premiums 5%	Total Additions and Deductions Net of Tax	Book Value As Adjusted
		Unearned Premiums	Present Value of Installment Premiums		Deferred Policy Acquisition Costs	Loss Factor for Future Premiums				
			Financial Guaranty	Mortgage Insurance		Financial Guaranty 25%	Mortgage Insurance 35%			
December 31, 2000										
Total Common Equity	\$1,362.2	\$77.2		\$1,484.5	\$70.0		\$519.6	\$74.2	\$583.6	\$1,945.8
Number of Shares (in millions)	75.8									75.8
Book Value per Share	\$17.97									\$25.67
December 31, 2001										
Total Common Equity	\$2,306.3	\$513.9	\$254.0	\$1,736.9	\$151.0	\$63.5	\$607.9	\$99.5	\$1,028.8	\$3,335.1
Number of Shares (in millions)	94.0									94.0
Book Value per Share	\$24.54									\$35.49
December 31, 2002										
Total Common Equity	\$2,753.4	\$618.1	\$400.1	\$1,881.0	\$183.6	\$100.0	\$658.4	\$114.1	\$1,198.1	\$3,951.5
Number of Shares (in millions)	93.6									93.6
Book Value per Share	\$29.42									\$42.22
December 31, 2003										
Total Common Equity	\$3,225.8	\$718.6	\$444.4	\$2,303.7	\$218.8	\$111.1	\$806.3	\$137.4	\$1,425.6	\$4,651.4
Number of Shares (in millions)	94.0									94.0
Book Value per Share	\$34.31									\$49.48
December 31, 2004										
Total Common Equity	\$3,689.1	\$723.5 (1)	\$252.0 (1)	\$2,310.1	\$195.2 (1)	\$63.0	\$808.5	\$128.1	\$1,359.0	\$5,048.0
Number of Shares (in millions)	92.3									92.3
Book Value per Share	\$39.98									\$54.70
December 31, 2005										
Total Common Equity	\$3,662.9	\$849.4	\$303.0	\$2,392.5	\$208.3	\$75.7	\$837.4	\$134.8	\$1,487.6	\$5,150.5
Number of Shares (in millions)	83.0									83.0
Book Value per Share	\$44.11									\$62.03
December 31, 2006										
Total Common Equity	\$4,067.6	\$943.7	\$345.6	\$2,271.0	\$221.8	\$86.4	\$794.8	\$130.8	\$1,512.2	\$5,579.7
Number of Shares (in millions)	79.4									79.4
Book Value per Share	\$51.23									\$70.27
March 31, 2007										
Total Common Equity	\$4,174.8	\$974.8	\$377.1	\$2,233.6	\$225.6	\$94.3	\$781.8	\$130.5	\$1,529.7	\$5,704.5
Number of Shares (in millions)	80.3									80.3
Book Value per Share	\$52.00									\$71.05

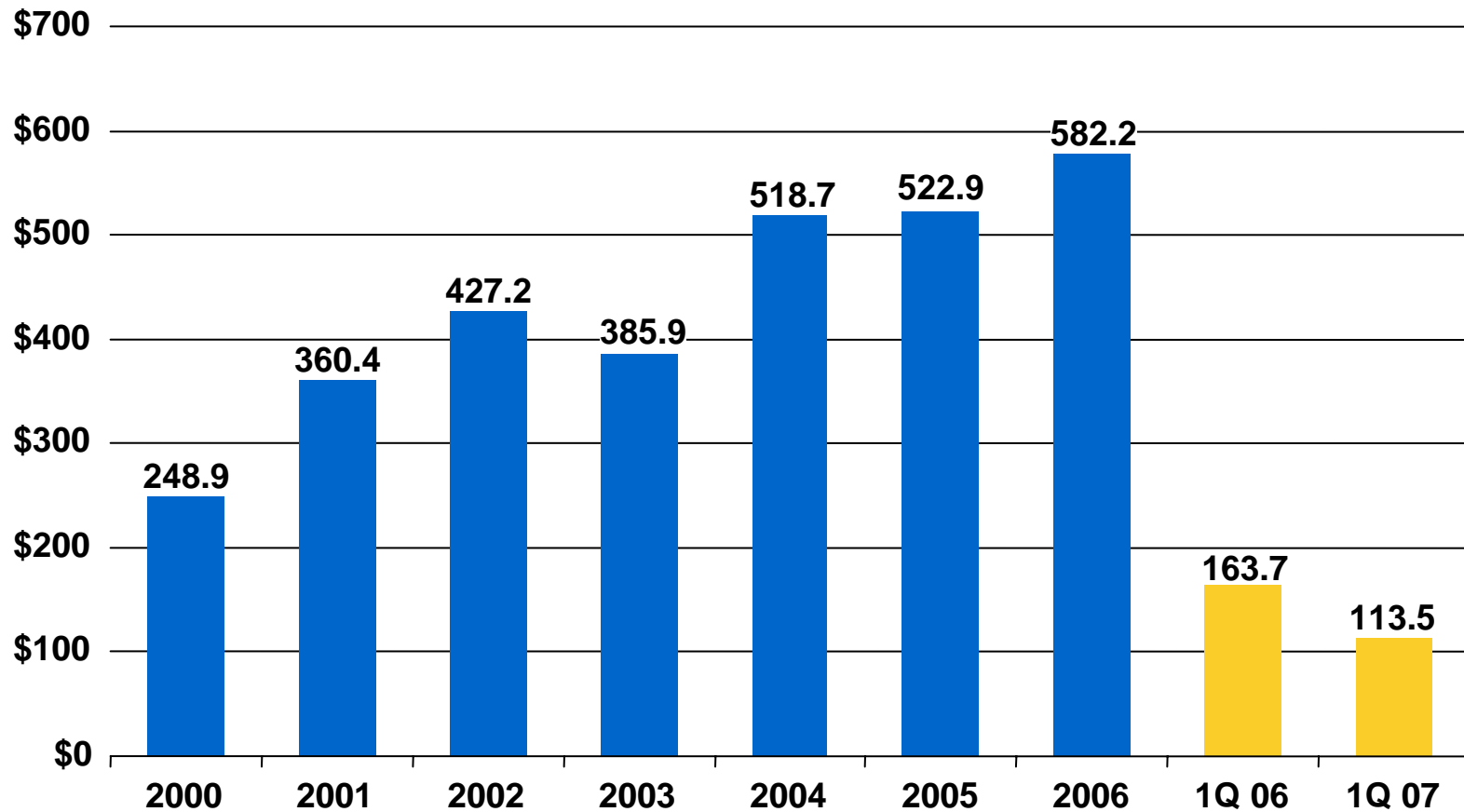
(1) Adjusted for the 2005 recapture that occurred in the First Quarter of 2005

Return on Equity



Net Income

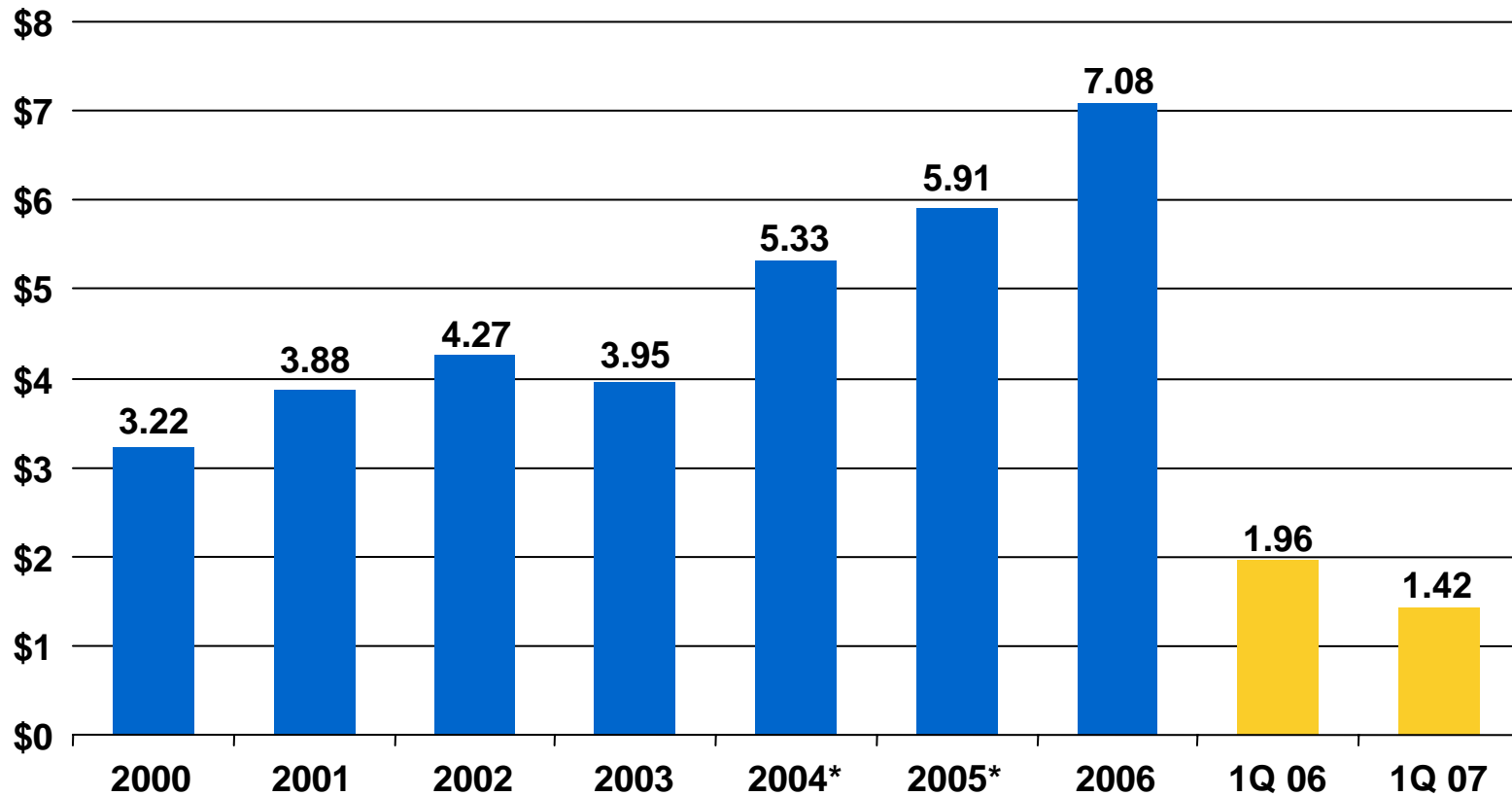
Net income CAGR of 15.2% through 2006



Dollars in millions.

Diluted Net Income Per Share

CAGR of 14.0% through 2006

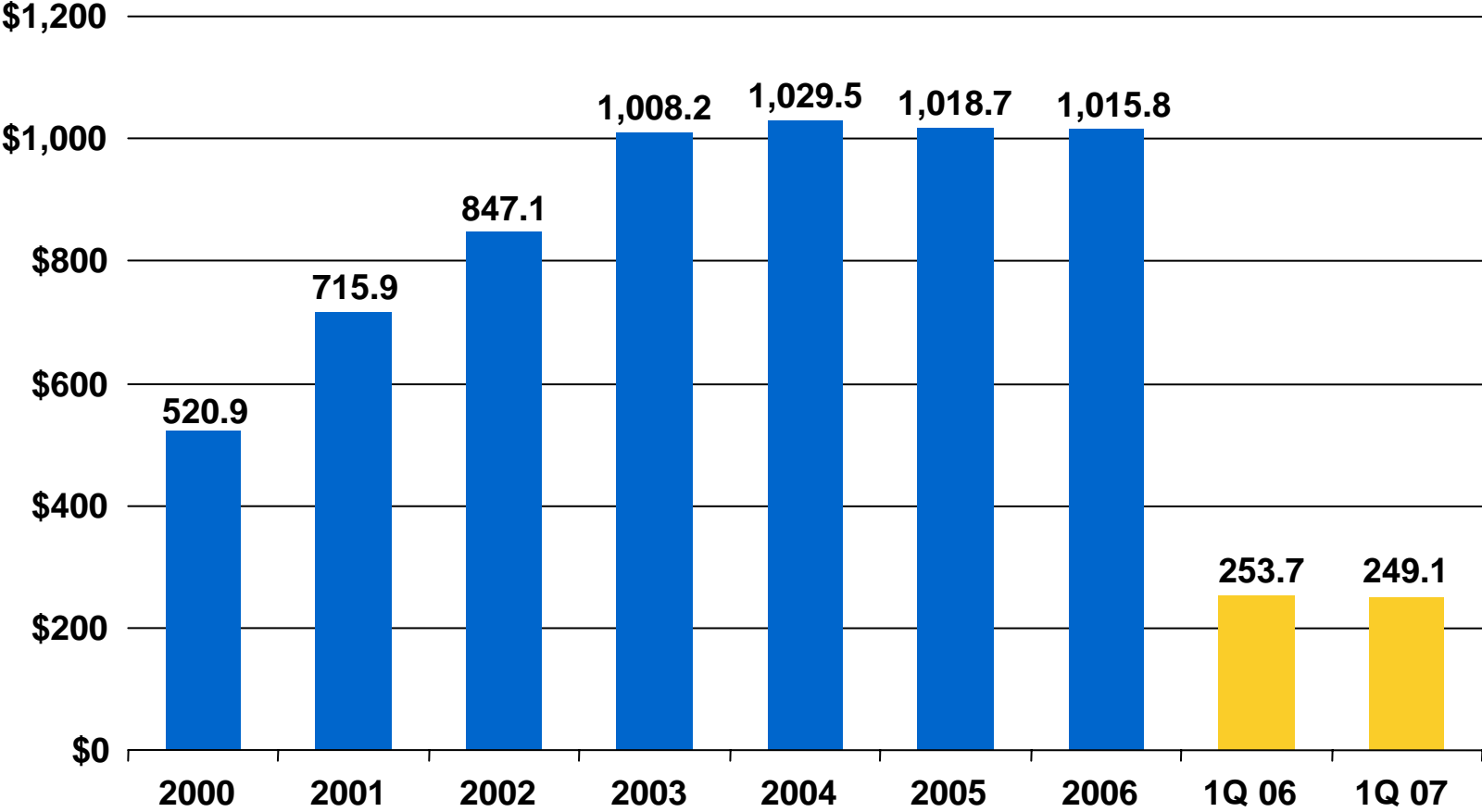


* Reflects the inclusion of shares underlying contingently convertible debt that was redeemed August 1, 2005. The impact of including these shares in the calculation was a reduction of \$0.18 for the twelve months ended December 31, 2004, and \$0.13 for the twelve months ended December 31, 2005.

In dollars.

Net Premiums Earned

CAGR of 11.8% through 2006



Dollars in millions.

Diversification

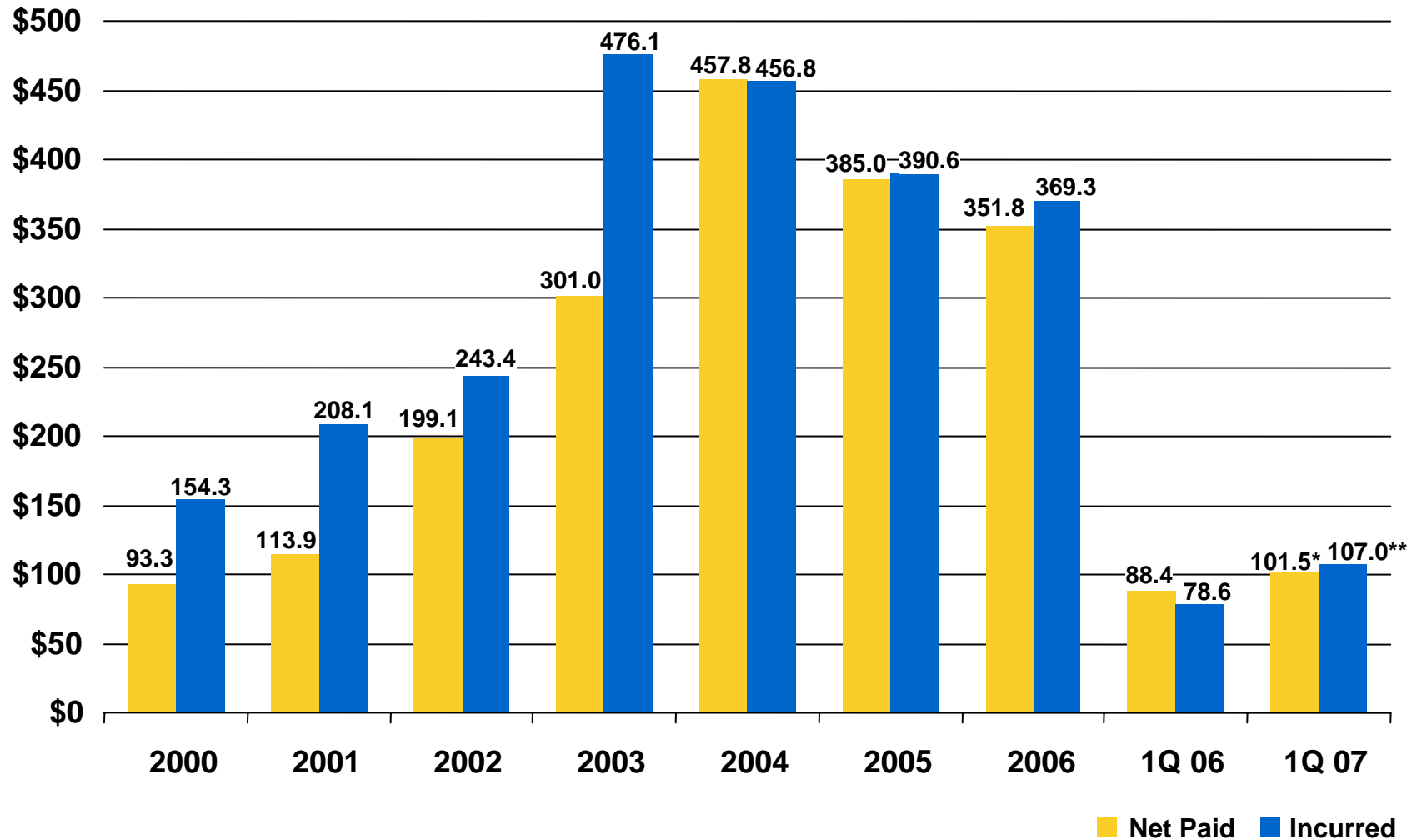
Risk In Force/ Net Par Outstanding by Product

Business Line	Product	RIF/ Net Par Outstanding as of 3/31/07	Percent of Portfolio
Financial Guaranty	Direct Public Finance	\$16,590.5	11%
	Public Finance Reinsurance	39,311.7	26%
	Direct Structured Finance	52,945.2	34%
	Structured Finance Reinsurance	5,261.2	3%
Total FG Net Par Outstanding		114,108.6	74%
Mortgage Insurance	Primary Prime MI	18,450.0	12%
	Primary Non-Prime MI	7,263.0	5%
	Pool MI	3,066.0	2%
	Second Liens	1,160.0	1%
	NIMs	783.0	1%
	International	8,289.0	5%
	Other	212.0	*%
Total MI RIF		39,223.0	26%
Total Radian RIF/ Net Par Outstanding		\$153,331.6	100%

Dollars in millions.

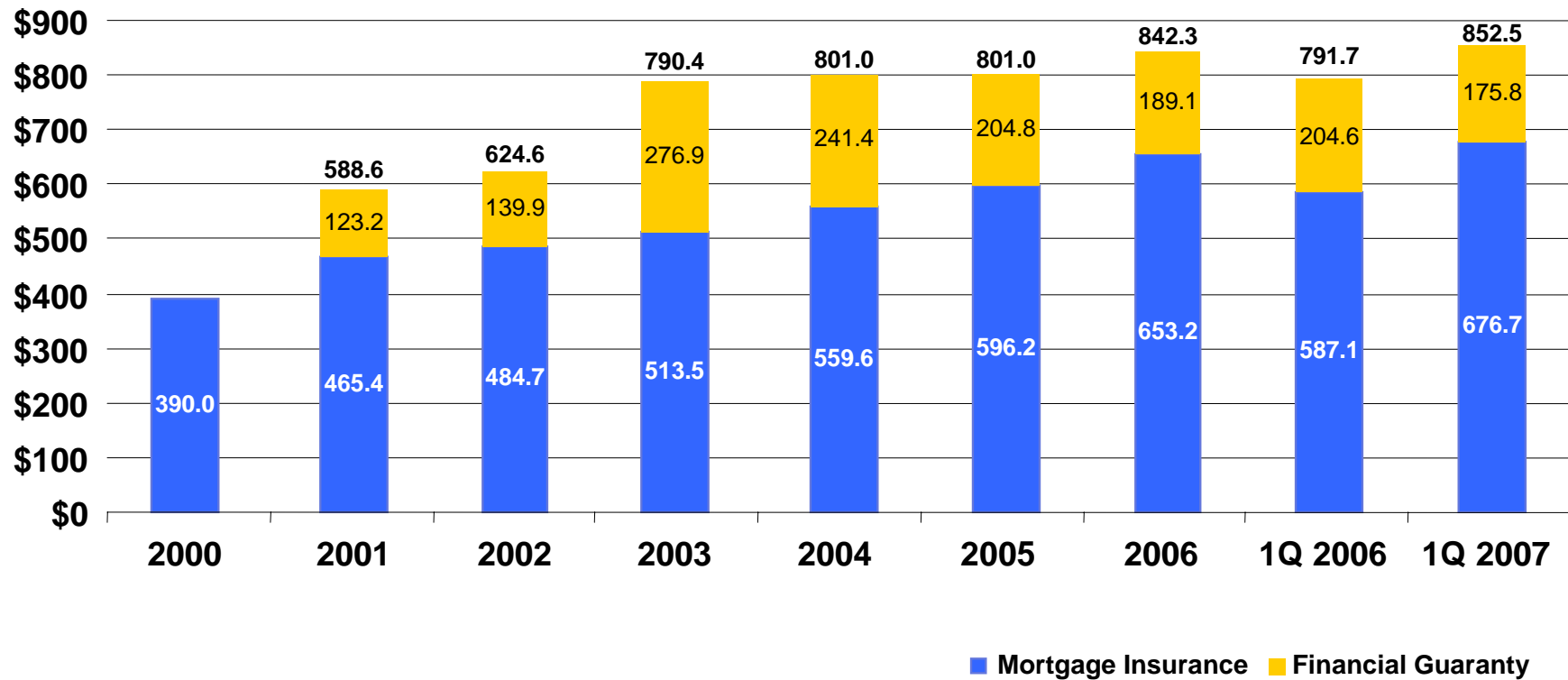
* less than 1%

Losses: Net Paid vs. Incurred



Dollars in millions. * MI = \$95.8, FG = \$5.7 ** MI = \$112.8, FG = \$(5.8)

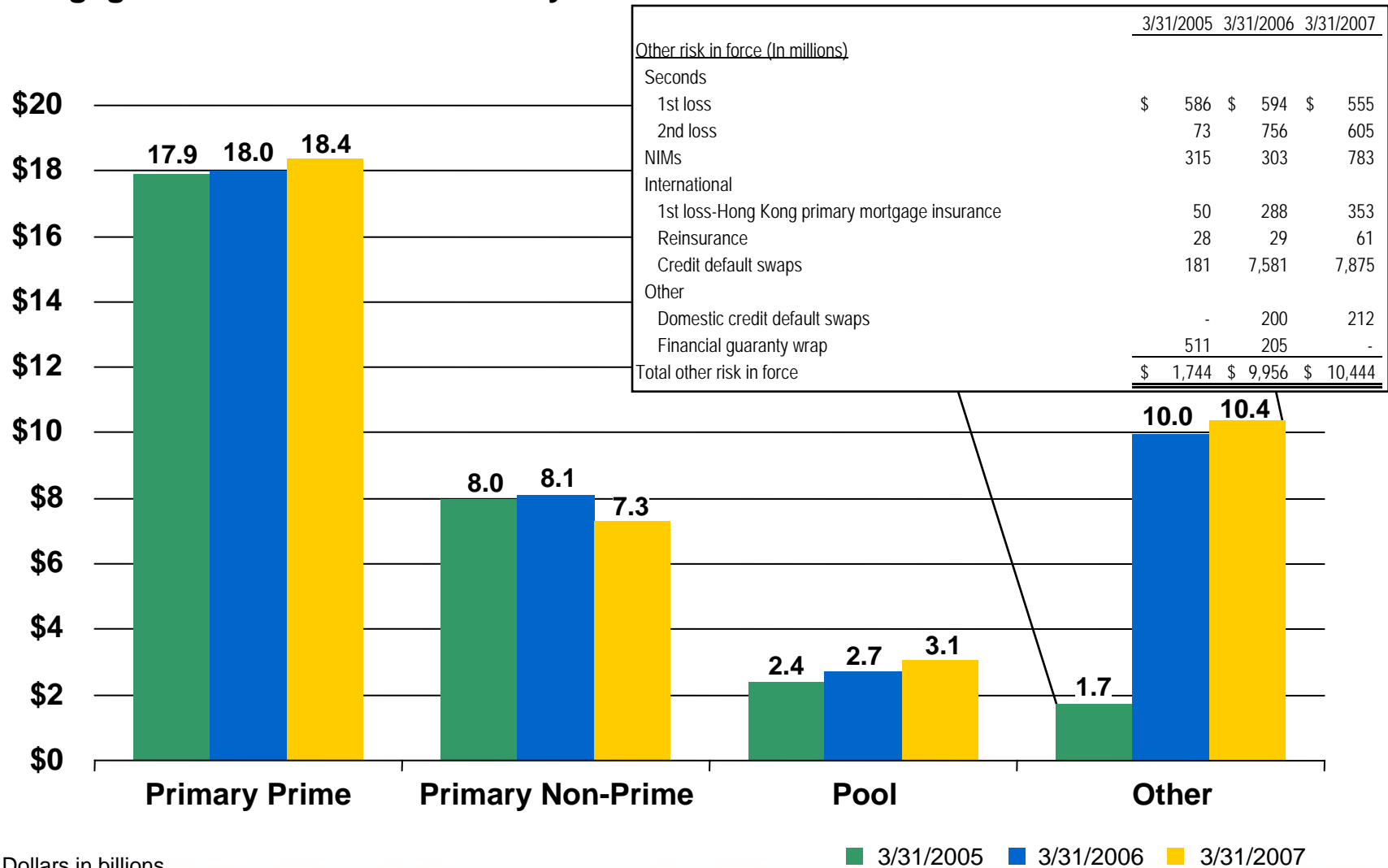
Total Loss Reserves



Dollars in millions.

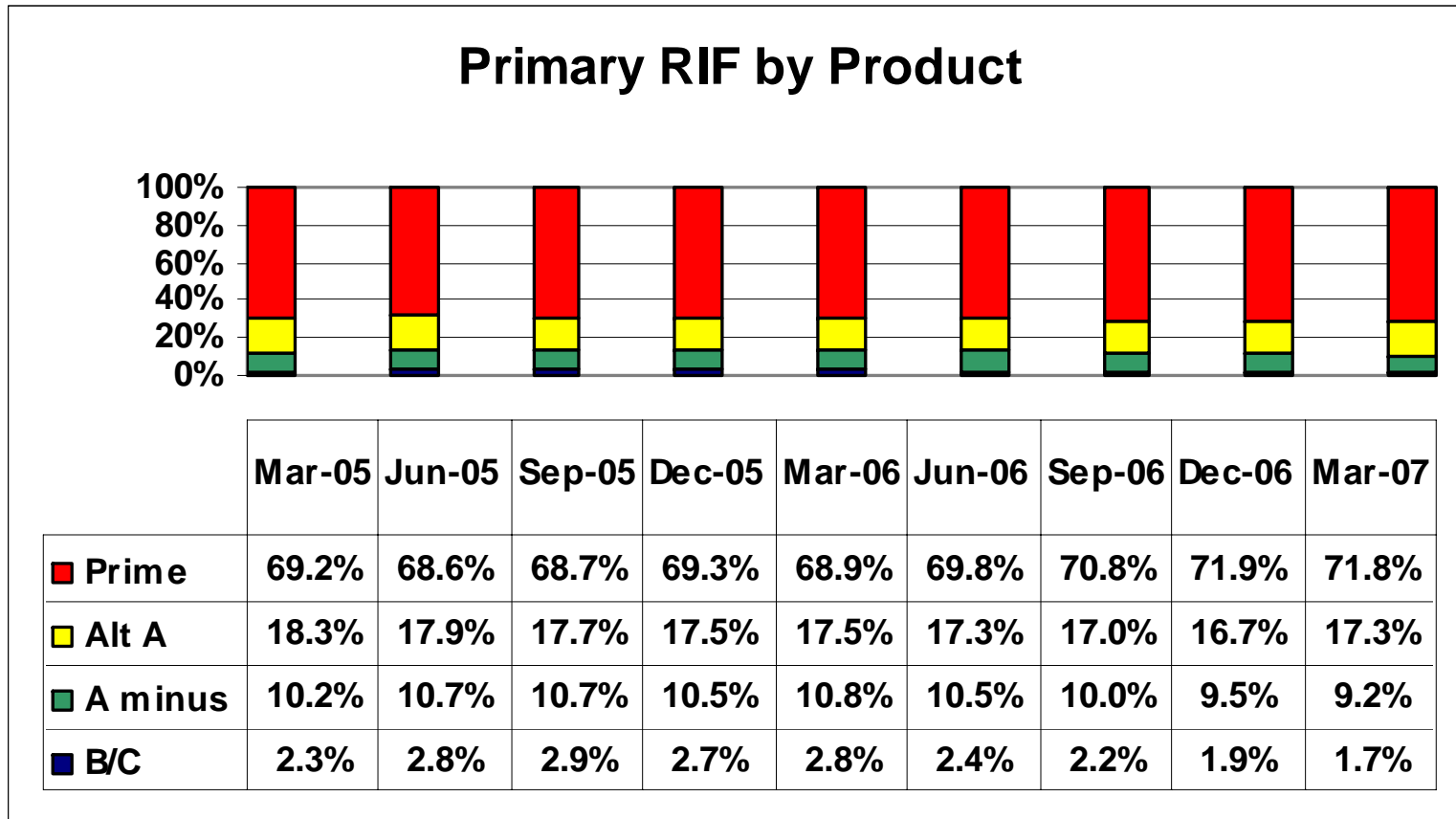
Portfolio Management

Mortgage Insurance Risk in Force by Product



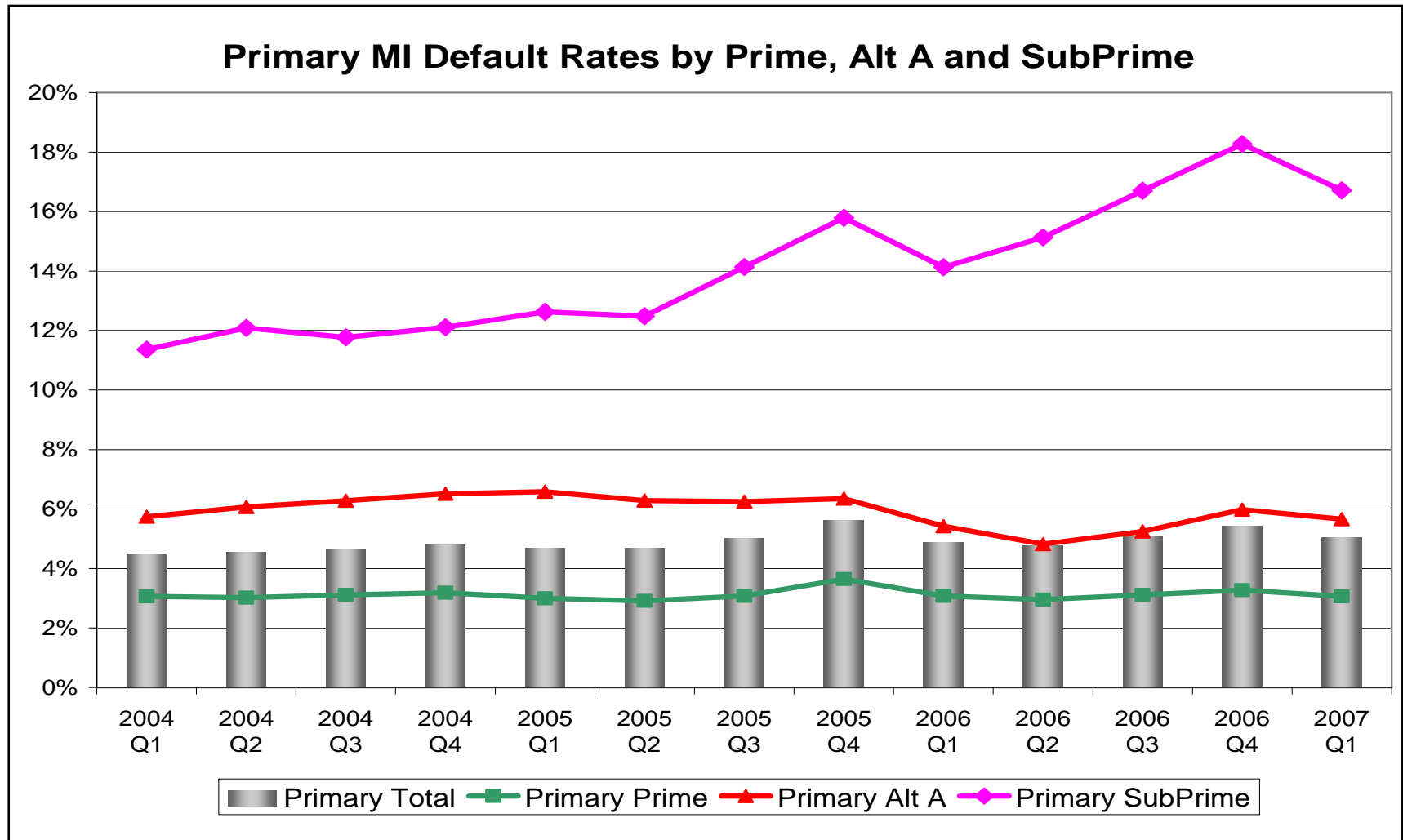
Portfolio Management

Primary Mortgage Insurance Risk in Force by Product



Portfolio Management

Mortgage Insurance



Portfolio Management

SMART Home*

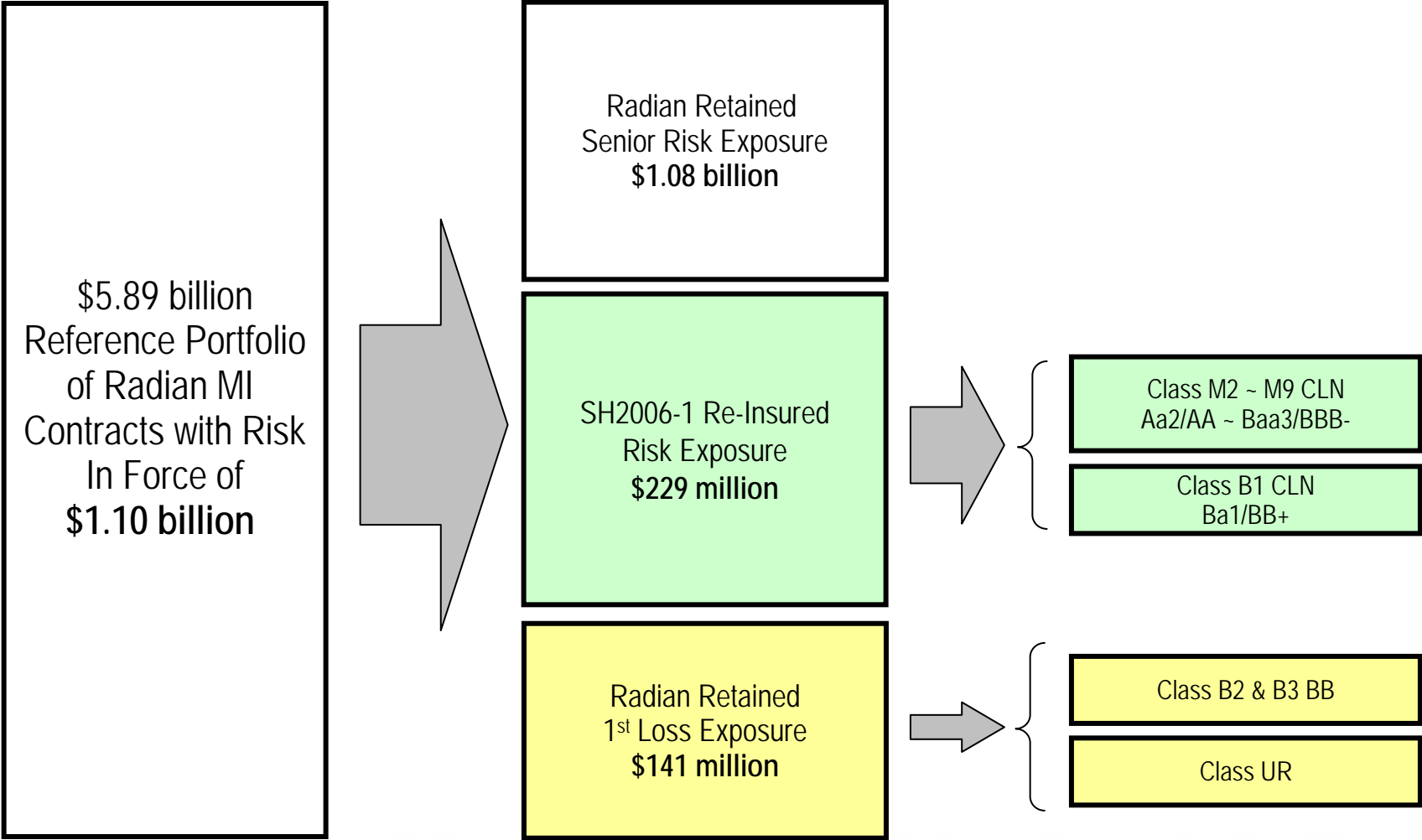
- What is SMART Home?
 - Financial solution to manage exposure to higher risk and unproven products.
 - Hedge against catastrophic loss and protects the company's book value.
 - Gives Radian both economic and rating agency capital relief
- How does SMART Home work?
 - A SMART Home company is established by a third party financial institution, and that company enters into an agreement with Radian to reinsure a pool of loans consisting mostly of non-prime loans.
 - Credit-linked notes are then issued by the SMART Home company and sold to investors in the capital markets.
 - Once the credit-linked notes are sold and the SMART Home company is fully capitalized, a portion of risk from Radian's mortgage pool is now effectively transferred through SMART Home to the note holders in the capital markets.

* SMART Home stands for Synthetic Mortgage Alternative Risk Transfer for Hedge of mortgage exposure

Portfolio Management

SMART Home Structure 2006-1

as of 3/31/07



Portfolio Management

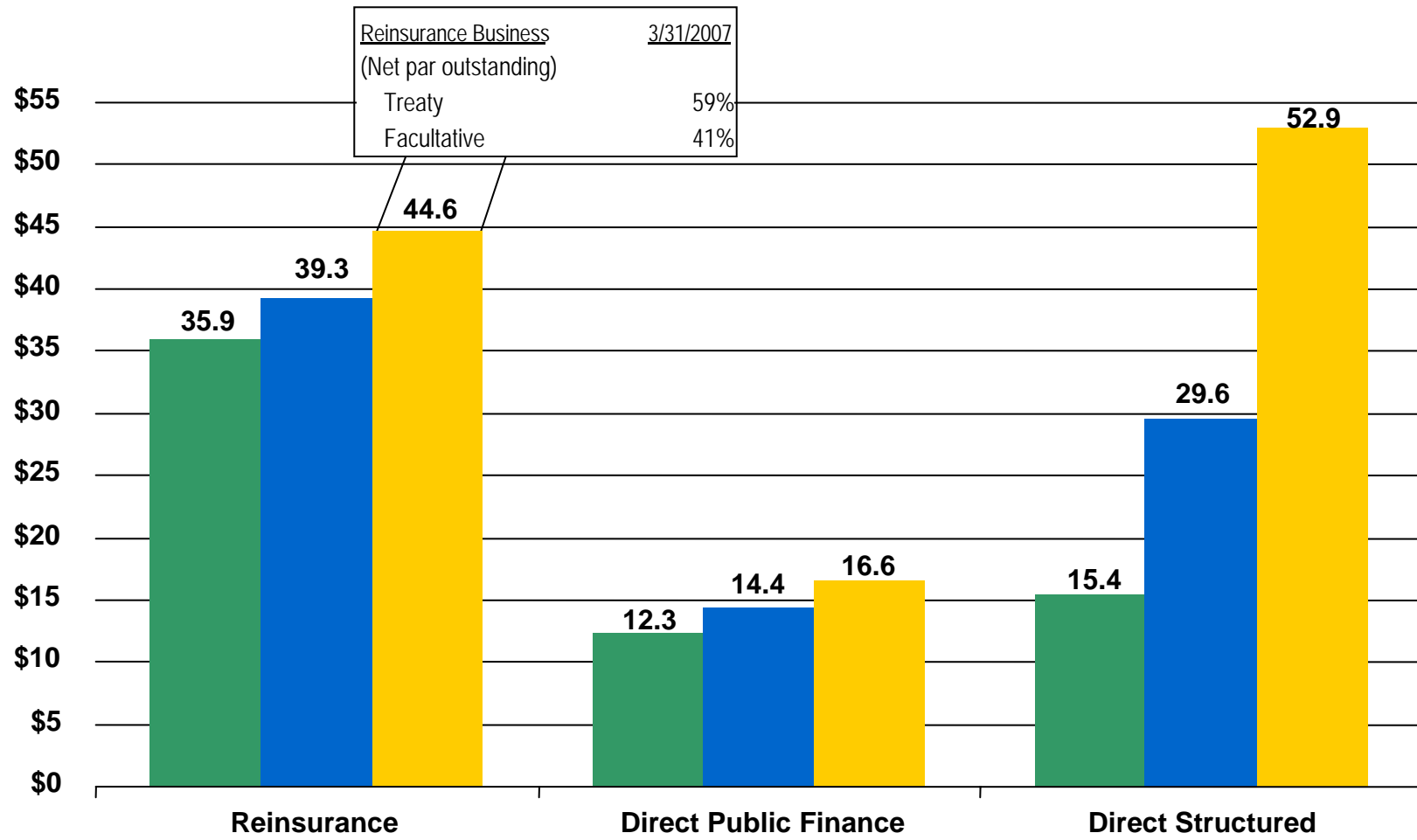
Mortgage Insurance SMART Home Transactions

- **All Transactions – As of Initial Closings**
 - \$14.7 billion pool of mortgages
 - Risk in Force included in Smart Home Transactions: \$3.9 billion*
 - \$718.6 million of credit-linked notes sold to investors in the capital markets
- **All Transactions – As of March 31, 2007**
 - \$9.1 billion pool of mortgages
 - Risk in Force included in Smart Home Transactions: \$2.3 billion*
 - \$636.7 million of credit-linked notes outstanding in the capital markets

* Radian reinsures the middle layer risk positions, while retaining a significant portion of the total risk comprising the first loss and most remote risk positions.

Growth

Financial Guaranty Net Par Outstanding by Product, \$114.1 billion as of 3/31/07



Reinsurance Business		3/31/2007
(Net par outstanding)		
Treaty		59%
Facultative		41%

Dollars in billions.

■ 3/31/2005 ■ 3/31/2006 ■ 3/31/2007

Diversification

Financial Guaranty Product Line and Sector Mix

\$114.1 billion in net par outstanding as of 3/31/07

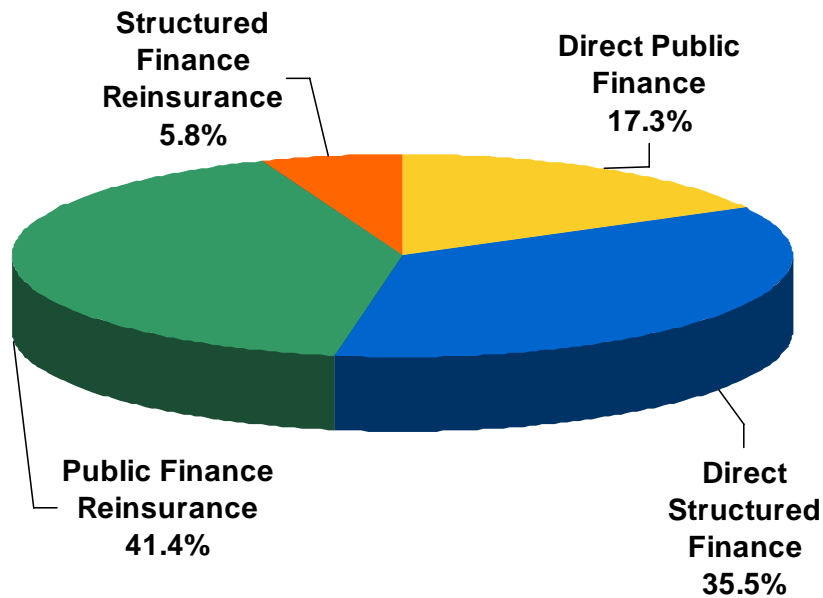
Public Finance		Structured Finance	
Sector	Percent	Sector	Percent
Education	3.6 %	Asset-backed – commercial and other	1.1%
General obligations	15.5%	Asset-backed –consumer	1.2%
Healthcare	9.1%	Asset-backed – mortgage and MBS	1.0%
Housing	0.7%	CDOs	45.3%
Investor owned utilities	2.3%	Other structured finance	2.4%
Long term care	1.3%	Subtotal	51.0%
Tax-backed	4.8%		
Transportation	5.1%		
Utilities	5.5%		
Other public finance	1.1%		
Subtotal	49.0 %		

Diversification

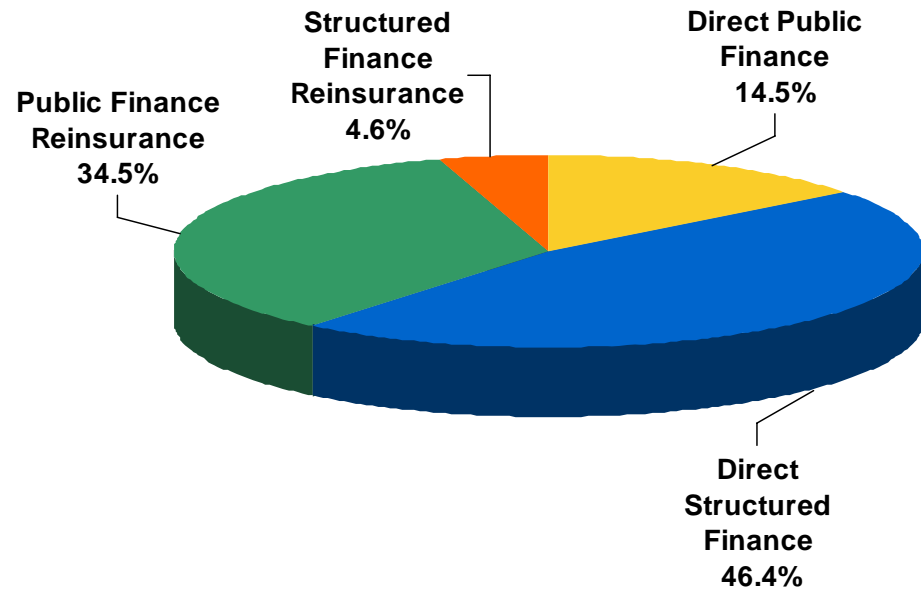
Financial Guaranty Net Par Outstanding by Business Line

\$83.3 billion in net par as of 3/31/06; \$114.1 billion in net par outstanding as of 3/31/07

3/31/06



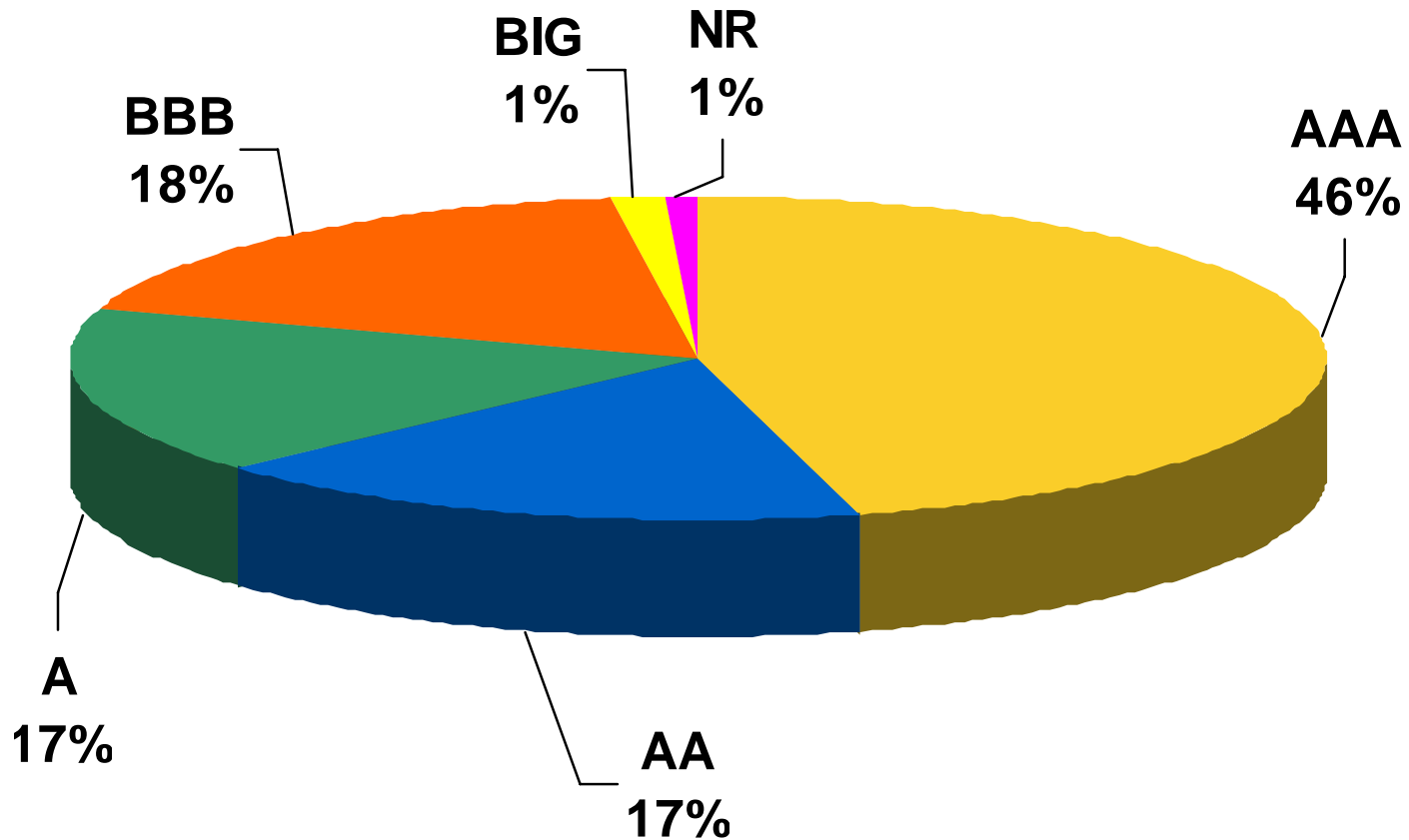
3/31/07



Portfolio Quality

Financial Guaranty Net Par Outstanding by Rating

\$114.1 billion in net par outstanding as of 3/31/07



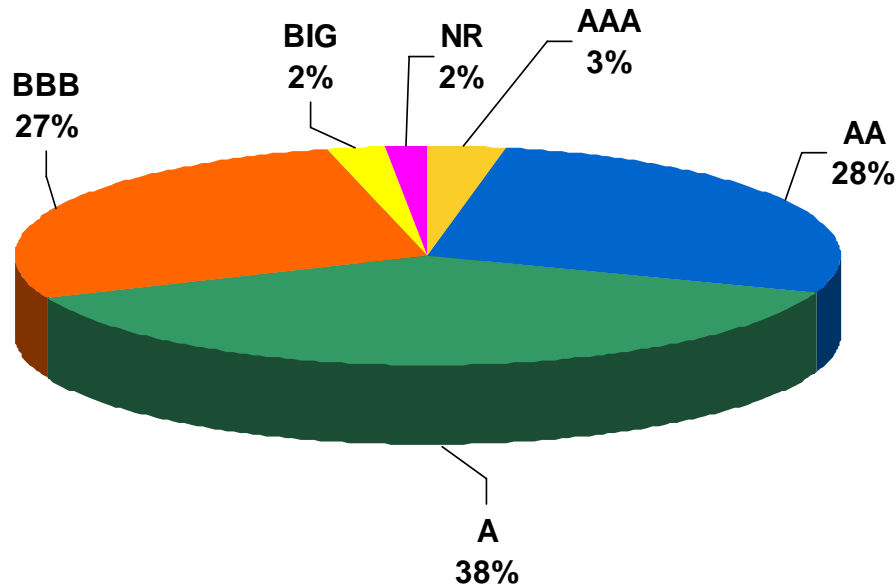
* Indicated ratings category reflects the highest rating assigned to the underlying obligation from the three rating agencies (S&P, Moody's and Fitch), or, if no such rating has been assigned, Radian's rating estimate of the obligation utilizing rating agency models and methodologies to the extent available. Radian's rating estimates are subject to revision at any time and may differ from the credit ratings ultimately assigned by the three rating agencies.

Portfolio Quality

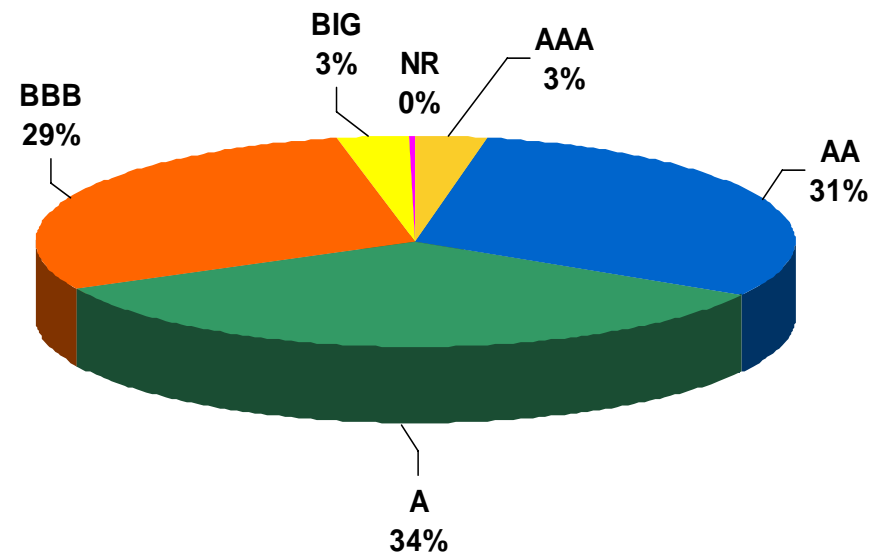
Financial Guaranty Public Finance Net Par Outstanding by Rating – Direct and Assumed

\$49.2 billion in net par as of 3/31/06; \$55.9 billion in net par outstanding as of 3/31/07

3/31/06



3/31/07



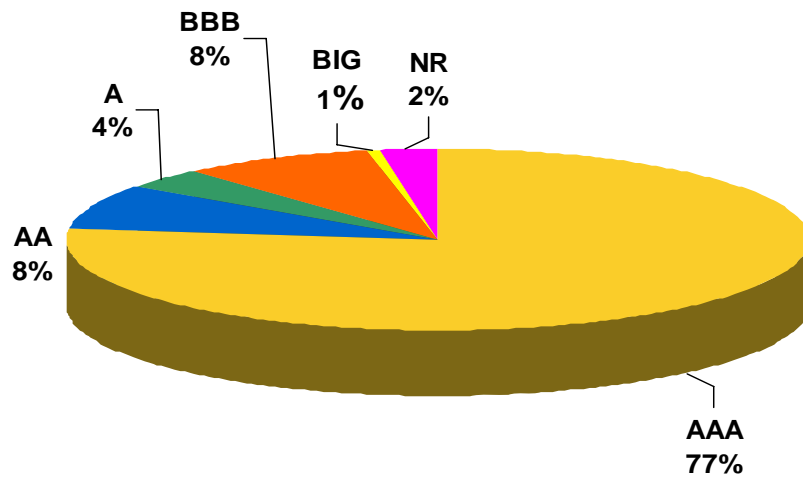
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Portfolio Quality

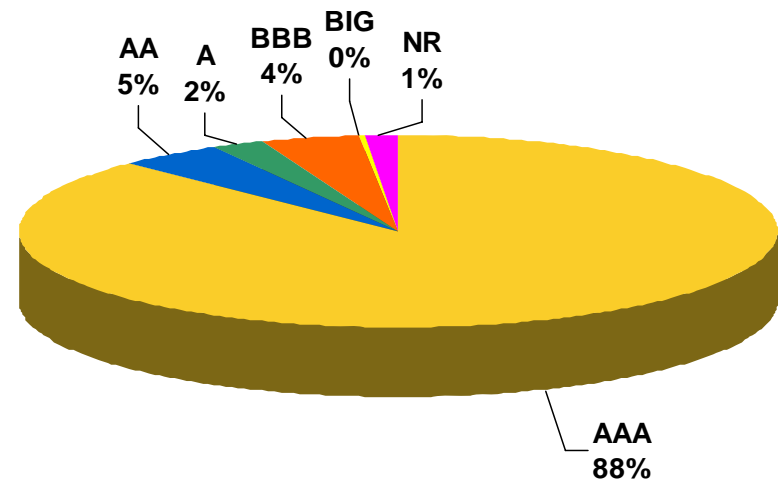
Financial Guaranty Structured Finance Net Par Outstanding by Rating - Direct and Assumed

\$34.1 billion in net par as of 3/31/06; \$58.2 billion in net par outstanding as of 3/31/07

3/31/06



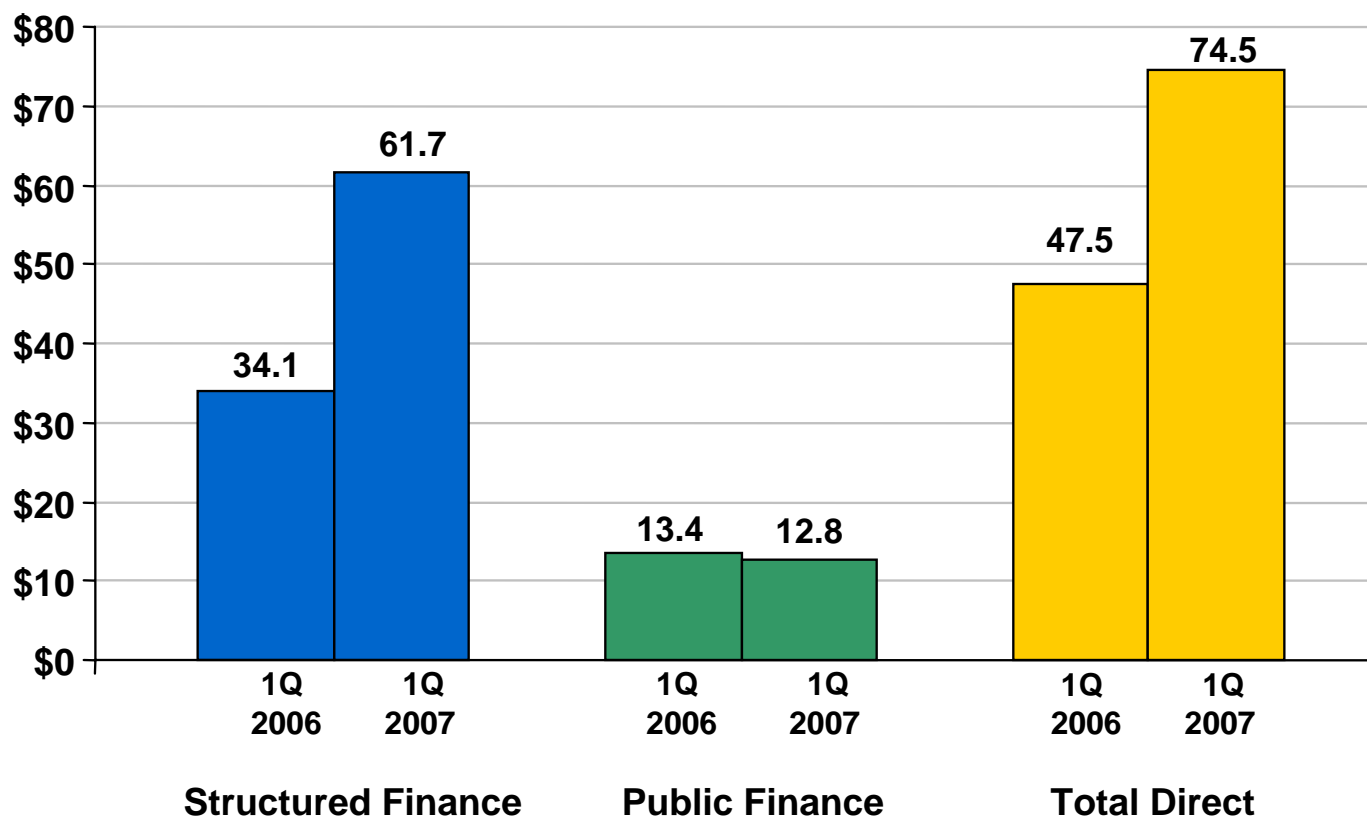
3/31/07



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Growth

Financial Guaranty Adjusted Gross Written Premiums (AGWP) Growth* Direct Business Only



Dollars in millions.

*Includes upfront premiums written and present value of estimated future installment premiums for new direct business writing. See reconciliation to net written premiums.

Reconciliation of Adjusted Gross Written Premiums

Direct Only to Net Premiums Written (Insurance and Derivatives)

(\$ in thousands)	Adjusted Gross Written Premium	Deduction	Addition	Deduction	Total Additions and Deductions	Net Premiums Written As Reported
		Present Value of Estimated Future Installment Premiums	Installment Premiums on Policies Written in Previous Years	Ceded Premiums on Direct Business		
Q 1 06						
Structured Finance Direct	\$34,119	\$31,700	\$15,987	\$134	(\$15,847)	\$18,272
Public Finance Direct	\$13,379	\$126	\$314	\$14	\$174	\$13,553
Q 1 07						
Structured Finance Direct	\$61,724	\$58,119	\$14,961	\$87	(\$43,245)	\$18,479
Public Finance Direct	\$12,774	\$0	\$84	\$31	\$53	\$12,827

RADIAN

Changing the nature of risk.®

