

News Release

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Radian Reports Fourth Quarter Net Loss of \$618 Million

Company Maintains Strong Capital Position

PHILADELPHIA, February 15, 2008 - Radian Group Inc. (NYSE: RDN) today reported a net loss of \$618 million and a diluted net loss per share of \$7.74 for the fourth quarter, ended December 31, 2007. For the full year ended December 31, 2007, Radian reported a net loss of \$1.2 billion and a diluted net loss per share of \$14.92. Book value per share at December 31, 2007 was \$35.10, after the impact of the third and fourth quarter 2007 losses, driven primarily by the C-BASS write-down, credit losses, higher reserves and mark-to-market adjustments.

“2007 was a year of great change for Radian, and I am proud that our team was able to overcome the challenges of unwinding the merger with MGIC while maintaining a solid balance sheet and retaining mortgage customer and GSE confidence,” said S.A. Ibrahim, Chief Executive Officer of Radian. “While our disappointing 2007 results clearly illustrate the challenges of the mortgage market, our franchise continues to be strong, which is a testament to the skills and dedication of our workforce.”

In the mortgage insurance business, paid claims in the fourth quarter were in-line with the Company’s guidance. During the quarter, mortgage insurance loss reserves continued to

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increase, reflecting the credit, housing and overall economic environment. Radian ended the year with \$1.3 billion in mortgage insurance loss reserves.

“We have come through a difficult year and the environment continues to be very challenging,” added Mr. Ibrahim. “These challenges will remain with us for the near-term and may intensify, so we are looking at various scenarios and responses. In considering the book value of our company, we think it is important to take into consideration the significant embedded value within our Financial Guaranty business, as well as our ownership stake in Sherman.”

“Our claims paying resources in both business segments are strong and we stand to benefit from a stable and well-capitalized financial guaranty business,” concluded Mr. Ibrahim.

The market value of Radian’s investment portfolio at year-end was \$6.41 billion compared to \$5.75 billion a year ago.

The key financial highlights of the quarter and year ended December 31, 2007, are as follows:

		Total	Per Share	
9/30/2007 Book Value		\$3.4B	\$42.86	
	Pre-tax	After-tax impact	BV per share impact	EPS impact
C-BASS	(\$50)	(\$33)	(\$0.41)	(\$0.41)
Change in Fair Value of Derivatives*	(459)	(298)	(3.71)	(3.73)
Mortgage Insurance Incurred Losses	(630)	(410)	(5.10)	(5.13)
Second Lien Premium Deficiency	(41)	(27)	(0.34)	(0.34)

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FG Credit Loss for CDO of ABS transaction	(50)	(33)	(0.41)	(0.41)
All Other (Premiums, Investment Income and Expenses)		201	2.21	
12/31/2007 Book Value		\$2.8B	\$35.10	
Quarter Ended 12/31/2007 EPS				(\$7.74)

*Includes (\$120 Million) related to non-corporate CDO transactions, including a small number of AAA-rated CDOs of ABS and CMBS. This mark remains subject to adjustment.

Radian will discuss each of these items in its conference call today, Friday, February 15, 2008, at 10:00 a.m. Eastern time. The conference call will be broadcast live over the internet at <http://www.ir.radian.biz/phoenix.zhtml?c=112301&p=irol-audioarchives> or at <http://www.radian.biz> >News. The call may also be accessed by dialing 866-254-5941 inside the U.S., or 612-234-9959 for international callers, using passcode 907669 or by referencing Radian.

A replay of the webcast will be available at the Radian website approximately two hours after the live broadcast ends for a period of one year. A replay of the conference call will be available two and a half hours after the call ends for two weeks, using the following dial-in numbers and passcode: 800-475-6701 inside the U.S., or 320-365-3844 for international callers, passcode 907669.

Radian Group Inc. is a global credit risk management company headquartered in Philadelphia with significant operations in New York and London. Radian develops innovative financial solutions by applying its core mortgage credit risk expertise and structured finance capabilities to the credit enhancement needs of the capital markets worldwide, primarily through credit insurance products. The company also provides credit enhancement for public finance and other corporate and consumer assets on both a direct and reinsurance basis and holds strategic interests in credit-based consumer asset businesses. Additional information may be found at www.radian.biz.

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Financial Results and Supplemental Information Contents (Unaudited)

For trend information on all schedules, refer to Radian's quarterly financial statistics at <http://www.radian.biz/investors/financial/corporate.aspx>.

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All statements in this news 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. These statements, which include, without limitation, projections regarding our future

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performance and financial condition are made on the basis of management's current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward looking information. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties, including the following: actual or perceived changes in general financial and political conditions, such as extended national or regional economic recessions, changes in housing demand or mortgage originations, changes in housing values (in particular, further deterioration in the housing, mortgage and related credit markets, which would harm our future consolidated results of operations and, if more severe than our current predictions, could cause our ultimate projected losses for our mortgage insurance business to be worse than expected), changes in the liquidity in the capital markets and the further contraction of credit markets, population trends and changes in household formation patterns, changes in unemployment rates, changes or volatility in interest rates or consumer confidence, changes in credit spreads, changes in the way investors perceive the strength of private mortgage insurers or financial guaranty providers, investor concern over the credit quality and specific risks faced by the particular businesses, municipalities or pools of assets covered by our insurance; actual or perceived economic changes or catastrophic events in geographic regions (both domestic and international) where our mortgage insurance or financial guaranty insurance in force is more concentrated; our ability to successfully acquire additional capital in the event that capital is required to support our long-term liquidity needs and to protect our credit and financial strength ratings; a decrease in the volume of home mortgage originations due to reduced liquidity in the lending market, tighter underwriting standards and a deterioration in housing markets throughout the United States; the loss of a customer for whom we write a significant amount of mortgage insurance or financial guaranty insurance or the influence of large customers; disruption in the servicing of mortgages covered by our insurance policies; the aging of our mortgage insurance portfolio, which could cause losses to increase, and changes in severity or frequency of losses associated with certain of our products that are riskier than traditional mortgage insurance or financial guaranty insurance policies; the performance of our insured portfolio of higher risk loans, such as Alt-A and sub-prime loans, and adjustable rate products, such as adjustable rate mortgages and interest-only mortgages, which have resulted in increased losses in 2007 and may result in further losses; reduced opportunities for loss mitigation in markets where housing values fail to appreciate or begin to decline; changes in persistency rates of our mortgage insurance policies caused by changes in refinancing activity, appreciating or depreciating home values and changes in the mortgage insurance cancellation requirements of mortgage lenders and investors; downgrades or threatened downgrades of, or other ratings actions with respect to, our credit ratings or the insurance financial strength ratings assigned by the major rating agencies to any of our rated insurance subsidiaries at any time (in particular, our credit rating and the financial strength ratings of our mortgage insurance subsidiaries that are currently under review for possible downgrade); heightened competition for our mortgage insurance business from others such as the Federal Housing Administration and the Veterans' Administration or other private mortgage insurers, from alternative products such as "80-10-10" loans or other forms of simultaneous second loan structures used by mortgage lenders, from

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investors using forms of credit enhancement other than mortgage insurance as a partial or complete substitution for private mortgage insurance and from mortgage lenders that demand increased participation in revenue sharing arrangements such as captive reinsurance arrangements; changes in the charters or business practices of Federal National Mortgage Association and Federal Home Loan Mortgage Corp., the largest purchasers of mortgage loans that we insure; heightened competition for financial guaranty business from other financial guaranty insurers, including those recently downgraded to ratings equal to or lower than our ratings, from other forms of credit enhancement such as letters of credit, guaranties and credit default swaps provided by foreign and domestic banks and other financial institutions and from alternative structures that may permit insurers to securitize assets more cost-effectively without the need for the types of credit enhancement we offer, or result in our having to reduce the premium we charge for our products; the application of existing federal or state consumer, lending, insurance, securities and other applicable laws and regulations, or changes in these laws and regulations or the way they are interpreted; including, without limitation: (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, 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, the premium deficiency for our second-lien mortgage insurance business or to estimate accurately the fair value amounts of derivative contracts in our mortgage insurance and financial guaranty businesses in determining gains and losses on these contracts; changes in accounting guidance from the Securities and Exchange Commission or the Financial Accounting Standards Board (in particular changes regarding income recognition and the treatment of loss reserves in the financial guaranty industries); our ability to profitably grow our insurance businesses in international markets, which depends on a number of factors such as foreign governments' monetary policies and regulatory requirements, foreign currency exchange rate fluctuations, and our ability to develop and market products appropriate to foreign markets; legal and other limitations on the amount of dividends we may receive from our subsidiaries; and vulnerability to the performance of our strategic investments, including in particular, our investment in Sherman Financial Services Group LLC. For more information regarding these risks and uncertainties, as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2006 as well as the updates to these risks included in Item 1A of Part II of our quarterly report on Form 10-Q for the quarter ended September 30, 2007. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of this news release. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements made in this report to reflect new information or future events or for any other reason.

Radian Group Inc. and Subsidiaries
Condensed Consolidated Statements of Income

Exhibit A

	Quarter Ended December 31		Year Ended December 31	
	2007	2006	2007	2006
(In thousands, except per-share data)				
Revenues:				
Net premiums written	\$ 309,620	\$ 278,700	\$ 1,184,885	\$ 1,111,985
Net premiums earned - insurance	\$ 234,368	\$ 217,570	\$ 912,281	\$ 907,042
Net premiums earned - credit derivatives	26,821	31,349	126,329	108,804
Net premiums earned - total	261,189	248,919	1,038,610	1,015,846
Net investment income	67,493	60,222	256,098	234,345
Net gains (losses) on securities	(673)	11,255	53,606	40,842
Change in fair value of derivative instruments	(458,512)	23,097	(1,191,785)	16,066
Gain on sale of affiliates	-	-	181,734	-
Other income	192	4,391	11,711	20,847
Total revenues	(130,311)	347,884	349,974	1,327,946
Expenses:				
Provision for losses	687,855	84,389	1,299,363	369,278
Provision for second-lien premium deficiency	40,470	-	195,646	-
Policy acquisition costs	24,980	31,074	113,175	111,609
Other operating expenses	40,700	61,552	178,171	242,634
Merger expenses	-	-	14,001	-
Interest expense	14,258	12,256	53,068	48,149
Total expenses	808,263	189,271	1,853,424	771,670
Equity in net income (loss) of affiliates	(39,896)	70,745	(416,541)	256,993
Pretax (loss) income	(978,470)	229,358	(1,919,991)	813,269
Income tax (benefit) provision	(360,444)	70,988	(732,651)	231,097
Net (loss) income	\$ (618,026)	\$ 158,370	\$ (1,187,340)	\$ 582,172
Diluted net (loss) income per share (1)	\$ (7.74)	\$ 1.96	\$ (14.92)	\$ 7.08

<i>(1) Weighted average shares outstanding (in thousands)</i>				
Average common shares outstanding	79,850	79,923	79,556	81,338
Increase in shares-potential exercise of options-diluted basis	-	770	-	923
Weighted average shares outstanding (in thousands)	79,850	80,693	79,556	82,261

For Trend Information, refer to our Quarterly Financial Statistics on Radian's (RDN) website.

Radian Group Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

Exhibit B

(In thousands, except share and per-share data)	December 31 2007	December 31 2006
Assets:		
Cash and investments	\$ 6,611,836	\$ 5,803,228
Investments in affiliates	104,354	618,841
Deferred policy acquisition costs	234,955	221,769
Prepaid federal income taxes	793,486	808,740
Other assets	459,295	507,832
Total assets	\$ 8,203,926	\$ 7,960,410
Liabilities and stockholders' equity:		
Unearned premiums	\$ 1,094,710	\$ 943,687
Reserve for losses and loss adjustment expenses	1,598,756	842,283
Reserve for second-lien premium deficiency	195,646	-
Long-term debt and other borrowings	948,093	747,770
Current income taxes	137,219	-
Deferred income taxes	73,546	1,129,740
Derivative liabilities	1,150,479	31,739
Other liabilities	182,659	197,634
Total liabilities	5,381,108	3,892,853
Common stock	97	97
Additional paid-in capital	442,312	416,193
Retained earnings	2,284,150	3,489,290
Accumulated other comprehensive income	96,259	161,977
Total common stockholders' equity	2,822,818	4,067,557
Total liabilities and stockholders' equity	\$ 8,203,926	\$ 7,960,410
Book value per share	\$ 35.10	\$ 51.23

Treasury Stock Repurchases (Year-to-Date for Periods Presented)

Total number of shares repurchased	398,645	4,500,000
Average price paid per share	\$ 57.25	\$ 58.58
Total cost of repurchased shares	\$ 22,822,537	\$ 263,600,341