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# News Release

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## **Radian Reports Increase in First Quarter Net Income to Record \$163.7 Million**

Continued Growth Achieved in Mortgage Insurance and Financial Guaranty Sectors, and in Creating Opportunities at MI-FG Intersection

PHILADELPHIA, Pa., April 19, 2006 — Radian Group Inc. (NYSE: RDN) today reported strong results for the quarter ended March 31, 2006, as net income rose sharply to record levels; diluted net income per share rose to \$1.96; book value per share rose 13.9% and return on equity exceeded the company’s targets.

“The first quarter was successful for us in several respects,” said S.A. Ibrahim, Chief Executive Officer. “In reaching a record \$163.7 million, our net income reflected important positive trends both in mortgage insurance and financial guaranty, our two main businesses, as well as another strong quarter for C-BASS and Sherman. We continue to leverage our financial guaranty expertise within our mortgage insurance business to benefit customers that are looking for MI as well as alternative credit risk solutions. This effort will allow us to more effectively manage and distribute our own credit risk exposure.”

The key financial highlights of the quarter ended March 31, 2006, are as follows:

**Key Financial Highlights** (dollars in millions, except per share data)

**First quarter**

|                                    | Quarter ended<br>March 31,<br>2006 | Quarter ended<br>March 31,<br>2005 | Percent<br>Change |
|------------------------------------|------------------------------------|------------------------------------|-------------------|
| Revenue                            | \$353.7                            | \$306.6                            | 15.4%             |
| Net income                         | \$163.7                            | \$115.6                            | 41.6%             |
| Diluted net income per share       | \$1.96                             | \$1.24                             | 58.1%             |
| Net premiums written               | \$279.6                            | \$214.8                            | 30.2%             |
| Net premiums earned                | \$253.7                            | \$247.0                            | 2.7%              |
| Equity in net income of affiliates | \$58.3                             | \$51.3                             | 13.6%             |
| Book value per share               | \$45.43                            | \$39.89                            | 13.9%             |

Radian will hold a conference call on Thursday, April 20, 2006, at 9:00 a.m. Eastern time to discuss the company's first quarter 2006 results. This 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. A replay of the webcast will be available at this site approximately two hours after the live broadcast ends for a period of one year.

Statistical and financial information which is expected to be referred to during the conference call will be available on Radian's website under Investors > Webcasts, Presentations and Transcripts or by clicking on <http://www.ir.radian.biz/phoenix.zhtml?c=112301&p=irol-audioarchives>

Radian Group Inc. is a global credit risk management company headquartered in Philadelphia with significant operations in both 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 active credit-based consumer asset businesses. Additional information may be found at [www.radian.biz](http://www.radian.biz).

## **Financial Results and Supplemental Information Contents**

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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**Radian Group Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Income**

Exhibit A

|  | Quarter Ended  |                |
|--|----------------|----------------|
|  | March 31       |                |
|  | 2006           | 2005           |
| (In thousands, except per-share data)          |                |                |
| <b>Revenues:</b>                               |                |                |
| Net premiums written                           | \$ 279,605     | \$ 214,840     |
| Net premiums earned                            | \$ 253,697     | \$ 247,025     |
| Net investment income                          | 54,260         | 50,862         |
| Net gains on securities                        | 22,854         | 11,526         |
| Change in fair value of derivative instruments | 17,630         | (8,960)        |
| Other income                                   | 5,211          | 6,108          |
| <b>Total revenues</b>                          | <b>353,652</b> | <b>306,561</b> |
| <b>Expenses:</b>                               |                |                |
| Provision for losses                           | 78,634         | 109,500        |
| Policy acquisition costs                       | 27,364         | 29,356         |
| Other operating expenses                       | 60,277         | 51,670         |
| Interest expense                               | 11,840         | 8,958          |
| <b>Total expenses</b>                          | <b>178,115</b> | <b>199,484</b> |
| Equity in net income of affiliates             | 58,340         | 51,296         |
| Pretax income                                  | 233,877        | 158,373        |
| Provision for income taxes                     | 70,179         | 42,761         |
| Net income                                     | \$ 163,698     | \$ 115,612     |
| Diluted net income per share (1)               | \$ 1.96        | \$ 1.24        |

*(1) Net income per share reconciliation*

|  |            |            |
|--|------------|------------|
| Net income   | \$ 163,698 | \$ 115,612 |
| Interest expense on convertible senior debentures (net of tax) | -          | 802        |
| Net income available to common stockholders                    | \$ 163,698 | \$ 116,414 |

*Weighted average shares outstanding (in thousands)*

|  |        |        |
|--|--------|--------|
| Average common shares outstanding                              | 82,937 | 89,488 |
| Increase in shares-potential exercise of options-diluted basis | 770    | 972    |
| Increase in shares-contingently convertible debt (2)           | -      | 3,798  |
| Weighted average shares outstanding (in thousands)             | 83,707 | 94,258 |

*(2) The 2005 period includes the impact of shares underlying convertible debt that was redeemed on August 1, 2005. The impact on diluted net income per share of including these shares in the calculation was a reduction of \$0.04 per share for the quarter ended March 31, 2005.*

**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)   | <u>March 31<br/>2006</u> | <u>December 31<br/>2005</u> | <u>March 31<br/>2005</u> |
|---|--------------------------|-----------------------------|--------------------------|
| <b>Assets:</b>                                    |                          |                             |                          |
| Cash and investments                              | \$ 5,615,385             | \$ 5,521,561                | \$ 5,245,701             |
| Investments in affiliates                         | 436,685                  | 446,151                     | 383,023                  |
| Deferred policy acquisition costs                 | 209,524                  | 208,325                     | 199,943                  |
| Prepaid federal income taxes                      | 639,704                  | 585,514                     | 481,049                  |
| Other assets                                      | 469,605                  | 469,059                     | 412,881                  |
| <b>Total assets</b>                               | <b>\$ 7,370,903</b>      | <b>\$ 7,230,610</b>         | <b>\$ 6,722,597</b>      |
| <b>Liabilities and stockholders' equity:</b>      |                          |                             |                          |
| Unearned premiums                                 | \$ 874,733               | \$ 849,360                  | \$ 735,768               |
| Reserve for losses and loss adjustment expenses   | 791,690                  | 801,002                     | 797,671                  |
| Long-term debt                                    | 747,540                  | 747,466                     | 717,038                  |
| Deferred federal income taxes                     | 994,227                  | 961,993                     | 823,305                  |
| Other liabilities                                 | 217,292                  | 207,909                     | 202,223                  |
| <b>Total liabilities</b>                          | <b>3,625,482</b>         | <b>3,567,730</b>            | <b>3,276,005</b>         |
| Common stock                                      | 97                       | 97                          | 97                       |
| Additional paid-in capital                        | 591,067                  | 629,019                     | 819,644                  |
| Retained earnings                                 | 3,075,683                | 2,913,649                   | 2,511,469                |
| Accumulated other comprehensive income            | 78,574                   | 120,115                     | 115,382                  |
| <b>Total common stockholders' equity</b>          | <b>3,745,421</b>         | <b>3,662,880</b>            | <b>3,446,592</b>         |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 7,370,903</b>      | <b>\$ 7,230,610</b>         | <b>\$ 6,722,597</b>      |
| <b>Book value per share</b>                       | <b>\$ 45.43</b>          | <b>\$ 44.11</b>             | <b>\$ 39.89</b>          |

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

|                                    |               |                |                |
|------------------------------------|---------------|----------------|----------------|
| Total number of shares repurchased | 1,000,000     | 10,767,800 (1) | 6,143,075      |
| Average price paid per share       | \$ 60.24      | \$ 49.58       | \$ 48.55       |
| Total cost of repurchased shares   | \$ 60,235,421 | \$ 533,888,969 | \$ 298,229,529 |

(1) Represents full year 2005

**Radian Group Inc. and Subsidiaries**  
**Segment Information**  
**Quarter Ended March 31, 2006**  
**Exhibit C**

| (In thousands)                                  | Mortgage<br>Insurance | Financial<br>Guaranty | Financial<br>Services | Total             |
|---|-----------------------|-----------------------|-----------------------|-------------------|
| <b>Revenues:</b>                                |                       |                       |                       |                   |
| Net premiums written                            | \$ 223,766            | \$ 55,839             | \$ -                  | \$ 279,605        |
| Net premiums earned                             | \$ 202,706            | \$ 50,991             | \$ -                  | \$ 253,697        |
| Net investment income                           | 31,665                | 22,518                | 77                    | 54,260            |
| Net gains on securities                         | 13,577                | 7,178                 | 2,099                 | 22,854            |
| Change in fair value of derivative instruments  | 9,121                 | 8,509                 | -                     | 17,630            |
| Other income                                    | 3,634                 | 214                   | 1,363                 | 5,211             |
| Total revenues                                  | <u>260,703</u>        | <u>89,410</u>         | <u>3,539</u>          | <u>353,652</u>    |
| <b>Expenses:</b>                                |                       |                       |                       |                   |
| Provision for losses                            | 71,097                | 7,537                 | -                     | 78,634            |
| Policy acquisition costs                        | 13,345                | 14,019                | -                     | 27,364            |
| Other operating expenses                        | 44,267                | 14,756                | 1,254                 | 60,277            |
| Interest expense                                | 6,701                 | 4,026                 | 1,113                 | 11,840            |
| Total expenses                                  | <u>135,410</u>        | <u>40,338</u>         | <u>2,367</u>          | <u>178,115</u>    |
| Equity in net income of affiliates              | -                     | -                     | 58,340                | 58,340            |
| Pretax income                                   | 125,293               | 49,072                | 59,512                | 233,877           |
| Provision for income taxes                      | 37,149                | 12,200                | 20,830                | 70,179            |
| Net income                                      | <u>\$ 88,144</u>      | <u>\$ 36,872</u>      | <u>\$ 38,682</u>      | <u>\$ 163,698</u> |
| Assets  | \$ 4,466,014          | \$ 2,455,452          | \$ 449,437            | \$ 7,370,903      |
| Deferred policy acquisition costs               | 68,619                | 140,905               | -                     | 209,524           |
| Reserve for losses and loss adjustment expenses | 587,114               | 204,576               | -                     | 791,690           |
| Unearned premiums                               | 233,364               | 641,369               | -                     | 874,733           |
| Stockholders' equity                            | 2,162,097             | 1,276,713             | 306,611               | 3,745,421         |

**Radian Group Inc. and Subsidiaries**  
**Segment Information**  
**Quarter Ended March 31, 2005**

Exhibit D

| (In thousands)                                  | Mortgage<br>Insurance | Financial<br>Guaranty | Financial<br>Services | Total                 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues:</b>                                |                       |                       |                       |                       |
| Net premiums written                            | \$ 200,237            | \$ 14,603             | \$ -                  | \$ 214,840            |
| Net premiums earned                             | \$ 192,465            | \$ 54,560             | \$ -                  | \$ 247,025            |
| Net investment income                           | 28,793                | 22,059                | 10                    | 50,862                |
| Net gains on securities                         | 7,119                 | 3,573                 | 834                   | 11,526                |
| Change in fair value of derivative instruments  | 3,186                 | (11,957)              | (189)                 | (8,960)               |
| Other income                                    | 4,592                 | 316                   | 1,200                 | 6,108                 |
| <b>Total revenues</b>                           | <b>236,155</b>        | <b>68,551</b>         | <b>1,855</b>          | <b>306,561</b>        |
| <b>Expenses:</b>                                |                       |                       |                       |                       |
| Provision for losses                            | 97,927                | 11,573                | -                     | 109,500               |
| Policy acquisition costs                        | 14,678                | 14,678                | -                     | 29,356                |
| Other operating expenses                        | 33,669                | 14,394                | 3,607                 | 51,670                |
| Interest expense                                | 5,124                 | 3,099                 | 735                   | 8,958                 |
| <b>Total expenses</b>                           | <b>151,398</b>        | <b>43,744</b>         | <b>4,342</b>          | <b>199,484</b>        |
| Equity in net income of affiliates              | -                     | -                     | 51,296                | 51,296                |
| Pretax income                                   | 84,757                | 24,807                | 48,809                | 158,373               |
| Provision for income taxes                      | 22,036                | 3,641                 | 17,084                | 42,761                |
| <b>Net income</b>                               | <b>\$ 62,721</b>      | <b>\$ 21,166 (1)</b>  | <b>\$ 31,725</b>      | <b>\$ 115,612 (1)</b> |
| Assets  | \$ 3,972,942          | \$ 2,354,209          | \$ 395,446            | \$ 6,722,597          |
| Deferred policy acquisition costs               | 70,873                | 129,070               | -                     | 199,943               |
| Reserve for losses and loss adjustment expenses | 571,128               | 226,543               | -                     | 797,671               |
| Unearned premiums                               | 149,258               | 586,510               | -                     | 735,768               |
| Stockholders' equity                            | 1,900,760             | 1,246,876             | 298,956               | 3,446,592             |

(1) Reflects a \$4.1 million net loss from 1st quarter 2005 recapture of previously ceded business by one of the primary Financial Guaranty insurers:

|                          |                 |
|--------------------------|-----------------|
| Net premiums earned      | \$ (4.6)        |
| Policy acquisition costs | (1.7)           |
| Benefit for income taxes | 2.2             |
| <b>Net loss</b>          | <b>\$ (4.1)</b> |

**Radian Group Inc.**  
**Financial Guaranty Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**

**Exhibit E**

| (\$ in thousands, except ratios)               | Quarter Ended    |                   |
|--|------------------|-------------------|
|  | 2006             | 2005              |
| <b>Net Premiums Written:</b>                   |                  |                   |
| Public finance direct                          | \$ 13,553        | \$ 15,433         |
| Public finance reinsurance                     | 17,983           | 17,026            |
| Structured direct                              | 18,272           | 15,057            |
| Structured reinsurance                         | 3,053            | 8,510             |
| Trade credit reinsurance                       | 2,978            | 13,319            |
|  | <u>55,839</u>    | <u>69,345</u>     |
| Impact of recapture (1)                        | -                | (54,742)          |
| <b>Net Premiums Written</b>                    | <u>\$ 55,839</u> | <u>\$ 14,603</u>  |
| <b>Net Premiums Earned:</b>                    |                  |                   |
| Public finance direct                          | \$ 7,843         | \$ 8,963          |
| Public finance reinsurance                     | 8,293            | 8,513             |
| Structured direct                              | 21,503           | 18,219            |
| Structured reinsurance                         | 4,641            | 7,266             |
| Trade credit reinsurance                       | 8,711            | 16,138            |
|  | <u>50,991</u>    | <u>59,099</u>     |
| Impact of recapture (2)                        | -                | (4,539)           |
| <b>Net Premiums Earned</b>                     | <u>\$ 50,991</u> | <u>\$ 54,560</u>  |
| <b>Refundings included in earned premium</b>   | <u>\$ 2,382</u>  | <u>\$ 2,441</u>   |
| <b>Claims paid:</b>                            |                  |                   |
| Trade credit reinsurance                       | \$ 4,000         | \$ 4,998          |
| Other financial guaranty                       | (110)            | 12,484            |
| Conseco  | 4,317            | 7,969             |
| <b>Total</b>                                   | <u>\$ 8,207</u>  | <u>\$ 25,451</u>  |
| <b>Incurred losses:</b>                        |                  |                   |
| Trade credit reinsurance                       | \$ 3,950         | \$ 7,041          |
| Other financial guaranty                       | 4,619            | 4,532             |
| Conseco  | (1,032)          | -                 |
| <b>Total</b>                                   | <u>\$ 7,537</u>  | <u>\$ 11,573</u>  |
| <b>Loss ratio- GAAP Basis</b>                  | <u>14.8%</u>     | <u>21.2%</u>      |
| <b>Expense ratio- GAAP Basis</b>               | <u>56.4%</u>     | <u>53.3%</u>      |
|  | <u>71.2%</u>     | <u>74.5%</u>      |
| <b>Claims paid under derivatives contracts</b> | <u>\$ 66,639</u> | <u>\$ (2,236)</u> |

(1) Reflects the impact on net premiums written of the first quarter 2005 recapture of previously ceded business by one of the primary Financial Guaranty insurers:

|                        | (In thousands) |
|------------------------|----------------|
| Public reinsurance     | 48,238         |
| Structured reinsurance | 6,504          |

(2) Reflects the impact on net premiums earned of the first quarter 2005 recapture of previously ceded business by one of the primary Financial Guaranty insurers:

|                        | (in thousands) |
|------------------------|----------------|
| Public reinsurance     | 3,870          |
| Structured reinsurance | 669            |

**Radian Group Inc.**  
**Financial Guaranty Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**

**Exhibit F**

(\$ in thousands, except ratios)

|   | <u>March 31<br/>2006</u> | <u>December 31<br/>2005</u> | <u>March 31<br/>2005</u> |
|---|--------------------------|-----------------------------|--------------------------|
| Capital and surplus                       | \$ 983,349               | \$ 1,004,505                | \$ 1,044,603             |
| Contingency reserve                       | 283,163                  | 271,907                     | 252,508                  |
| Qualified statutory capital               | <u>1,266,512</u>         | <u>1,276,412</u>            | <u>1,297,111</u>         |
| Unearned premium reserve                  | 757,245                  | 751,656                     | 694,379                  |
| Loss and loss expense reserve             | 114,177                  | 108,576                     | 132,843                  |
| Total policyholders' reserves             | <u>2,137,934</u>         | <u>2,136,644</u>            | <u>2,124,333</u>         |
| Present value of installment premiums     | 294,872                  | 302,953                     | 239,181                  |
| Reinsurance and soft capital facilities   | 150,000                  | 150,000                     | 150,000                  |
| Total claims paying resources             | <u>\$ 2,582,806</u>      | <u>\$ 2,589,597</u>         | <u>\$ 2,513,514</u>      |
| Net debt service outstanding              | <u>\$ 117,942,386</u>    | <u>\$ 110,344,057</u>       | <u>\$ 94,647,865</u>     |
| Capital leverage ratio (1)                | 93                       | 86                          | 73                       |
| Claims paying leverage ratio (2)          | 46                       | 43                          | 38                       |
| Net par outstanding by product:           |                          |                             |                          |
| Public finance direct                     | \$ 14,391,889            | \$ 14,043,786               | \$ 12,303,648            |
| Public finance reinsurance                | 34,364,344               | 33,047,512                  | 30,906,909               |
| Structured direct                         | 29,563,075               | 24,608,489                  | 15,360,714               |
| Structured reinsurance                    | 5,011,005                | 4,952,146                   | 5,032,401                |
| Total                                     | <u>\$ 83,330,313</u>     | <u>\$ 76,651,933</u>        | <u>\$ 63,603,672</u>     |
| Reinsurance business net par outstanding: |                          |                             |                          |
| Treaty                                    | 59%                      | 58%                         | 59%                      |
| Facultative                               | 41%                      | 42%                         | 41%                      |
| Reserve for losses and LAE                |                          |                             |                          |
| Specific                                  | \$ 43,568                | \$ 29,311                   | \$ 40,503                |
| Conseco                                   | 45,421                   | 50,770                      | 72,374                   |
| Non-specific                              | 115,587                  | 124,712                     | 113,666                  |
| Total                                     | <u>\$ 204,576</u>        | <u>\$ 204,793</u>           | <u>\$ 226,543</u>        |

(1) Net debt service outstanding divided by qualified statutory capital

(2) Net debt service outstanding divided by total claims paying resources

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**  
**Exhibit G**

|   | Quarter Ended    |               |                 |               |
|---|------------------|---------------|-----------------|---------------|
|   | March 31         |               |                 |               |
|   | 2006             | %             | 2005            | %             |
| <b>Primary New Insurance Written (\$ in millions)</b>                     |                  |               |                 |               |
| Flow  | \$ 5,234         | 40.9%         | \$ 5,662        | 93.7%         |
| Structured  | 7,569            | 59.1%         | 382             | 6.3%          |
| <b>Total Primary</b>  | <b>\$ 12,803</b> | <b>100.0%</b> | <b>\$ 6,044</b> | <b>100.0%</b> |
| <b>Flow</b>   |                  |               |                 |               |
| Prime   | \$ 3,771         | 72.1%         | \$ 4,155        | 73.4%         |
| Alt-A   | 1,105            | 21.1%         | 944             | 16.7%         |
| A minus and below   | 358              | 6.8%          | 563             | 9.9%          |
| <b>Total Flow</b>   | <b>\$ 5,234</b>  | <b>100.0%</b> | <b>\$ 5,662</b> | <b>100.0%</b> |
| <b>Structured</b>   |                  |               |                 |               |
| Prime   | \$ 2,264         | 29.9%         | \$ 128          | 33.5%         |
| Alt-A   | 3,917            | 51.8%         | 199             | 52.1%         |
| A minus and below   | 1,388            | 18.3%         | 55              | 14.4%         |
| <b>Total Structured</b>   | <b>\$ 7,569</b>  | <b>100.0%</b> | <b>\$ 382</b>   | <b>100.0%</b> |
| <b>Total</b>  |                  |               |                 |               |
| Prime   | \$ 6,035         | 47.2%         | \$ 4,283        | 70.9%         |
| Alt-A   | 5,022            | 39.2%         | 1,143           | 18.9%         |
| A minus and below   | 1,746            | 13.6%         | 618             | 10.2%         |
| <b>Total Primary</b>  | <b>\$ 12,803</b> | <b>100.0%</b> | <b>\$ 6,044</b> | <b>100.0%</b> |
| <b>Total Primary New Insurance Written by FICO Score (\$ in millions)</b> |                  |               |                 |               |
| <b>Flow</b>   |                  |               |                 |               |
| <=619   | \$ 278           | 5.3%          | \$ 387          | 6.8%          |
| 620-679   | 1,547            | 29.6%         | 1,782           | 31.5%         |
| 680-739   | 1,991            | 38.0%         | 2,043           | 36.1%         |
| >=740   | 1,418            | 27.1%         | 1,450           | 25.6%         |
| <b>Total Flow</b>   | <b>\$ 5,234</b>  | <b>100.0%</b> | <b>\$ 5,662</b> | <b>100.0%</b> |
| <b>Structured</b>   |                  |               |                 |               |
| <=619   | \$ 1,388         | 18.3%         | \$ 56           | 14.7%         |
| 620-679   | 2,181            | 28.8%         | 168             | 44.0%         |
| 680-739   | 2,505            | 33.1%         | 101             | 26.4%         |
| >=740   | 1,495            | 19.8%         | 57              | 14.9%         |
| <b>Total Structured</b>   | <b>\$ 7,569</b>  | <b>100.0%</b> | <b>\$ 382</b>   | <b>100.0%</b> |
| <b>Total</b>  |                  |               |                 |               |
| <=619   | \$ 1,666         | 13.0%         | \$ 443          | 7.3%          |
| 620-679   | 3,728            | 29.1%         | 1,950           | 32.3%         |
| 680-739   | 4,496            | 35.1%         | 2,144           | 35.5%         |
| >=740   | 2,913            | 22.8%         | 1,507           | 24.9%         |
| <b>Total Primary</b>  | <b>\$ 12,803</b> | <b>100.0%</b> | <b>\$ 6,044</b> | <b>100.0%</b> |
| <b>Percentage of primary new insurance written</b>                        |                  |               |                 |               |
| Monthlies   | 85%              |               | 93%             |               |
| Refinances  | 39%              |               | 37%             |               |
| 95.01% LTV and above  | 8%               |               | 14%             |               |
| <b>ARMs</b>   |                  |               |                 |               |
| Less than 5 years   | 41%              |               | 23%             |               |
| 5 years and longer  | 19%              |               | 13%             |               |
| <b>Primary risk written (\$ in millions)</b>                              |                  |               |                 |               |
| Flow  | \$ 1,329         | 55.9%         | \$ 1,414        | 96.0%         |
| Structured  | 1,050            | 44.1%         | 60              | 4.0%          |
| <b>Total Primary</b>  | <b>\$ 2,379</b>  | <b>100.0%</b> | <b>\$ 1,474</b> | <b>100.0%</b> |
| <b>Pool risk written (In millions)</b>                                    |                  |               |                 |               |
|   | <b>\$ 61</b>     |               | <b>\$ 56</b>    |               |
| <b>Other risk written (In millions)</b>                                   |                  |               |                 |               |
| <b>Seconds</b>  |                  |               |                 |               |
| 1st loss  | \$ 24            |               | \$ 4            |               |
| 2nd loss  | 132              |               | 6               |               |
| NIMs  | 89               |               | 28              |               |
| <b>International</b>  |                  |               |                 |               |
| 1st loss-Hong Kong primary mortgage insurance                             | 17               |               | 50              |               |
| Reinsurance   | 2                |               | 10              |               |
| Credit default swaps  | -                |               | -               |               |
| <b>Other</b>  |                  |               |                 |               |
| Domestic credit default swaps   | 20               |               | -               |               |
| Financial guaranty wrap   | -                |               | 511             |               |
| <b>Total other risk written</b>   | <b>\$ 284</b>    |               | <b>\$ 609</b>   |               |

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**  
**Exhibit H**

|   | March 31          |               | March 31          |               |
|---|-------------------|---------------|-------------------|---------------|
|   | 2006              | %             | 2005              | %             |
| <b>Primary insurance in force (\$ in millions)</b>                |                   |               |                   |               |
| Flow  | \$ 81,597         | 71.6%         | \$ 87,308         | 79.3%         |
| Structured  | 32,316            | 28.4%         | 22,838            | 20.7%         |
| <b>Total Primary</b>  | <b>\$ 113,913</b> | <b>100.0%</b> | <b>\$ 110,146</b> | <b>100.0%</b> |
| Prime   | \$ 76,141         | 66.8%         | \$ 77,048         | 70.0%         |
| Alt-A   | 23,767            | 20.9%         | 20,377            | 18.5%         |
| A minus and below   | 14,005            | 12.3%         | 12,721            | 11.5%         |
| <b>Total Primary</b>  | <b>\$ 113,913</b> | <b>100.0%</b> | <b>\$ 110,146</b> | <b>100.0%</b> |
| <b>Primary risk in force (\$ in millions)</b>                     |                   |               |                   |               |
| Flow  | \$ 20,073         | 77.0%         | \$ 21,367         | 82.6%         |
| Structured  | 6,003             | 23.0%         | 4,496             | 17.4%         |
| <b>Total Primary</b>  | <b>\$ 26,076</b>  | <b>100.0%</b> | <b>\$ 25,863</b>  | <b>100.0%</b> |
| <b>Flow</b>   |                   |               |                   |               |
| Prime   | \$ 15,595         | 77.7%         | \$ 15,999         | 74.9%         |
| Alt-A   | 2,948             | 14.7%         | 3,701             | 17.3%         |
| A minus and below   | 1,530             | 7.6%          | 1,667             | 7.8%          |
| <b>Total Flow</b>   | <b>\$ 20,073</b>  | <b>100.0%</b> | <b>\$ 21,367</b>  | <b>100.0%</b> |
| <b>Structured</b>   |                   |               |                   |               |
| Prime   | \$ 2,379          | 39.6%         | \$ 1,903          | 42.3%         |
| Alt-A   | 1,623             | 27.1%         | 1,044             | 23.2%         |
| A minus and below   | 2,001             | 33.3%         | 1,549             | 34.5%         |
| <b>Total Structured</b>   | <b>\$ 6,003</b>   | <b>100.0%</b> | <b>\$ 4,496</b>   | <b>100.0%</b> |
| <b>Total</b>  |                   |               |                   |               |
| Prime   | \$ 17,974         | 68.9%         | \$ 17,902         | 69.3%         |
| Alt-A   | 4,571             | 17.5%         | 4,745             | 18.3%         |
| A minus and below   | 3,531             | 13.6%         | 3,216             | 12.4%         |
| <b>Total Primary</b>  | <b>\$ 26,076</b>  | <b>100.0%</b> | <b>\$ 25,863</b>  | <b>100.0%</b> |
| <b>Total Primary Risk in Force by FICO Score (\$ in millions)</b> |                   |               |                   |               |
| <b>Flow</b>   |                   |               |                   |               |
| <=619   | \$ 1,281          | 6.4%          | \$ 1,492          | 7.0%          |
| 620-679   | 6,224             | 31.0%         | 6,828             | 31.9%         |
| 680-739   | 7,383             | 36.8%         | 7,862             | 36.8%         |
| >=740   | 5,185             | 25.8%         | 5,185             | 24.3%         |
| <b>Total Flow</b>   | <b>\$ 20,073</b>  | <b>100.0%</b> | <b>\$ 21,367</b>  | <b>100.0%</b> |
| <b>Structured</b>   |                   |               |                   |               |
| <=619   | \$ 2,002          | 33.3%         | \$ 1,552          | 34.5%         |
| 620-679   | 2,170             | 36.2%         | 1,610             | 35.8%         |
| 680-739   | 1,268             | 21.1%         | 896               | 19.9%         |
| >=740   | 563               | 9.4%          | 438               | 9.8%          |
| <b>Total Structured</b>   | <b>\$ 6,003</b>   | <b>100.0%</b> | <b>\$ 4,496</b>   | <b>100.0%</b> |
| <b>Total</b>  |                   |               |                   |               |
| <=619   | \$ 3,283          | 12.6%         | \$ 3,044          | 11.8%         |
| 620-679   | 8,394             | 32.2%         | 8,438             | 32.7%         |
| 680-739   | 8,651             | 33.2%         | 8,758             | 33.8%         |
| >=740   | 5,748             | 22.0%         | 5,623             | 21.7%         |
| <b>Total Primary</b>  | <b>\$ 26,076</b>  | <b>100.0%</b> | <b>\$ 25,863</b>  | <b>100.0%</b> |
| <b>Percentage of primary risk in force</b>                        |                   |               |                   |               |
| Monthlies   | 90%               |               | 91%               |               |
| Refinances  | 36%               |               | 37%               |               |
| 95.01% LTV and above  | 14%               |               | 13%               |               |
| <b>ARMs</b>   |                   |               |                   |               |
| Less than 5 years   | 24%               |               | 22%               |               |
| 5 years and longer  | 9%                |               | 8%                |               |
| <b>Pool risk in force (\$ in millions)</b>                        |                   |               |                   |               |
| Prime   | \$ 2,098          | 76.3%         | \$ 1,971          | 82.7%         |
| Alt-A   | 272               | 9.9%          | 238               | 10.0%         |
| A minus and below   | 380               | 13.8%         | 174               | 7.3%          |
| <b>Total</b>  | <b>\$ 2,750</b>   | <b>100.0%</b> | <b>\$ 2,383</b>   | <b>100.0%</b> |

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**

**Exhibit I**

|   | March 31         |               | March 31        |               |
|---|------------------|---------------|-----------------|---------------|
|   | 2006             | %             | 2005            | %             |
| <b><u>Total Primary Risk in Force by LTV (\$ in millions)</u></b>         |                  |               |                 |               |
| 95.01% and above  | \$ 3,680         | 14.1%         | \$ 3,416        | 13.2%         |
| 90.01% to 95.00%  | 8,473            | 32.5%         | 9,408           | 36.4%         |
| 85.01% to 90.00%  | 9,476            | 36.3%         | 9,872           | 38.2%         |
| 85.00% and below  | 4,447            | 17.1%         | 3,167           | 12.2%         |
| <b>Total</b>  | <b>\$ 26,076</b> | <b>100.0%</b> | <b>\$25,863</b> | <b>100.0%</b> |
| <b><u>Total Primary Risk in Force by Policy Year (\$ in millions)</u></b> |                  |               |                 |               |
| 2002 and prior  | \$ 4,275         | 16.4%         | \$ 6,700        | 26.0%         |
| 2003  | 5,013            | 19.2%         | 8,103           | 31.3%         |
| 2004  | 6,407            | 24.6%         | 9,627           | 37.2%         |
| 2005  | 8,015            | 30.7%         | 1,433           | 5.5%          |
| 2006  | 2,366            | 9.1%          | -               | -             |
| <b>Total</b>  | <b>\$ 26,076</b> | <b>100.0%</b> | <b>\$25,863</b> | <b>100.0%</b> |
| <b><u>Total Pool Risk in Force by Policy Year (\$ in millions)</u></b>    |                  |               |                 |               |
| 2002 and prior  | \$ 1,657         | 60.3%         | \$ 1,737        | 72.9%         |
| 2003  | 158              | 5.7%          | 284             | 11.9%         |
| 2004  | 293              | 10.7%         | 304             | 12.8%         |
| 2005  | 581              | 21.1%         | 58              | 2.4%          |
| 2006  | 61               | 2.2%          | -               | -             |
| <b>Total Pool risk in Force</b>   | <b>\$ 2,750</b>  | <b>100.0%</b> | <b>\$ 2,383</b> | <b>100.0%</b> |
| <b><u>Other risk in force (In millions)</u></b>                           |                  |               |                 |               |
| <b>Seconds</b>  |                  |               |                 |               |
| 1st loss  | \$ 594           |               | \$ 586          |               |
| 2nd loss  | 756              |               | 73              |               |
| <b>NIMs</b>   | <b>303</b>       |               | <b>315</b>      |               |
| <b>International</b>  |                  |               |                 |               |
| 1st loss-Hong Kong primary mortgage insurance                             | 288              |               | 50              |               |
| Reinsurance   | 29               |               | 28              |               |
| Credit default swaps  | 7,581            |               | 181             |               |
| <b>Other</b>  |                  |               |                 |               |
| Domestic credit default swaps   | 200              |               | -               |               |
| Financial guaranty wrap   | 205              |               | 511             |               |
| <b>Total other risk in force</b>  | <b>\$ 9,956</b>  |               | <b>\$ 1,744</b> |               |
| <b>Risk to capital ratio-STAT Basis</b>                                   | <b>11.1:1</b>    |               | <b>9.9:1</b>    |               |

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**

Exhibit J

|  | Quarter Ended<br>March 31 |                   |
|--|---------------------------|-------------------|
|  | 2006                      | 2005              |
| <b>Direct claims paid (\$ in thousands)</b>              |                           |                   |
| Prime  | \$ 29,965                 | \$ 31,871         |
| Alt-A  | 18,707                    | 22,332            |
| A minus and below  | 23,263                    | 20,884            |
| Seconds  | 7,865                     | 10,607            |
| <b>Total</b>   | <b>\$ 79,800</b>          | <b>\$ 85,694</b>  |
| <br>   |                           |                   |
| <b>Average claim paid (\$ in thousands)</b>              |                           |                   |
| Prime  | \$ 26.8                   | \$ 24.5           |
| Alt-A  | 40.2                      | 37.0              |
| A minus and below  | 29.0                      | 26.4              |
| Seconds  | 22.8                      | 25.3              |
| <b>Total</b>   | <b>29.2</b>               | <b>27.5</b>       |
| <br>   |                           |                   |
| <b>Loss ratio -GAAP Basis</b>                            | <b>35.1%</b>              | <b>50.9%</b>      |
| <b>Expense ratio - GAAP Basis</b>                        | <b>28.4%</b>              | <b>25.1%</b>      |
|  | <b>63.5%</b>              | <b>76.0%</b>      |
| <br>   |                           |                   |
| <b>Reserve for losses by category (\$ in thousands):</b> |                           |                   |
| Prime  | \$ 181,001                | \$ 164,847        |
| Alt-A  | 135,336                   | 161,102           |
| A minus and below  | 195,246                   | 150,802           |
| Pool Insurance   | 36,199                    | 42,800            |
| Seconds  | 30,144                    | 45,611            |
| Other  | 9,188                     | 5,966             |
| <b>Total</b>   | <b>\$ 587,114</b>         | <b>\$ 571,128</b> |

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**

**Exhibit K**

|                                 | March 31<br>2006 | December 31<br>2005 | March 31<br>2005 |
|---------------------------------|------------------|---------------------|------------------|
| <b>Default Statistics</b>       |                  |                     |                  |
| <b>Primary insurance:</b>       |                  |                     |                  |
| <b>Flow</b>                     |                  |                     |                  |
| <b><u>Prime</u></b>             |                  |                     |                  |
| Number of insured loans         | 501,632          | 508,117             | 540,847          |
| Number of loans in default      | 15,117           | 18,045              | 15,816           |
| Percentage of loans in default  | 3.01%            | 3.55%               | 2.92%            |
| <b><u>Alt-A</u></b>             |                  |                     |                  |
| Number of insured loans         | 64,555           | 67,339              | 78,682           |
| Number of loans in default      | 4,468            | 4,946               | 5,453            |
| Percentage of loans in default  | 6.92%            | 7.34%               | 6.93%            |
| <b><u>A minus and below</u></b> |                  |                     |                  |
| Number of insured loans         | 52,700           | 54,066              | 57,637           |
| Number of loans in default      | 6,833            | 7,543               | 6,342            |
| Percentage of loans in default  | 12.97%           | 13.95%              | 11.00%           |
| <b>Total Flow</b>               |                  |                     |                  |
| Number of insured loans         | 618,887          | 629,522             | 677,166          |
| Number of loans in default      | 26,418           | 30,534              | 27,611           |
| Percentage of loans in default  | 4.27%            | 4.85%               | 4.08%            |
| <b>Structured</b>               |                  |                     |                  |
| <b><u>Prime</u></b>             |                  |                     |                  |
| Number of insured loans         | 67,353           | 59,457              | 51,125           |
| Number of loans in default      | 2,414            | 2,640               | 1,934            |
| Percentage of loans in default  | 3.58%            | 4.44%               | 3.78%            |
| <b><u>Alt-A</u></b>             |                  |                     |                  |
| Number of insured loans         | 63,800           | 50,997              | 40,326           |
| Number of loans in default      | 2,491            | 2,564               | 2,373            |
| Percentage of loans in default  | 3.90%            | 5.03%               | 5.88%            |
| <b><u>A minus and below</u></b> |                  |                     |                  |
| Number of insured loans         | 51,277           | 47,348              | 41,269           |
| Number of loans in default      | 7,859            | 8,472               | 6,149            |
| Percentage of loans in default  | 15.33%           | 17.89%              | 14.90%           |
| <b>Total Structured</b>         |                  |                     |                  |
| Number of insured loans         | 182,430          | 157,802             | 132,720          |
| Number of loans in default      | 12,764           | 13,676              | 10,456           |
| Percentage of loans in default  | 7.00%            | 8.67%               | 7.88%            |
| <b>Total Primary Insurance</b>  |                  |                     |                  |
| <b><u>Prime</u></b>             |                  |                     |                  |
| Number of insured loans         | 568,985          | 567,574             | 591,972          |
| Number of loans in default      | 17,531           | 20,685              | 17,750           |
| Percentage of loans in default  | 3.08%            | 3.64%               | 3.00%            |
| <b><u>Alt-A</u></b>             |                  |                     |                  |
| Number of insured loans         | 128,355          | 118,336             | 119,008          |
| Number of loans in default      | 6,959            | 7,510               | 7,826            |
| Percentage of loans in default  | 5.42%            | 6.35%               | 6.58%            |
| <b><u>A minus and below</u></b> |                  |                     |                  |
| Number of insured loans         | 103,977          | 101,414             | 98,906           |
| Number of loans in default      | 14,692           | 16,015              | 12,491           |
| Percentage of loans in default  | 14.13%           | 15.79%              | 12.63%           |
| <b>Total Primary Insurance</b>  |                  |                     |                  |
| Number of insured loans         | 801,317          | 787,324             | 809,886          |
| Number of loans in default      | 39,182 (1)       | 44,210 (1)          | 38,067           |
| Percentage of loans in default  | 4.89%            | 5.62%               | 4.70%            |
| <b>Pool insurance:</b>          |                  |                     |                  |
| Number of insured loans         | 627,815          | 651,051             | 589,934          |
| Number of loans in default      | 15,072 (2)       | 10,194 (2)          | 6,249            |
| Percentage of loans in default  | 2.40%            | 1.57%               | 1.06%            |

(1) Includes approximately 439 and 452 defaults at March 31, 2006 and December 31, 2005, respectively, where reserves have not been established because no claim payment is currently anticipated.

(2) Includes approximately 9,019 and 3,699 defaults at March 31, 2006 and December 31, 2005, respectively, where reserves have not been established because no claim payment is currently anticipated.

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**  
**Exhibit L**

|   | Quarter Ended<br>March 31 |                   |
|---|---------------------------|-------------------|
|   | 2006                      | 2005              |
| <b><u>Net Premiums Written (in thousands)</u></b> |                           |                   |
| Primary and Pool Insurance                        | \$ 187,971                | \$ 176,874        |
| Seconds   | 16,014                    | 11,801            |
| NIMs  | 12,623                    | 9,360             |
| International                                     | 2,561                     | 2,202             |
| Domestic credit default swaps                     | 4,549                     | -                 |
| Financial guaranty wrap                           | 48                        | -                 |
| <b>Net Premiums Written</b>                       | <b>\$ 223,766</b>         | <b>\$ 200,237</b> |
| <b><u>Net Premiums Earned (in thousands)</u></b>  |                           |                   |
| Primary and Pool Insurance                        | \$ 173,239                | \$ 169,711        |
| Seconds   | 17,479                    | 12,395            |
| NIMs  | 7,798                     | 9,854             |
| International                                     | 3,211                     | 505               |
| Domestic credit default swaps                     | 931                       | -                 |
| Financial guaranty wrap                           | 48                        | -                 |
| <b>Net Premiums Earned</b>                        | <b>\$ 202,706</b>         | <b>\$ 192,465</b> |
| <b><u>Captives</u></b>                            |                           |                   |
| Premiums ceded to captives (in millions)          | \$ 25.5                   | \$ 23.8           |
| % of total premiums                               | 12.7%                     | 12.2%             |
| NIW subject to captives (in millions)             | \$ 2,776                  | \$ 2,286          |
| % of primary NIW                                  | 21.7%                     | 37.8%             |
| IIF subject to captives                           | 32.2%                     | 33.7%             |
| RIF subject to captives                           | 35.2%                     | 35.5%             |
| <br>Persistency (twelve months ended March 31)    | <br>58.6%                 | <br>58.4%         |

**Radian Group Inc.**  
**Mortgage Insurance Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**  
**ALT-A**

**Exhibit M**

(\$ millions)

|  | Quarter Ended<br>March 31 |               |                 |               |
|--|---------------------------|---------------|-----------------|---------------|
|  | 2006                      | %             | 2005            | %             |
| <b>Primary New Insurance Written by FICO Score</b> |                           |               |                 |               |
| <=619  | \$ 6                      | 0.1%          | \$ 6            | 0.5%          |
| 620-659  | 709                       | 14.1%         | 143             | 12.5%         |
| 660-679  | 634                       | 12.6%         | 199             | 17.4%         |
| 680-739  | 2,324                     | 46.3%         | 520             | 45.5%         |
| >=740  | 1,349                     | 26.9%         | 275             | 24.1%         |
| <b>Total</b>                                       | <b>\$ 5,022</b>           | <b>100.0%</b> | <b>\$ 1,143</b> | <b>100.0%</b> |

|  |                 |               |                 |               |
|--|-----------------|---------------|-----------------|---------------|
| <b>Primary Risk in Force by FICO Score</b> |                 |               |                 |               |
| <=619                                      | \$ 34           | 0.7%          | \$ 62           | 1.3%          |
| 620-659                                    | 937             | 20.5%         | 982             | 20.7%         |
| 660-679                                    | 766             | 16.8%         | 849             | 17.9%         |
| 680-739                                    | 1,961           | 42.9%         | 2,004           | 42.2%         |
| >=740                                      | 873             | 19.1%         | 848             | 17.9%         |
| <b>Total</b>                               | <b>\$ 4,571</b> | <b>100.0%</b> | <b>\$ 4,745</b> | <b>100.0%</b> |

|                                     |                 |               |                 |               |
|-------------------------------------|-----------------|---------------|-----------------|---------------|
| <b>Primary Risk in Force by LTV</b> |                 |               |                 |               |
| 95.01% and above                    | \$ 161          | 3.5%          | \$ 324          | 6.8%          |
| 90.01% to 95.00%                    | 1,360           | 29.8%         | 1,683           | 35.5%         |
| 85.01% to 90.00%                    | 1,930           | 42.2%         | 2,051           | 43.2%         |
| 85.00% and below                    | 1,120           | 24.5%         | 687             | 14.5%         |
| <b>Total</b>                        | <b>\$ 4,571</b> | <b>100.0%</b> | <b>\$ 4,745</b> | <b>100.0%</b> |

|   |                 |               |                 |               |
|---|-----------------|---------------|-----------------|---------------|
| <b>Primary Risk in Force by Policy Year</b> |                 |               |                 |               |
| 2002 and prior                              | \$ 448          | 9.8%          | \$ 847          | 17.8%         |
| 2003  | 758             | 16.6%         | 1,500           | 31.6%         |
| 2004  | 1,180           | 25.8%         | 2,134           | 45.0%         |
| 2005  | 1,538           | 33.6%         | 264             | 5.6%          |
| 2006  | 647             | 14.2%         | -               | -             |
| <b>Total</b>                                | <b>\$ 4,571</b> | <b>100.0%</b> | <b>\$ 4,745</b> | <b>100.0%</b> |

**Radian Group Inc.**  
**Financial Services Supplemental Information**  
**For the Quarter Ended and as of March 31, 2006**

Exhibit N

| (In thousands )                                      | Quarter Ended     |                   |
|--|-------------------|-------------------|
|  | March 31          |                   |
|  | 2006              | 2005              |
| <b>Investment in Affiliates-Selected Information</b> |                   |                   |
| <u>C-BASS</u>  |                   |                   |
| Balance, beginning of period                         | \$ 364,364        | \$ 290,073        |
| Net income for period                                | 30,026            | 28,117            |
| Dividends received                                   | 7,347             | 8,500             |
| Balance, end of period                               | <u>\$ 387,043</u> | <u>\$ 309,690</u> |

|                              |                  |                  |
|------------------------------|------------------|------------------|
| <u>Sherman</u>               |                  |                  |
| Balance, beginning of period | \$ 81,753        | \$ 101,492       |
| Net income for period        | 28,315           | 23,179           |
| Dividends received           | 60,515           | 51,875           |
| Other comprehensive income   | 55               | 1,153            |
| Sale of ownership interest   | -                | -                |
| Warrant repurchase           | -                | (2,075)          |
| Balance, end of period       | <u>\$ 49,608</u> | <u>\$ 71,874</u> |

**Portfolio Information:**

|                     |               |               |
|---------------------|---------------|---------------|
| <u>C-BASS</u>       |               |               |
| Servicing portfolio | \$ 53,340,000 | \$ 36,530,000 |
| Total assets        | 4,704,015     | 3,617,911     |
| Servicing income    | 74,069        | 59,794        |
| Net interest income | 65,040        | 41,252        |
| Total revenues      | 171,124       | 147,300       |

|                |              |            |
|----------------|--------------|------------|
| <u>Sherman</u> |              |            |
| Total assets   | \$ 1,010,930 | \$ 740,604 |
| Net revenues   | \$ 237,672   | \$ 148,625 |

Radian owns a 46% interest in C-BASS and a 34.58% interest in Sherman.

All statements made in this news release 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 values, population trends and changes in household formation patterns, changes in unemployment rates, and changes or volatility in interest rates; changes in investor perception of the strength of private mortgage insurers or financial guaranty providers, and 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; increased severity or frequency of losses associated with certain Radian products that are riskier than traditional mortgage insurance and municipal guaranty insurance policies; material changes in persistency rates of Radian's mortgage insurance policies; downgrades of 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 public reports that some state insurance departments are investigating 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; and international expansion of our mortgage insurance and financial guaranty businesses into new markets and risks associated with our international business activities. 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 in our annual report on Form 10-K for the year ended December 31, 2005. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of this press release. Radian does not intend to and disclaims any duty or obligation to update or revise any forward-looking statements made in this press release to reflect new information, future events or for any other reason.

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