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Financial Results Q4 2020

NYSE: RDN

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Safe Harbor Statements

All statements in this presentation that address events, developments or results that we expect or anticipate may occur in the future are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. In most cases, forward-looking statements may be identified by words such as "anticipate," "may," "will," "could," "should," "would," "expect," "intend," "plan," "goal," "contemplate," "believe," "estimate," "predict," "project," "potential," "continue," "seek," "strategy," "future," "likely" or the negative or other variations on these words and other similar expressions. These statements, which may include, without limitation, projections regarding our future performance and financial condition, are made on the basis of management's current views and assumptions with respect to future events, including management's current views regarding the likely impacts of the COVID-19 pandemic. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment where new risks emerge from time to time and it is not possible for us to predict all risks that may affect us, particularly those associated with the COVID 19 pandemic, which has had wide-ranging and continually evolving effects. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. These risks and uncertainties include, without limitation:

- the COVID-19 pandemic, which has caused significant economic disruption, high unemployment, periods of volatility and disruption in financial markets, and required adjustments in the housing finance system and real estate markets. The COVID-19 pandemic has adversely impacted our businesses, and this impact may continue for an unknown period and could expand in scope. We expect that the COVID-19 pandemic and measures taken to reduce its spread could further impact our business and subject us to certain risks, including those discussed in "Item 1A. Risk Factors- The COVID-19 pandemic has adversely impacted our business, and its ultimate impact on our business and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including the scope, severity and duration of the pandemic and actions taken by governmental authorities in response to the pandemic." and the other risk factors in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and in our subsequent reports and registration statements filed from time to time with the U.S. Securities and Exchange Commission;
- further changes in economic and political conditions that impact the size of the insurable market, the credit performance of our insured portfolio, and our business prospects;
- changes in the way customers, investors, ratings agencies, regulators or legislators perceive our performance, financial strength and future prospects;
- Radian Guaranty Inc.'s ("Radian Guaranty") ability to remain eligible under the Private Mortgage Insurer Eligibility Requirements (the "PMIERs") and other applicable requirements imposed by the Federal Housing Finance Agency (the "FHFA") and by Fannie Mae and Freddie Mac (collectively, the "GSEs") to insure loans purchased by the GSEs;
- the Enterprise Regulatory Capital Framework that was finalized by the FHFA in December 2020 and, among other items, increases the capital requirements for the GSEs and reduces their credit for risk transfer, which could impact the GSEs' operations, pricing and the size of the insurable mortgage insurance market, and which may form the basis for future versions of the PMIERs;
- our ability to successfully execute and implement our capital plans, including our risk distribution strategy through the capital markets and reinsurance markets, and to maintain sufficient holding company liquidity to meet our liquidity needs;
- our ability to successfully execute and implement our business plans and strategies, including plans and strategies that require GSE and/or regulatory approvals and various licenses and complex compliance requirements;
- our ability to maintain an adequate level of capital in our insurance subsidiaries to satisfy existing and future regulatory requirements, including the PMIERs and any changes thereto, such as the application of the recent and temporary amendment that applies a reduced capital charge nationwide for certain COVID-19-related nonperforming loans, and potential changes to the Mortgage Guaranty Insurance Model Act currently under consideration;
- changes in the charters or business practices of, or rules or regulations imposed by or applicable to, the GSEs, which may include changes in the requirements to remain an approved insurer to the GSEs, changes in the GSEs' interpretation and application of the PMIERs, as well as changes impacting loans purchased by the GSEs, including changes to the GSEs' business practices in response to the COVID-19 pandemic;
- changes in the current housing finance system in the United States, including the roles of the Federal Housing Administration (the "FHA"), the GSEs and private mortgage insurers in this system;
- uncertainty from the expected discontinuance of LIBOR and transition to one or more alternative benchmarks that could cause interest rate volatility and, among other things, impact our investment portfolio, cost of debt and cost of reinsurance through mortgage insurance-linked notes transactions;
- any disruption in the servicing of mortgages covered by our insurance policies, as well as poor servicer performance, which could be impacted by the burdens placed on many servicers due to the impact of the COVID-19 pandemic;
- a decrease in the "Persistency Rates" (the percentage of insurance in force that remains in force over a period of time) of our mortgage insurance on monthly premium products;
- competition in our mortgage insurance business, including price competition and competition from the FHA and U.S. Department of Veterans Affairs as well as from other forms of credit enhancement, such as GSE-sponsored alternatives to traditional mortgage insurance;
- the effect of the Dodd-Frank Wall Street Reform and Consumer Protection Act on the financial services industry in general, and on our businesses in particular, including the recently finalized changes to the "qualified mortgages" (QM) loan requirements;
- legislative and regulatory activity (or inactivity), including the adoption of (or failure to adopt) new laws and regulations, or changes in existing laws and regulations, or the way they are interpreted or applied, including potential changes in tax law under the newly elected Biden Administration;
- legal and regulatory claims, assertions, actions, reviews, audits, inquiries and investigations that could result in adverse judgments, settlements, fines, injunctions, restitutions or other relief that could require significant expenditures, new or increased reserves or have other effects on our business;
- the amount and timing of potential settlements, payments or adjustments associated with federal or other tax examinations;
- the possibility that we may fail to estimate accurately, especially in the event of an extended economic downturn or a period of extreme market volatility and economic uncertainty such as we are currently experiencing due to the COVID-19 pandemic, the likelihood, magnitude and timing of losses in establishing loss reserves for our mortgage insurance business or to accurately calculate and/or project our Available Assets and Minimum Required Assets under the PMIERs, which will be impacted by, among other things, the size and mix of our insurance in force, the level of defaults in our portfolio, the reported status of defaults in our portfolio, including whether they are subject to forbearance, a repayment plan or a loan modification trial period under a loan modification in response to COVID-19, the level of cash flow generated by our insurance operations and our risk distribution strategies;
- volatility in our financial results caused by changes in the fair value of our assets and liabilities, including our investment portfolio;
- changes in "GAAP" (accounting principles generally accepted in the U.S.) or "SAPP" (statutory accounting principles and practices including those required or permitted, if applicable, by the insurance departments of the respective states of domicile of our insurance subsidiaries) rules and guidance, or their interpretation;
- effectiveness and security of our information technology systems and solutions, including our ability to successfully develop, launch and implement new and innovative technologies and digital solutions and the potential disruption in, or failure of, our information technology systems due to computer viruses, unauthorized access, cyber-attack, natural disasters or other similar events;
- our ability to attract and retain key employees; and
- legal and other limitations on amounts we may receive from our subsidiaries, including dividends or ordinary course distributions under our internal tax- and expense-sharing arrangements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to "Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 and "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, and to subsequent reports and registration statements filed from time to time with the U.S. Securities and Exchange Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this presentation. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

About Us

Radian maintains two strategic business units: **Mortgage** and **Real Estate**.

Our Mortgage business derives its revenue from mortgage insurance and other mortgage and risk services, including contract underwriting services provided to lenders.

Our Real Estate business offers a broad array of title, valuation, asset management and other real estate services to market participants across the real estate value chain.

At Radian, our culture is built around a set of **core organizational values** that we live by, and define who we are as an enterprise:

- Innovate for the Future
- Deliver the Brand Promise
- Our People are the Difference
- Create Shareholder Value
- Partner to Win
- Do What's Right

Radian is committed to **ensuring the American dream** of homeownership responsibly and sustainably through products and services that span the mortgage and real estate spectrum. Learn more about Radian's financial strength and flexibility at **www.radian.com**, and see how Radian is shaping the future of mortgage and real estate services.

Visit **www.radian.com/corporateresponsibility** to view Radian's Environmental, Social and Governance (ESG) disclosures and policies.

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Full Year 2020 Summary Financial Metrics

$393.6 million
Net Income
Compared to $672.3 million in 2019

$2.00
Diluted Net Income Per Share
Compared to diluted net income per share of $3.20 in 2019

$1.74
Adjusted Diluted Net Operating Income Per Share [(1)]
Compared to adjusted diluted net operating income per share of $3.21 in 2019 [(1)]

$105.0 billion
New Insurance Written
Compared to $71.3 billion in 2019. NIW for the full year 2020 set a company record for NIW written on a flow basis.

9.4%
Return on Average Equity
Compared to 17.8% return on average equity in 2019

8.2%
Adjusted Net Operating Return on Average Equity [(1)]
Compared to 17.9% adjusted net operating return on average equity in 2019

11.1% increase
In Book Value Per Share
Book value per share of $22.36 as of December 31, 2020, compared to $20.13 as of December 31, 2019

In addition, dividends and dividend equivalents declared in 2020 were $98.8 million, or 2.4% of book value per share as of December 31, 2019

$485.1 million
Provision for Losses
Compared to $132.0 million in 2019. The increase in 2020 is primarily related to the increase in the number of new defaults, which continue to be driven by the COVID-19 pandemic and related loan forbearance programs.

1) Adjusted results, including adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, as used in this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to the comparable GAAP measures and the definitions of adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, see Appendix, Slides 24-27.

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Q4 2020 Summary Financial Metrics

$148.0 million
Net Income
Compared to $135.1 million of net income in Q3 2020 and $161.2 million of net income in Q4 2019

$0.76
Diluted Net Income Per Share
Compared to $0.70 of diluted net income per share in Q3 2020 and diluted net income per share of $0.79 in Q4 2019

$0.69
Adjusted Diluted Net Operating Income Per Share (1)
Compared to $0.59 of adjusted diluted net operating income per share in Q3 2020 and $0.86 of adjusted diluted net operating income per share in Q4 2019 (1)

$29.8 billion
New Insurance Written
Compared to $33.3 billion in Q3 2020 and $20.0 billion in Q4 2019

14.1%
Return on Average Equity
Compared to return on average equity of 13.3% in Q3 2020 and 16.2% in Q4 2019

12.9%
Adjusted Net Operating Return on Average Equity (1)
Compared to adjusted net return on average equity of 11.3% in Q3 2020 and 17.8% in Q4 2019 (1)

$286.8 million
Net Mortgage Premiums Earned
Compared to $283.4 million in Q3 2020 and $298.5 million in Q4 2019

$56.7 million
Provision for Losses
Compared to $88.1 million in Q3 2020 and $34.6 million in Q4 2019

1) Adjusted results, including adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, as used in this presentation, are non-GAAP financial measures. For a reconciliation of the adjusted results to the comparable GAAP measures and the definitions of adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, see Appendix, Slides 24-27.

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Q4 2020 Summary Financial Metrics

$246.1 billion
Primary Insurance In Force

Compared to $245.5 billion in Q3 2020 and $240.6 billion in Q4 2019

$1.3 billion
PMIERs Excess Available Assets (1)

Compared to $970.3 million in Q3 2020 and $804.1 million in Q4 2019

$1.1 billion
Available Holding Company Liquidity

Compared to $1.1 billion in Q3 2020 and $652.6 million in Q4 2019. Available liquidity includes the minimum liquidity requirement under the Company's unsecured revolving credit facility of $35 million.

$6.8 billion
Investment Portfolio

Compared to $6.6 billion in Q3 2020 and $5.7 billion in Q4 2019

$848.4 million
Reserve for Losses and Loss Adjustment Expense

Compared to $825.8 million as of September 30, 2020 and $404.8 million as of December 31, 2019

3.9% increase
In Book Value Per Share

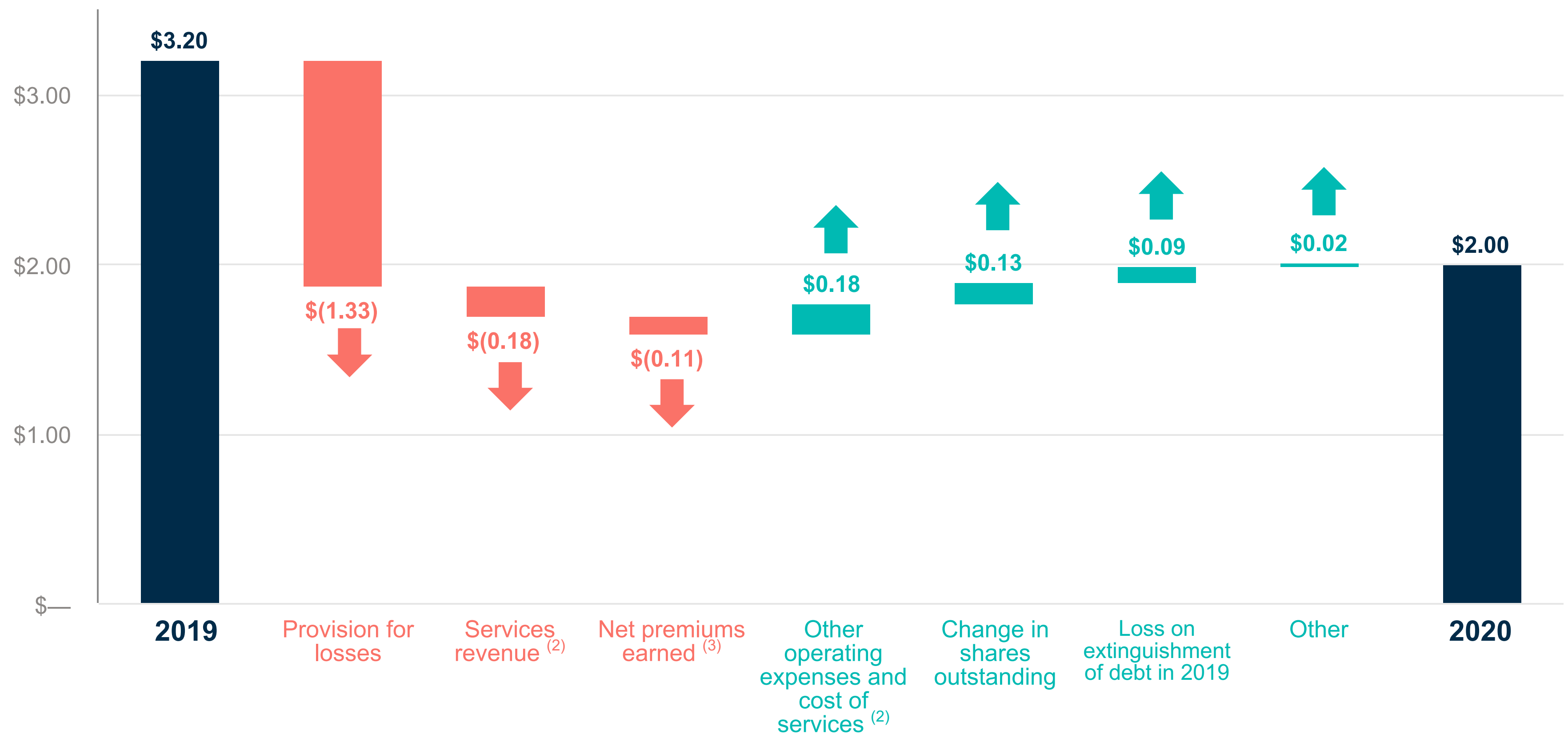
Book value per share of $22.36 in December 31, 2020, compared to book value per share of $21.52 as of September 30, 2020

In addition, dividends and dividend equivalents declared in Q4 2020 were $24.5 million, or 0.6% of book value per share as of September 30, 2020

1) Represents Radian Guaranty's excess or "cushion" of Available Assets over its Minimum Required Assets (MRA), calculated in accordance with the PMIERs financial requirements in effect for each date shown.

GAAP Diluted Net Income Per Share [1]

2019 to 2020



1) All diluted net income (loss) per share items are calculated based on 210.3 million weighted-average diluted shares outstanding for the year ended December 31, 2019, except for the December 31, 2020 diluted net income (loss) per share, which was calculated based on 196.6 million weighted-average diluted shares outstanding for the year ended December 31, 2020.
2) Primarily resulting from the sale of Clayton, which was completed on January 21, 2020.
3) 2019 included an increase of $32.9 million in net premiums earned as a result of a cumulative adjustment recorded to reduce our unearned premiums, related to an update to the amortization rates used to recognize revenue for single premium policies.

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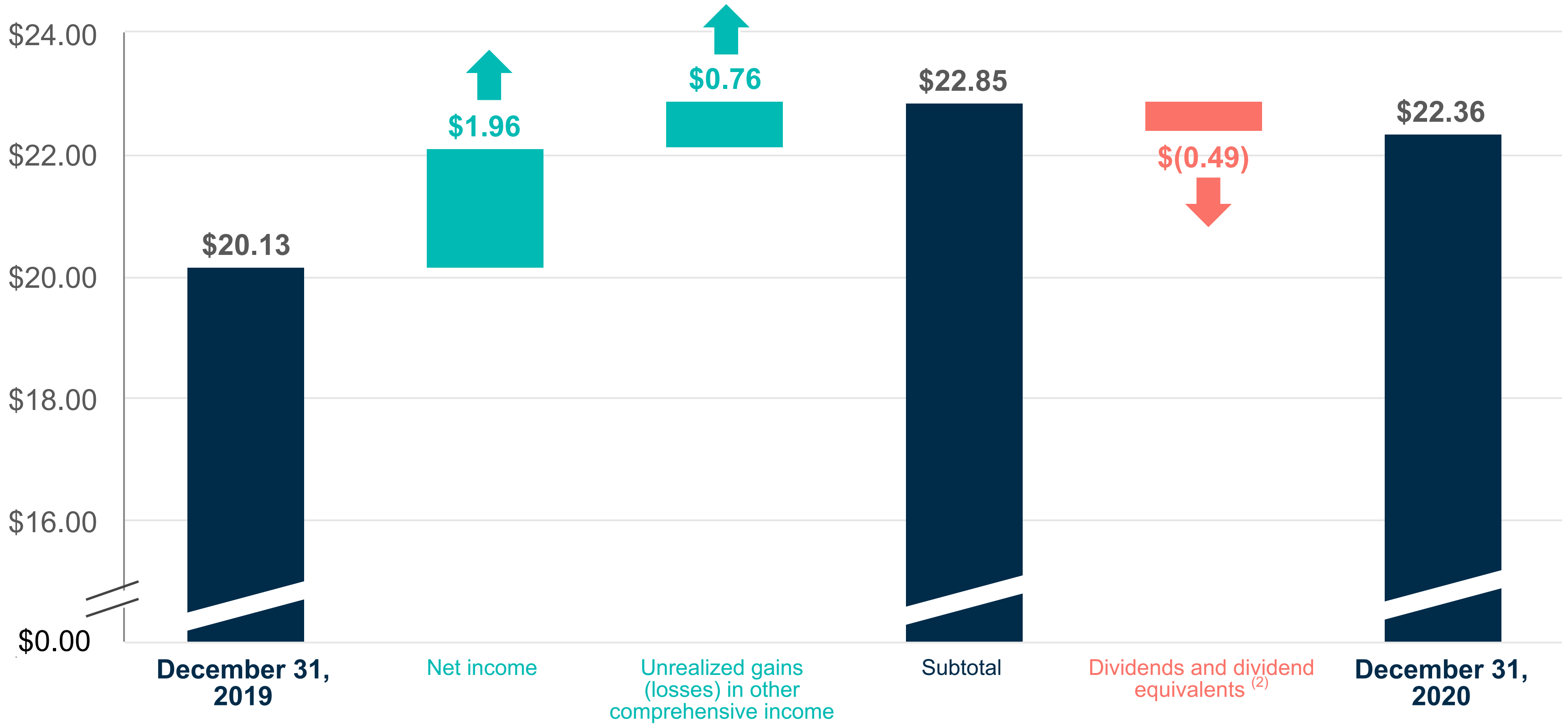
GAAP Book Value Per Share [1]

December 31, 2019 to December 31, 2020



1) All book value per share items are calculated based on 201.2 million shares outstanding as of December 31, 2019, except for the December 31, 2020 book value per share, which was calculated based on 191.6 million shares outstanding as of December 31, 2020.
2) On February 13, 2020, Radian Group's board of directors authorized an increase to the Company's quarterly cash dividend from $0.0025 to $0.125 per share, which was declared and paid during each of the quarters in 2020.

Financial Highlights

Radian Group Inc. Consolidated *($ in millions, except per-share amounts)*	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Primary Insurance In Force	$246,144	$245,467	$241,306	$241,586	$240,558
Total Assets	$7,948	$7,777	$7,569	$6,690	$6,808
Total Investments	$6,788	$6,585	$6,431	$5,609	$5,659
Loss Reserves	$848	$826	$739	$418	$405
Debt-to-capital (1)	24.7 %	25.4 %	26.0 %	18.7 %	18.0 %
Stockholders' Equity (2)	$4,284	$4,122	$3,986	$3,865	$4,049
Book Value Per Share (3)	$22.36	$21.52	$20.82	$20.30	$20.13
Available / Total Holding Company Liquidity (4)	$1,103 / $1,371	$1,108 / $1,376	$1,136 / $1,404	$648 / $916	$653 / $921
PMIERs Excess Available Assets (or "Cushion") (5)	$1,338 / 40 %	$970 / 28 %	$1,002 / 31 %	$1,129 / 38 %	$804 / 28 %
Excess Available Resources to Support PMIERs (6)	$2,674 / 80 %	$2,311 / 67 %	$2,371 / 73 %	$2,010 / 68 %	$1,690 / 59 %

1) See slide 19 for further detail on the components and calculation of the debt-to-capital ratio as of December 31, 2020.
2) Includes accumulated other comprehensive income of $264 million, $232 million, $212 million, $30 million and $110 million as of December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020 and December 31, 2019, respectively.
3) Accumulated other comprehensive income impacted book value per share by $1.38 per share, $1.21 per share, $1.11 per share, $0.16 per share and $0.55 per share as of December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020 and December 31, 2019, respectively.
4) Total holding company liquidity includes the Company's unsecured revolving credit facility of $268 million for all periods presented. The credit facility requires that the Company maintain a minimum of $35 million in liquidity.
5) Radian Guaranty currently is an approved mortgage insurer under the PMIERs, and is in compliance with the PMIERs financial requirements. PMIERs Cushion represents Radian Guaranty's excess of Available Assets over its Minimum Required Assets, calculated in accordance with the PMIERs financial requirements in effect for each date shown.
6) See slide 20 for further detail on the components of Excess Available Resources to Support PMIERs.

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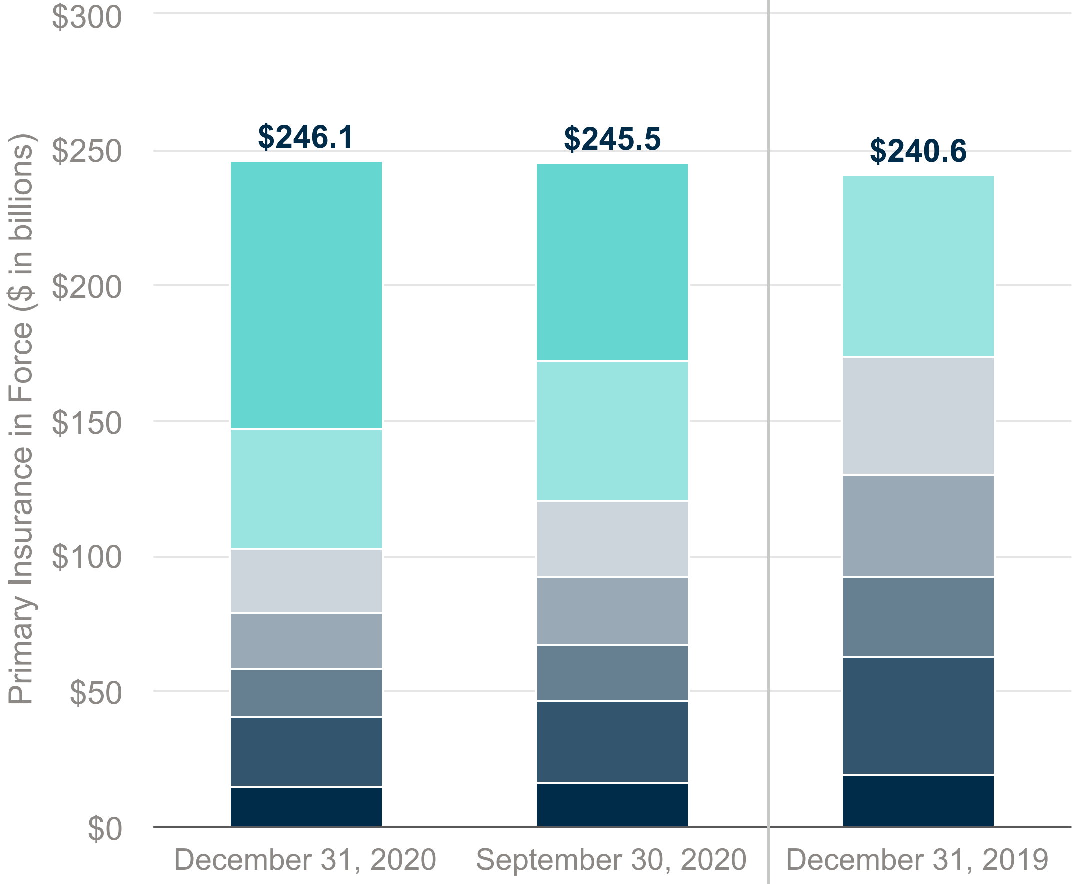
Primary Insurance In Force (1)



Insurance in Force as of:

Vintage written in: ($ in billions)	**December 31, 2020**		**September 30, 2020**		**December 31, 2019**	
2020	$98.8	40.2 %	$73.0	29.8 %	$—	— %
2019	$44.6	18.1 %	$51.8	21.1 %	$67.3	28.0 %
2018	$23.5	9.5 %	$28.1	11.4 %	$42.9	17.8 %
2017	$21.2	8.6 %	$25.3	10.3 %	$37.9	15.8 %
2016	$17.5	7.1 %	$20.7	8.4 %	$29.5	12.2 %
2009 - 2015	$25.7	10.5 %	$30.5	12.4 %	$44.0	18.3 %
2008 & Prior (2)	$14.8	6.0 %	$16.1	6.6 %	$19.0	7.9 %
Total	$246.1	100.0 %	$245.5	100.0 %	$240.6	100.0 %

1) Policy years represent the original policy years, and have not been adjusted to reflect subsequent refinancing activity under HARP.

2) Adjusted to reflect subsequent refinancing activity under HARP, these percentages would decrease to 3.7%, 3.9% and 4.7% as of December 31, 2020, September 30, 2020 and December 31, 2019, respectively.

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In Force Portfolio Premium Yield

(in basis points)	Q4 2020 (1)	Q3 2020	Q2 2020	Q1 2020	Q4 2019 (2)
In Force Portfolio Premium Yield (3)	42.8	43.2	44.3	46.1	47.1
Single Premium Cancellations (4)	8.7	10.7	8.2	4.0	4.4
Total Direct Yield	51.5	53.9	52.5	50.1	51.5
Ceded Earned Premiums, Net of Profit Commission (5)	(6.7)	(7.3)	(11.5)	(4.5)	(4.4)
Total Net Yield (6)	44.8	46.6	41.0	45.6	47.1
Beginning Primary IIF ($B)	$245.5	$241.3	$241.6	$240.6	$237.2
Ending Primary IIF ($B)	$246.1	$245.5	$241.3	$241.6	$240.6
Average Primary IIF ($B)	$245.8	$243.4	$241.4	$241.1	$238.9

1) During Q4 2020, the Company recorded an increase of $11.3 million to premiums earned related to changes in present value estimates for initial premiums on monthly policies that are deferred and not collected until cancellation. The yields and other amounts shown in this column exclude the impact of this adjustment. Including the impact of this adjustment, the Q4 2020 In Force Portfolio Yield was 44.6 basis points, Total Direct Yield was 53.4 basis points and the Total Net Yield was 46.7 basis points.
2) During Q4 2019, the Company recorded an increase of $17.4 million to premiums earned related to the recognition of deferred initial premiums on monthly policies. The yields and other amounts shown in this column exclude the impact of this adjustment. Including the impact of this adjustment, the Q4 2019 In Force Portfolio Yield was 50.0 basis points, Total Direct Yield was 54.4 basis points and the Total Net Yield was 50.0 basis points.
3) Total direct premiums earned, excluding single premium cancellations, annualized, as a percentage of average primary IIF. Includes premiums earned related to Radian’s participation in GSE credit risk sharing transactions (Freddie Mac ACIS and Fannie Mae CIRT). The impact of this revenue ranges from 0.6 – 0.7 basis points across all time periods presented.
4) Single premium cancellations, annualized, as a percentage of average primary IIF.
5) Ceded premiums earned, net of profit commissions, annualized, as a percentage of average primary IIF.
6) Net premiums earned, annualized, as a percentage of average primary IIF.

First-lien Mortgage Insurance

2020 Performance by Vintage
($ in millions)

Vintage	Three Months Ended December 31, 2020		
	Premiums Earned [(1)]	**Incurred Losses [(1)]**	**Net**
2008 & Prior	$17.1	$3.1	$14.0
2009 - 2013	$10.8	$1.9	$8.9
2014	$9.3	$1.9	$7.4
2015	$16.7	$2.6	$14.1
2016	$29.6	$3.4	$26.2
2017	$36.1	$7.0	$29.1
2018	$41.1	$13.4	$27.7
2019	$52.7	$13.0	$39.7
2020	$69.6	$9.8	$59.8

1) Represents premiums earned and incurred losses on first-lien portfolio, net of reinsurance.

Primary Mortgage Insurance

	Cumulative Incurred Loss Ratio by Development Year [1]									
Vintage	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20 [2]
2011	1.7 %	4.4 %	5.5 %	5.6 %	5.0 %	4.9 %	5.0 %	4.9 %	5.0 %	5.2%
2012		2.0 %	3.2 %	3.6 %	2.7 %	2.9 %	2.8 %	2.8 %	2.8 %	3.2%
2013			2.5 %	4.0 %	3.4 %	3.7 %	3.5 %	3.4 %	3.3 %	4.2%
2014				2.7 %	4.1 %	4.9 %	5.0 %	5.1 %	5.2 %	6.9%
2015					2.1 %	4.8 %	5.2 %	5.0 %	4.7 %	7.4%
2016						2.9 %	5.0 %	4.8 %	4.7 %	9.7%
2017							4.7 %[3]	5.1 %	6.1 %	14.3%
2018								3.0 %	6.4 %	22.8%
2019									2.8 %	35.6%
2020										25.6%

1) Represents inception-to-date losses incurred as a percentage of net premiums earned on mortgage insurance.
2) Incurred losses in 2020 across all vintages were elevated due to the impact of the COVID-19 pandemic.
3) Incurred losses in 2017 were slightly elevated due to the impact of Hurricanes Harvey and Irma.

Components of Mortgage Provision for Losses

	Three Months Ended				
($ in millions)	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**	**Dec 31, 2019**
Current period defaults [(1)]	$63.9	$96.0	$309.2	$41.2	$42.9
Prior period defaults [(2)]	(7.7)	(8.2)	(5.3)	(5.9)	(8.2)
Second-lien premium deficiency reserve & other	0.1	—	0.1	(0.1)	(0.3)
Provision for losses	**$56.3**	**$87.8**	**$304.0**	**$35.2**	**$34.4**

1) Defaulted loans with a most recent default notice dated in the quarter indicated. For example, if a loan had defaulted in a prior quarter, but then subsequently cured and later re-defaulted in the current quarter, that default would be considered a current period default. Defaults reported in 2020 include defaults subject to implemented forbearance programs in response to the COVID-19 pandemic.
2) Defaulted loans with a default notice dated in a period earlier than the period indicated, which have been continuously in default since that time.

Default Rollforward

Primary Insurance in Force *(number of loans)*	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Beginning Default Inventory	62,737	69,742	19,781	21,266	20,184
Total New Defaults [1]	14,552	20,508	63,005	9,960	10,869
Cures	(21,567)	(27,283)	(12,588)	(10,966)	(9,119)
Claims Paid [2]	(176)	(240)	(443)	(471)	(663)
Rescissions and Denials, net [3]	(9)	10	(13)	(8)	(5)
Ending Default Inventory	**55,537**	**62,737**	**69,742**	**19,781**	**21,266**
Primary Default Rate	5.2 %	5.9 %	6.5 %	1.8 %	2.0 %

1) New Defaults remaining as of December 31, 2020:	11,377	10,310	24,524	1,984	1,573
Cure Rate	21.8 %	49.7 %	61.1 %	79.8 %	84.9 %

2) Includes those charged to a deductible under pool insurance arrangements, as well as commutations.

3) Net of any previously rescinded and denied policies and/or claims that were reinstated during the period. Reinstated rescissions may ultimately result in a paid claim. Previously denied but reinstated claims are generally reviewed for possible rescission prior to any claim payment.

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Primary Loans In Default

December 31, 2020 *($ in thousands)*	Total		Foreclosure Stage Defaulted Loans	Cure % During Q4	Reserve for Losses	% Of Reserve
Missed Payments	**#**	**%**	**#**	**%**	**$**	**%**
3 Payments or Fewer	12,504	22.5 %	64	36.5 %	99,491	12.4 %
4 to 11 Payments	37,691	67.9 %	190	26.3 %	512,248	64.1 %
12 Payments or More (1)	5,067	9.1 %	861	5.4 %	172,161	21.5 %
Pending Claims (1)	275	0.5 %	N/A	8.2 %	15,614	2.0 %
Total (2)	**55,537**	**100.0 %**	**1,115**		**$799,514**	**100.0 %**
IBNR and Other					$9,966	
LAE					$20,172	
Total Primary Reserves					**$829,652**	

Key Reserve Assumptions	Net Default to Claim Rate % (3)	Claim Severity % (4)
	24%	98%

1) 18.2% of defaults that had missed 12 payments or more (including the portion in pending claims) made a payment during Q4 2020.
2) Primary risk in force on defaulted loans at December 31, 2020 was $3.3 billion.
3) For every one percentage point change in our primary net Default to Claim Rate, we estimated a change of approximately $33.5 million in our primary loss reserve at December 31, 2020.
4) For every one percentage point change in primary Claim Severity, we estimated a change of approximately $8.2 million in our total loss reserve at December 31, 2020.

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COVID-19 Forbearance Program Summary

The FHFA, in coordination with the GSEs, have enacted a payment forbearance program with broad availability

- Borrowers experiencing a financial hardship relating to COVID-19 may request a forbearance to suspend or reduce their mortgage payments for up to 12 months by contacting their servicer. If the borrower's mortgage loan is in a forbearance plan as of February 28, 2021 and the servicer determines the borrower's hardship has not resolved, then the GSEs permit the servicer to grant an extension of the forbearance plan for an additional 3 months.
- The CARES Act generally provides with respect to borrowers in forbearance that servicers shall report the account as current to credit bureaus, and that late fees, interest and penalties shall not accrue beyond amounts calculated as if the loan were performing.
- Based on forbearance reporting that Radian receives, most forbearance plans were offered for 90 days, and for the plans that were extended, most have been extended in increments of 90 days.
- Based on forbearance reporting that Radian receives, a portion of borrowers in forbearance continue to make payments. These loans are considered to not be in default.
- When a borrower's financial hardship is resolved, GSE guidance provides that a servicer is expected to work with the borrower to bring the loan current through a reinstatement or repayment plan, or to evaluate the borrower for a workout option.
- For purposes of determining Minimum Required Assets under PMIERs, all defaulted loans in a COVID-19 forbearance plan or that have an "Initial Missed Payment" on or after March 1, 2020 and prior to April 1, 2021 generally receive a "risk-based required asset amount factor" (asset factor) that is reduced by 70% through the application of a 0.30 multiplier to the asset factor that otherwise would be applied to such loan. The asset factor continues to increase as the default ages, which increases the asset factor for such default notwithstanding the ongoing application of the 0.30 multiplier to such loan. The 0.30 multiplier is applied for no longer than three calendar months beginning with the month the loan becomes non-performing (i.e. two missed monthly payments), or if greater, the period of time that the loan remains in a COVID-19 forbearance plan. (For more information, visit https://singlefamily.fanniemae.com/media/23266/display and https://sf.freddiemac.com/content/_assets/resources/pdf/requirements/freddie-mac-pmiers-guidance-2020-01.pdf.)

Radian Summary Data

	As of Q4 2020
Number of Insured Loans	1,057,944
Number of Loans in Default	55,537
% of Loans in Default	5.2 %
% of Loans in Default in Forbearance Programs	73.7 %
% of New Q4 Defaults in Forbearance Programs	66.1 %

Note: Data above reflects Primary Insurance loan information. The number of loans in forbearance under the Summary Data table is based on information reported by loan servicers and GSEs. For a small portion of Radian's total insurance in force, forbearance information may not be reported.

Capital and Debt Structure

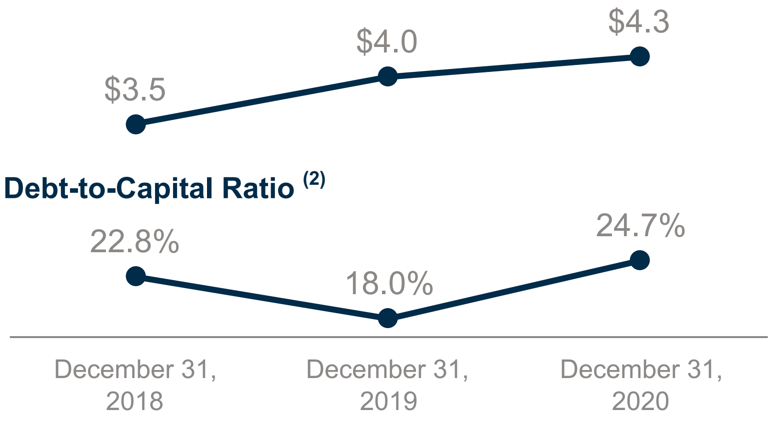
Capital Structure

Total Capitalization as of December 31, 2020

Coupon	Description	Carrying Value ($'000)	Principal ($'000)	% of Total Capitalization (1)
4.500 %	Senior Notes due October 2024	$445,512	$450,000	7.8 %
6.625 %	Senior Notes due March 2025	$516,634	$525,000	9.1 %
4.875 %	Senior Notes due March 2027	$443,528	$450,000	7.8 %
	Total	**$1,405,674**	**$1,425,000**	**24.7 %**
	Stockholders' Equity	$4,284,353		75.3 %
	Total Capitalization	**$5,690,027**		**100.0 %**

Stockholders' Equity
($ in billions)

Debt-to-Capital Ratio (2)



Insurance-Linked Notes:
In October 2020, Radian Guaranty entered into its fourth fully collateralized mortgage insurance-linked note (ILN) reinsurance transaction, in which the company obtained $390.3 million of fully collateralized excess of loss reinsurance coverage from Eagle Re 2020-2 Ltd (Eagle Re) through the issuance by Eagle Re of ILNs to eligible third-party capital markets investors in an unregistered private offering. Eagle Re is a special purpose insurer domiciled in Bermuda and is not a subsidiary or affiliate of Radian Guaranty.

Current Radian Group Senior Debt Ratings:

S&P	**BB+ with Negative outlook** Updated from Stable outlook to Negative outlook on March 26, 2020
Moody's	**Ba1 with Stable outlook** Upgraded from Ba2 to Ba1 on October 17, 2019
Fitch	**BBB- with Negative outlook** Based on August 27, 2020 release

1) Based on carrying value of our outstanding senior notes and stockholders' equity.
2) Calculated as carrying value of senior notes divided by carrying value of senior notes and stockholders' equity.

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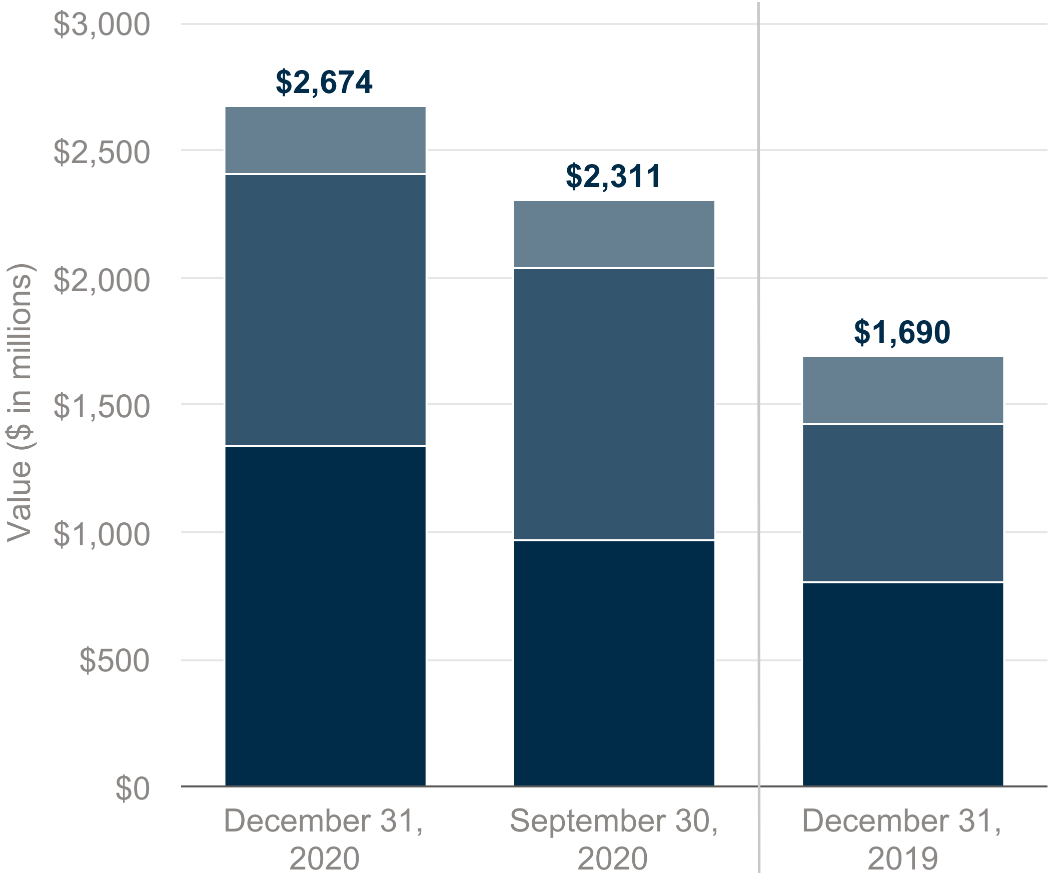
Excess Available Resources to Support PMIERs



$ in millions [(1)]	December 31, 2020		September 30, 2020		December 31, 2019	
Credit Facility	$268	8 %	$268	8 %	$268	9 %
Radian Group Available Liquidity, Net [(2)]	$1,068	32 %	$1,073	31 %	$618	22 %
PMIERs Cushion [(3)]	$1,338	40 %	$970	28 %	$804	28 %
Total	**$2,674**	**80 %**	**$2,311**	**67 %**	**$1,690**	**59 %**

1) Percentages represent the values shown as a percentage of Minimum Required Assets under the applicable PMIERs as of the date shown.
2) Represents Radian Group's Available Liquidity, net of the $35 million minimum liquidity requirement under the unsecured revolving credit facility.
3) Represents Radian Guaranty's excess of Available Assets over its Minimum Required Assets, calculated in accordance with the PMIERs financial requirements in effect for each date shown.

Eagle Re Mortgage Insurance-Linked Notes Reinsurance Key Metrics [1]

($ in millions) Coverage dates for policies issued between	Eagle Re 2020-2 10/19-7/20	Eagle Re 2020-1 1/19-9/19	Eagle Re 2019-1 1/18-12/18	Eagle Re 2018-1 [2] 1/17-12/17
Initial Risk In Force	$13,011	$9,866	$10,705	$9,109
Current Risk In Force	$11,748	$6,121	$4,657	$3,986
Initial coverage at issuance date	$390	$488	$562	$434
Current coverage	$390	$488	$385	$276
Radian's initial retention layer	$423	$202	$268	$205
Radian's current retention layer	$423	$202	$265	$201
Claims paid under Radian's retention layer	$—	$—	$3	$4
Current PMIERs MRA Reduction [3]	$325	$309	$168	$111
Delinquency % [4]	0.51 %	6.56 %	10.50 %	7.85 %
Delinquency trigger % [5] [6]	5.19 %	4.00 %	4.00 %	4.00 %
Initial attachment % [7]	3.25 %	2.05 %	2.50 %	2.25 %
Initial detachment % [8]	6.25 %	7.00 %	7.75 %	7.25 %
Current attachment % [7]	3.60 %	3.30 %	5.69 %	5.04 %
Current detachment % [8]	6.92 %	11.28 %	13.95 %	12.50 %

Total of ILNs as of December 31, 2020

Policies issued between 1/17-7/20

Risk In Force	Coverage	PMIERs MRA Reduction
$26,512	$1,539	$913

1) Through December 31, 2020, Radian Guaranty has entered into four fully collateralized reinsurance arrangements with the Eagle Re Issuers. The Eagle Re Issuers are not subsidiaries or affiliates of Radian Guaranty. Based on the accounting guidance that addresses VIEs, we have not consolidated any of the Eagle Re Issuers in our consolidated financial statements.
2) Excludes a separate excess-of-loss reinsurance agreement entered into by Radian Guaranty that provides up to $21.4 million of coverage.
3) PMIERs MRA Reduction represents the reduction in the Minimum Required Assets as of Q4 2020, which is a risk-based minimum required asset amount, as defined in PMIERs.
4) Delinquency % represents the percentage of risk in force that is 60 or more days delinquent.
5) When delinquency trigger % is reached then the amortization of the issued notes stops and coverage remains constant.
6) Based on the current level of defaults reported to us, the Eagle Re 2020-1, Eagle Re 2019-1 and Eagle Re 2018-1 ILNs are currently subject to a delinquency trigger event. Both the amortization of the outstanding reinsurance coverage amount pursuant to our reinsurance arrangements with the Eagle Re Issuers and the amortization of the principal amount of the related insurance-linked notes issued by the Eagle Re Issuers have been suspended and will continue to be suspended during the pendency of the trigger event.
7) Attachment % represents the amount of cumulative paid losses as a percentage of risk in force that Radian retains prior to the Insurance-Linked Notes structure absorbing losses.
8) Detachment % represents the amount of cumulative paid losses as a percentage of risk in force that must be reached before Radian restarts absorbing losses again.

Quota Share Reinsurance (QSR) Key Summary Metrics [1]

($ in millions)		Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
2016 Single Premium QSR Agreement	*NIW Policy Dates*			**2012 – 2017**		
Quota Share — 20% - 65% [2]	Ceded Risk in Force	$3,071	$3,676	$4,533	$5,080	$5,351
Ceding / Profit Commission — 25% / Up to 55%	PMIERs MRA Reduction [3]	$189	$224	$271	$280	$302
2018 Single Premium QSR Agreement	*NIW Policy Dates*			**2018 – 2019**		
Quota Share — 65%	Ceded Risk in Force	$1,979	$2,352	$2,711	$3,066	$3,231
Ceding / Profit Commission — 25% / Up to 56%	PMIERs MRA Reduction [3]	$149	$172	$193	$197	$210
2020 Single Premium QSR Agreement	*NIW Policy Dates*			**2020 – 2021**		
Quota Share — 65%	Ceded Risk in Force	$1,597	$1,331	$929	$435	n/a
Ceding / Profit Commission — 25% / Up to 56%	PMIERs MRA Reduction [3]	$86	$73	$53	$24	n/a

1) Analysis excludes the impact of the 2012 QSR Program with a third-party reinsurance provider, which provided a reduction of $23 million in PMIERs Minimum Required Assets as of December 31, 2020.
2) Effective December 31, 2017, we amended the 2016 Single Premium QSR Agreement to increase the amount of ceded risk on performing loans under the agreement from 35% to 65% for the 2015 through 2017 vintages. Loans included in the 2012 through 2014 vintages, and any other loans subject to the agreement that were delinquent at the time of the amendment, were unaffected by the change and therefore the amount of ceded risk for those loans continues to range from 20% to 35%.
3) PMIERs MRA Reduction represents the reduction in the Minimum Required Assets, which is a risk-based minimum required asset amount, as defined in PMIERs.

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Consolidated Non-GAAP Financial Measures Reconciliations

Use of Non-GAAP Financial Measures

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

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

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

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

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

2) *Loss on extinguishment of debt.* Gains or losses on early extinguishment of debt and losses incurred to purchase our debt prior to maturity are discretionary activities that are undertaken in order to take advantage of market opportunities to strengthen our financial and capital positions; therefore, we do not view these activities as part of our operating performance. Such transactions do not reflect expected future operations and do not provide meaningful insight regarding our current or past operating trends.

3) *Amortization and impairment of goodwill and other acquired intangible assets.* Amortization of acquired intangible assets represents the periodic expense required to amortize the cost of acquired intangible assets over their estimated useful lives. Acquired intangible assets are also periodically reviewed for potential impairment, and impairment adjustments are made whenever appropriate. We do not view these charges as part of the operating performance of our primary activities.

4) *Impairment of other long-lived assets and other non-operating items.* Includes activities that we do not view to be indicative of our fundamental operating activities, such as: (i) impairment of internal-use software and other long-lived assets; (ii) gains (losses) from the sale of lines of business; and (iii) acquisition-related expenses.

See Slides 25 through 27 for the reconciliation of the most comparable GAAP measures of consolidated pretax income (loss), diluted net income (loss) per share and return on equity, to our non-GAAP financial measures for the consolidated company of adjusted pretax operating income (loss), adjusted diluted net operating income (loss) per share and adjusted net operating return on equity, respectively.

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

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

($ in thousands)	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Consolidated pretax income (loss)	$179,167	$161,205	$(42,224)	$181,293	$205,639
Less reconciling income (expense) items:					
Net gains (losses) on investments and other financial instruments	17,376	17,652	47,276	(22,027)	4,257
Impairment of goodwill	—	—	—	—	(4,828)
Amortization and impairment of other acquired intangible assets	(2,225)	(961)	(979)	(979)	(15,823)
Impairment of other long-lived assets and other non-operating items [1]	(6,971)	(466)	(22)	(300)	(1,950)
Total adjusted pretax operating income (loss) [2]	**$170,987**	**$144,980**	**$(88,499)**	**$204,599**	**$223,983**

1) The amounts for all the periods are included in other operating expenses and primarily relate to impairments of other long-lived assets.
2) Please see slide 24 for the definition of this line item and additional information regarding our use of non-GAAP financial measures.

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

	2020				2019
	Q4	Q3	Q2	Q1	Q4
Diluted net income (loss) per share	$0.76	$0.70	$(0.15)	$0.70	$0.79
Less per-share impact of reconciling income (expense) items:					
Net gains (losses) on investments and other financial instruments	0.09	0.09	0.24	(0.11)	0.02
Impairment of goodwill	—	—	—	—	(0.02)
Amortization and impairment of other acquired intangible assets	(0.01)	—	(0.01)	—	(0.08)
Impairment of other long-lived assets and other non-operating items	(0.04)	—	—	—	(0.01)
Income tax (provision) benefit on reconciling income (expense) items [(1)]	(0.01)	(0.02)	(0.05)	0.02	0.02
Difference between statutory and effective tax rates	0.04	0.04	0.03	(0.01)	—
Per-share impact of reconciling income (expense) items	0.07	0.11	0.21	(0.10)	(0.07)
Adjusted diluted net operating income (loss) per share [(1) (2)]	**$0.69**	**$0.59**	**$(0.36)**	**$0.80**	**$0.86**

1) Calculated using the company's federal statutory tax rate of 21%. Any permanent tax adjustments and state income taxes on these items have been deemed immaterial and are not included.
2) Please see Slide 24 for additional information regarding our use of non-GAAP financial measures.

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Reconciliation of Return on Equity to Adjusted Net Operating Return on Equity

	2020				2019
	Q4	Q3	Q2	Q1	Q4
Return on equity [1]	14.1 %	13.3 %	(3.1)%	14.2 %	16.2 %
Less impact of reconciling income (expense) items: [2]					
Net gains (losses) on investments and other financial instruments	1.7	1.7	4.8	(2.2)	0.4
Impairment of goodwill	—	—	—	—	(0.5)
Amortization and impairment of other acquired intangible assets	(0.2)	(0.1)	(0.1)	(0.1)	(1.6)
Impairment of other long-lived assets and other non-operating items	(0.7)	—	—	—	(0.2)
Income tax (provision) benefit on reconciling income (expense) items [3]	(0.2)	(0.3)	(1.0)	0.5	0.4
Difference between statutory and effective tax rates	0.6	0.7	0.3	(0.3)	(0.1)
Impact of reconciling income (expense) items	1.2	2.0	4.0	(2.1)	(1.6)
Adjusted net operating return on equity [4]	**12.9 %**	**11.3 %**	**(7.1)%**	**16.3 %**	**17.8 %**

1) Calculated by dividing annualized net income by average stockholders' equity, based on the average of the beginning and ending balances for each period presented.
2) Stated as a percentage of average stockholders' equity. Quarterly periods are annualized.
3) Calculated using the company's federal statutory tax rate of 21%. Any permanent tax adjustments and state income taxes on these items have been deemed immaterial and are not included.
4) Please see Slide 24 for additional information regarding our use of non-GAAP financial measures.

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