

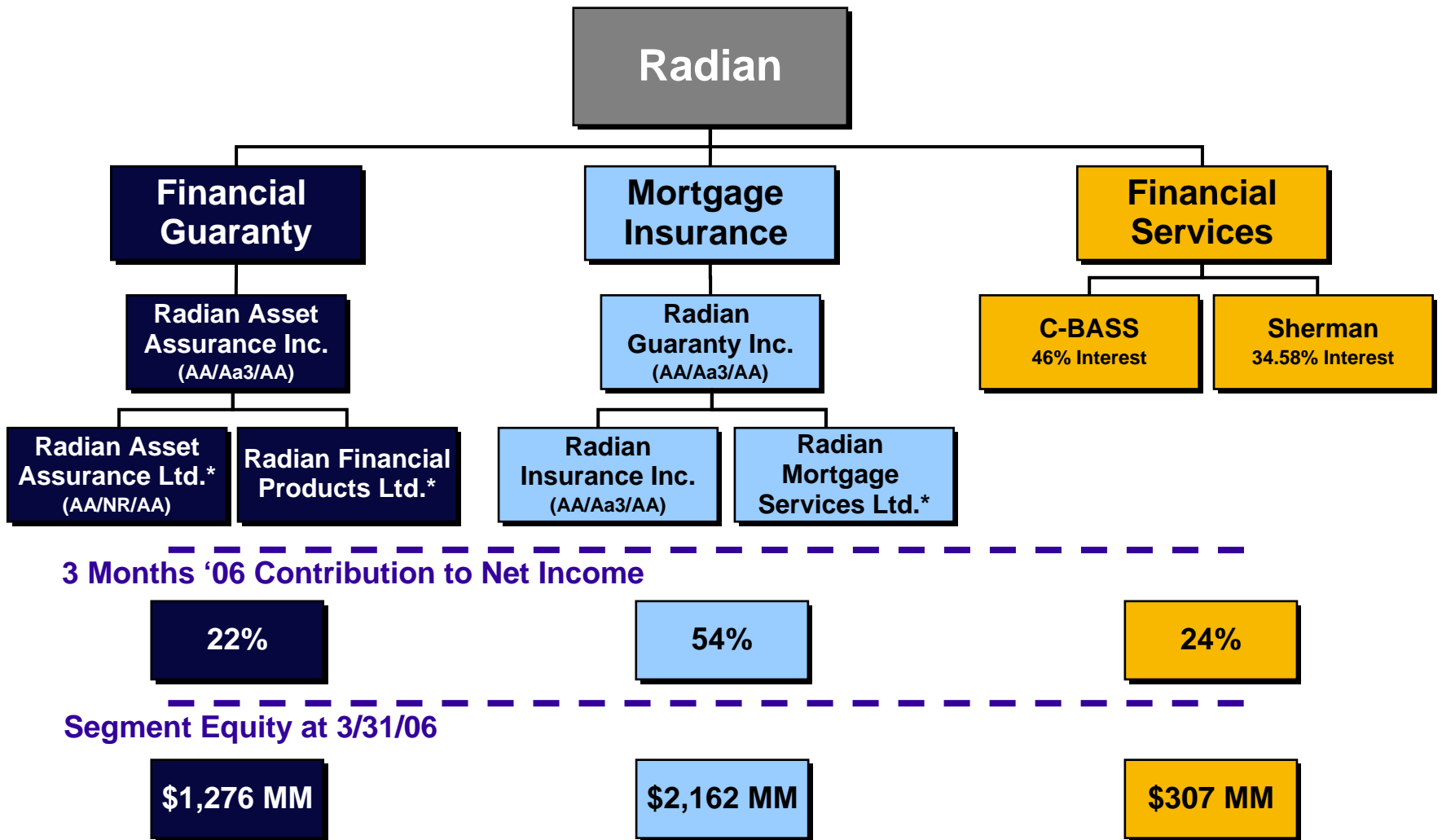
RADIAN

First Quarter 2006

Safe Harbor Statement

All statements made during our first quarter conference call and in the accompanying presentation that address events or developments that we expect or anticipate may occur in the future are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995. These statements are made on the basis of management’s current views and assumptions with respect to future events. The forward-looking statements, as well as Radian’s prospects as a whole, are subject to risks and uncertainties, including the following: changes in general financial and political conditions such as extended national or regional economic recessions (or expansions), changes in housing values, population trends and changes in household formation patterns, changes in unemployment rates, or 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 of 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 our first quarter conference call. Radian does not intend to and disclaims any duty or obligation to update or revise any forward-looking statements made during our first quarter conference call and in the accompanying presentation to reflect new information, future events or for any other reason.

Summary of Corporate Structure



* International Entities

Financial Highlights

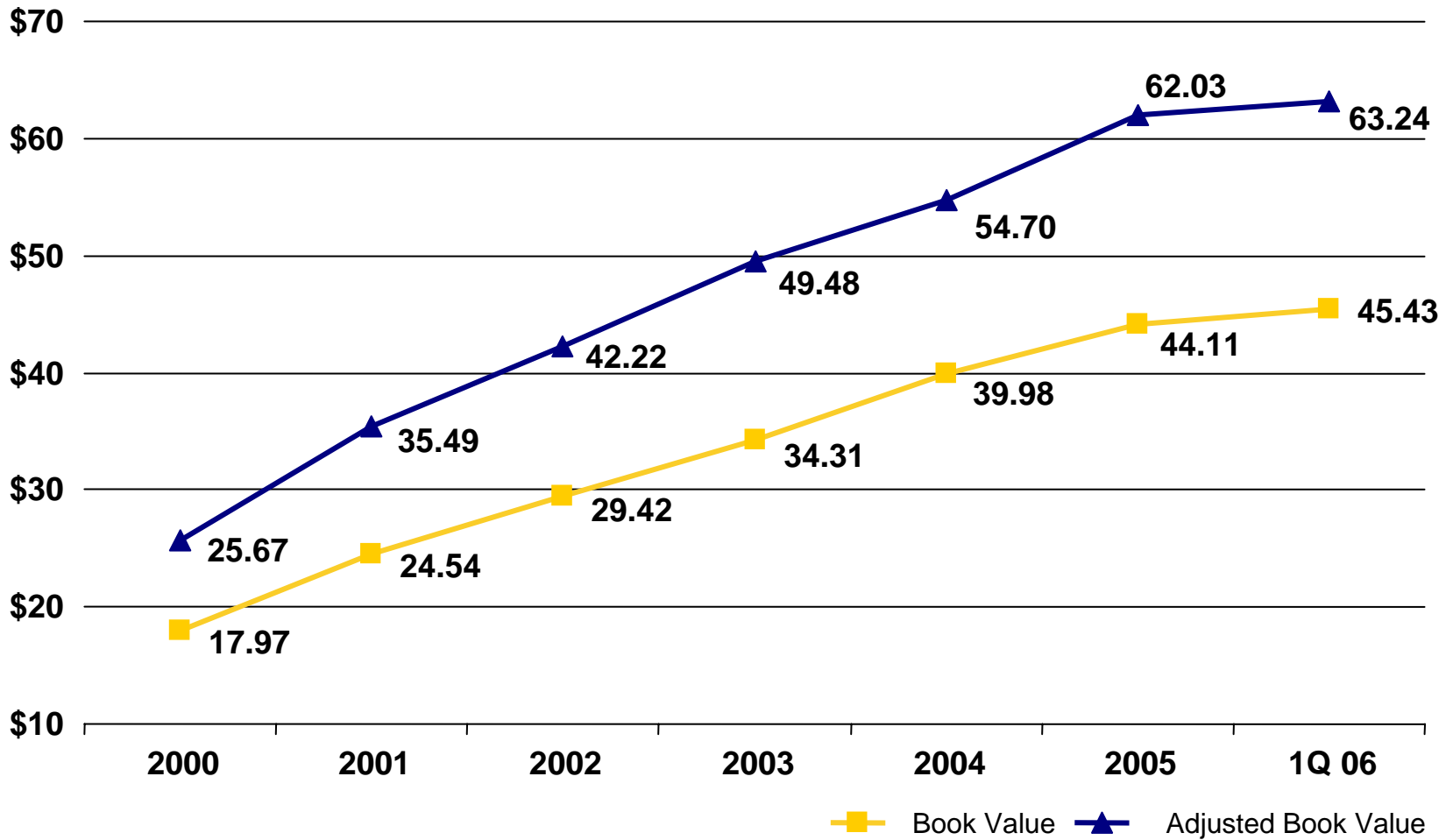
	1Q 06	1Q 05	Percent Change
Net income	\$163.7	\$115.6	41.6%
Diluted net income per share	\$1.96	\$1.24	58.1%
Net premiums earned	\$253.7	\$247.0	2.7%
Net paid losses	\$88.0	\$111.1	(20.8)%
Provision for losses	\$78.6	\$109.5	(28.2)%
Net investment income	\$54.3	\$50.9	6.7%
Equity in net income of affiliate	\$58.3	\$51.3	13.6%

Financial Highlights

	<u>As of 3/31/06</u>
Assets	\$7,370.9
Loss reserves	\$791.7
Unearned premiums	\$874.7
Stockholders' equity	\$3,745.4
Market capitalization	\$4,967.0
Debt to capital ratio	16.6%

Dollars in millions.

Book Value and Adjusted Book Value

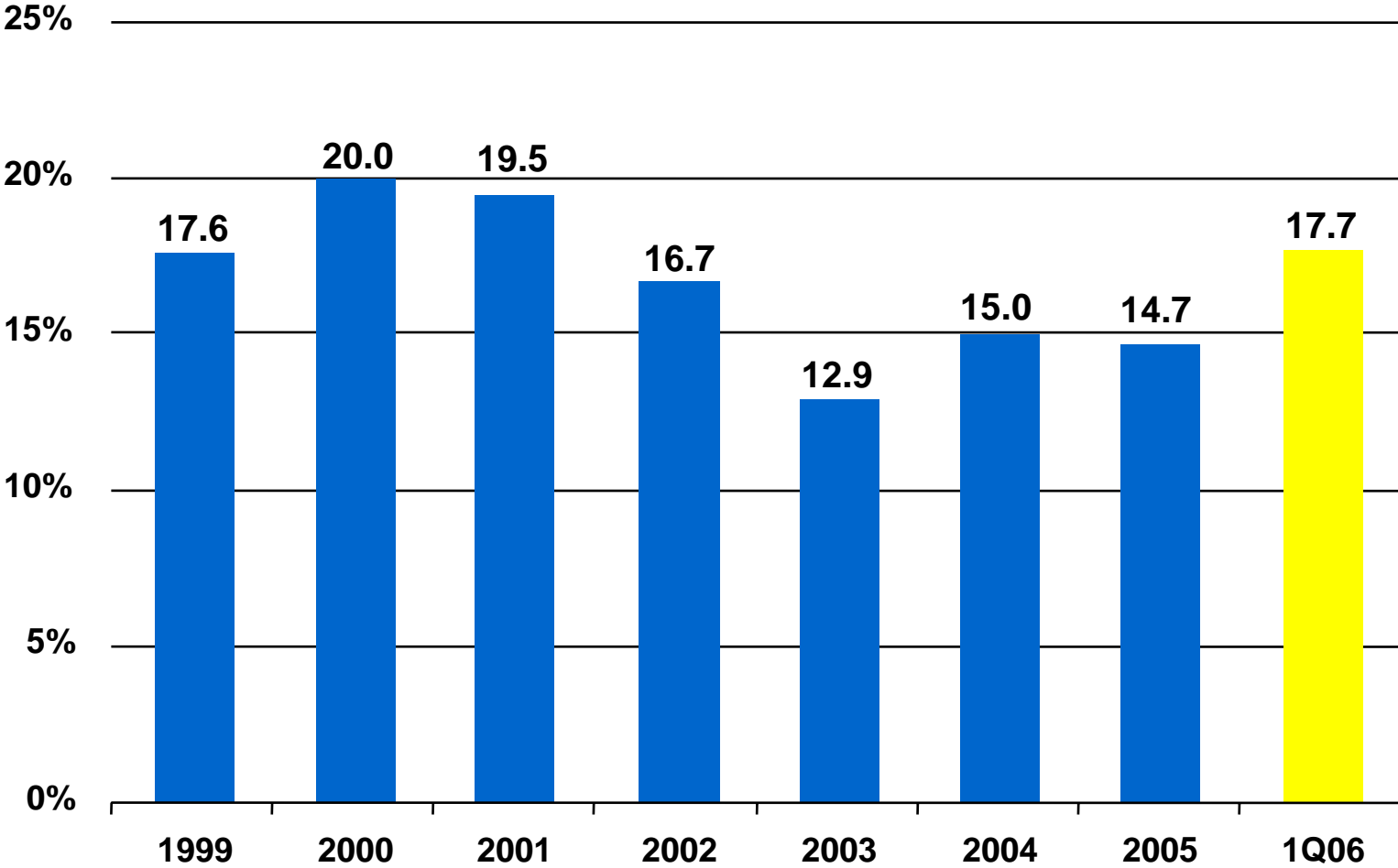


Per share amounts.

Adjusted Book Value

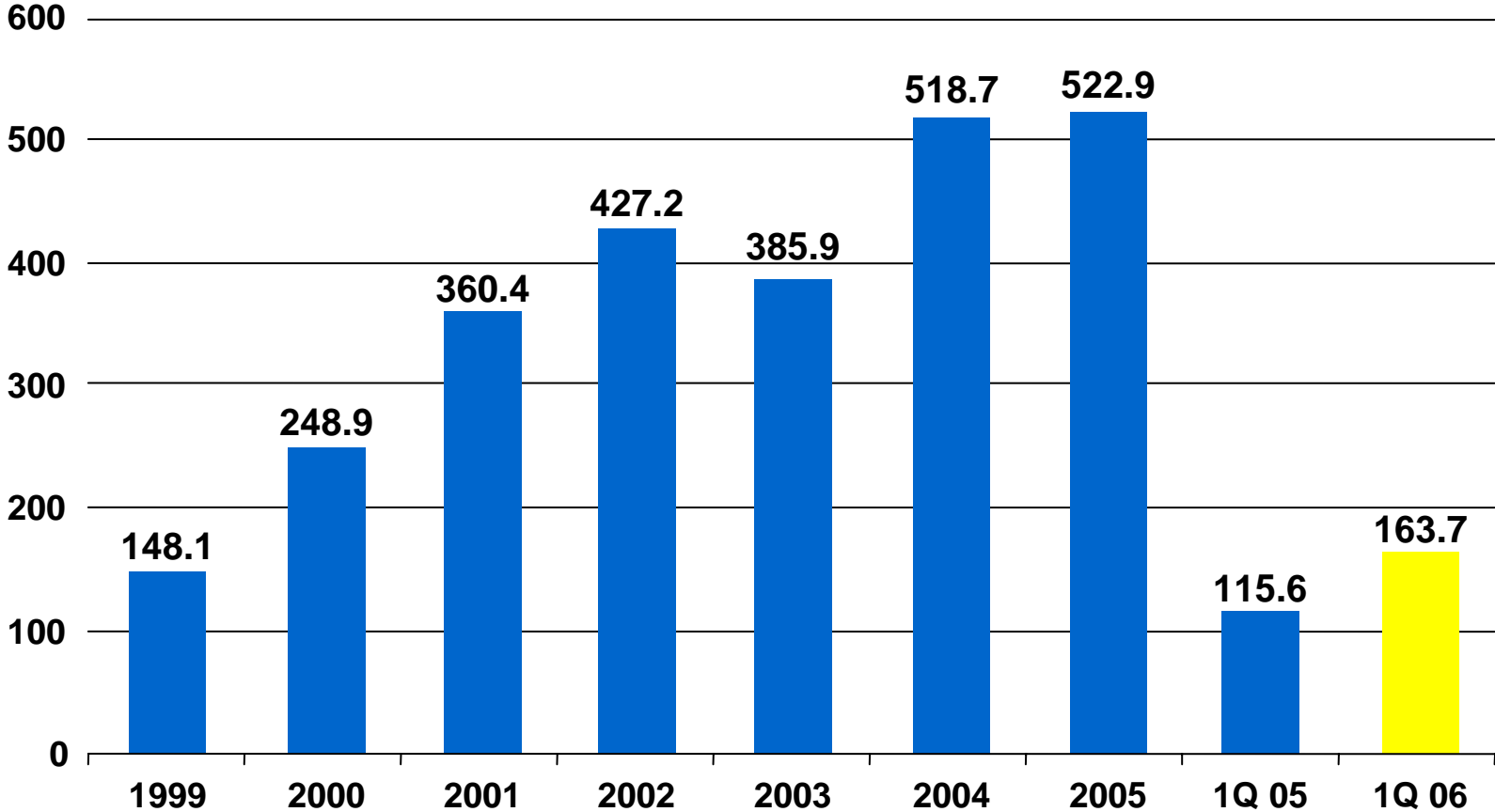
(\$ in millions except book value per share)	Book Value As Reported	Additions				Deductions			Total Additions and Deductions Net of Tax	Book Value As Adjusted
		Unearned Premiums	Present Value of Installment Premiums		Deferred Policy Acquisition Costs	Loss Factor for Future Premiums		Expense Factor for Future Premiums 5%		
			Financial Guaranty	Mortgage Insurance		Financial Guaranty 25%	Mortgage Insurance 35%			
December 31, 2000										
Total Common Equity	\$1,362.2	\$77.2		\$1,484.5	\$70.0		\$519.6	\$74.2	\$583.6	\$1,945.8
Number of Shares (in millions)	75.8									75.8
Book Value per Share	\$17.97									\$25.67
December 31, 2001										
Total Common Equity	\$2,306.3	\$513.9	\$254.0	\$1,736.9	\$151.0	\$63.5	\$607.9	\$99.5	\$1,028.8	\$3,335.1
Number of Shares (in millions)	94.0									94.0
Book Value per Share	\$24.54									\$35.49
December 31, 2002										
Total Common Equity	\$2,753.4	\$618.1	\$400.1	\$1,881.0	\$183.6	\$100.0	\$658.4	\$114.1	\$1,198.1	\$3,951.5
Number of Shares (in millions)	93.6									93.6
Book Value per Share	\$29.42									\$42.22
December 31, 2003										
Total Common Equity	\$3,225.8	\$718.6	\$444.4	\$2,303.7	\$218.8	\$111.1	\$806.3	\$137.4	\$1,425.6	\$4,651.4
Number of Shares (in millions)	94.0									94.0
Book Value per Share	\$34.31									\$49.48
December 31, 2004										
Total Common Equity	\$3,689.1	\$723.5 (1)	\$252.0 (1)	\$2,310.1	\$195.2 (1)	\$63.0	\$808.5	\$128.1	\$1,359.0	\$5,048.0
Number of Shares (in millions)	92.3									92.3
Book Value per Share	\$39.98									\$54.70
(1) Adjusted for expected First Quarter 2005 Recapture										
December 31, 2005										
Total Common Equity	\$3,662.9	\$849.4	\$303.0	\$2,392.5	\$208.3	\$75.7	\$837.4	\$134.8	\$1,487.6	\$5,150.5
Number of Shares (in millions)	83.0									83.0
Book Value per Share	\$44.11									\$62.03
March 31, 2005										
Total Common Equity	\$3,446.6	\$735.8	\$239.2	\$2,194.1	\$199.9	\$59.8	\$767.9	\$121.7	\$1,312.8	\$4,759.4
Number of Shares (in millions)	86.4									86.4
Book Value per Share	\$39.89									\$55.08
March 31, 2006										
Total Common Equity	\$3,745.4	\$874.7	\$294.9	\$2,310.8	\$209.5	\$73.7	\$808.8	\$130.3	\$1,467.8	\$5,213.2
Number of Shares (in millions)	82.4									82.4
Book Value per Share	\$45.43									\$63.24

Return on Equity



Net Income

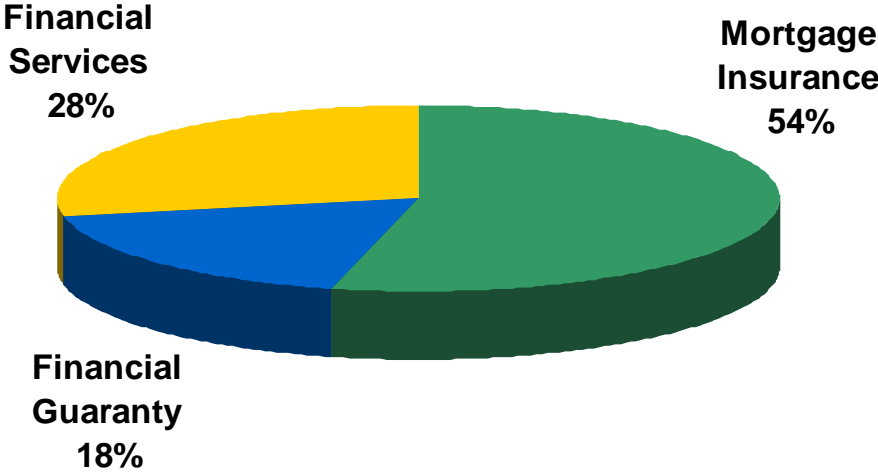
Net income CAGR of 23.4% through 2005



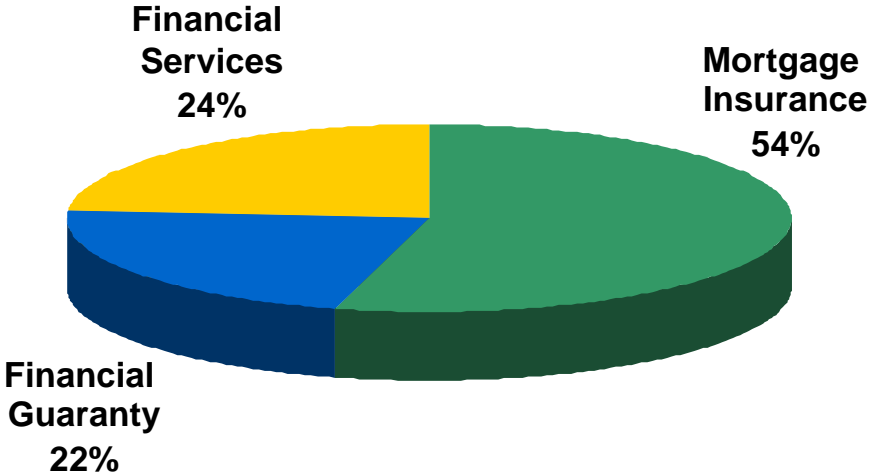
Dollars in millions.

Net Income Mix

1Q05

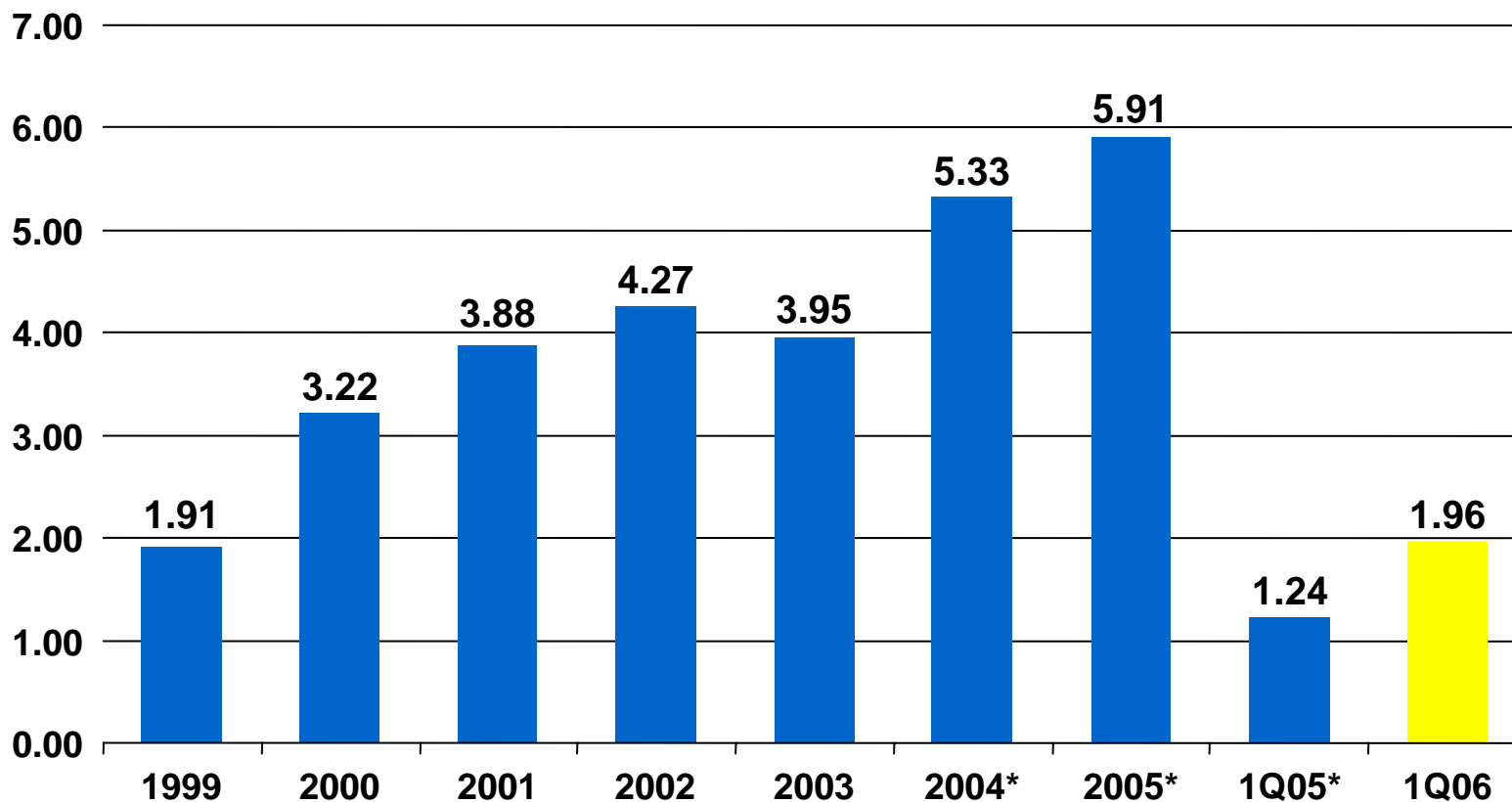


1Q06



Diluted Net Income Per Share

CAGR of 20.7% through 2005

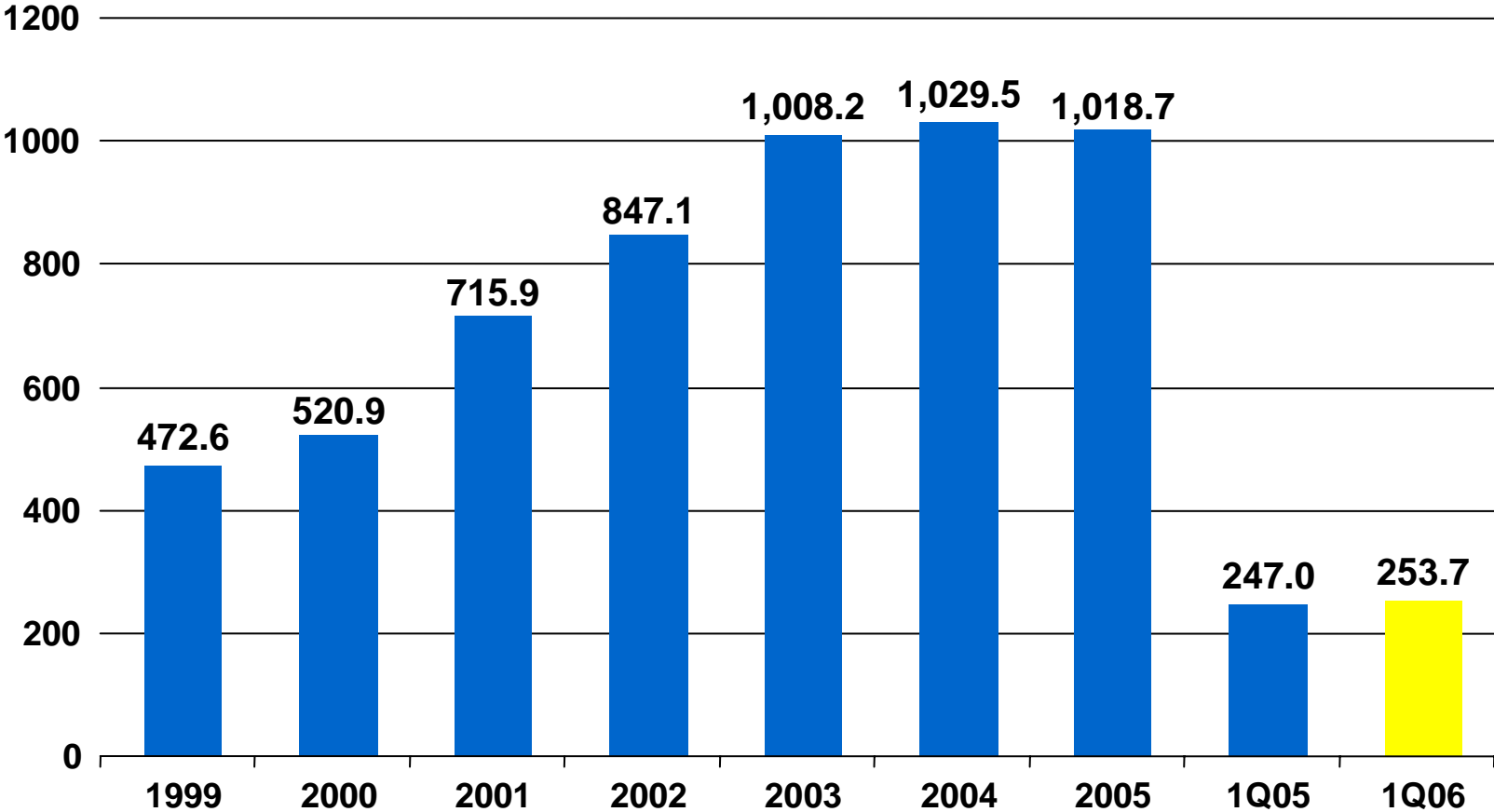


* Reflects the inclusion of shares underlying contingently convertible debt that was redeemed August 1, 2005. The impact of including these shares in the calculation was a reduction of \$0.18 for the twelve months ended December 31, 2004, \$0.13 for the twelve months ended December 31, 2005 and \$0.04 for the quarter ended March 31, 2005.

In dollars.

Net Premiums Earned

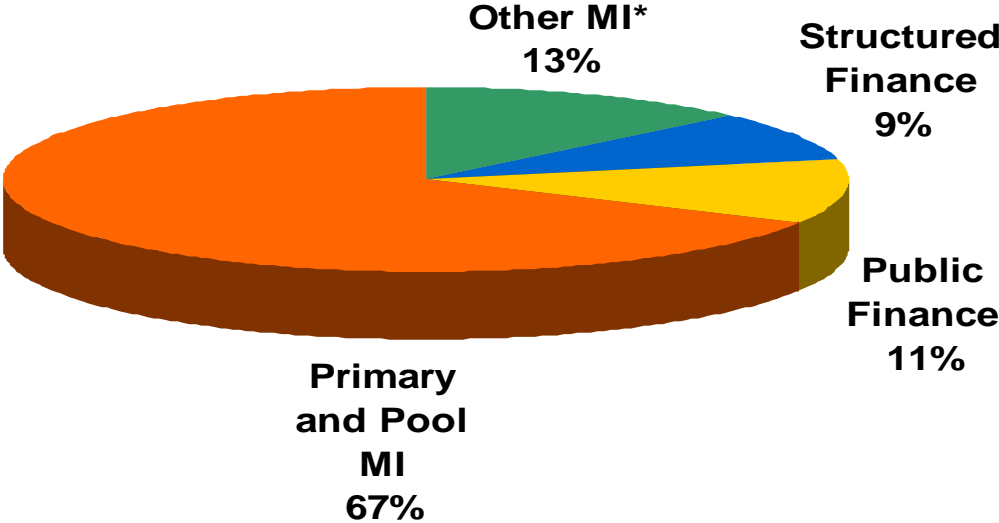
CAGR of 13.7% through 2005



Dollars in millions.

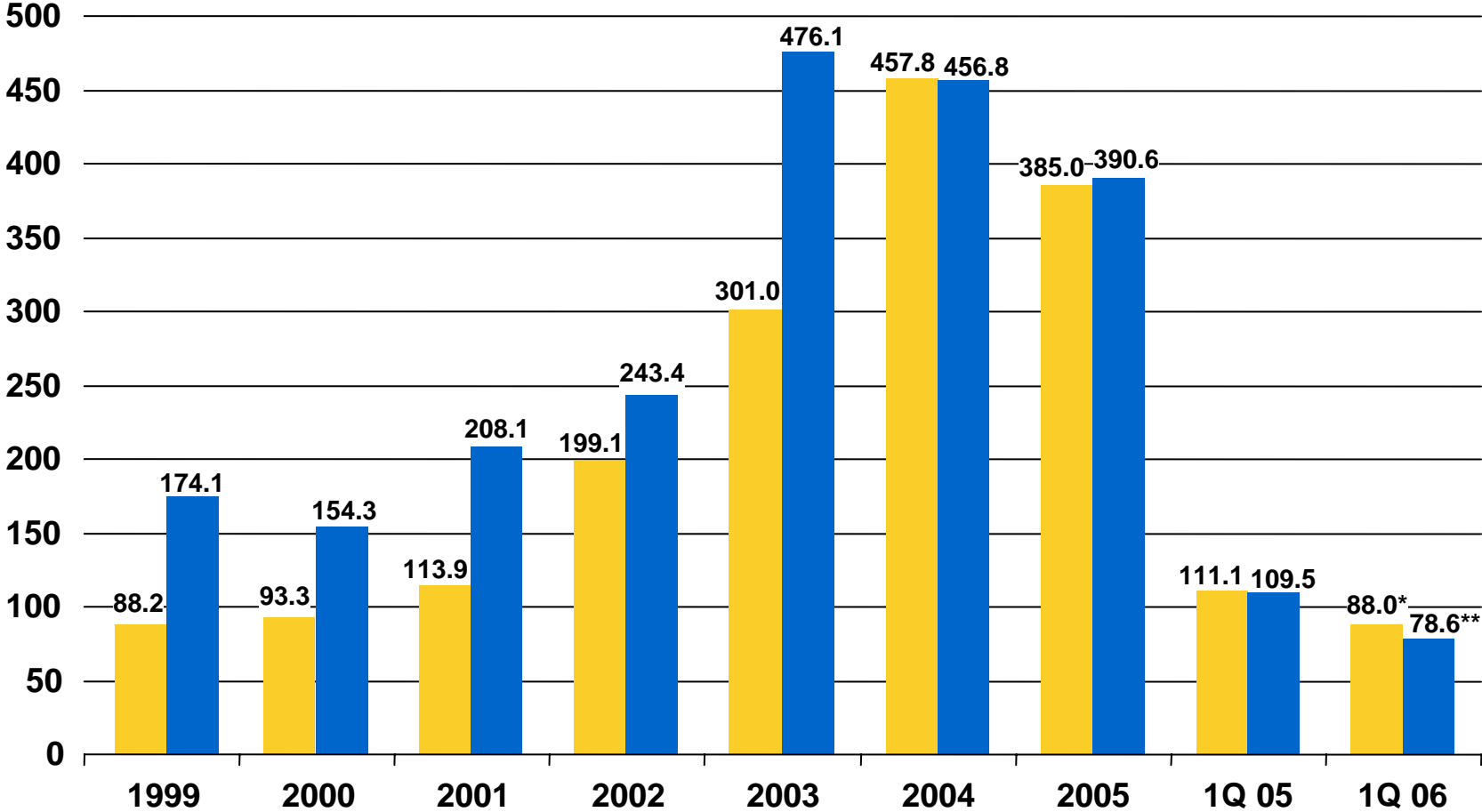
Premium Written Mix

1Q06



* Other MI includes Seconds, NIMs, International, Domestic credit default swaps and Financial guaranty wraps.

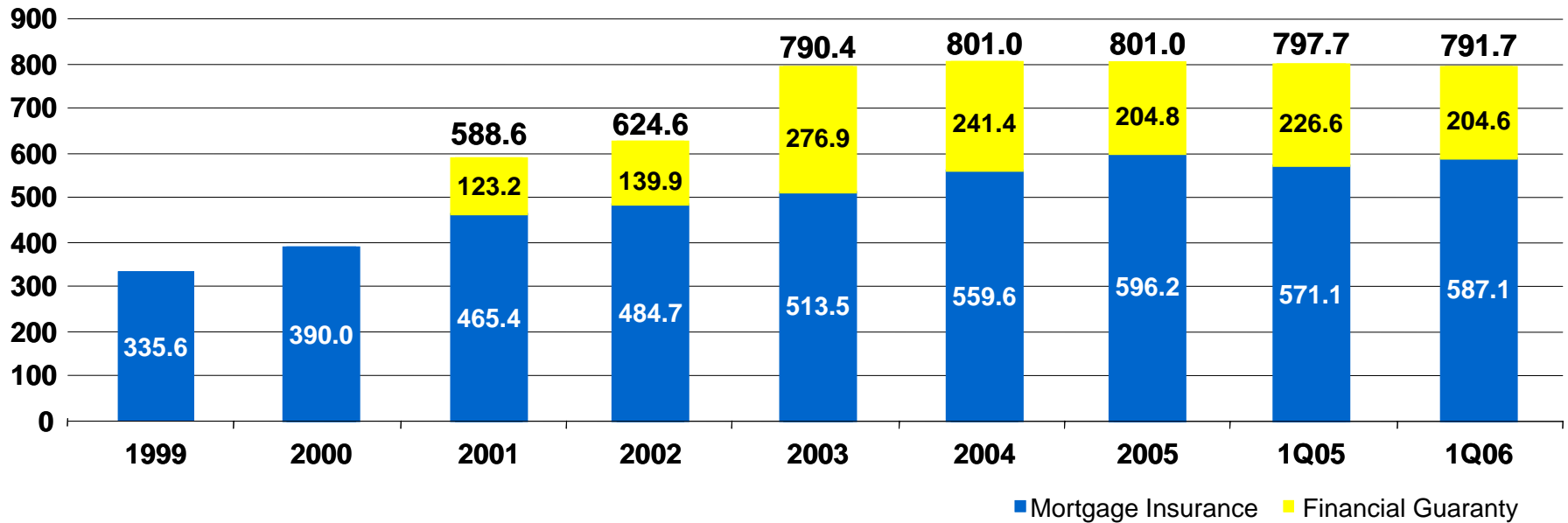
Losses: Net Paid vs. Incurred



■ Net Paid ■ Incurred

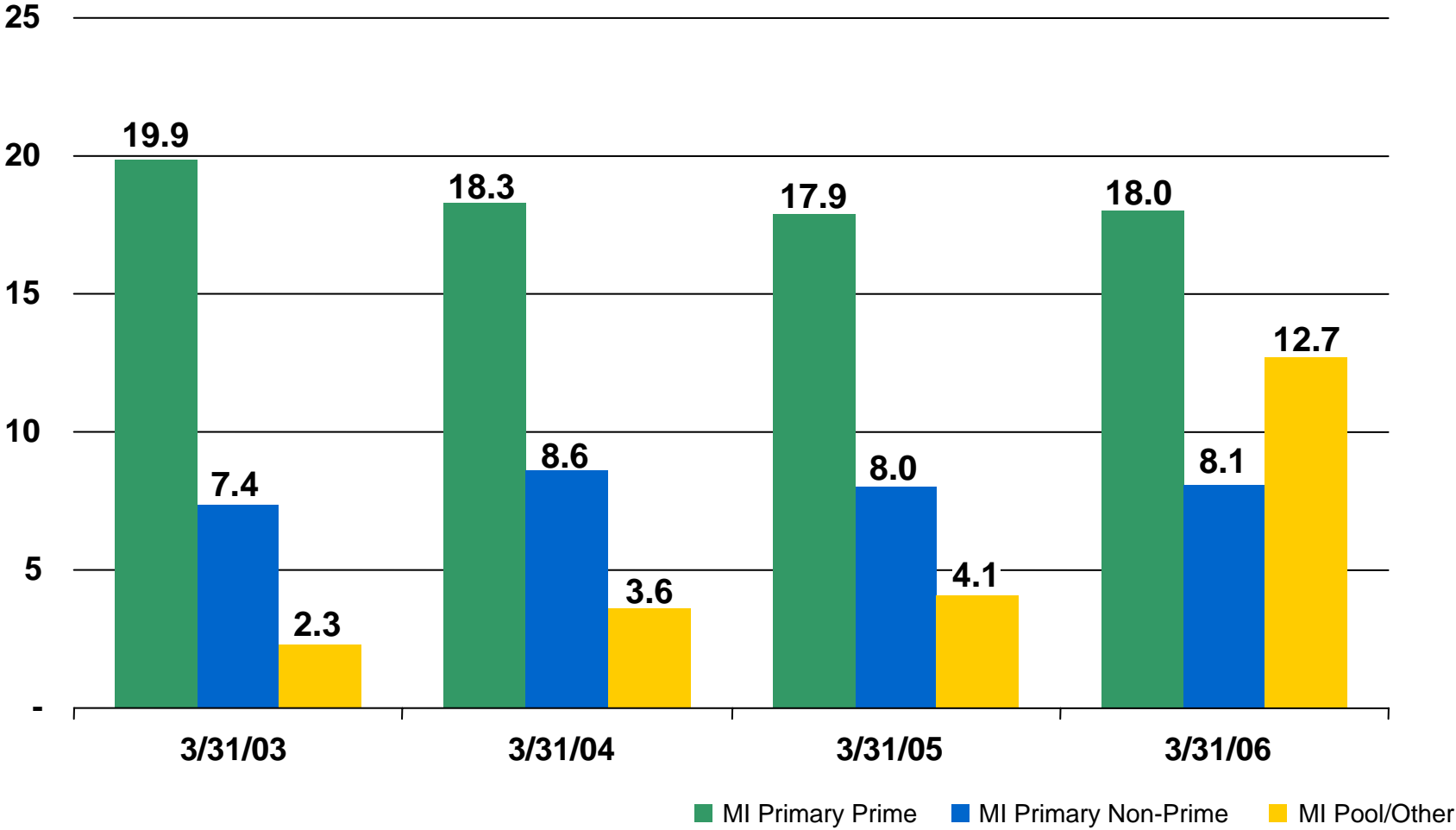
Dollars in millions. * MI = \$79.8, FG = \$8.2 ** MI = \$71.1, FG = \$7.5

Total Loss Reserves



Dollars in millions.

Mortgage Insurance Risk in Force by Product



Dollars in billions.

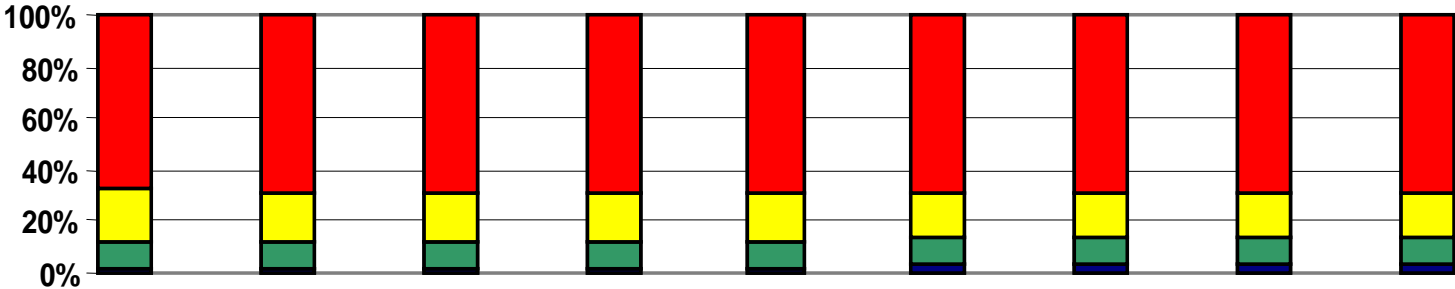
Risk In Force/ Net Par Outstanding by Product

Business Line	Product	RIF/ Net Par Outstanding as of 3/31/06	Percent of Portfolio
Financial Guaranty	Direct Public Finance	\$14,391.9	12%
	Public Finance Reinsurance	34,364.3	28%
	Structured Finance	29,563.1	24%
	Structured Finance Reinsurance	5,011.0	4%
Total FG Net Par Outstanding		83,330.3	68%
Mortgage Insurance	Primary Prime MI	17,974.0	15%
	Primary Non-Prime MI	8,101.8	7%
	Pool MI	2,750.4	2%
	Second Liens	1,349.9	1%
	NIMs	303.0	--%
	International	7,898.3	7%
	Other	405.0	--%
Total MI RIF		38,782.4	32%
Total Radian RIF		\$122,112.7	100%

Dollars in millions.

Mortgage Insurance

Primary MI Risk In Force by Product

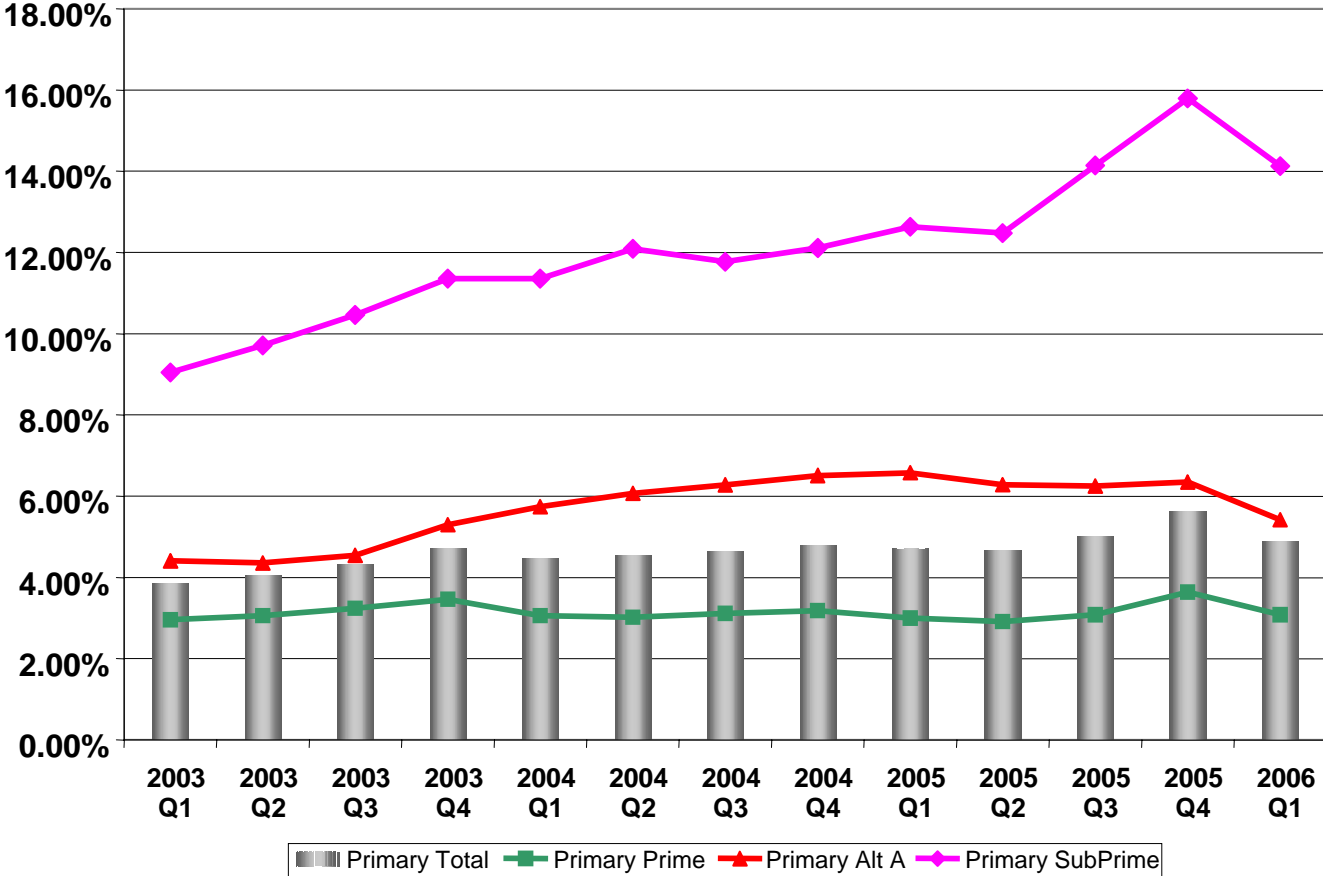


	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06
■ Prime	68.1%	68.9%	68.5%	68.2%	69.2%	68.6%	68.7%	69.3%	68.9%
■ Alt A	19.9%	19.4%	19.3%	19.1%	18.3%	17.9%	17.7%	17.5%	17.5%
■ A minus	10.0%	9.8%	10.1%	10.3%	10.2%	10.7%	10.7%	10.5%	10.8%
■ B/C	2.0%	1.9%	2.1%	2.4%	2.3%	2.8%	2.9%	2.7%	2.8%

Percentage of dollars.

Mortgage Insurance

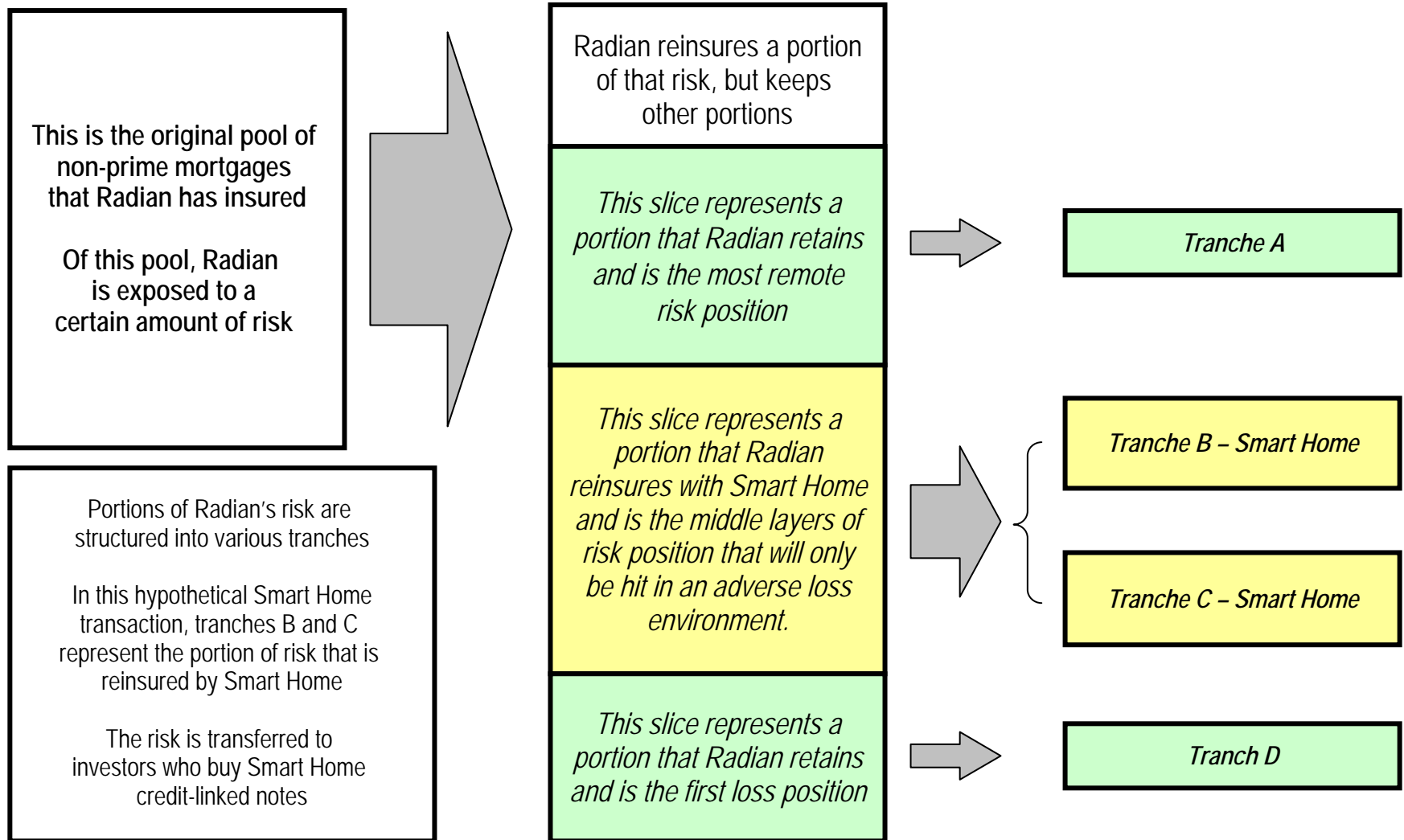
Primary MI Default Rates by Prime, Alt A and SubPrime



Smart Home

- What is Smart Home?
 - Smart Home is the name of a financial solution that Radian uses to help the company manage its exposure to non-prime mortgage risk, a growing segment of the mortgage market.
 - Smart Home allows Radian to distribute mortgage risk to the capital markets and protects Radian against catastrophic loss and protects the company's book value.
- How does Smart Home work?
 - A Smart Home company is established by a third party financial institution, and that company enters into an agreement with Radian to reinsure a pool of non-prime loans.
 - Credit-linked notes are then issued by the Smart Home company and sold to investors in the capital markets.
 - Once the credit-linked notes are sold and the Smart Home company is fully capitalized, a portion of risk from Radian's non-prime mortgage pool is now effectively transferred through Smart Home to the note holders in the capital markets.

An Overview of a Typical Smart Home Transaction

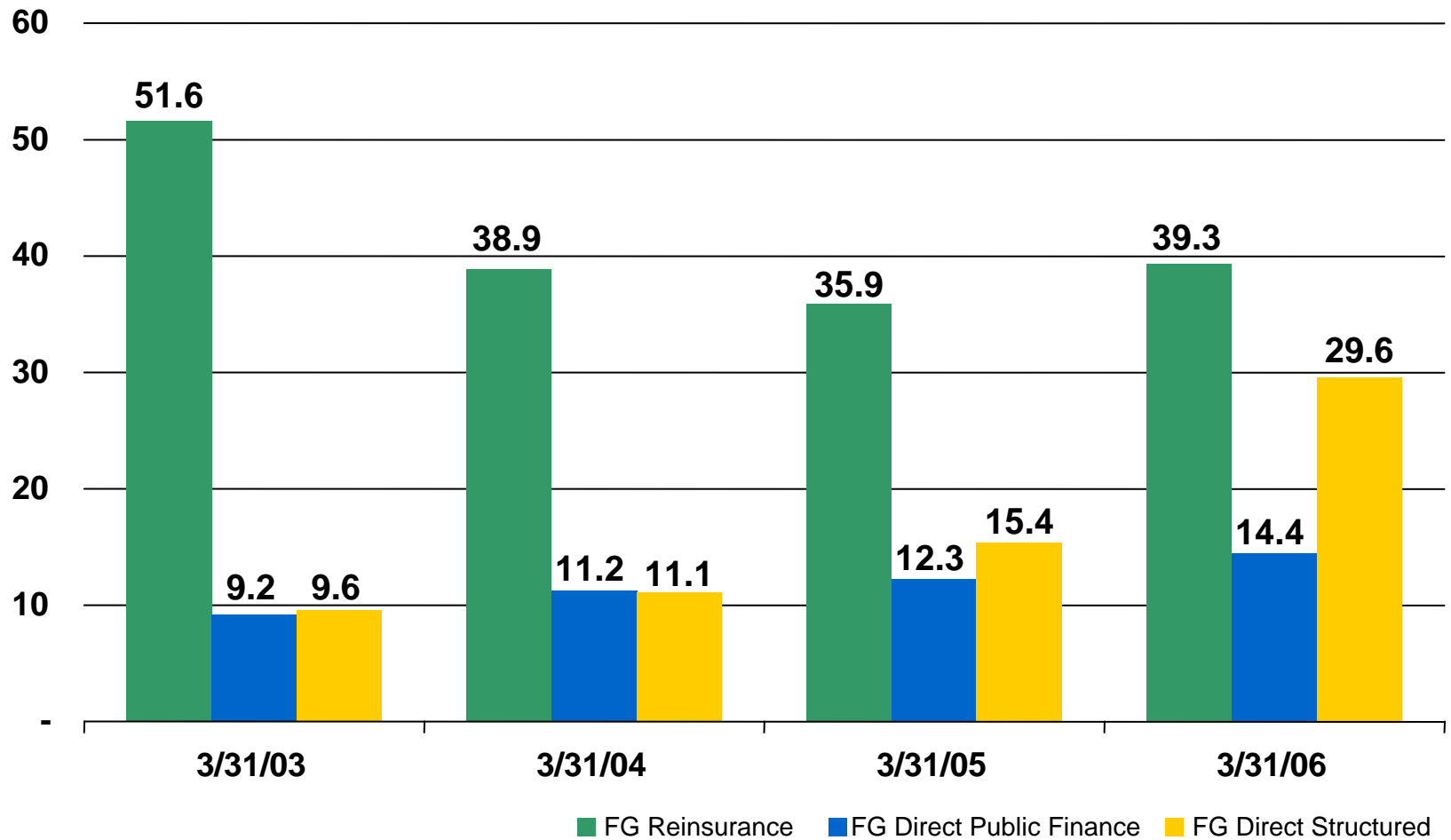


Radian's Smart Home Transactions

- **Smart Home Reinsurance 2005-2 (December 2005/February 2006)**
 - \$6.27 billion pool of non-prime mortgages with Radian MI
 - Risk Ceded to Reinsurer (Par Value): \$1.69 billion
 - \$304.5 million* of credit-linked notes sold to investors in the capital markets
- **Smart Home Reinsurance 2005-1 (February 2005)**
 - \$1.68 billion pool of non-prime mortgages
 - Risk Ceded to Reinsurer (Par Value): \$495.6 million
 - \$98.5 million of credit-linked notes sold to investors in the capital markets
- **Smart Home Reinsurance 2004-1 (August 2004)**
 - \$882 million pool of non-prime mortgages
 - Risk Ceded to Reinsurer (Par Value): \$332.1 million
 - \$86.1 million of credit-linked notes sold to investors in the capital markets

* \$172.9 million in principal amount of credit-linked notes was issued in December 2005. An additional \$131.6 million in principal amount was issued in February 2006.

Financial Guaranty Net Par Outstanding by Product



In billions of dollars.

Financial Guaranty

Product Line and Sector Mix, \$83.3 billion in net par outstanding as of 3/31/06

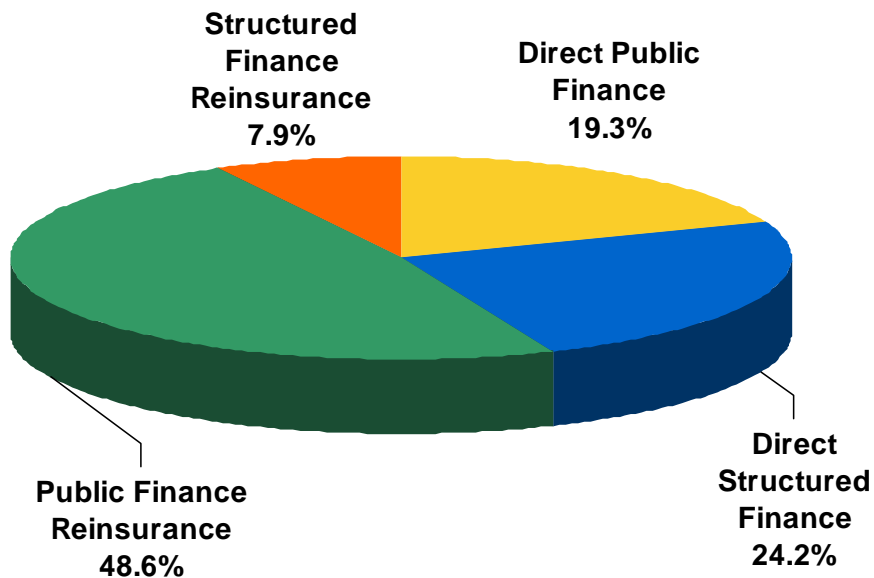
Public Finance		Structured Finance	
Sector	Sector %	Sector	Sector %
AAA Wrap Municipal	0.5%	Asset-backed – commercial and other	1.9%
Education	4.4%	Asset-backed – consumer	2.2%
General obligations	18.9%	Asset-backed – mortgage and MBS	1.6%
Healthcare	10.9%	CDOs	33.6%
Housing	0.7%	Other structured finance	1.6%
Investor owned utilities	2.6%	Subtotal	40.9%
Long term care	1.7%		
Tax-backed	5.7%		
Transportation	5.8%		
Utilities	7.0%		
Other public finance	0.9%		
Subtotal	59.1%		

Financial Guaranty

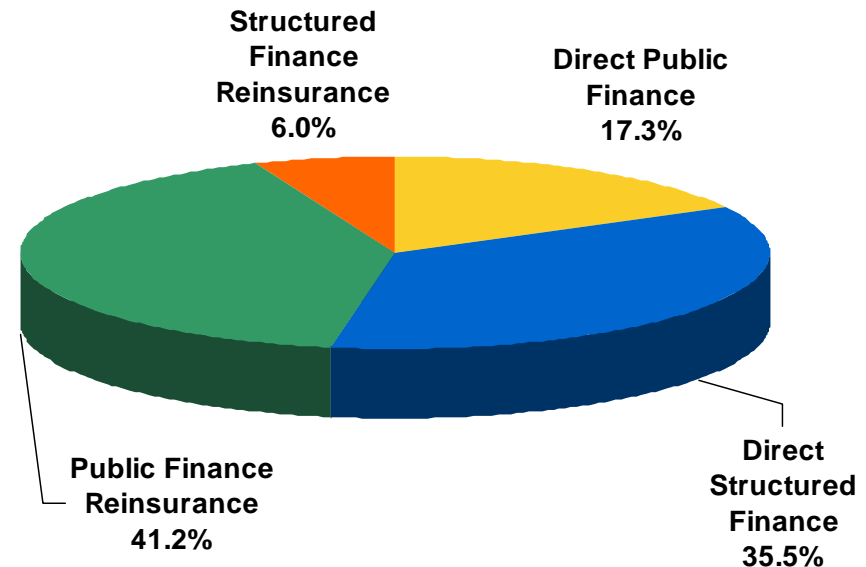
Net Par Outstanding by Business Line

\$63.6 billion in net par as of 3/31/05; \$83.3 billion in net par outstanding as of 3/31/06

3/31/05

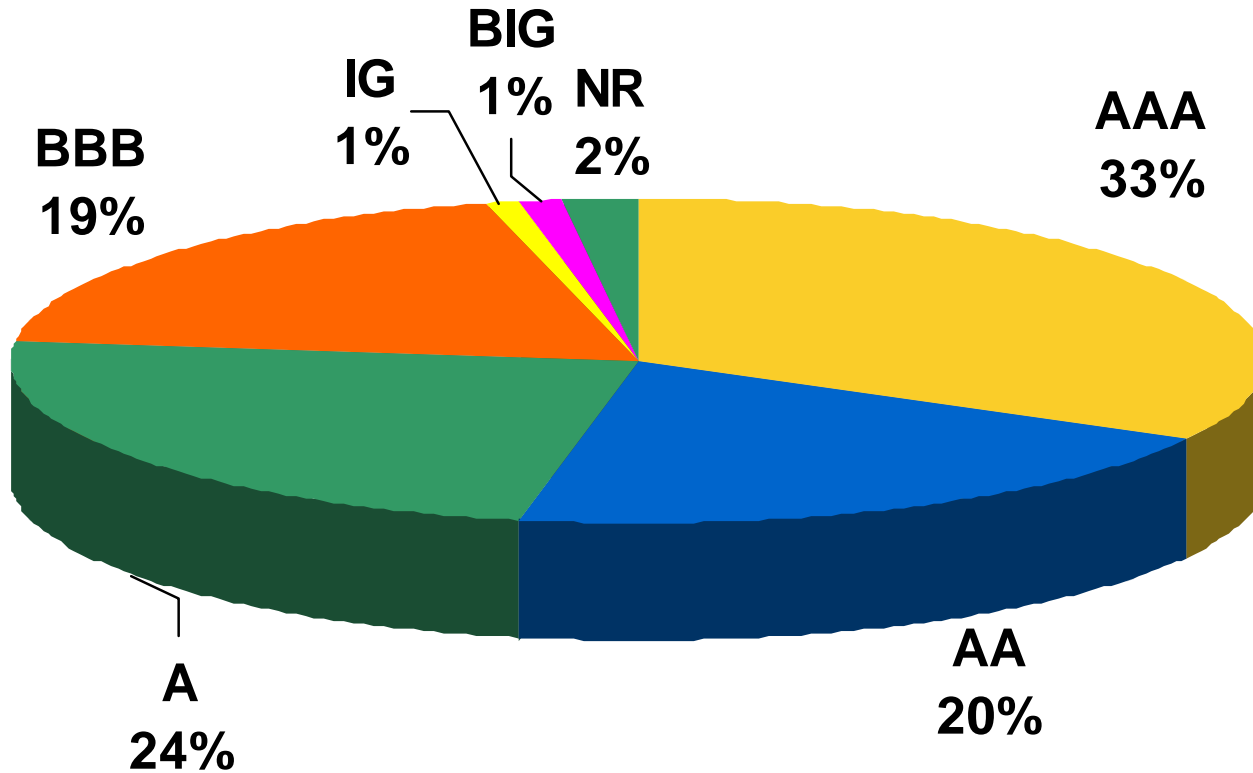


3/31/06



Financial Guaranty

Net Par Outstanding by Rating, \$83.3 billion in net par outstanding as of 3/31/06



* Indicated category reflects highest rating of the three rating agencies.

RADIAN

Changing the nature of risk.sm