

MGIC Radian Financial Group

Creating a Preeminent
Mortgage and Credit Risk Insurer

February 6, 2007

Forward Looking Statement

Discussions made in this press release that are not statements of historical fact (including statements that include terms such as “will,” “may,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” and “plan”) are forward-looking statements that involve risks and uncertainties. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. Such forward-looking statements include, but are not limited to, statements about the benefits of the business combination transaction involving Radian and MGIC, including future financial and operating results, the new company’s plans, objectives, expectations and intentions and other statements that are not historical facts. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the failure of Radian or MGIC shareholders to approve the transaction; the risk that the businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; competition and its effect on pricing, spending, third-party relationships and revenues; movements in market interest rates and secondary market volatility; potential sales of assets in connection with the merger; legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance; downgrades of the insurance financial-strength ratings assigned by the major ratings agencies to Radian’s and MGIC’s operating subsidiaries and unfavorable changes in economic and business conditions. Additional factors that may affect future results are contained in Radian’s and MGIC’s filings with the SEC, which are available at the SEC’s website <http://www.sec.gov>. Radian and MGIC disclaim any obligation to update and revise statements contained in these materials based on new information or otherwise.

Additional Information

The proposed merger will be submitted to shareholders of MGIC Investment Corporation and Radian Group Inc. for their consideration. Shareholders are urged to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available because it will contain important information. Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about MGIC and Radian, without charge, at the Securities Exchange Commission's Internet site (www.sec.gov). You will also be able to obtain these documents, free of charge, by accessing MGIC's website (<http://www.mgic.com>) or Radian's website (<http://www.radian.biz>). Copies of the joint proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to Michael Zimmerman, Vice President Investor Relations, 250 E. Kilbourn, Milwaukee, WI 53092 or Mona Zeehandelaar, Senior Vice President, Investor Relations and Corporate Communications, 1601 Market Street, Philadelphia, PA 19103

MGIC Investment Corporation and Radian Group Inc., their respective directors and executive officers and other persons may be deemed to be participants in the solicitations of proxies from the shareholders of MGIC Investment Corporation and/or Radian Group Inc. in respect of the proposed merger. Information regarding MGIC Investment Corporation's directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by MGIC on March 30, 2006, and information regarding Radian Group Inc's directors and executive officers is available in its proxy statement filed with the Securities and Exchange Commission by Radian on April 18, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available..

Compelling Strategic Transaction

Leadership and Scale

Enhanced Operating Platform

Financially Compelling

Synergistic Transaction

Creating Shareholder Value

Compelling Strategic Transaction

Leadership and Scale

- A premier mortgage insurer – \$290bn of combined insurance in-force; \$98bn of NIW in 2006
- Experienced and strong combined management team
- Increased financial strength and flexibility from larger size
- Complementary businesses – mortgage insurance, financial guaranty, C-BASS and Sherman

Enhanced Operating Platform

- Significant operating efficiencies
- Complementary mix of revenues / earnings
- Stronger platform for growth – international opportunities
- Attractive risk profile – diverse geography, business mix

Financially Compelling

- Financially accretive to both companies' EPS
- Significant cost savings opportunities
- Strong capital base
- Substantial excess capital generation

Overview of Transaction Terms

Structure	0.9658 MGIC shares per Radian share Market-for-market exchange (based on February 2, 2007 market close)
Consideration	100% Stock
Name	MGIC Radian Financial Group – Mortgage Insurance business: MGIC – Financial Guaranty business: Radian Guaranty
Locations	Headquarters: Milwaukee, WI – Mortgage Insurance: Milwaukee, WI; Philadelphia, PA; International – Financial Guaranty: New York, NY; International
Leadership	CC, Chairman and CEO until two years post closing SAI, President and COO; assumes CEO title two years post closing Senior management positions identified
Board Composition	6 MGIC directors (including Chairman); 5 independents 5 Radian directors (including Lead Director); 4 independents – To be increased to 6 directors, 5 independents upon election by shareholders following consummation of the merger
Dividend	\$1.00 per share (current MGIC dividend)
Approvals	Normal shareholder and regulatory approvals
Due Diligence	Completed
Timing	Expected closing fourth quarter of 2007 Subject to regulatory approvals and approval of shareholders of both companies

Highly Experienced Management Team

Organization Chart Post-Closing

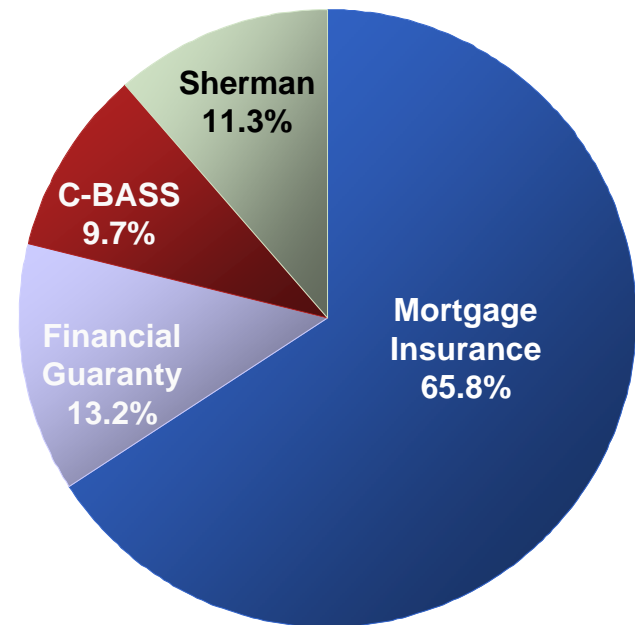
Title	Post-Closing	Industry Experience (Years)
Chief Executive Officer	Curt Culver	31
President / Chief Operating Officer	S.A. Ibrahim	25
Mortgage Insurance Company	Pat Sinks	28
Financial Guaranty Company	Stephen Cooke	23
Chief Financial Officer	Mike Lauer	17
Capital Markets	Mark Casale	20
General Counsel	Jeff Lane	10
Risk	Larry Pierzchalski	24
Technology / Information	Lawrence DelGatto	22
Human Resources	Rob Croner	27
Corporate Strategy / Corporate Secretary	Teresa Bryce	23
International	Martin Wood	11

Pro Forma Franchise and Earnings

Combined Businesses

- Mortgage insurance franchise
 - \$290bn of insurance in force
 - \$98bn of 2006 NIW
- Financial guaranty business
 - Strong AA franchise
 - \$104bn of net par outstanding
- Financial services businesses
 - C-BASS: A market leader in purchasing, servicing and investing in “credit sensitive” residential mortgage assets
 - \$291mm in 2006 pre-tax net income
 - Sherman: The nation’s largest buyer and servicer of unsecured distressed consumer debt
 - \$347mm in 2006 pre-tax net income

Pro Forma Net Income Mix⁽¹⁾



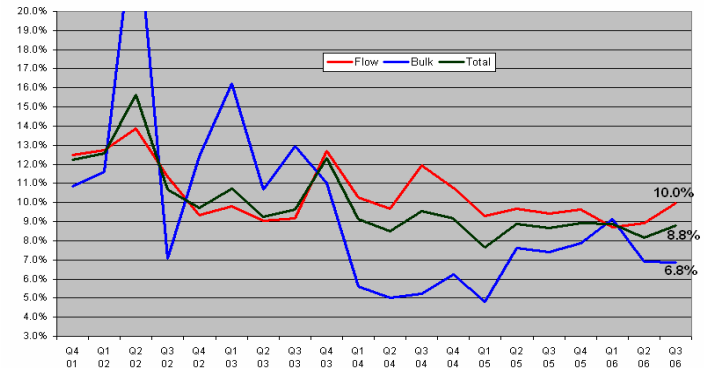
2006 Total: \$1.1 billion

1. Assumes restructuring of C-BASS and Sherman stakes to reduced ownership of 49.9% (pro forma reflects sale of stake, review of other potential alternatives).

MGIC Radian Mortgage Insurance Business

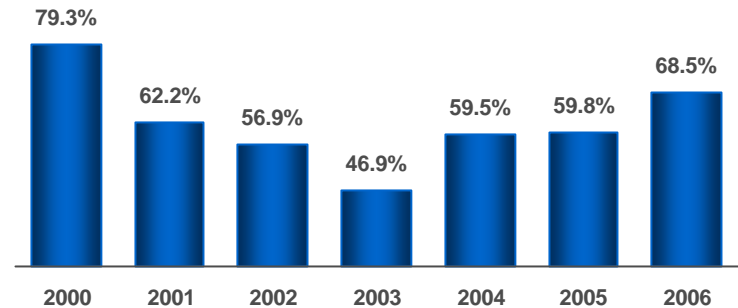
- Scale provides significant operating efficiencies
 - Best practices of both companies
 - Single technology platform for MI business
- Maintain sound risk profile
- Leading product capabilities
 - Capital market solutions
 - Credit default swaps
 - Bulk / flow
- Well positioned to succeed across mortgage products and volume cycles

Increasing MI Penetration Rates



Source: Inside Mortgage Finance and Inside MBS
 Flow Penetration = Flow NIW / Total Origination volume - Non Agency MBS Issuance
 Bulk Penetration = Bulk NIW / Non Agency MBS Issuance

Persistency Continues to Recover⁽¹⁾



1. Represents median of MGIC and Radian.

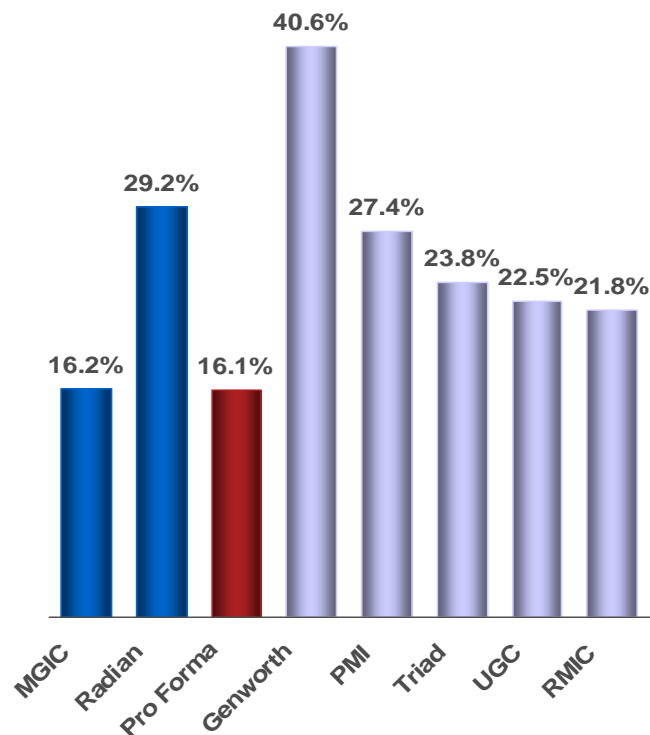
Increased Scale and Operating Efficiencies

Combination of MGIC and Radian Creates Greater Operating Efficiencies and Financial Strength

Increased Scale⁽¹⁾

- \$290 billion of insurance-in-force
- \$2.8 billion of revenue
- \$1.1 billion of net income
- \$9.7 billion of total capitalization
- \$8.3 billion of tangible book value

Statutory Expense Ratio



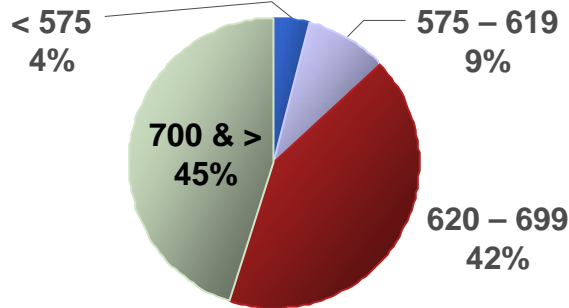
Note: Statutory expense data for YTD of 30-Sep-2006.

1. Includes purchase accounting adjustments. Data at or for the twelve months ended 2006 on a combined basis.

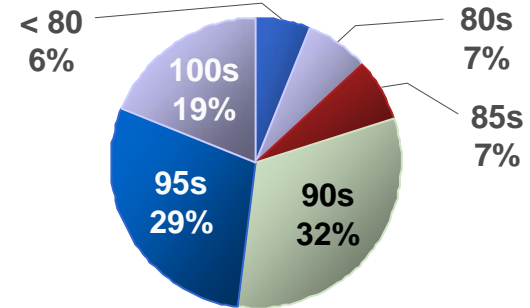
Primary Mortgage Insurance Risk Profile

Maintains Excellent Risk Dispersion

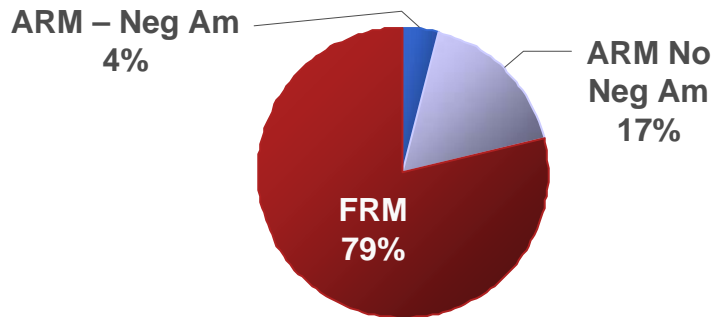
FICO Distribution



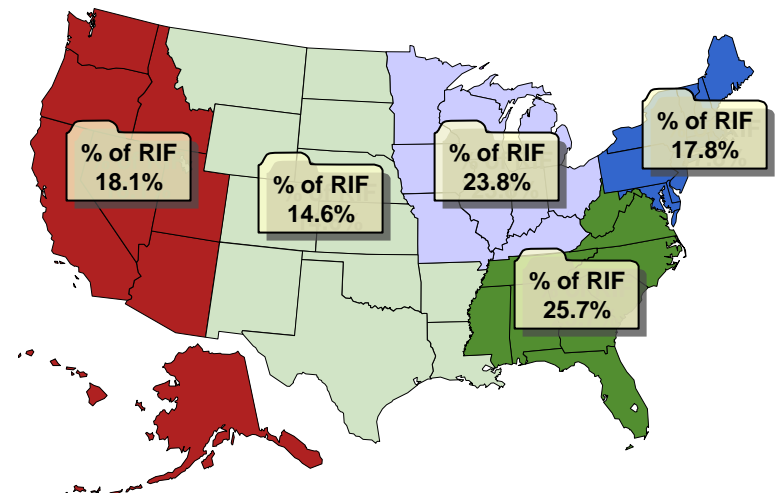
Original LTV



Product Type



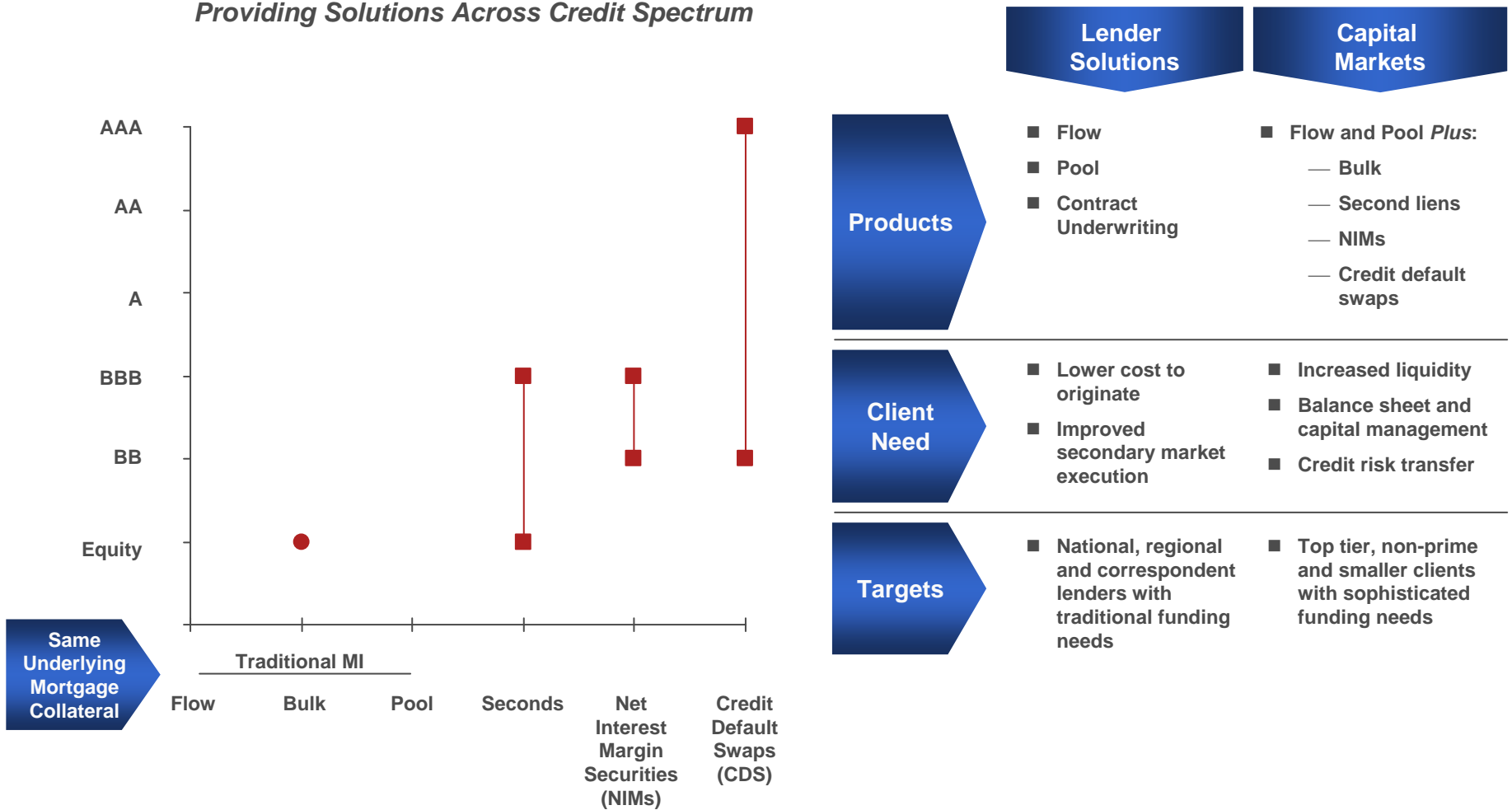
Geographic Dispersion



Note: As of 31-Dec-2006.

Mortgage Risk Origination Capabilities

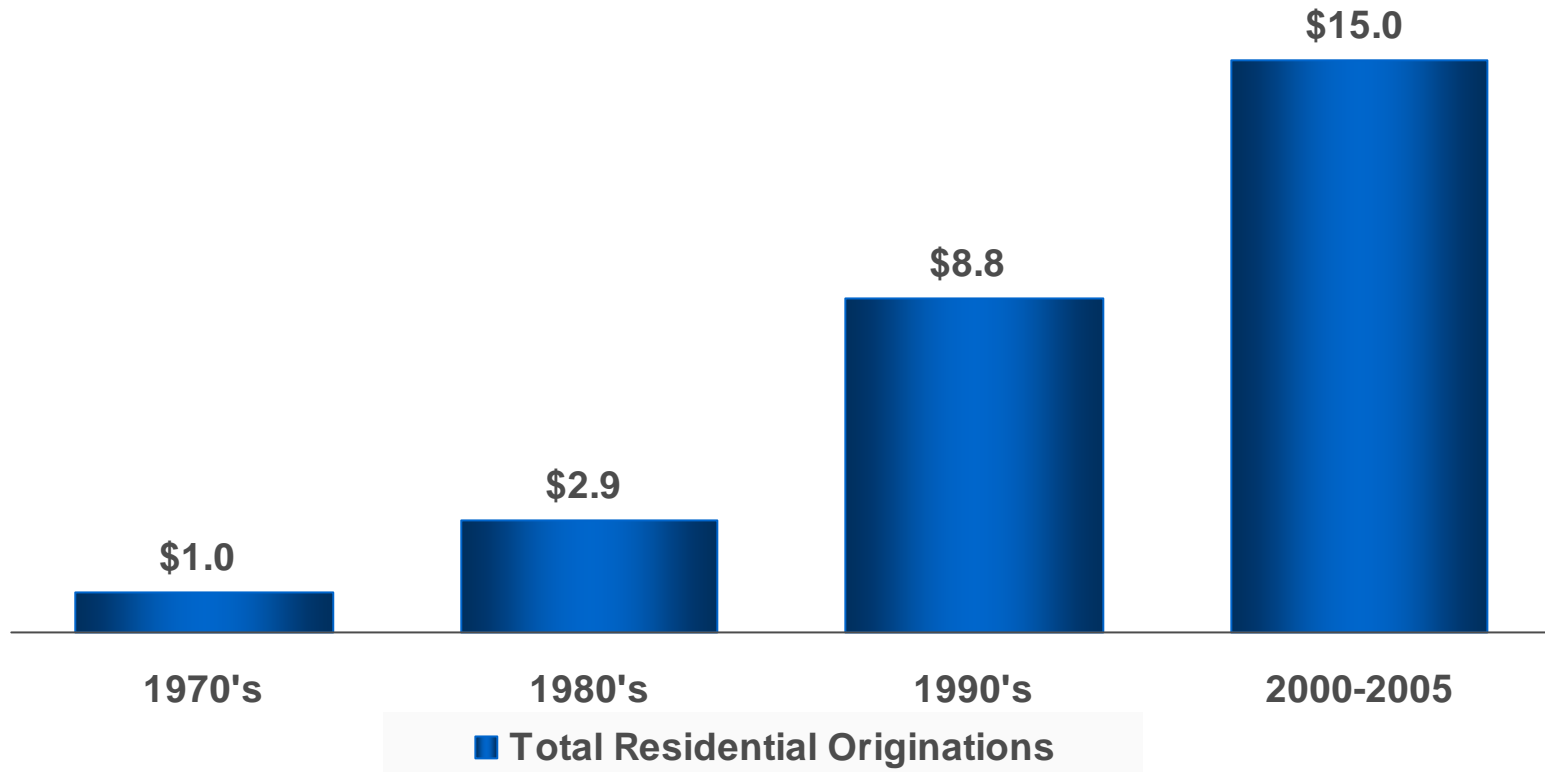
Providing Solutions Across Credit Spectrum



Residential Mortgage Market

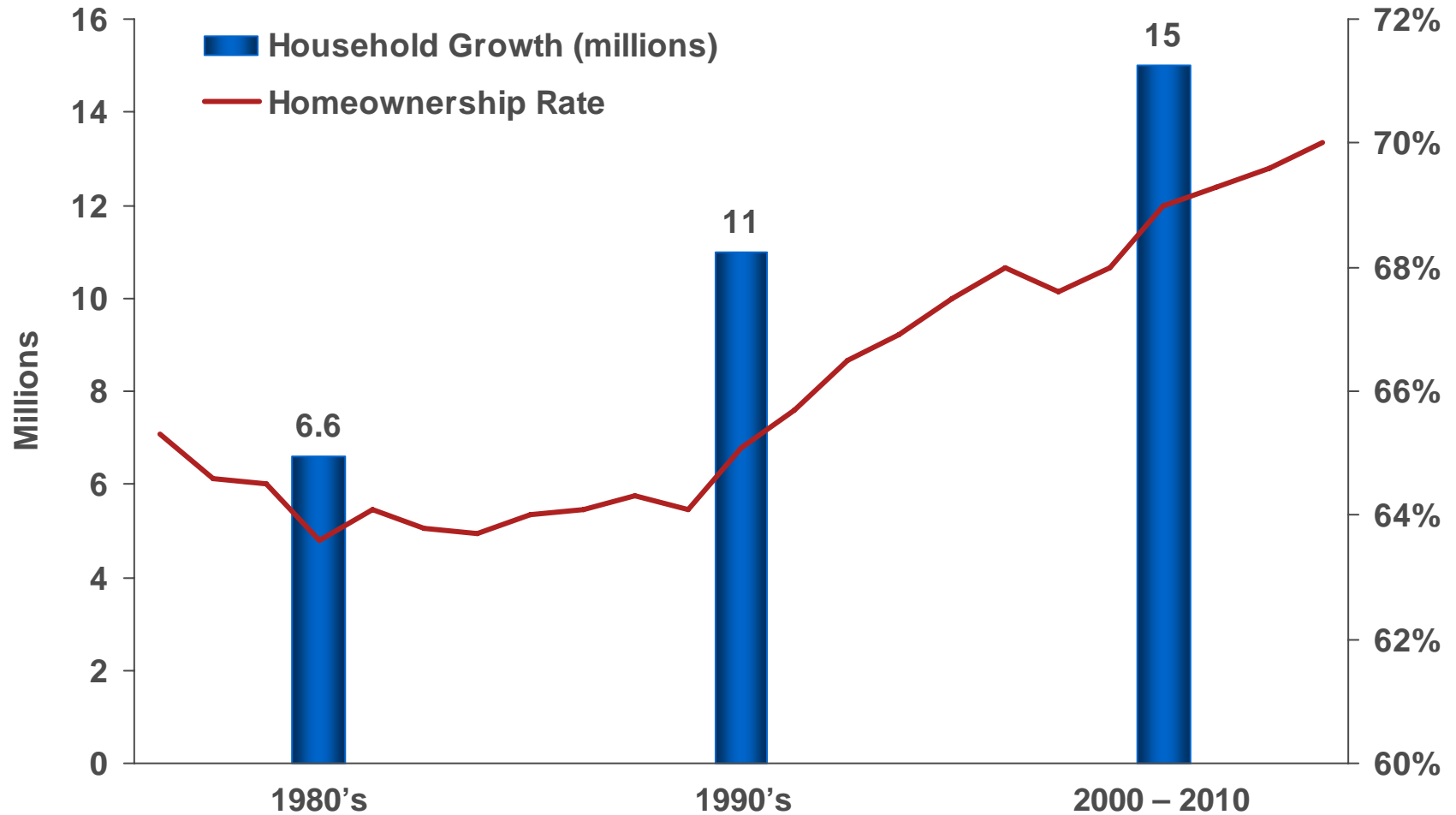
Strong Sector Growth Dynamics

Single Family Mortgage Originations (\$tn)



Source: Inside Mortgage Finance, FNMA, MBAA December Outlook.

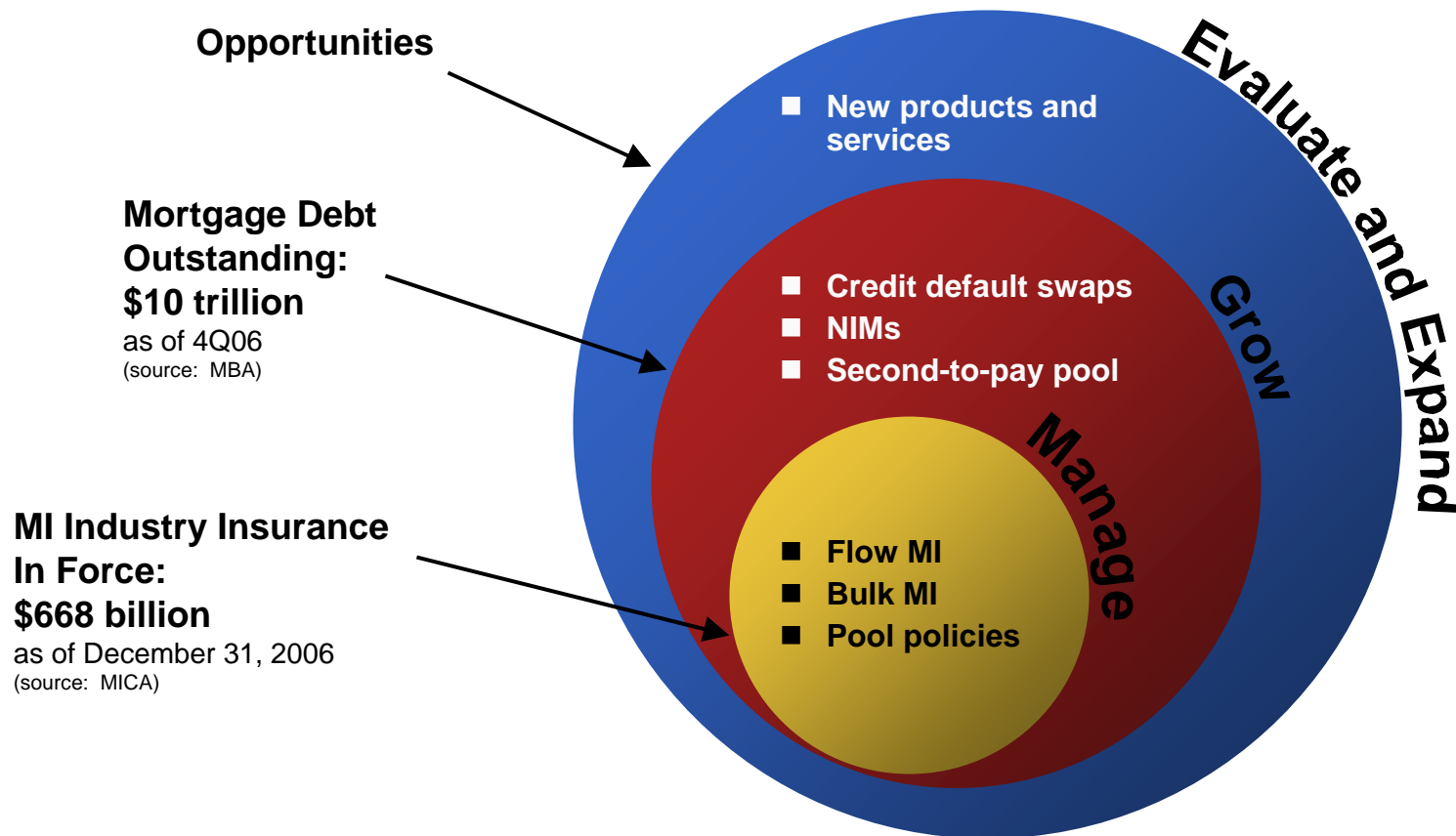
Mortgage Demand Continues to Grow



Source: U.S. Department of Commerce, U.S. Census Bureau for 1980 through June 2002 data; Fannie Mae 2005 Statistical Summary data.

Market Opportunities

MGIC Radian Has the Size and Scale to Dynamically Target Attractive Opportunities



Financial Guaranty Overview

- Direct writer of credit enhancement for municipal bonds, asset-backed obligations and structured products
- Provider of reinsurance to AAA- rated, monolines, primary FG insurers for municipal bonds and asset-backed obligations
- Insures timely payment of interest and principal
- Primarily insures investment grade obligations
- 97% of public finance portfolio and 95% of structured finance portfolio is investment grade
- December 31, 2006 net par outstanding: \$104 billion

Portfolio Product Lines (As of 31-Dec-06)

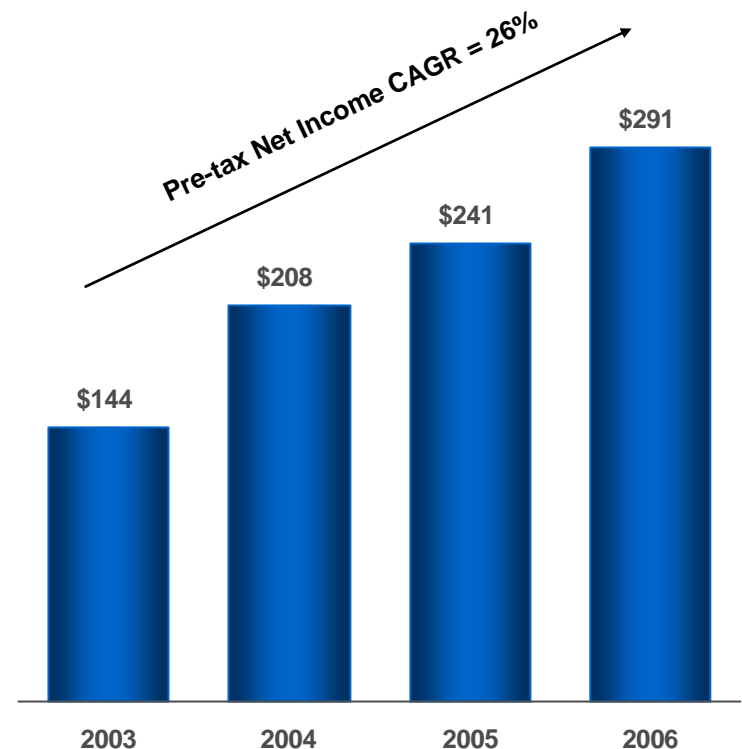
Public Finance	
Sector	Sector %
Education	4.1%
General obligations	16.8
Healthcare	10.6
Housing	0.8
Investor-owned utilities	2.6
Long-term care	1.5
Tax-backed	5.1
Transportation	5.4
Utilities	6.2
Other public finance	0.8
Subtotal	53.9%

Structured Finance	
Sector	Sector %
Asset-backed – commercial and other	1.6%
Asset-backed – consumer	2.1
Asset-backed – mortgage / MBS	1.3
CDOs	39.4
Other structured finance	1.7
Subtotal	46.1%

C-BASS Overview

- Purchases, services and securitizes "credit sensitive" residential mortgage assets
 - Invests where servicing makes a difference
- Built servicing portfolio to more than \$56 billion at December 31, 2006
- 80% of revenues are recurring from servicing, money management and portfolio management
- Complements MGIC Radian's capital markets channel in accessing the subprime markets and taking credit risk in a different form
- Strong earnings growth

Pre-tax Net Income (\$mm)

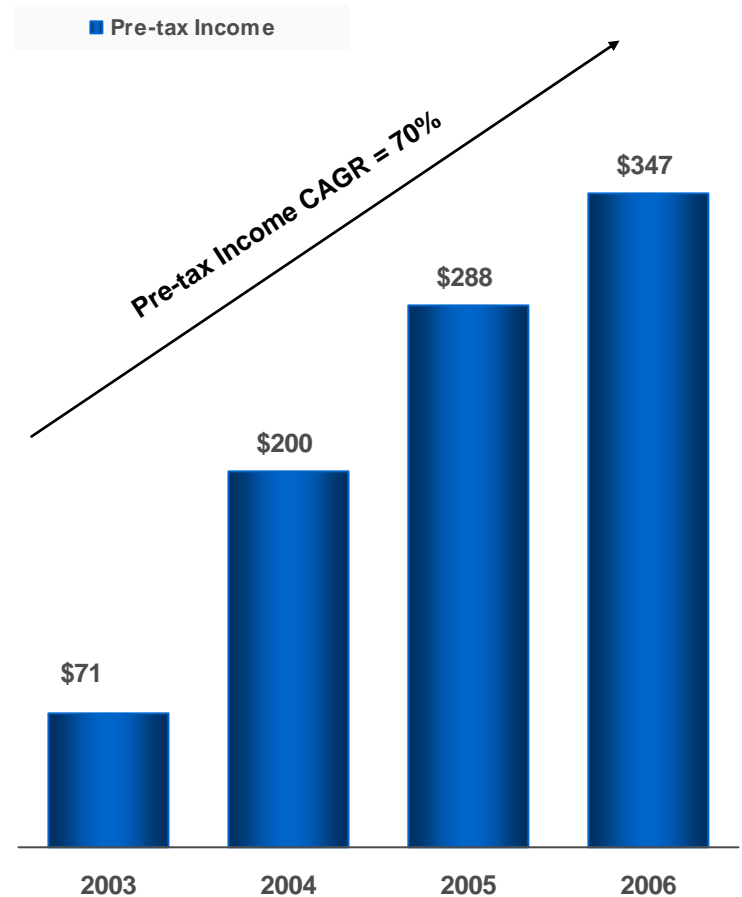


Sherman Financial Group Overview

- Originates, purchases and services consumer debt
 - Purchases of distressed debt made at deep discounts to their original face value from national financial institutions and major retail corporations
- CreditOne Bank
 - 1.3 million customers¹
 - Provides diversified and recurring revenue
 - Leverage consumer debt platform
- International opportunities
- Strong earnings growth

1. As of September 30, 2006.

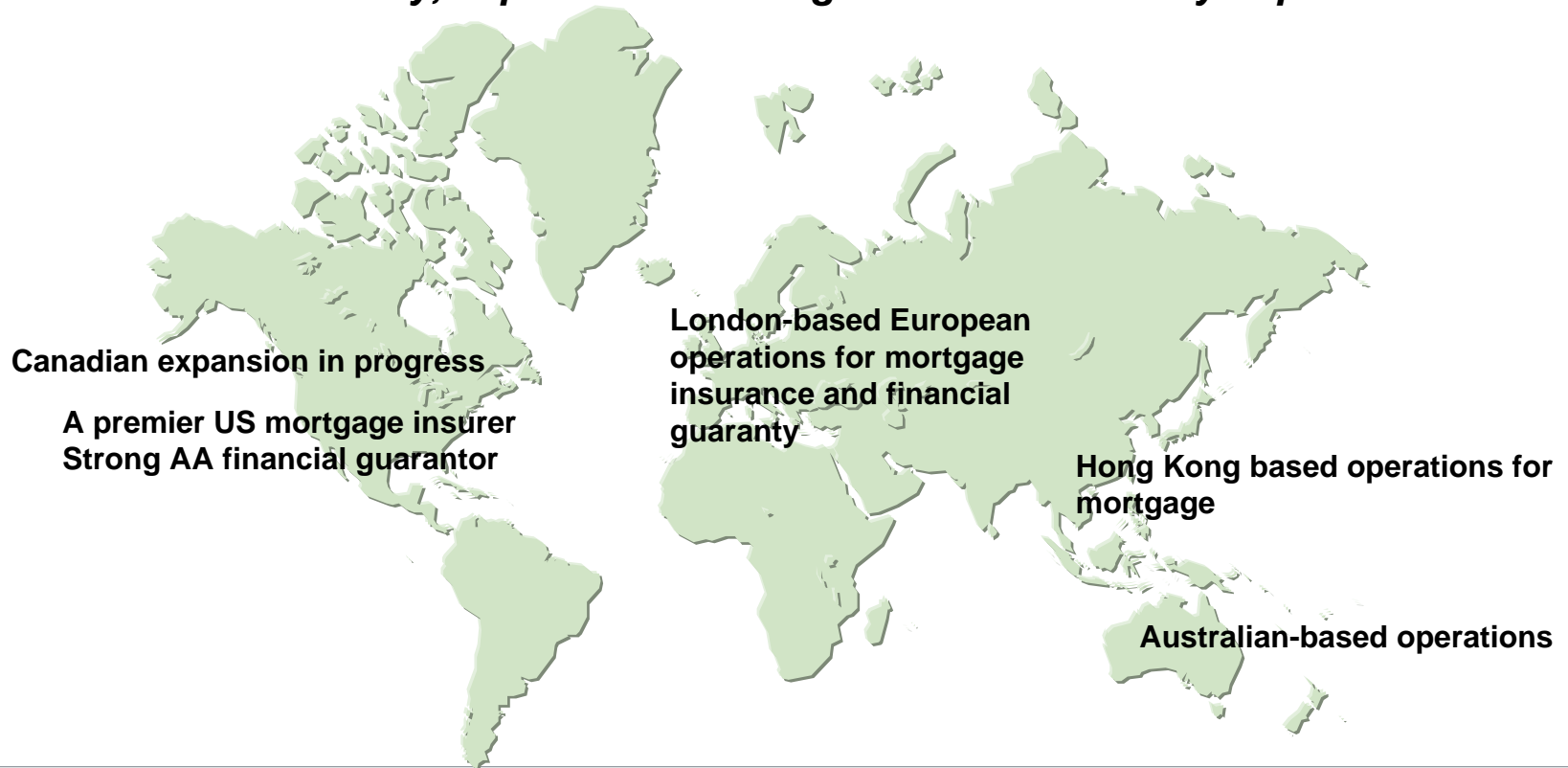
Consolidated Pre-tax Net Income (\$mm)



Enhanced Strategic Opportunities

Combination of MGIC and Radian Creates a Stronger Platform for Growth

***Combination will accelerate MGIC Radian's ability to expand operations
internationally, experienced management team already in place***



Significant Achievable Cost Savings

Cost Savings Opportunities

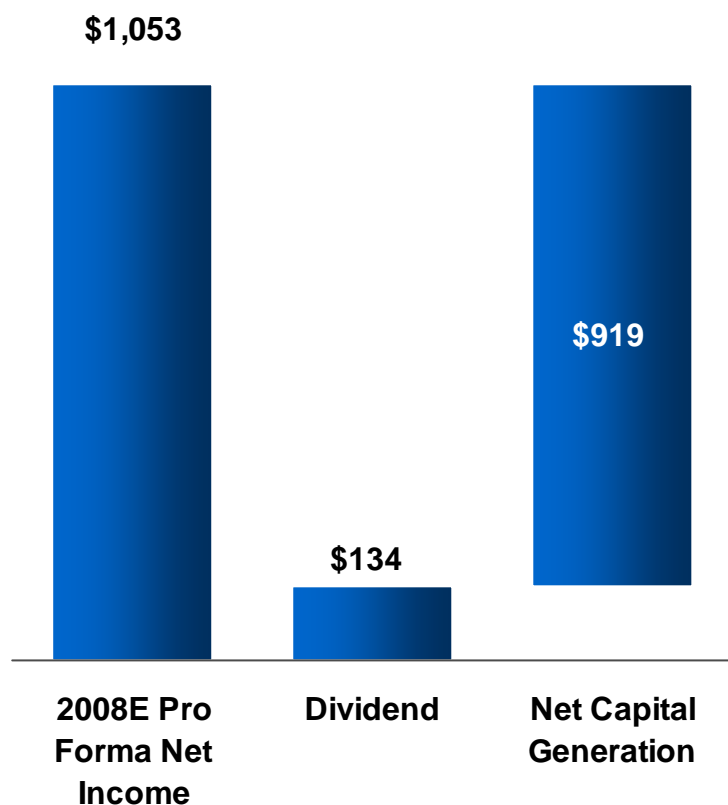
- Consolidation of mortgage insurance operations and technology platform
- Elimination of duplicative corporate staff functions and related overhead
- Greater shared services efficiencies
- Cost savings represent 24% of combined company's cost base
- Anticipated to be realized over 12-18 month period post-close

Estimated Cost Savings

	\$mm	% of Total Savings
Direct MI Expenses	\$ 41	32 %
Direct and Indirect IT	41	32
Other G&A	46	36
	\$ 128	100%

Substantial Capital Generation

(\$ in millions)

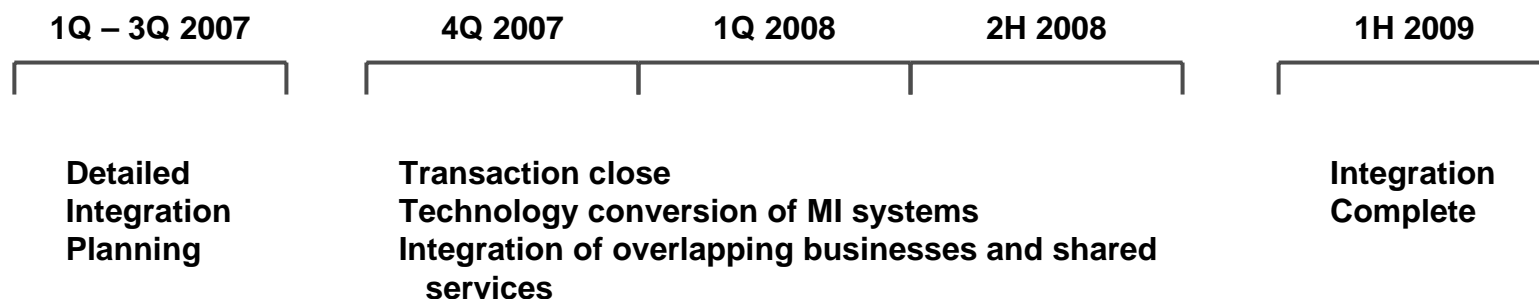


Potential Uses

- Support growth in core businesses
- Financial / strategic flexibility
- Ability to invest in business initiatives
 - International
 - Other
- Return excess capital to shareholders

Integration Plan

- Best of both companies
 - Talent, analytics, systems and processes
- Communication with constituencies
 - Ratings agencies, regulators, employees, investors and customers
- Integration timetable:



Pro Forma Assumptions

Transaction Close:

- 4th Quarter 2007

Consideration / Structure:

- 100% Stock
- Radian to receive 0.9658 shares of MGIC common stock for each Radian share

Synergies:

- Pre-tax cost savings
 - \$128mm phased in 75% / 100% in 2008 / 2009, respectively
- No revenue synergies assumed
- Estimated lost MI business volume of approximately \$12bn of combined NIW by 2008

Share Repurchase:

- Approximately \$1bn share repurchase upon closing
 - Funded by debt / preferred issuance and excess capital
- Additional share repurchase of approximately \$750mm (potentially higher)
 - Funded by proceeds from reduced ownership in C-BASS and Sherman stakes and excess capital

Other Assumptions:

- I/B/E/S median EPS estimates for 2008 (as of 05-Feb-2007), thereafter, EPS grown at long-term growth rate of 10%
- Restructuring charge equal to \$125mm to \$150mm, after-tax
- Identified intangibles of \$250mm, amortized utilizing sum-of-the digits methodology over 7 years

Pro Forma Financial Analysis Earnings Impact

To MGIC Shareholders

GAAP	Current (I/B/E/S)	Pro Forma	% Change
2008	\$7.63	\$7.85	2.8%
2009	8.39	8.92	6.3
Cash			
2008	\$7.63	\$8.14	6.7%
2009	8.39	9.19	9.5

To Radian Shareholders

GAAP	Current	Pro Forma	% Change
2008	\$7.24	\$7.58	4.7%
2009	7.96	8.62	8.2
Cash			
2008	\$7.24	\$7.86	8.6%
2009	7.96	8.88	11.5

Note: Based on exchange ratio of 0.9658x.

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Appendix

Pro Forma Income Statement

(\$ in millions)	2008	2009
MGIC Standalone GAAP Net Income (Based on I/B/E/S)	\$ 578	\$ 612
Radian Standalone GAAP Net Income (Based on I/B/E/S)	567	601
Pro Forma Net Income – Before Adjustments	\$1,144	\$ 1,213
After-tax Adjustments		
Cost Savings	\$ 66	\$ 92
Transaction Identified Intangible Amortization	(39)	(33)
Funding Costs	(42)	(42)
Lost Income From Equity Affiliates	(145)	(159)
Radian DAC Amortization	68	51
Other ¹	1	(27)
Total After-tax Adjustments²	(92)	(120)
Pro Forma Operating GAAP Net Income	\$ 1,053	\$ 1,093
Pro Forma Operating Cash Net Income	\$ 1,092	\$ 1,126

Note: Operating net income represents net income before merger-related expenses. Operating cash net income is equal to operating net income plus after-tax impact of intangible amortization.

1. Includes addback of potential business losses and excess cash yield.

2. Excludes accounting impact of future merger-related expenses realized through income statement.

Balance Sheet Summary

As of December 31, 2006
(\$ in millions)

	MGIC	Radian
Cash and Investments	\$5,546	\$6,446
Deferred Policy Acquisition Costs	13	222
Other Assets	1,063	1,261
Total Assets	\$6,622	\$7,929
Unearned Premiums	\$190	\$944
Reserve for Losses	1,126	842
Debt	781	748
Other Liabilities	229	1,327
Total Liabilities	\$2,326	\$3,861
Total Equity	\$4,296	\$4,068
Total Liabilities and Equity	\$6,622	\$7,929

Source: Publicly available financial statements.

Pro Forma Financial Analysis Capital Impact

	MGIC	Radian	Pro Forma
GAAP Debt / Capital (2007E)	15.4 %	15.9 %	18 - 20 %
Rating Agency Debt / Capital (2007E)	15.4 %	15.9 %	12 - 15 %
MI Risk-in-Force / Statutory Capital (2006A)	7.4 x	10.4 x	8.3x