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KBW Insurance Conference
September 3, 2008

S.A. Ibrahim, Chief Executive Officer

Safe Harbor Statement

All statements made 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. These statements are made on the basis of management's current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking information. The forward-looking statements, as well as our prospects as a whole, are subject to risks and uncertainties, including the following:

- changes in general financial and political conditions, such as extended national or regional economic recessions, changes in housing demand or mortgage originations, changes in housing values (in particular, further deterioration in the housing, mortgage and related credit markets, which would harm our future consolidated results of operations and could cause losses for our businesses to be worse than expected), changes in the liquidity in the capital markets and the further contraction of credit markets, population trends and changes in household formation patterns, changes in unemployment rates, changes or volatility in interest rates or consumer confidence, changes in credit spreads, changes in the way investors perceive the strength of private mortgage insurers or financial guaranty providers, investor concern over the credit quality and specific risks faced by the particular businesses, municipalities or pools of assets covered by our insurance;
- economic changes or catastrophic events in geographic regions where our mortgage insurance or financial guaranty insurance in force is more concentrated;
- our ability to successfully obtain additional capital, if necessary, to support our long-term liquidity needs and to protect our credit ratings and the financial strength ratings of Radian Guaranty Inc., our primary mortgage insurance subsidiary;
- a decrease in the volume of home mortgage originations due to reduced liquidity in the lending market, tighter underwriting standards and a deterioration in housing markets throughout the U.S.;
- our ability to maintain adequate risk-to-capital ratios, leverage ratios and surplus requirements in our mortgage insurance business in light of on-going losses in this business;
- a decrease in the volume of municipal bonds, and other public finance and structured finance transactions that we insure, or a decrease in the volume of such transactions for which issuers or investors seek or demand financial guaranty insurance;
- the loss of a customer for whom we write a significant amount of mortgage insurance or financial guaranty insurance or the influence of large customers;
- reduction in the volume of reinsurance business available to us from one or more of our primary financial guaranty insurer customers due to adverse changes in their ability to generate new profitable direct financial guaranty insurance or their need for us to reinsure their risk;
- disruption in the servicing of mortgages covered by our insurance policies;
- the aging of our mortgage insurance portfolio and changes in severity or frequency of losses associated with certain of our products that are riskier than traditional mortgage insurance or financial guaranty insurance policies;
- the performance of our insured portfolio of higher risk loans, such as Alternative-A ("Alt-A") and subprime loans, and adjustable rate products, such as adjustable rate mortgages and interest-only mortgages, which have resulted in increased losses in 2007 and 2008 and may result in further losses;
- reduced opportunities for loss mitigation in markets where housing values fail to appreciate or begin to decline;
- changes in persistency rates of our mortgage insurance policies caused by changes in refinancing activity, in the rate of appreciation or depreciation of home values and changes in the mortgage insurance cancellation requirements of mortgage lenders and investors;
- recapture of reinsurance business by the primary insurers under our financial guaranty reinsurance arrangements, which would reduce written and earned premiums in our financial guaranty business and correspondingly reduce the amount of capital required to be held against this risk;

Safe Harbor Statement (Continued)

- downgrades or threatened downgrades of, or other ratings actions with respect to, our credit ratings or the insurance financial strength ratings assigned by the major rating agencies to any of our rated insurance subsidiaries at any time (in particular, our credit rating and the financial strength ratings assigned to Radian Guaranty Inc., which are currently on negative outlook);
- heightened competition for our mortgage insurance business from others such as the Federal Housing Administration and the Veterans' Administration or other private mortgage insurers (in particular those that have been assigned higher ratings from the major ratings agencies;
- changes in the charters or business practices of Federal National Mortgage Association and Freddie Mac, the largest purchasers of mortgage loans that we insure, and our ability to retain our "Top Tier" eligibility requirement from both Freddie Mac and Fannie Mae;
- heightened competition for financial guaranty business from other financial guaranty insurers, from other forms of credit enhancement such as letters of credit, guaranties and credit default swaps provided by foreign and domestic banks and other financial institutions, and from alternative structures that may permit insurers to securitize assets more cost-effectively without the need for the types of credit enhancement we offer, or result in our having to reduce the premium we charge for our products;
- the application of existing federal or state consumer, lending, insurance, securities and other applicable laws and regulations, or changes in these laws and regulations or the way they are interpreted; including, without limitation: (i) the possibility of private lawsuits or formal 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, (ii) legislative and regulatory changes affecting demand for private mortgage insurance or financial guaranty insurance, or (iii) legislation and regulatory changes limiting or restricting our use of (or requirements for) additional capital, the products we may offer, the form in which we may execute the credit protection we provide or the aggregate notional amount of any product we may offer for any one transaction or in the aggregate;
- 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 the premium deficiency for our first- and second-lien mortgage insurance business, or to estimate accurately the fair value amounts of derivative contracts in our mortgage insurance and financial guaranty businesses in determining gains and losses on these contracts;
- volatility in our earnings caused by changes in the fair value of our derivative instruments and our need to reevaluate the premium deficiencies in our mortgage insurance business on a quarterly basis;
- changes in accounting guidance from the Securities and Exchange Commission ("SEC") or the Financial Accounting Standards Board;
- legal and other limitations on amounts we may receive from our subsidiaries as dividends or through tax and expense sharing arrangements with our subsidiaries; and
- vulnerability to the performance of our strategic investments, including in particular, our investment in Sherman Financial Group LLC.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2007 as well as the material changes to these risks discussed in our Quarterly Reports on Form 10-Q. 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 made in this presentation to reflect new information or future events or for any other reason.

Outline

- Business Update – Key Components
  - Capital Strategy and Liquidity
  - Commitment to MI
    - Remain Top Tier provider to GSEs
    - Focus on risk position with rating agencies
    - Loss Mitigation
- Second Quarter Update
  - Operational Highlights
  - Loss Reserves & Mitigation
  - Portfolio Management
  - Mortgage Insurance
  - Financial Guaranty
- Key Takeaways
- Appendix

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Business Update

Business Update – Key Components

1) **Capital Strategy & Liquidity Position**

- Radian is uniquely positioned to contribute FG to MI, a superior source of long-term capital to Radian Guaranty. Financial Guaranty has $960 million of statutory surplus and almost $3 billion of claims paying resources
- Radian has a 29% ownership interest in Sherman Financial, providing a potential source of additional capital and dividends
- Radian Group maintains an adequate cash position
- No principal debt payments until 2011, allowing time for market recovery

Internally Sourced | **Non Dilutive** | **Benefits Shareholders** | **Maximizes Market Opportunities** | **Unique To Radian**

The planned FG contribution
Best Positions Radian for the Long Term

Business Update – Key Components

2)

Commitment to Mortgage Insurance

- **Radian Guaranty maintains appropriate capital and claims paying resources**
- **Current mortgage insurance market share at Q2 2008 of 16.3%, up from 13.2% in Q1 2008**
  - Prime loans comprise 93% of originations in Q2 2008
  - Sales Force growth of 30% in 2008
- **Commitment to return Radian Guaranty to the ‘AA’ level over time**
- **Belief that the long term prospects for the MI business are positive**

GSEs

- **Radian is a long-standing Top Tier company with both Fannie Mae and Freddie Mac**
- **We believe that we will maintain our top tier GSE status**
- **We have been working closely with the GSEs and will continue to have frequent, productive discussions with them**

Business Update – Key Components

Rating Agencies

- **Radian's goal is to maintain financial strength, improve its portfolio mix and securing a AA rating over the long term**
- **Standard & Poor's completed its MI industry review on August 26:**
  - S&P downgraded Radian Guaranty, Inc. to BBB+ from A
  - S&P also downgraded others in the industry
- **S&P also noted improved credit quality in Radian's first-lien portfolio and a capital adequacy ratio of 97% that is slightly less than the minimum for a mortgage insurer to be eligible for a 'AAA' financial strength rating**

Loss Development & Mitigation

- **Established first-lien premium deficiency reserve in Q2 2008**
- **First and second lien claims paid during 2Q08 of $209 million, compared to our previous guidance of $240 million**
  - 2008 paid claims still in line with expectations of $1 billion
- **Preserving capital through proactive loss mitigation initiatives**

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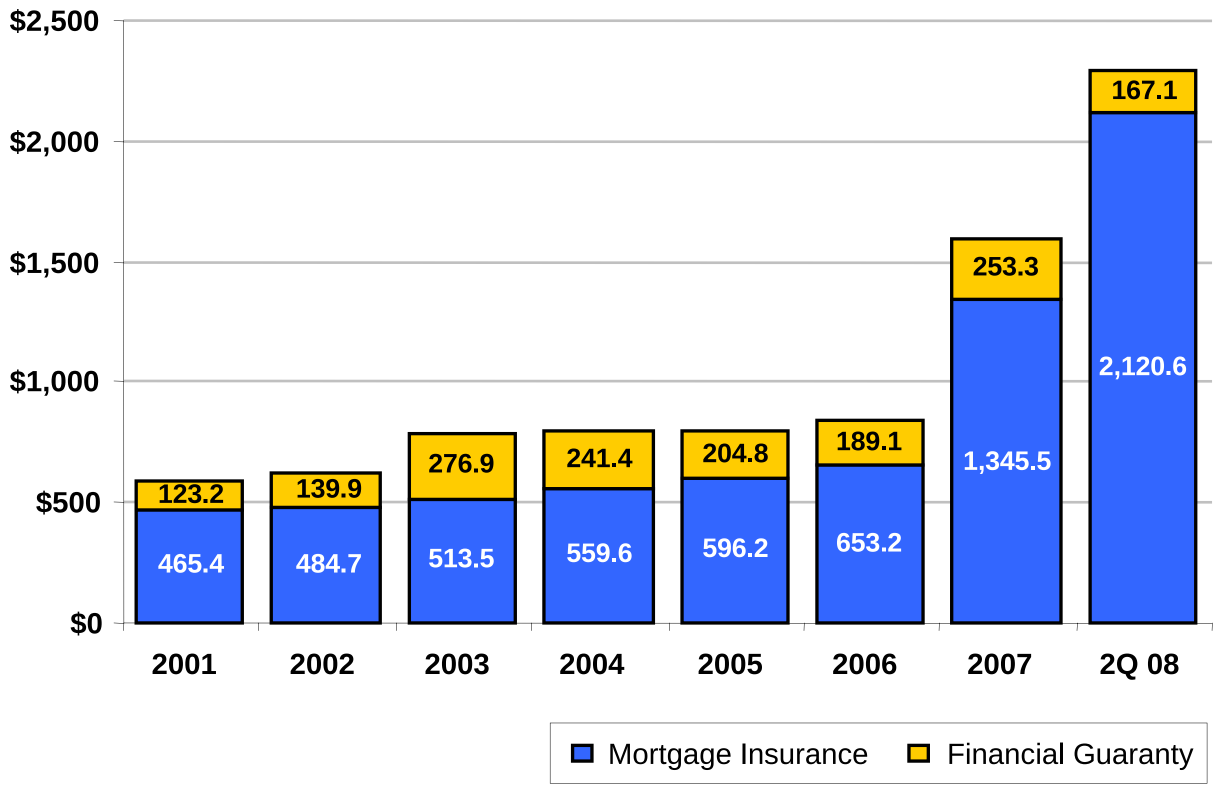
Second Quarter Update

Financial Highlights

	As of 6/30/08
Assets	$8,409.4
Loss reserves	$2,287.7
Unearned premiums	$1,048.1
Stockholders' equity	$2,455.9
Debt to capital ratio	28.08 %
Risk to Capital Ratio – Radian Guaranty	14.9 to 1
Book value per share	$30.54

Dollars in millions, except Book value per share

Total Loss Reserves



Dollars in millions

1st Lien Premium Deficiency Reserve (PDR) Established Q208

Financial Impact ($ MMs)	
1st Lien PDR	$422
DPAC Write-off	$51
Projections ($ B)	
Gross Losses	$5.9
Gross Premiums	$2.8
Reinsurance Benefits	$0.7
Reserves	$1.8
Assumptions	
2008-2009 HPA*	-8%
Peak to trough	-8.5%
Severity (% of coverage)	100%
Overall Frequency	~14%
Unemployment	6.2%

PDR Present value of expected future results (premiums less losses, expenses and current reserves) in negative position.

Premium deficiency frontloads to current period much of the expected P&L impact of future loss which we believe would have been booked in Q3 or Q4 anyway

No impact on statutory capital or risk to capital ratios

* **Largely tracks HPA assumptions provided by Economy.com on OFHEO basis**

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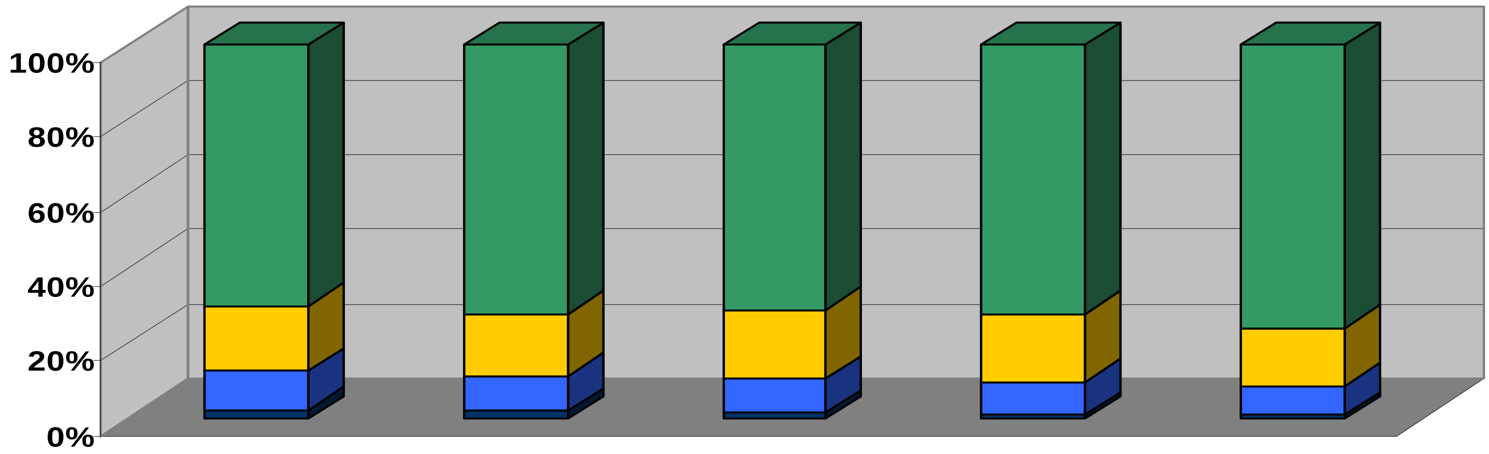
Loss Mitigation Strategy

CAPITAL PRESERVATION

- Increase the volume of Retention Workouts
- Increase Borrower Contact Success
- Proactive Loss Mitigation via servicer on-site presence; technology improvements; broaden loss mitigation programs (Fast Advance; Stabilizer)
- Leverage Industry Movements – Hope Now, GSEs, Lender Initiatives
- Improve Process Efficiency Internally – to better manage increasing volumes

Portfolio Management

Primary Mortgage Insurance Risk in Force by Product



	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08
Prime	69.8%	71.9%	70.9%	71.9%	75.7%
Alt A	17.3%	16.7%	18.5%	18.3%	15.5%
A minus	10.5%	9.5%	9.2%	8.8%	8.0%
B/C	2.4%	1.9%	1.4%	1.0%	0.8%

New Insurance Written *

Prime	91.2%
Alt A	5.3%
A-/B/C	2.5%

* For 6 months ended 6/30/08

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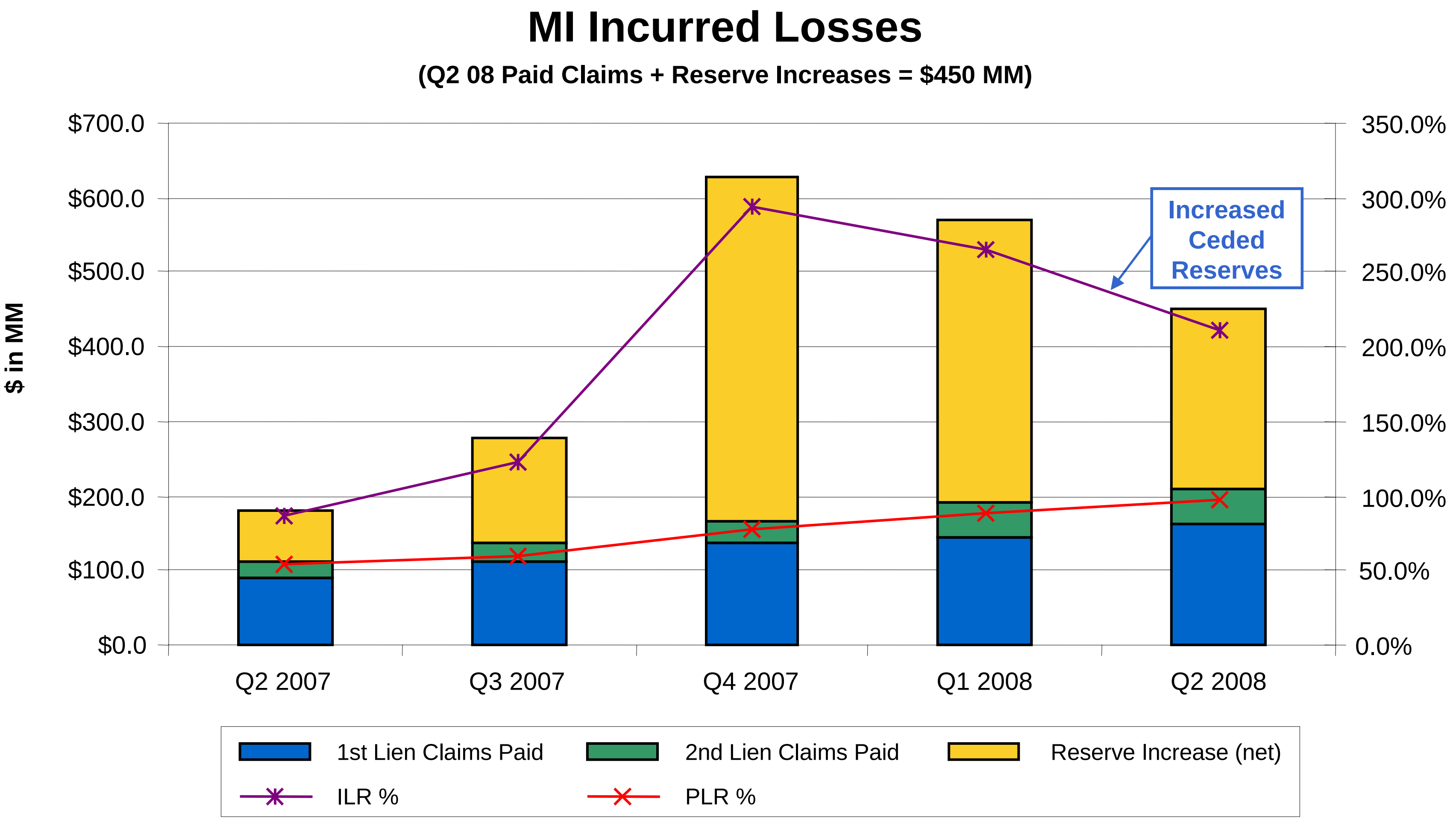
Risk to Capital - Mortgage Insurance

	Proforma including FG * (June 30, 2008)	Jun 30 2008	Dec 31 2007
Radian Guaranty	10.3 : 1	14.9 : 1	15.0 :1
MI Consolidated Risk to Capital - STAT basis	14.8 : 1	20.8 : 1	14.4 : 1
MI Consolidated STAT Basis excluding AAA-rated international CDS	11.9 : 1	16.7 : 1	11.6 : 1

*** Includes incremental FG statutory surplus of $859,127** **(in thousands)**

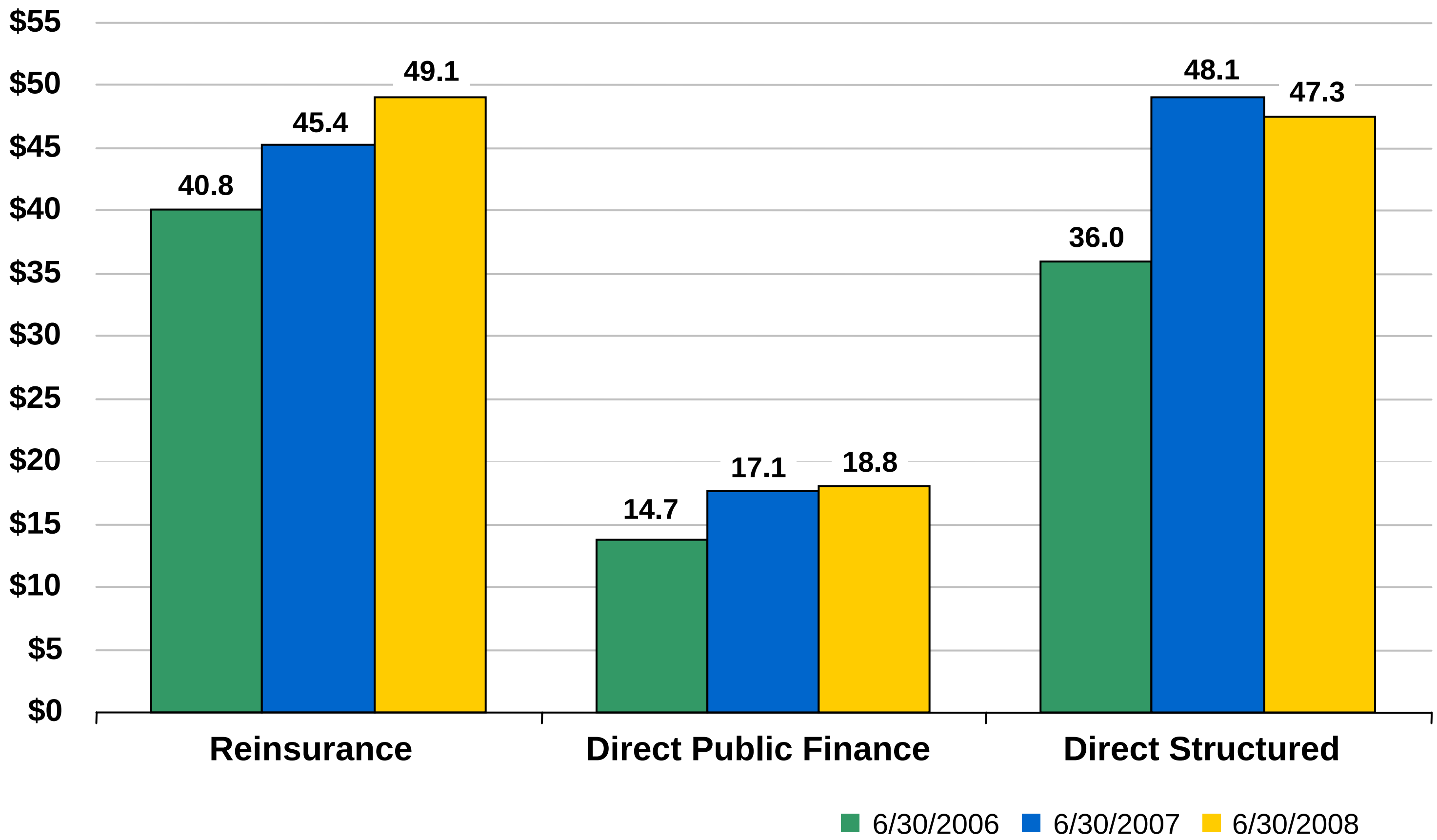
MI Incurred Loss Trend



Note: Incurred Losses excludes Premium Deficiency Reserve (PDR)

Financial Guaranty Net Par Outstanding by Product

$115.2 billion as of 6/30/08



Dollars in billions.

Financial Guaranty Product Line and Sector Mix

$115.2 billion in net par outstanding as of 6/30/08

Public Finance

Sector	Percent
Education	3.4%
General obligations	17.5
Healthcare	8.9
Housing	0.5
Investor owned utilities	3.6
Long term care	1.3
Tax-backed	4.8
Transportation	6.4
Utilities	5.7
Other public finance	1.7
Subtotal	53.8 %

Structured Finance

Sector	Percent
Asset-backed – commercial and other	1.1%
Asset-backed –consumer	1.2
Asset-backed – mortgage and MBS	1.4
CDOs	40.2
Other structured finance	2.3
Subtotal	46.2%

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Key Takeaways

Key Takeaways

1. Radian is uniquely positioned to contribute FG to MI, a superior source of long-term capital to Radian Guaranty

2. Radian Group maintains adequate liquidity and has access to capital via our ownership in Sherman Financial

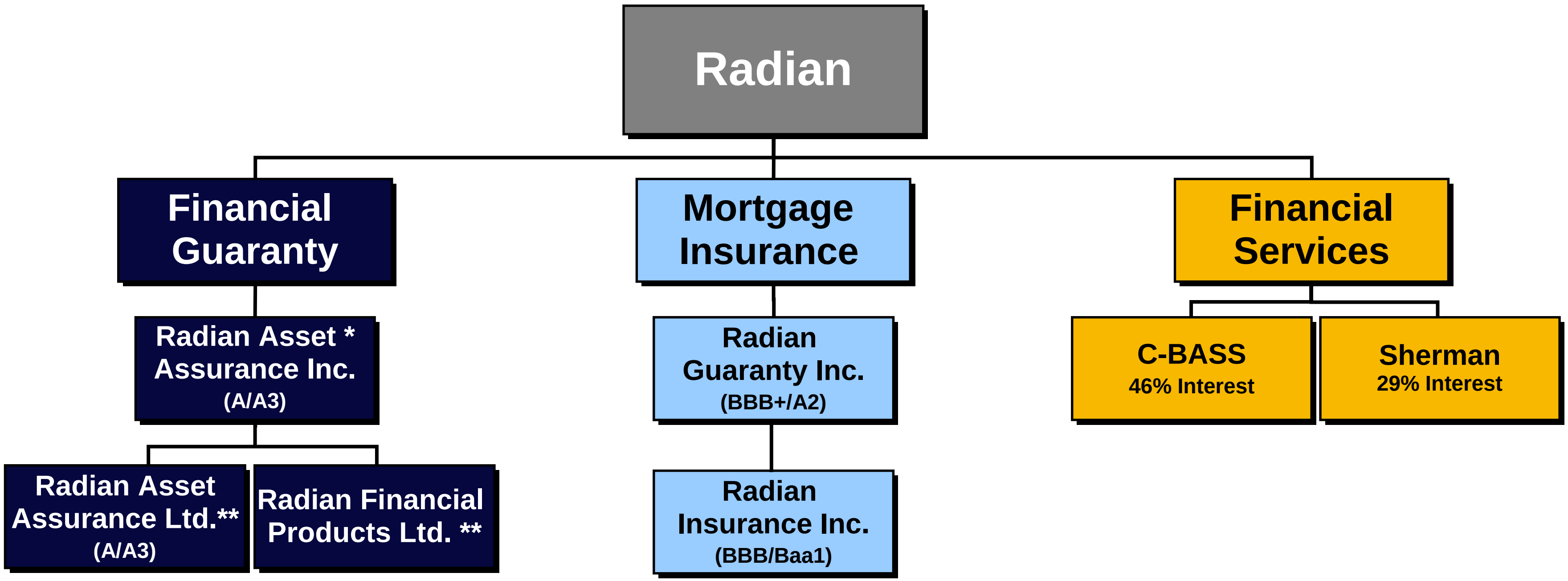
3. We are preserving capital through proactive loss mitigation initiatives

4. We believe we will maintain our long-standing Top Tier status with the GSEs

5. Radian's goal is to maintain financial strength, improve its portfolio mix and write profitable MI business, enabling us to secure a 'AA' rating over the long term

Appendix

Summary of Current Segment Structure



Segment Equity at 6/30/08

Financial Guaranty	Mortgage Insurance	Financial Services
$1,332 MM	$989 MM	$136 MM

* Effective in the 3rd quarter of 2008, Radian Asset Assurance Inc. will become a subsidiary of Radian Guaranty Inc.
** International Entities

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Diversification

Risk In Force/ Net Par Outstanding by Product

Business Line	Product	RIF/Net Par Outstanding as of 6/30/08	Percent of Porfolio
Financial Guaranty	Direct Public Finance	$18,824.9	12%
	Public Finance Reinsurance	43,114.5	26%
	Direct Structured Finance	47,235.0	29%
	Structured Finance Reinsurance	6,010.3	4%
Total FG Net Par Outstanding		115,184.7	71%
Mortgage Insurance	Primary Prime MI	25,662.0	16%
	Primary Non-Prime MI	8,220.0	5%
	Pool MI	2,994.0	2%
	Second Liens	772.0	*%
	NIMs	485.0	*%
	International	9,239.0	6%
	Other	206.0	*%
Total MI RIF		47,578.0	29%
Total Radian RIF/Net Par Outstanding		$162,762.7	100%

Dollars in millions.

* less than 1%

Summary MI Financial Projections
Captive and SMARTHome Reinsurance Benefit

	($ MMs) Q2 2008	Q1 2008
NIW[(1)]:		
NIW Subject to Captives	$ 3,414.8	$ 4,749.7
% of Primary NIW	35.4%	46.1%
% Average Premium Ceded on New Captive Business Only	37.2%	39.1%
Captive Portfolio[(1)]:		
% Risk In Force - Included in Captive	41.7%	42.2%
Risk In Force - Ceded	$ 2,993.2	$ 2,940.8
% Gross Risk In Force - Ceded	8.8%	9.0%
% Primary Premiums Ceded to Captive	14.7%	15.4%
Ceded Reserves	$ 131.1	$ 5.7
Claims Recoveries from Captives	$ 1.0	$ 7.2
Projected Lifetime Captive Benefit:	**$ 572.0**	
SmartHome Portfolio:		
% Risk In Force - Included in SmartHome Transaction	4.3%	5.0%
Risk In Force - Ceded	$ 592.2	$ 600.1
% Gross Risk In Force - Ceded	1.7%	1.8%
% Primary Premiums Ceded - SmartHome Transaction	1.6%	1.5%
Total Primary Premiums Ceded - SmartHome Transaction - Life-to-Date	$ 34.4	$ 30.7
Ceded Reserves	$ 44.7	$ 31.2
Claims Recoveries from SmartHome Transaction	$ -	$ -
Projected Lifetime SmartHome Benefit:	**$ 165.0**	

PROJECTED LIFETIME BENEFITS (CAPTIVES AND SMARTHOME) ~ $ 740 MM

(1) Includes 1st and 2nd Liens

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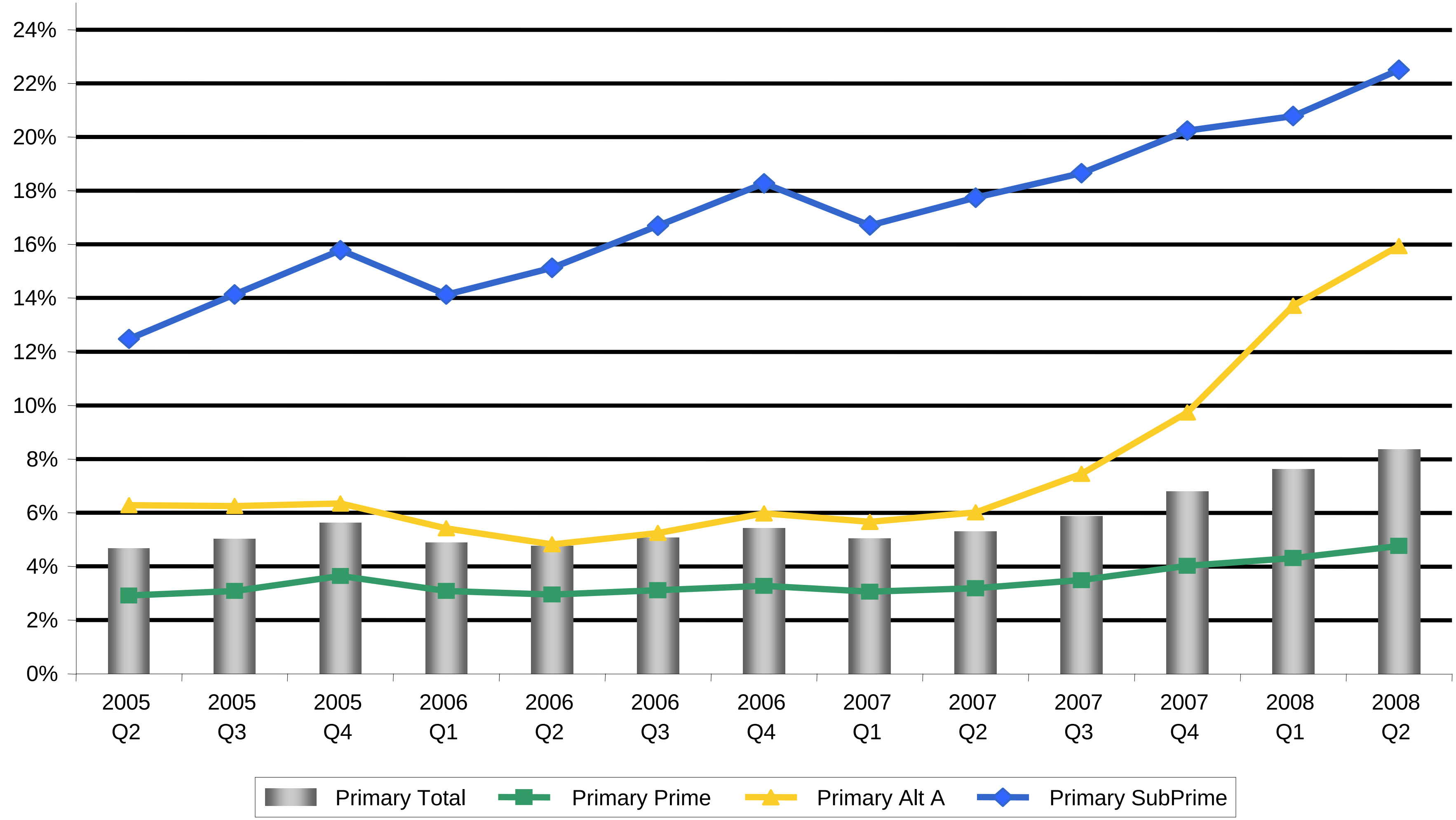
Primary Mortgage Insurance Default Rates by Prime, Alt A, Subprime



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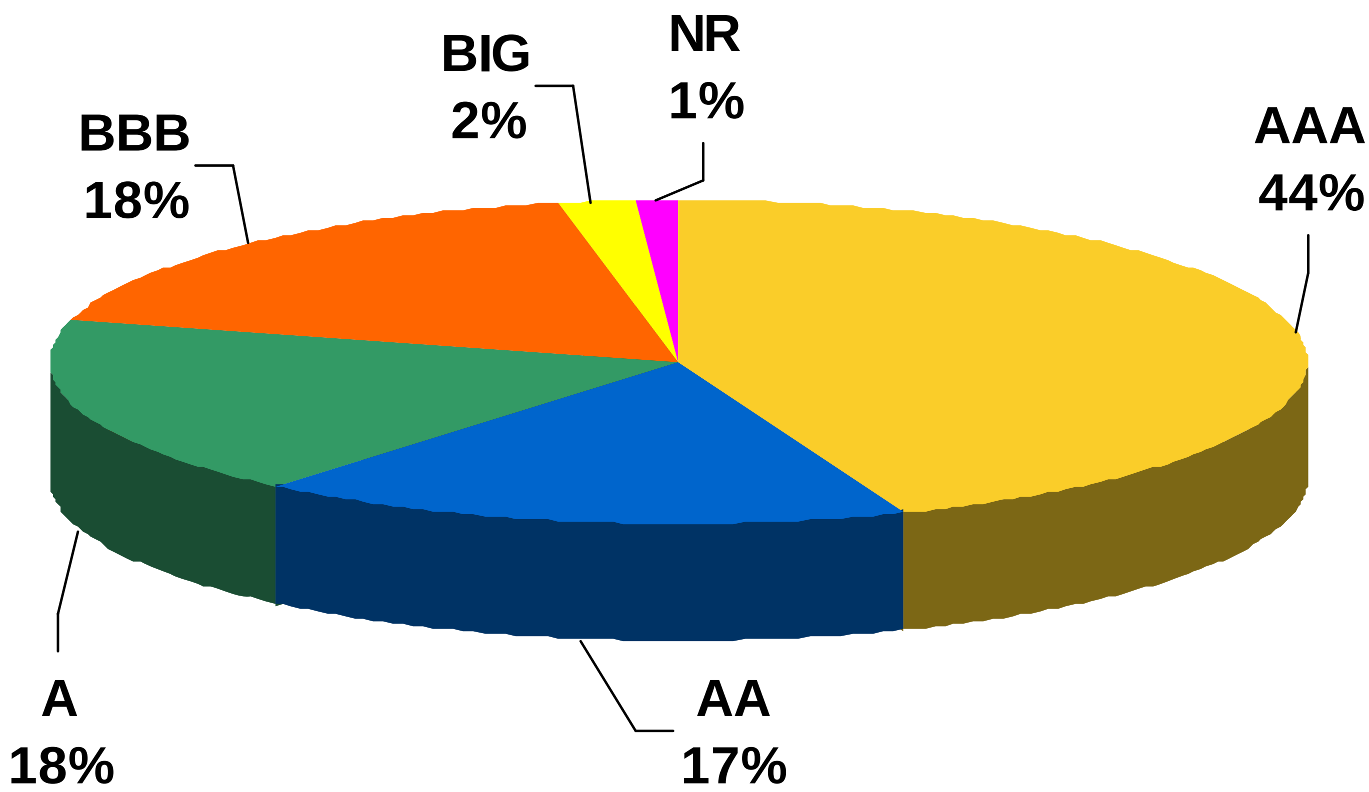
Financial Guaranty Net Par Outstanding by Rating

$115.2 billion in net par outstanding as of 6/30/08



* Indicated ratings category reflects the highest rating assigned to the underlying obligation from the three rating agencies (S&P, Moody's and Fitch), or, if no such rating has been assigned, Radian's rating estimate of the obligation utilizing rating agency models and methodologies to the extent available. Radian's rating estimates are subject to revision at any time and may differ from the credit ratings ultimately assigned by the three rating agencies.

Financial Guaranty Non-CDO RMBS Portfolio

Breakdown by Asset Type

$1,118.9 MM Domestic RMBS as of June 30, 2008

	Total Net Par Outstanding	% of RMBS Portfolio	Direct Total*	Assumed Non-HELOCs	Assumed HELOCs	Assumed Total	% 2006/2007 Vintage	AAA	AA	A	BBB**	BIG***
SubPrime	$ 407.9 MM 143 Policies	36.5%	$ 133.4 MM 7 Policies 32.7%	$ 227.2 MM 132 Policies 55.7%	$ 47.3 MM 4 Policies 11.6%	$ 274.5 MM 136 Policies 67.3%	10.3% / 31.1%	18.1%	0.4%	11.9%	9.1%	60.5%
Prime	$ 278.3 MM 67 Policies	24.9%	$ 123.3 MM 7 Policies 44.3%	$ 71.2 MM 44 Policies 25.6%	$ 83.8 MM 16 Policies 30.1%	$ 155.0 MM 60 Policies 55.7%	6.6% / 33.1%	68.7%	7.6%	3.9%	17.1%	2.7%
Alt A	$ 398.5 MM 61 Policies	35.6%	$ 74.1 MM 3 Policies 18.6%	$ 255.0 MM 52 Policies 64.0%	$ 69.4 MM 6 Policies 17.4%	$ 324.4 MM 58 Policies 81.4%	26.0% / 32.8%	58.2%	2.5%	6.4%	13.3%	19.6%
Second to Pay	$ 34.2 MM 8 Policies	3.0%	$ 0.0 MM 0 Policies 0.0%	$ 34.2 MM 8 Policies 100.0%	$ 0.0 MM 0 Policies 0.0%	$ 34.2 MM 8 Policies 100.0%	0.0% / 100.0%	15.9%	7.4%	0.0%	7.6%	69.1%
Total RMBS	$1,118.9MM 279 Policies	100.0%	$ 330.8 MM 17 Policies 29.6%	$ 587.6 MM 236 Policies 52.5%	$200.5 MM 26 Policies 17.9%	$ 788.1 MM 262 Policies 70.4%	14.7% / 34.3%	44.9%	3.1%	7.6%	12.6%	31.8%

*Radian Asset has no direct HELOC exposure.
**100% of the BBB exposure is assumed through treaties from the monoline primaries.
***All of the BIG exposure is on Radian Asset's Watch List and reserves have been established for these as needed.
Note: Ratings are based on Radian Asset's internal ratings.

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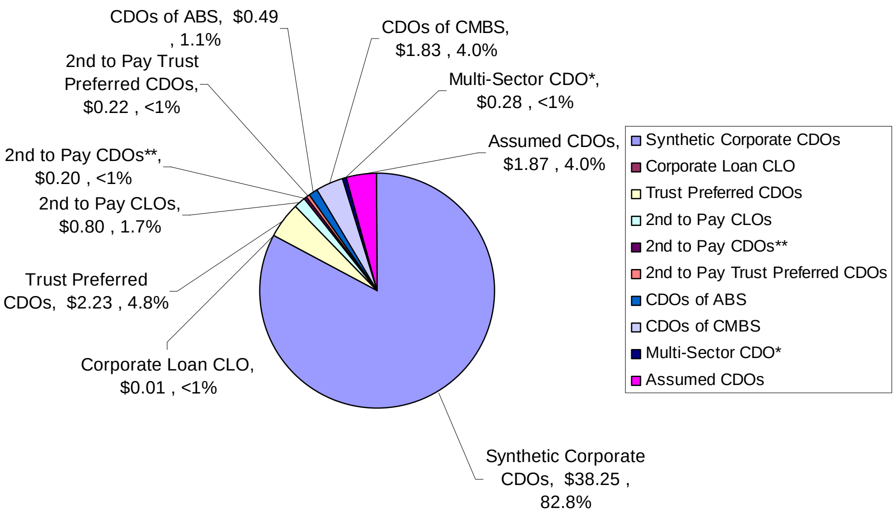
CDO Portfolio: Financial Guaranty CDO Portfolio

$46.3 Billion Net Par Outstanding as of June 30, 2008

Direct Exposure ($44.4 billion; 96% of CDO exposure):

- Synthetic Corporate CDOs represents more than 80% of the CDO exposure. 100% attach at the AAA level or higher, with an average attachment point of 2.3x the AAA level and weighted average tenor of 5.4 years.
- 59% of the total number of deals have attachment points of at least 2x the AAA level as determined by S&P CDO Evaluator
- On an outstanding notional basis, at least 85% of the transactions we have insured (with a typical portfolio of 100-150 referenced corporate entities) can sustain at least 15 defaults (30% recovery assumption) without Radian Asset incurring a loss
- Trust Preferred CDOs attach at AAA or multiple of AAA level
- 100% of CDOs of CMBS and Multi-sector CDOs net par outstanding is rated AAA



* One multi-sector CDO with net par outstanding of $283.4 million

** Includes one second to pay CDO of corporate bonds with net par outstanding of $113.7 million

Note: See CDOs of ABS, CDOs of CMBS and Multi-sector CDOs table for detail on these sectors

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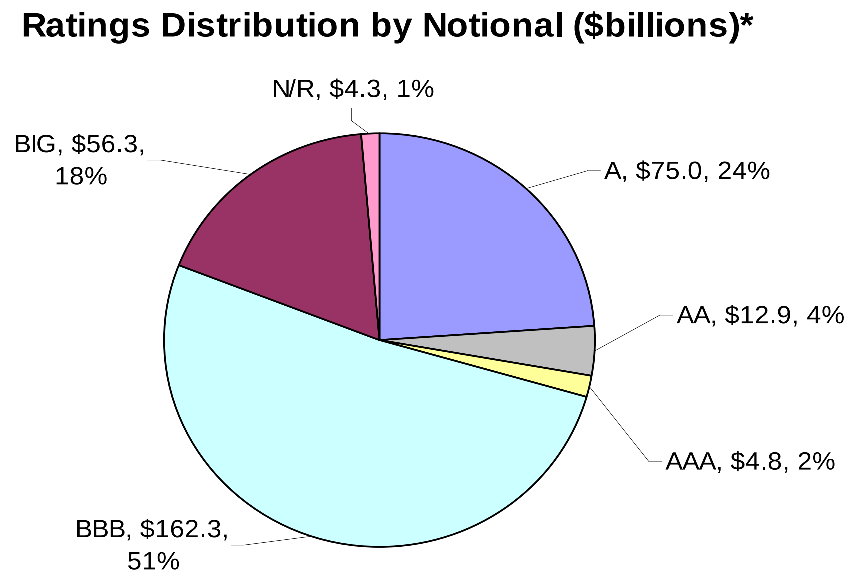
Financial Guaranty CDO Portfolio:

Synthetic Corporate CDO Underlying Collateral Ratings



*Lower of Moody's or S&P

- S&P had a total of 81 rating actions on the underlying corporate credits in the CDO book during the 2nd quarter, consisting of 60 downgrades and 21 upgrades.
- There were 121 rating actions taken by Moody's on the underlying corporate credits in the CDO book during the 2nd quarter, consisting of 71 downgrades and 50 upgrades.
- 12.7% of the number of Buildings & Real Estate sector names and 22.1% of the number of Insurance sector names in the CDO portfolio had rating downgrades in the second quarter of 2008

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Financial Guaranty CDO of ABS, CMBS, & Multi-Sector Portfolio Table
As of June 30, 2008

			Type of Collateral as a Percentage of Total Pool as of June 30, 2008																
Year Insured	Legal Final Maturity	Net Par Outstanding ($ Millions)	ABS	RMBS	Subprime RMBS	CMBS	CDO of Investment Grade Corporate	CDO of High Yield Grade Corporate	CDO of ABS	CDO of CDO	Other	Total Collateral Pool	S&P Rating	Moody's Rating	Original AAA Subordination	Radian Asset Attachment Point	Radian Asset Detachment Point	% RMBS A3 or Better*	% Sub Prime A3 or Better*
2004	**2009**	**283**	31.0%	35.3%	0.0%	0.0%	31.2%	2.5%	0.0%	0.0%	0.0%	100.0%	AAA	Aaa	2.2%	22.5%	42.7%	100.0%	0.0%
2005	**2010**	**150**	25.2%	49.0%	15.8%	0.0%	8.5%	1.5%	0.0%	0.0%	0.0%	100.0%	AAA	N/R	4.5%	13.0%	38.0%	100.0%	100.0%
2006	**2046**	**492**	0.0%	21.9%	42.6%	13.8%	0.0%	0.0%	12.9%	3.7%	4.9%	100.0%	AA-**	Aa3**	4.9%	19.7%	100.0%	59.9%	41.4%
2006	**2047**	**450**	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	AAA	N/R	2.4%	6.8%	30.0%	NA	NA
2006	**2049**	**599**	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	AAA	N/R	0.6%	5.1%	30.0%	NA	NA
2006	**2056**	**353**	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	AAA	N/R	5.5%	6.5%	30.0%	NA	NA
2007	**2047**	**430**	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	AAA	Aaa	2.4%	7.0%	50.0%	NA	NA
Total		**2,757**																	

* Ratings are based on Moody’s ratings. If Moody’s rating is unavailable, then S&P rating applies.
** S&P downgraded this CDO to AA- in March 2008 and then to B+ in July 2008 and Moody’s downgraded it to Aa3 in April 2008 and then to A2 in July 2008.

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Financial Guaranty CDO Portfolio: CMBS Exposure

Outstanding Par	Total Reference Obligations	Average Size of Ref Obligation	Average Subordination of Ref Obligation	Total Delinquencies (Average of Ref Oblig)
352.5MM	30	50MM	14%	0.60%
430.0MM	40	25MM	13%	0.52%
598.5MM	30	80MM	20%	0.38%
450.0MM	27	72MM	31%	0.61%
$1,831MM	**127**			

- All 4 synthetic CDOs are rated AAA by both Moody's and S&P and contain 127 AAA rated (by at least two of the three rating agencies) CMBS tranches issued as part of 88 securitizations (the "Reference Obligations").
- The total balance of the Reference Obligations equals $6.8 billion, however the loan collateral supporting these 127 tranches consists of 15,000 loans with a balance close to $200 billion.
- Performance has been consistent with that of the CMBS market, with 81% of the 88 securitizations experiencing total delinquencies of less than 1%.
- Underlying loan collateral is well diversified both geographically and by property type.

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Changing the nature of risk.®