

**Radian Group Inc.**  
**Schedule II—Financial Information of Registrant**  
**Balance Sheets**  
**Parent Company Only**

| (In thousands, except share and per share amounts)   | December 31, |              |
|--|--------------|--------------|
|  | 2012         | 2011         |
| <b>Assets</b>  |              |              |
| Investments  |              |              |
| Trading securities—at fair value . . . . .   | \$ 99,171    | \$ 387,239   |
| Short-term investments—at fair value . . . . .   | 136,075      | 177,116      |
| Other invested assets . . . . .  | 16,666       | 25,000       |
| Cash . . . . .   | 2,978        | 453          |
| Restricted cash . . . . .  | 360          | 1,060        |
| Investment in subsidiaries, at equity in net assets . . . . .  | 1,234,229    | 1,591,914    |
| Debt issuance costs . . . . .  | 8,582        | 8,414        |
| Due from affiliates, net . . . . .   | 17,690       | 2,451        |
| Property and equipment, at cost (less accumulated depreciation of \$48,786 and \$46,998). . . . .  | 1,344        | 2,017        |
| Other assets . . . . .   | 33,524       | 35,474       |
| Total assets . . . . .   | \$ 1,550,619 | \$ 2,231,138 |
| <b>Liabilities and Stockholders' Equity</b>  |              |              |
| Accounts payable and accrued expenses . . . . .  | \$ 54,869    | \$ 123,665   |
| Accrued interest payable . . . . .   | 3,959        | 7,558        |
| Long-term debt . . . . .   | 663,571      | 818,584      |
| Federal income taxes—current and deferred . . . . .  | 91,895       | 99,040       |
| Total liabilities . . . . .  | 814,294      | 1,048,847    |
| Common stockholders' equity  |              |              |
| Common stock: par value \$.001 per share; 325,000,000 shares authorized; 151,131,173 and 150,666,446 shares issued at December 31, 2012 and 2011, respectively; 133,647,216 and 133,199,159 shares outstanding at December 31, 2012 and 2011, respectively . . . . . | 151          | 151          |
| Treasury stock, at cost: 17,483,957 and 17,467,287 shares at December 31, 2012 and 2011, respectively . . . . .  | (892,094)    | (892,052)    |
| Additional paid-in capital . . . . .   | 1,967,414    | 1,966,565    |
| Retained (deficit) earnings . . . . .  | (355,241)    | 96,227       |
| Accumulated other comprehensive income . . . . .   | 16,095       | 11,400       |
| Total common stockholders' equity . . . . .  | 736,325      | 1,182,291    |
| Total liabilities and stockholders' equity . . . . .   | \$ 1,550,619 | \$ 2,231,138 |

See Supplemental Notes.