

MGIC INVESTMENT CORP
Form 425
April 25, 2007

Filed by Radian Group Inc.

Pursuant to Rule 425 under the Securities Act of 1933 and
deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934

Subject Companies:

Radian Group Inc.

(Commission File No. 1-11356)

MGIC Investment Corporation

(Commission File No. 1-10816)

On April 24, 2007, Radian Group Inc. issued the following news release:

1601 Market Street:

Philadelphia Pennsylvania

19103 2337

800 523 1988

215 564 6600

News Release

Contact:

For investors: Mona Zeehandelaar phone: 215 231.1674
email: mona.zeehandelaar@radian.biz

For the media: Michelle Davidson phone: 215 231.1325
cell: 215 260.6760
email: michelle.davidson@radian.biz

Courtney Robinson phone: 215 231.1762
cell: 215 629.6880
email: courtney.robinson@radian.biz

Radian Reports First Quarter Net Income of \$114 Million

PHILADELPHIA, Pa., April 24, 2007 Radian Group Inc. (NYSE: RDN) today reported that for the quarter ended March 31, 2007, Radian earned net income of \$113.5 million and diluted net income per share of \$1.42. Book value per share at March 31, 2007, was \$52.00, an increase of 14 percent from a year earlier.

Our core mortgage insurance and financial guaranty businesses had strong production performance this quarter, with a 35 percent jump in flow MI over last year and strong growth in written and earned premium for FG, said Chief Executive Officer S.A. Ibrahim.

Our primary book was not significantly affected by the disruptions in the sub-prime market in recent months, Mr. Ibrahim added. I believe this is a validation of our long-term approach to risk management in all areas, including sub-prime and Alt A, where we have remained disciplined in diversifying our book of business across geographies, products, clients and origination years.

In the Financial Services segment, net income was \$10.8 million, down from \$38.7 million for the same period last year, primarily as a result of an operating loss at C-BASS.

The company also provided an update on its proposed merger with MGIC, which was announced in February this year. Radian and MGIC currently anticipate completing the merger late in the third quarter or early in the fourth quarter of 2007. To do this, both Radian and MGIC must obtain stockholder approval, with votes scheduled for early next month, as well as additional regulatory approvals.

The key financial highlights of the quarter ended March 31, 2007, are as follows:

Key Financial Highlights (dollars in thousands, except per share data)

First quarter

| | Quarter ended March 31, 2007 | Quarter ended March 31, 2006 | Percent Change |
|------------------------------------|------------------------------------|------------------------------------|-------------------|
| Revenue | \$ 341.5 | \$ 353.7 | (3.4%) |
| Net income | \$ 113.5 | \$ 163.7 | (30.7%) |
| Diluted net income per share | \$ 1.42 | \$ 1.96 | (27.6%) |
| Net premiums written | \$ 277.6 | \$ 279.6 | (0.7%) |
| Net premiums earned | \$ 249.1 | \$ 253.7 | (1.8%) |
| Equity in net income of affiliates | \$ 22.8 | \$ 58.3 | (60.9%) |
| Book value per share | \$ 52.00 | \$ 45.74 | 13.7% |

Radian will hold a conference call on Wednesday, April 25, 2007, at 9:00 a.m. Eastern time to discuss the company's first quarter results. This call will be broadcast live over the Internet at <http://www.ir.radian.biz/phoenix.zhtml?c=112301&p=iro1-audioarchives> or at <http://www.radian.biz> > News. A replay of the Webcast will be available at this site approximately two hours after the live broadcast ends for a period of one year.

Statistical and financial information which is expected to be referred to during the conference call will be available on Radian's website under Investors > Webcasts, Presentations and Transcripts or by clicking on <http://www.ir.radian.biz/phoenix.zhtml?c=112301&p=irol-audioarchives>.

About Radian

Radian Group Inc. is a global credit risk management company headquartered in Philadelphia with significant operations in New York and London. Radian develops innovative financial solutions by applying its core mortgage credit risk expertise and structured finance capabilities to the credit enhancement needs of the capital markets worldwide, primarily through credit insurance products. The company also provides credit enhancement for public finance and other corporate and consumer assets on both a direct and reinsurance basis and holds strategic interests in active credit-based consumer asset businesses. Additional information may be found at www.radian.biz.

Additional Information about the Radian/MGIC Transaction

MGIC Investment Corporation and Radian Group Inc. have filed a joint proxy statement/prospectus and other relevant documents concerning the MGIC/Radian merger transaction with the United States Securities and Exchange Commission (the SEC). STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE MERGER TRANSACTION OR INCORPORATED BY REFERENCE IN THE JOINT PROXY STATEMENT/PROSPECTUS BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors may obtain these documents free of charge at the SEC's website (<http://www.sec.gov>). In addition, documents filed with the SEC by MGIC are available free of charge by contacting Investor Relations at MGIC Investment Corporation, 250 East Kilbourn Avenue, Milwaukee, WI 53202. Documents filed with the SEC by Radian are available free of charge by calling Investor Relations at (215) 231-1486.

Radian and MGIC and their respective directors and executive officers, certain members of management and other employees are participants in the solicitation of proxies from Radian stockholders and MGIC stockholders with respect to the proposed merger transaction. Information regarding the directors and executive officers of Radian and MGIC and the interests of such participants are included in the joint proxy statement/prospectus filed with the SEC which relates to the merger transaction, Radian's 2007 annual meeting of stockholders and MGIC's 2007 annual meeting of stockholders and in the other relevant documents filed with the SEC.

Financial Results and Supplemental Information Contents

For trend information on all schedules, refer to Radian's quarterly financial statistics at <http://www.radian.biz/investors/financial/corporate.aspx>.

| | |
|------------|--|
| Exhibit A: | Condensed Consolidated Statements of Income |
| Exhibit B: | Condensed Consolidated Balance Sheets |
| Exhibit C: | Segment Information Quarter Ended March 31, 2007 |
| Exhibit D: | Segment Information Quarter Ended March 31, 2006 |
| Exhibit E: | Financial Guaranty Insurance Supplemental Information Quarter Ended and as of March 31, 2007 |
| Exhibit F: | Financial Guaranty Insurance Supplemental Information Quarter Ended and as of March 31, 2007 |
| Exhibit G: | Mortgage Insurance Supplemental Information: New Insurance Written and Risk Written |
| Exhibit H: | Mortgage Insurance Supplemental Information: Insurance in Force and Risk in Force |
| Exhibit I: | Mortgage Insurance Supplemental Information: Risk in Force by LTV and Policy Year and Other Risk in Force |
| Exhibit J: | Mortgage Insurance Supplemental Information: Claims and Reserves |
| Exhibit K: | Mortgage Insurance Supplemental Information: Defaults |
| Exhibit L: | Mortgage Insurance Supplemental Information: Net Premiums Written and Earned, Smart Home, Captives and Persistency |
| Exhibit M: | Mortgage Insurance Supplemental Information: ALT A |
| Exhibit N: | Financial Services Supplemental Information |

Radian Group Inc. and Subsidiaries**Condensed Consolidated Statements of Income****Exhibit A**

| | Quarter Ended | |
|--|-------------------|-------------------|
| | March 31 | |
| (In thousands, except per-share data) | 2007 | 2006 |
| Revenues: | | |
| Net premiums written | \$ 277,634 | \$ 279,605 |
| Net premiums earned - insurance | \$ 214,507 | \$ 227,234 |
| Net premiums earned - credit derivatives | 34,628 | 26,463 |
| Net premiums earned - total | 249,135 | 253,697 |
| Net investment income | 60,996 | 54,260 |
| Net gains on securities | 13,745 | 22,854 |
| Change in fair value of derivative instruments | 13,789 | 17,630 |
| Other income | 3,818 | 5,211 |
| Total revenues | 341,483 | 353,652 |
| Expenses: | | |
| Provision for losses | 107,042 | 78,634 |
| Policy acquisition costs | 28,254 | 27,364 |
| Other operating expenses | 54,367 | 60,277 |
| Merger expenses | 3,328 | |
| Interest expense | 13,056 | 11,840 |
| Total expenses | 206,047 | 178,115 |
| Equity in net income of affiliates | 22,772 | 58,340 |
| Pretax income | 158,208 | 233,877 |
| Provision for income taxes | 44,741 | 70,179 |
| Net income | \$ 113,467 | \$ 163,698 |
| Diluted net income per share (1) | \$ 1.42 | \$ 1.96 |
| (1) Weighted average shares outstanding (in thousands) | | |
| Average common shares outstanding | 79,428 | 82,937 |
| Increase in shares - potential exercise of options - diluted basis | 652 | 770 |
| Weighted average shares outstanding (in thousands) | 80,080 | 83,707 |

For Trend Information, refer to our Quarterly Financial Statistics on Radian's (RDN) website.

Radian Group Inc. and Subsidiaries**Condensed Consolidated Balance Sheets****Exhibit B**

| | March 31 | December 31 |
|--|---------------------|---------------------|
| (In thousands, except share and per-share data) | 2007 | 2006 |
| Assets: | | |
| Cash and investments | \$ 6,078,573 | \$ 5,803,228 |
| Investments in affiliates | 588,323 | 618,841 |
| Deferred policy acquisition costs | 225,597 | 221,769 |
| Prepaid federal income taxes | 788,240 | 808,740 |
| Other assets | 444,175 | 476,093 |
| Total assets | \$ 8,124,908 | \$ 7,928,671 |
| Liabilities and stockholders' equity: | | |
| Unearned premiums | \$ 974,768 | \$ 943,687 |
| Reserve for losses and loss adjustment expenses | 852,462 | 842,283 |
| Long-term debt | 747,849 | 747,770 |
| Current federal income taxes | 224,999 | |
| Deferred federal income taxes | 942,167 | 1,129,740 |
| Other liabilities | 207,887 | 197,634 |
| Total liabilities | 3,950,132 | 3,861,114 |
| Common stock | 97 | 97 |
| Additional paid-in capital | 442,368 | 416,193 |
| Retained earnings | 3,584,236 | 3,489,290 |
| Accumulated other comprehensive income | 148,075 | 161,977 |
| Total common stockholders' equity | 4,174,776 | 4,067,557 |
| Total liabilities and stockholders' equity | \$ 8,124,908 | \$ 7,928,671 |
| Book value per share | \$ 52.00 | \$ 51.23 |
| Treasury Stock Repurchases (Year-to-Date for Periods Presented) | | |
| Total number of shares repurchased | 70,968 | 4,500,000 |
| Average price paid per share | \$ 56.09 | \$ 58.58 |
| Total cost of repurchased shares | \$ 3,980,441 | \$ 263,600,341 |

Radian Group Inc. and Subsidiaries**Segment Information****Quarter Ended March 31, 2007****Exhibit C**

| (In thousands) | Mortgage | Financial | Financial | Total |
|---|------------------|------------------|------------------|-------------------|
| | Insurance | Guaranty | Services | |
| Revenues: | | | | |
| Net premiums written | \$ 222,289 | \$ 55,345 | \$ | \$ 277,634 |
| Net premiums earned insurance | \$ 180,243 | \$ 34,264 | \$ | \$ 214,507 |
| Net premiums earned credit derivatives | 15,689 | 18,939 | | 34,628 |
| Net premiums earned total | 195,932 | 53,203 | | 249,135 |
| Net investment income | 35,559 | 25,437 | | 60,996 |
| Net gains (losses) on securities | 11,123 | 2,824 | (202) | 13,745 |
| Change in fair value of derivative instruments | (11,351) | 25,140 | | 13,789 |
| Other income | 2,849 | 140 | 829 | 3,818 |
| Total revenues | 234,112 | 106,744 | 627 | 341,483 |
| Expenses: | | | | |
| Provision for losses | 112,854 | (5,812) | | 107,042 |
| Policy acquisition costs | 16,523 | 11,731 | | 28,254 |
| Other operating expenses | 36,272 | 14,235 | 3,860 | 54,367 |
| Merger expenses | 3,328 | | | 3,328 |
| Interest expense | 6,854 | 4,596 | 1,606 | 13,056 |
| Total expenses | 175,831 | 24,750 | 5,466 | 206,047 |
| Equity in net income of affiliates | | | 22,772 | 22,772 |
| Pretax income | 58,281 | 81,994 | 17,933 | 158,208 |
| Provision for income taxes | 13,579 | 24,078 | 7,084 | 44,741 |
| Net income | \$ 44,702 | \$ 57,916 | \$ 10,849 | \$ 113,467 |
| Assets | \$ 4,774,210 | \$ 2,757,800 | \$ 592,898 | \$ 8,124,908 |
| Deferred policy acquisition costs | 67,835 | 157,762 | | 225,597 |
| Reserve for losses and loss adjustment expenses | 676,691 | 175,771 | | 852,462 |
| Unearned premiums | 277,135 | 697,633 | | 974,768 |
| Stockholders equity | 2,322,374 | 1,457,712 | 394,690 | 4,174,776 |

Radian Group Inc. and Subsidiaries**Segment Information****Quarter Ended March 31, 2006****Exhibit D**

| | Mortgage | Financial | Financial | |
|---|------------------|------------------|------------------|--------------|
| (In thousands) | Insurance | Guaranty | Services | Total |
| Revenues: | | | | |
| Net premiums written | \$ 223,766 | \$ 55,839 | \$ | \$ 279,605 |
| Net premiums earned insurance | \$ 192,971 | \$ 34,263 | \$ | \$ 227,234 |
| Net premiums earned credit derivatives | 9,735 | 16,728 | | 26,463 |
| Net premiums earned total | 202,706 | 50,991 | | 253,697 |
| Net investment income | 31,665 | 22,518 | 77 | 54,260 |
| Net gains on securities | 13,577 | 7,178 | 2,099 | 22,854 |
| Change in fair value of derivative instruments | 9,121 | 8,509 | | 17,630 |
| Other income | 3,634 | 214 | 1,363 | 5,211 |
| Total revenues | 260,703 | 89,410 | 3,539 | 353,652 |
| Expenses: | | | | |
| Provision for losses | 71,097 | 7,537 | | 78,634 |
| Policy acquisition costs | 13,345 | 14,019 | | 27,364 |
| Other operating expenses | 44,267 | 14,756 | 1,254 | 60,277 |
| Interest expense | 6,701 | 4,026 | 1,113 | 11,840 |
| Total expenses | 135,410 | 40,338 | 2,367 | 178,115 |
| Equity in net income of affiliates | | | 58,340 | 58,340 |
| Pretax income | 125,293 | 49,072 | 59,512 | 233,877 |
| Provision for income taxes | 37,149 | 12,200 | 20,830 | 70,179 |
| Net income | \$ 88,144 | \$ 36,872 | \$ 38,682 | \$ 163,698 |
| Assets | \$ 4,504,282 | \$ 2,456,875 | \$ 449,437 | \$ 7,410,594 |
| Deferred policy acquisition costs | 68,619 | 140,905 | | 209,524 |
| Reserve for losses and loss adjustment expenses | 587,114 | 204,576 | | 791,690 |
| Unearned premiums | 233,364 | 641,369 | | 874,733 |
| Stockholders equity | 2,186,177 | 1,278,432 | 306,611 | 3,771,220 |

Radian Group Inc.**Financial Guaranty Supplemental Information**

For the Quarter Ended and as of March 31, 2007

Exhibit E

| (\$ in thousands, except ratios) | Quarter Ended | |
|---|-------------------|------------------|
| | 2007 | March 31 2006 |
| Net Premiums Written: | | |
| Public finance direct | \$ 12,780 | \$ 13,438 |
| Public finance reinsurance | 18,154 | 17,983 |
| Structured direct | 5,247 | 3,991 |
| Structured reinsurance | 5,912 | 3,005 |
| Trade credit reinsurance | (74) | 2,978 |
| Net premiums written insurance | 42,019 | 41,395 |
| Net premiums written credit derivatives | 13,326 | 14,444 |
| Total Net Premiums Written | \$ 55,345 | \$ 55,839 |
| Net Premiums Earned: | | |
| Public finance direct | \$ 11,585 | \$ 7,753 |
| Public finance reinsurance | 11,100 | 8,293 |
| Structured direct | 4,691 | 4,912 |
| Structured reinsurance | 6,194 | 4,594 |
| Trade credit reinsurance | 694 | 8,711 |
| Net premiums earned insurance | 34,264 | 34,263 |
| Net premiums earned credit derivatives | 18,939 | 16,728 |
| Total Net Premiums Earned | \$ 53,203 | \$ 50,991 |
| Refundings included in earned premium | \$ 6,586 | \$ 2,382 |
| Claims paid: | | |
| Trade credit reinsurance | \$ 2,646 | \$ 4,000 |
| Other financial guaranty | (69) | (110) |
| Conseco | 3,108 | 4,317 |
| Total | \$ 5,685 | \$ 8,207 |
| Incurring losses: | | |
| Trade credit reinsurance | \$ (3,136) | \$ 3,950 |
| Other financial guaranty | (2,676) | 4,619 |
| Conseco | | (1,032) |
| Total | \$ (5,812) | \$ 7,537 |
| Loss ratio GAAP Basis | (10.9%) | 14.8% |
| Expense ratio GAAP Basis | 48.8% | 56.4% |

37.9%

71.2%

Net (receipts) payments under derivatives contracts

\$ (11,228)

\$ 66,639

Radian Group Inc.**Financial Guaranty Supplemental Information****For the Quarter Ended and as of March 31, 2007****Exhibit F**

| | March 31 | December 31 | March 31 |
|---|----------------|----------------|----------------|
| | 2007 | 2006 | 2006 |
| (\$ in thousands, except ratios) | | | |
| Capital and surplus | \$ 1,042,548 | \$ 1,014,958 | \$ 983,349 |
| Contingency reserve | 357,176 | 336,719 | 283,163 |
| Qualified statutory capital | 1,399,724 | 1,351,677 | 1,266,512 |
| Unearned premium reserve | 837,024 | 829,340 | 757,245 |
| Loss and loss expense reserve | 88,253 | 96,829 | 114,177 |
| Total statutory policyholders' reserves | 2,325,001 | 2,277,846 | 2,137,934 |
| Present value of installment premiums | 377,105 | 345,565 | 294,872 |
| Reinsurance and soft capital facilities | 150,000 | 150,000 | 150,000 |
| Total statutory claims paying resources | \$ 2,852,106 | \$ 2,773,411 | \$ 2,582,806 |
| Net debt service outstanding | \$ 155,568,589 | \$ 143,728,116 | \$ 117,942,386 |
| Capital leverage ratio (1) | 111 | 106 | 93 |
| Claims paying leverage ratio (2) | 55 | 52 | 46 |
| Net par outstanding by product: | | | |
| Public finance direct | \$ 16,590,493 | \$ 16,324,170 | \$ 14,391,889 |
| Public finance reinsurance | 39,311,697 | 37,488,972 | 34,494,004 |
| Structured direct | 52,945,169 | 44,960,360 | 29,563,075 |
| Structured reinsurance | 5,261,220 | 5,192,122 | 4,881,345 |
| Total | \$ 114,108,579 | \$ 103,965,624 | \$ 83,330,313 |
| Reinsurance business net par outstanding: | | | |
| Treaty | 59% | 59% | 59% |
| Facultative | 41% | 41% | 41% |
| Reserve for losses and LAE | | | |
| Specific | \$ 33,011 | \$ 35,320 | \$ 43,568 |
| Conseco | 30,866 | 33,975 | 45,421 |
| Non-specific | 111,894 | 119,752 | 115,587 |
| Total | \$ 175,771 | \$ 189,047 | \$ 204,576 |

(1) Net debt service outstanding divided by qualified statutory capital

(2) Net debt service outstanding divided by total statutory claims paying resources

Radian Group Inc.**Mortgage Insurance Supplemental Information**

For the Quarter Ended and as of March 31, 2007

Exhibit G

| | Quarter Ended | | | |
|--|---------------|----------|-----------|--------|
| | 2007 | March 31 | | % |
| | | % | 2006 | |
| Primary New Insurance Written (\$ in millions) | | | | |
| Flow | \$ 7,049 | 53.3% | \$ 5,234 | 40.9% |
| Structured | 6,178 | 46.7% | 7,569 | 59.1% |
| Total Primary | \$ 13,227 | 100.0% | \$ 12,803 | 100.0% |
| Flow | | | | |
| Prime | \$ 5,050 | 71.6% | \$ 3,771 | 72.1% |
| Alt-A | 1,401 | 19.9% | 1,105 | 21.1% |
| A minus and below | 598 | 8.5% | 358 | 6.8% |
| Total Flow | \$ 7,049 | 100.0% | \$ 5,234 | 100.0% |
| Structured | | | | |
| Prime | \$ 93 | 1.5% | \$ 2,264 | 29.9% |
| Alt-A | 5,905 | 95.6% | 3,917 | 51.8% |
| A minus and below | 180 | 2.9% | 1,388 | 18.3% |
| Total Structured | \$ 6,178 | 100.0% | \$ 7,569 | 100.0% |
| Total | | | | |
| Prime | \$ 5,143 | 38.9% | \$ 6,035 | 47.2% |
| Alt-A | 7,306 | 55.2% | 5,022 | 39.2% |
| A minus and below | 778 | 5.9% | 1,746 | 13.6% |
| Total Primary | \$ 13,227 | 100.0% | \$ 12,803 | 100.0% |
| Total Primary New Insurance Written by FICO Score | | | | |
| (\$ in millions) | | | | |
| Flow | | | | |
| <=619 | \$ 486 | 6.9% | \$ 278 | 5.3% |
| 620-679 | 2,255 | 32.0% | 1,547 | 29.6% |
| 680-739 | 2,479 | 35.2% | 1,991 | 38.0% |
| >=740 | 1,829 | 25.9% | 1,418 | 27.1% |
| Total Flow | \$ 7,049 | 100.0% | \$ 5,234 | 100.0% |
| Structured | | | | |
| <=619 | \$ 126 | 2.0% | \$ 1,388 | 18.3% |
| 620-679 | 1,376 | 22.3% | 2,181 | 28.8% |
| 680-739 | 3,068 | 49.7% | 2,505 | 33.1% |
| >=740 | 1,608 | 26.0% | 1,495 | 19.8% |

Edgar Filing: MGIC INVESTMENT CORP - Form 425

| | | | | |
|--|-----------|--------|-----------|--------|
| Total Structured | \$ 6,178 | 100.0% | \$ 7,569 | 100.0% |
| Total | | | | |
| <=619 | \$ 612 | 4.6% | \$ 1,666 | 13.0% |
| 620-679 | 3,631 | 27.5% | 3,728 | 29.1% |
| 680-739 | 5,547 | 41.9% | 4,496 | 35.1% |
| >=740 | 3,437 | 26.0% | 2,913 | 22.8% |
| Total Primary | \$ 13,227 | 100.0% | \$ 12,803 | 100.0% |
| Percentage of primary new insurance written | | | | |
| Refinances | 37% | | 39% | |
| 95.01% LTV and above | 16% | | 8% | |
| ARMs | | | | |
| Less than 5 years | 42% | | 41% | |
| 5 years and longer | 5% | | 19% | |
| Primary risk written (\$ in millions) | | | | |
| Flow | \$ 1,746 | 90.0% | \$ 1,329 | 55.9% |
| Structured | 194 | 10.0% | 1,050 | 44.1% |
| Total Primary | \$ 1,940 | 100.0% | \$ 2,379 | 100.0% |
| Pool risk written (In millions) | \$ 89 | | \$ 61 | |
| Other risk written (In millions) | | | | |
| Seconds | | | | |
| 1st loss | \$ 3 | | \$ 24 | |
| 2nd loss | 21 | | 132 | |
| NIMs | 268 | | 89 | |
| International | | | | |
| 1st loss-Hong Kong primary mortgage insurance | 19 | | 17 | |
| Reinsurance | 17 | | 2 | |
| Other | | | | |
| Domestic credit default swaps | | | 20 | |
| Total other risk written | \$ 328 | | \$ 284 | |

Radian Group Inc.**Mortgage Insurance Supplemental Information**

For the Quarter Ended and as of March 31, 2007

Exhibit H

| | March 31 | | March 31 | |
|---|------------|--------|------------|--------|
| | 2007 | % | 2006 | % |
| Primary insurance in force (\$ in millions) | | | | |
| Flow | \$ 85,649 | 71.5% | \$ 81,597 | 71.6% |
| Structured | 34,063 | 28.5% | 32,316 | 28.4% |
| Total Primary | \$ 119,712 | 100.0% | \$ 113,913 | 100.0% |
| Primary risk in force (\$ in millions) | | | | |
| Flow | \$ 21,267 | 82.7% | \$ 20,073 | 77.0% |
| Structured | 4,446 | 17.3% | 6,003 | 23.0% |
| Total Primary | \$ 25,713 | 100.0% | \$ 26,076 | 100.0% |
| Flow | | | | |
| Prime | \$ 16,653 | 78.3% | \$ 15,595 | 77.7% |
| Alt-A | 3,015 | 14.2% | 2,948 | 14.7% |
| A minus and below | 1,599 | 7.5% | 1,530 | 7.6% |
| Total Flow | \$ 21,267 | 100.0% | \$ 20,073 | 100.0% |
| Structured | | | | |
| Prime | \$ 1,797 | 40.4% | \$ 2,379 | 39.6% |
| Alt-A | 1,442 | 32.4% | 1,623 | 27.1% |
| A minus and below | 1,207 | 27.2% | 2,001 | 33.3% |
| Total Structured | \$ 4,446 | 100.0% | \$ 6,003 | 100.0% |
| Total | | | | |
| Prime | \$ 18,450 | 71.8% | \$ 17,974 | 68.9% |
| Alt-A | 4,457 | 17.3% | 4,571 | 17.5% |
| A minus and below | 2,806 | 10.9% | 3,531 | 13.6% |
| Total Primary | \$ 25,713 | 100.0% | \$ 26,076 | 100.0% |
| Total Primary Risk in Force by FICO Score (\$ in millions) | | | | |
| Flow | | | | |
| <=619 | \$ 1,381 | 6.5% | \$ 1,281 | 6.4% |
| 620-679 | 6,574 | 30.9% | 6,224 | 31.0% |
| 680-739 | 7,733 | 36.4% | 7,383 | 36.8% |

Edgar Filing: MGIC INVESTMENT CORP - Form 425

| | | | | |
|--|------------------|---------------|------------------|---------------|
| >=740 | 5,579 | 26.2% | 5,185 | 25.8% |
| Total Flow | \$ 21,267 | 100.0% | \$ 20,073 | 100.0% |
| Structured | | | | |
| <=619 | \$ 1,205 | 27.1% | \$ 2,002 | 33.3% |
| 620-679 | 1,539 | 34.6% | 2,170 | 36.2% |
| 680-739 | 1,130 | 25.4% | 1,268 | 21.1% |
| >=740 | 572 | 12.9% | 563 | 9.4% |
| Total Structured | \$ 4,446 | 100.0% | \$ 6,003 | 100.0% |
| Total | | | | |
| <=619 | \$ 2,586 | 10.0% | \$ 3,283 | 12.6% |
| 620-679 | 8,113 | 31.6% | 8,394 | 32.2% |
| 680-739 | 8,863 | 34.5% | 8,651 | 33.2% |
| >=740 | 6,151 | 23.9% | 5,748 | 22.0% |
| Total Primary | \$ 25,713 | 100.0% | \$ 26,076 | 100.0% |
| Percentage of primary risk in force | | | | |
| Refinances | 33% | | 36% | |
| 95.01% LTV and above | 19% | | 14% | |
| ARMs | | | | |
| Less than 5 years | 18% | | 24% | |
| 5 years and longer | 9% | | 9% | |
| Pool risk in force (\$ in millions) | | | | |
| Prime | \$ 2,207 | 72.0% | \$ 2,098 | 76.3% |
| Alt-A | 301 | 9.8% | 272 | 9.9% |
| A minus and below | 558 | 18.2% | 380 | 13.8% |
| Total | \$ 3,066 | 100.0% | \$ 2,750 | 100.0% |

Radian Group Inc.**Mortgage Insurance Supplemental Information**

For the Quarter Ended and as of March 31, 2007

Exhibit I

| | March 31 | | March 31 | |
|--|-----------|--------|-----------|--------|
| | 2007 | % | 2006 | % |
| Total Primary Risk in Force by LTV (\$ in millions) | | | | |
| 95.01% and above | \$ 4,795 | 18.6% | \$ 3,680 | 14.1% |
| 90.01% to 95.00% | 7,965 | 31.0% | 8,473 | 32.5% |
| 85.01% to 90.00% | 9,157 | 35.6% | 9,476 | 36.3% |
| 85.00% and below | 3,796 | 14.8% | 4,447 | 17.1% |
| Total | \$ 25,713 | 100.0% | \$ 26,076 | 100.0% |
| Total Primary Risk in Force by Policy Year (\$ in millions) | | | | |
| 2003 and prior | 6,653 | 25.9% | \$ 9,288 | 35.6% |
| 2004 | 4,198 | 16.3% | 6,407 | 24.6% |
| 2005 | 6,137 | 23.9% | 8,015 | 30.7% |
| 2006 | 6,815 | 26.5% | 2,366 | 9.1% |
| 2007 | 1,910 | 7.4% | | 0.0% |
| Total | \$ 25,713 | 100.0% | \$ 26,076 | 100.0% |
| Total Pool Risk in Force by Policy Year (\$ in millions) | | | | |
| 2003 and prior | 1,749 | 57.0% | \$ 1,815 | 66.0% |
| 2004 | 290 | 9.5% | 293 | 10.7% |
| 2005 | 650 | 21.2% | 581 | 21.1% |
| 2006 | 285 | 9.3% | 61 | 2.2% |
| 2007 | 92 | 3.0% | | |
| Total Pool risk in Force | \$ 3,066 | 100.0% | \$ 2,750 | 100.0% |
| Other risk in force (In millions) | | | | |
| Seconds | | | | |
| 1st loss | \$ 555 | | \$ 594 | |
| 2nd loss | 605 | | 756 | |
| NIMs | 783 | | 303 | |
| International | | | | |
| 1st loss Hong Kong primary mortgage insurance | 353 | | 288 | |
| Reinsurance | 61 | | 29 | |
| Credit default swaps | 7,875 | | 7,581 | |
| Other | | | | |
| Domestic credit default swaps | 212 | | 200 | |
| Financial guaranty wrap | | | 205 | |
| Total other risk in force | \$ 10,444 | | \$ 9,956 | |
| Risk to capital ratio STAT Basis | 10.4:1 | | 11.1:1 | |

Radian Group Inc.**Mortgage Insurance Supplemental Information****For the Quarter Ended and as of March 31, 2007****Exhibit J**

| | Quarter Ended | |
|--|---------------|------------|
| | 2007 | 2006 |
| Direct claims paid (In thousands) | | |
| Prime | \$ 33,125 | \$ 30,109 |
| Alt-A | 19,998 | 18,790 |
| A minus and below | 29,080 | 23,391 |
| Seconds and other | 13,621 | 7,903 |
| Total | \$ 95,824 | \$ 80,193 |
| Average claim paid (In thousands) | | |
| Prime | \$ 28.1 | \$ 26.9 |
| Alt-A | 39.7 | 40.4 |
| A minus and below | 29.6 | 29.1 |
| Seconds | 28.8 | 22.9 |
| Total | 30.6 | 29.4 |
| Loss ratio GAAP Basis | 57.6% | 35.1% |
| Expense ratio GAAP Basis | 26.9% | 28.4% |
| | 84.5% | 63.5% |
| Reserve for losses by category (In thousands): | | |
| Prime | \$ 200,262 | \$ 181,001 |
| Alt-A | 146,329 | 135,336 |
| A minus and below | 228,066 | 195,246 |
| Pool Insurance | 34,599 | 36,199 |
| Seconds | 38,347 | 30,144 |
| Other | 900 | 9,188 |
| Reserve for losses, net | 648,503 | 587,114 |
| Reinsurance recoverable | 28,188(1) | |
| Total | \$ 676,691 | \$ 587,114 |

(1) Reinsurance recoverable on a first-loss second lien captive.

Radian Group Inc.**Mortgage Insurance Supplemental Information****For the Quarter Ended and as of March 31, 2007****Exhibit K**

| | March 31 | December 31 | March 31 |
|--------------------------------|-----------------|-------------|----------|
| | 2007 | 2006 | 2006 |
| Default Statistics | | | |
| Primary insurance: | | | |
| Flow | | | |
| Prime | | | |
| Number of insured loans | 504,941 | 500,464 | 501,632 |
| Number of loans in default | 14,013 | 15,141 | 15,117 |
| Percentage of loans in default | 2.78% | 3.03% | 3.01% |
| Alt-A | | | |
| Number of insured loans | 65,075 | 63,469 | 64,555 |
| Number of loans in default | 4,513 | 4,348 | 4,468 |
| Percentage of loans in default | 6.94% | 6.85% | 6.92% |
| A minus and below | | | |
| Number of insured loans | 53,379 | 52,440 | 52,700 |
| Number of loans in default | 6,704 | 7,250 | 6,833 |
| Percentage of loans in default | 12.56% | 13.83% | 12.97% |
| Total Flow | | | |
| Number of insured loans | 623,395 | 616,373 | 618,887 |
| Number of loans in default | 25,230 | 26,739 | 26,418 |
| Percentage of loans in default | 4.05% | 4.34% | 4.27% |
| Structured | | | |
| Prime | | | |
| Number of insured loans | 59,194 | 62,680 | 67,353 |
| Number of loans in default | 3,231 | 3,300 | 2,414 |
| Percentage of loans in default | 5.46% | 5.26% | 3.58% |
| Alt-A | | | |
| Number of insured loans | 84,050 | 70,164 | 63,800 |
| Number of loans in default | 3,922 | 3,647 | 2,491 |
| Percentage of loans in default | 4.67% | 5.20% | 3.90% |
| A minus and below | | | |
| Number of insured loans | 34,429 | 36,597 | 51,277 |
| Number of loans in default | 7,971 | 9,014 | 7,859 |
| Percentage of loans in default | 23.15% | 24.63% | 15.33% |
| Total Structured | | | |
| Number of insured loans | 177,673 | 169,441 | 182,430 |
| Number of loans in default | 15,124 | 15,961 | 12,764 |
| Percentage of loans in default | 8.51% | 9.42% | 7.00% |
| Total Primary Insurance | | | |
| Prime | | | |
| Number of insured loans | 564,135 | 563,144 | 568,985 |
| Number of loans in default | 17,244 | 18,441 | 17,531 |
| Percentage of loans in default | 3.06% | 3.27% | 3.08% |

Edgar Filing: MGIC INVESTMENT CORP - Form 425

| | | | |
|--------------------------------|------------------|-----------|-----------|
| Alt-A | | | |
| Number of insured loans | 149,125 | 133,633 | 128,355 |
| Number of loans in default | 8,435 | 7,995 | 6,959 |
| Percentage of loans in default | 5.66% | 5.98% | 5.42% |
| A minus and below | | | |
| Number of insured loans | 87,808 | 89,037 | 103,977 |
| Number of loans in default | 14,675 | 16,264 | 14,692 |
| Percentage of loans in default | 16.71% | 18.27% | 14.13% |
| Total Primary Insurance | | | |
| Number of insured loans | 801,068 | 785,814 | 801,317 |
| Number of loans in default | 40,354(1) | 42,700(1) | 39,182(1) |
| Percentage of loans in default | 5.04% | 5.43% | 4.89% |
| Pool insurance: | | | |
| Number of loans in default | 17,989(2) | 18,681(2) | 15,072(2) |

- (1) Includes approximately 1,541, 1,161 and 439 defaults at March 31, 2007, December 31, 2006 and March 31, 2006, respectively, where reserves have not been established because no claim payment is currently anticipated.
- (2) Includes approximately 13,036, 13,309 and 9,019 defaults at March 31, 2007, December 31, 2006 and March 31, 2006, respectively, where reserves have not been established because no claim payment is currently anticipated.

Radian Group Inc.**Mortgage Insurance Supplemental Information****For the Quarter Ended and as of March 31, 2007****Exhibit L**

| | Quarter Ended | |
|--|-------------------|-------------------|
| | March 31 | |
| | 2007 | 2006 |
| Net Premiums Written (In thousands) | | |
| Primary and Pool Insurance | \$ 192,108 | \$ 193,446 |
| Seconds | 11,179 | 10,539 |
| International | 3,124 | 1,920 |
| Net premiums written - insurance | 206,411 | 205,905 |
| Net premiums written - credit derivatives | 15,878 | 17,861 |
| Total Net Premiums Written | \$ 222,289 | \$ 223,766 |
| Net Premiums Earned (In thousands) | | |
| Primary and Pool Insurance | \$ 167,155 | \$ 175,808 |
| Seconds | 9,172 | 14,910 |
| International | 3,916 | 2,253 |
| Net premiums earned - insurance | 180,243 | 192,971 |
| Net premiums earned - credit derivatives | 15,689 | 9,735 |
| Total Net Premiums Earned | \$ 195,932 | \$ 202,706 |
| SMART HOME (In millions) | | |
| Ceded Premiums Written | \$ 3.2 | \$ 2.2 |
| Ceded Premiums Earned | \$ 2.9 | \$ 2.4 |
| Captives | | |
| Premiums ceded to captives (In millions) | \$ 28.1 | \$ 22.9 |
| % of total premiums | 14.2% | 11.4% |
| NIW subject to captives (In millions) | \$ 4,994 | \$ 2,776 |
| % of primary NIW | 37.8% | 21.7% |
| IIF included in captives (1) | 34.3% | 32.2% |
| RIF included in captives (1) | 39.7% | 35.2% |
| Persistency (twelve months ended March 31) | 69.5% | 58.6% |
| | March 31 | March 31 |
| | 2007 | 2006 |
| SMART HOME | | |
| % of Primary RIF included in Smart Home Transactions (1) | 9.0% | 7.1% |

- (1) Radian reinsures the middle layer risk positions, while retaining a significant portion of the total risk comprising the first loss and most remote risk positions.

Radian Group Inc.**Mortgage Insurance Supplemental Information**

For the Quarter Ended and as of March 31, 2007

ALT-A

Exhibit M

| (\$ in millions) | Quarter Ended | | | |
|--|-----------------|---------------|-----------------|---------------|
| | 2007 | March 31 | | 2006 |
| | | | % | |
| Primary New Insurance Written by FICO Score | | | | |
| <=619 | \$ 8 | 0.1% | \$ 6 | 0.1% |
| 620-659 | 589 | 8.1% | 709 | 14.1% |
| 660-679 | 1,165 | 15.9% | 634 | 12.6% |
| 680-739 | 3,640 | 49.8% | 2,324 | 46.3% |
| >=740 | 1,904 | 26.1% | 1,349 | 26.9% |
| Total | \$ 7,306 | 100.0% | \$ 5,022 | 100.0% |
| Primary Risk in Force by FICO Score | | | | |
| <=619 | \$ 22 | 0.5% | \$ 34 | 0.7% |
| 620-659 | 708 | 15.9% | 937 | 20.5% |
| 660-679 | 723 | 16.2% | 766 | 16.8% |
| 680-739 | 2,019 | 45.3% | 1,961 | 42.9% |
| >=740 | 985 | 22.1% | 873 | 19.1% |
| Total | \$ 4,457 | 100.0% | \$ 4,571 | 100.0% |
| Primary Risk in Force by LTV | | | | |
| 95.01% and above | \$ 150 | 3.4% | \$ 161 | 3.5% |
| 90.01% to 95.00% | 1,225 | 27.5% | 1,360 | 29.8% |
| 85.01% to 90.00% | 1,916 | 43.0% | 1,930 | 42.2% |
| 85.00% and below | 1,166 | 26.1% | 1,120 | 24.5% |
| Total | \$ 4,457 | 100.0% | \$ 4,571 | 100.0% |
| Primary Risk in Force by Policy Year | | | | |
| 2003 and prior | \$ 779 | 17.5% | \$ 1,206 | 26.4% |
| 2004 | 622 | 14.0% | 1,180 | 25.8% |
| 2005 | 1,056 | 23.7% | 1,538 | 33.6% |
| 2006 | 1,478 | 33.1% | 647 | 14.2% |
| 2007 | 522 | 11.7% | | |
| Total | \$ 4,457 | 100.0% | \$ 4,571 | 100.0% |

Radian Group Inc.**Financial Services Supplemental Information**

For the Quarter Ended and as of March 31, 2007

Exhibit N

| (In thousands) | Quarter Ended | |
|--|---------------|------------------|
| | 2007 | March 31 2006 |
| Investment in Affiliates-Selected Information | | |
| C-BASS | | |
| Balance, beginning of period | \$ 451,395 | \$ 364,364 |
| Net (loss) income for period | (6,804) | 30,026 |
| Dividends received | | 7,347 |
| Balance, end of period | \$ 444,591 | \$ 387,043 |
| Sherman | | |
| Balance, beginning of period | \$ 167,412 | \$ 81,753 |
| Net income for period | 29,576 | 28,315 |
| Dividends received | 51,512 | 60,515 |
| Other comprehensive income | (1,778) | 55 |
| Balance, end of period | \$ 143,698 | \$ 49,608 |
| Portfolio Information: | | |
| C-BASS | | |
| Servicing portfolio | \$ 59,600,000 | \$ 53,340,000 |
| Total assets | 6,867,894 | 4,704,015 |
| Servicing income | 43,126 | 74,069 |
| Net interest income | 78,852 | 65,040 |
| Total revenues | 38,981 | 171,124 |
| Sherman | | |
| Total assets | \$ 1,234,046 | \$ 1,010,930 |
| Net revenues | \$ 251,995 | \$ 237,672 |

Radian owns a 46% interest in C-BASS and an interest in Sherman, consisting of 40.96% of the Class A Common Units of Sherman (Class A Common Units represent 94% of the total equity in Sherman) and 50% of the Preferred Units of Sherman.

All statements made in this news release 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 demand or mortgage originations, changes in housing values, population trends and changes in household formation patterns, changes in unemployment rates, changes or volatility in interest rates, consumer confidence, or changes in credit spreads; changes in investor perception of the strength of private mortgage insurers or financial guaranty providers; 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 or the influence of large customers; increased severity or frequency of losses associated with certain Radian products that are riskier than traditional mortgage insurance and financial guaranty insurance policies; material changes in persistency rates of Radian's mortgage insurance policies; changes in 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 inquiries that we and other mortgage insurers have received from the New York Insurance Department and public reports that other state insurance departments are investigating or planning to investigate 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; legal and other limitations on the amount of dividends we may receive from our insurance subsidiaries; international expansion of our mortgage insurance and financial guaranty businesses into new markets and risks associated with our international business activities; and risks and uncertainties associated with our proposed merger with MGIC Investment Corporation, including, without limitation: the ability to complete the transaction on the proposed terms and schedule; the risk that the two companies and their businesses will not be integrated successfully; customer attrition and disruption from the transaction making it more difficult to maintain relationships with customers, employees or other business relationships; 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; the risk that potential sales of assets in connection with the merger may negatively impact the financial performance of the combined company; and the possibility that

the merger may not be completed, whether due to the failure to receive the requisite stockholder or regulatory approvals or otherwise, which may have an adverse effect on our customers, employees and other business relationships, and may have a materially adverse impact on our financial results and prospects. 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, 2006 and in the joint proxy statement/prospectus for our 2007 annual meeting. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date of this news release. Radian does not intend to, and disclaims any duty or obligation to, update or revise any forward-looking statements made in this news release to reflect new information, future events or for any other reason.

Additional Information about the Radian/MGIC Transaction

MGIC Investment Corporation and Radian Group Inc. have filed a joint proxy statement/prospectus and other relevant documents concerning the MGIC/Radian merger transaction with the United States Securities and Exchange Commission (the SEC). **STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE MERGER TRANSACTION OR INCORPORATED BY REFERENCE IN THE JOINT PROXY STATEMENT/PROSPECTUS BECAUSE THEY CONTAIN IMPORTANT INFORMATION.** Investors may obtain these documents free of charge at the SEC's website (<http://www.sec.gov>). In addition, documents filed with the SEC by MGIC are available free of charge by contacting Investor Relations at MGIC Investment Corporation, 250 East Kilbourn Avenue, Milwaukee, WI 53202. Documents filed with the SEC by Radian are available free of charge by calling Investor Relations at (215) 231-1486.

Radian and MGIC and their respective directors and executive officers, certain members of management and other employees are participants in the solicitation of proxies from Radian stockholders and MGIC stockholders with respect to the proposed merger transaction. Information regarding the directors and executive officers of Radian and MGIC and the interests of such participants are included in the joint proxy statement/prospectus filed with the SEC which relates to the merger transaction, Radian's 2007 annual meeting of stockholders and MGIC's 2007 annual meeting of stockholders and in the other relevant documents filed with the SEC.