

RADIAN GROUP INC  
Form 11-K  
June 28, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK REPURCHASE SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 1-11356

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

RADIAN GROUP INC. SAVINGS INCENTIVE PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

RADIAN GROUP INC.  
1601 Market Street  
Philadelphia, PA 19103

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RADIAN GROUP INC.  
SAVINGS INCENTIVE PLAN  
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Exhibits:

Exhibit 23.1—Consent of Independent Registered Public Accounting Firm—PricewaterhouseCoopers LLP

All other schedules required by Section 2520-103-10 of the Department of Labor's Rules and Regulations for  
\*Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because  
they are not applicable.

Report of Independent Registered Public Accounting Firm  
To the Participants and Administrator of  
Radian Group Inc. Savings Incentive Plan:

In our opinion, the accompanying Statements of Net Assets Available for Benefits and the related Statement of Changes in Net Assets Available for Benefits present fairly, in all material respects, the net assets available for benefits of the Radian Group Inc. Savings Incentive Plan (the "Plan") at December 31, 2011 and December 31, 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP  
Philadelphia, PA  
June 28, 2012

Radian Group Inc. Savings Incentive Plan  
 Statements of Net Assets Available for Benefits  
 December 31, 2011 and 2010

|  | 2011         | 2010         |
|--|--------------|--------------|
| Assets   |              |              |
| Investments (at fair value):   |              |              |
| Common Stock Fund-Radian Group Inc.:   |              |              |
| Participant-directed   | \$853,008    | \$2,375,933  |
| Nonparticipant-directed (Note Q)   | 2,994,321    | 12,170,517   |
|  | 3,847,329    | 14,546,450   |
| Other participant-directed investments   | 73,684,886   | 74,573,910   |
| Total investments  | 77,532,215   | 89,120,360   |
| Employer contributions receivable  | 1,487,745    | 1,570,979    |
| Participant loans  | 1,085,816    | 1,313,406    |
| Net assets available for benefits at fair value  | 80,105,776   | 92,004,745   |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (511,206 )   | (480,401 )   |
| Net assets available for benefits  | \$79,594,570 | \$91,524,344 |
| See notes to financial statements.   |              |              |

Radian Group Inc. Savings Incentive Plan  
Statement of Changes in Net Assets Available for Benefits  
For the Year Ended December 31, 2011

|  | 2011            |
|--|-----------------|
| Investment Activity:                                 |                 |
| Net depreciation in fair value of investments        | \$(11,960,114 ) |
| Interest   | 323,285         |
| Dividends  | 1,586,821       |
| Total investment loss                                | (10,050,008 )   |
| Contributions:                                       |                 |
| Participant  | 4,989,010       |
| Employer   | 3,992,106       |
| Rollover   | 241,380         |
| Other  | 33,649          |
| Total contributions                                  | 9,256,145       |
| Other Additions:                                     |                 |
| Loan interest  | 50,456          |
| Deductions:  |                 |
| Benefits paid to participants                        | 11,183,780      |
| Other deductions                                     | 2,587           |
| Total deductions                                     | 11,186,367      |
| Net decrease in assets available for benefits        | (11,929,774 )   |
| Net assets available for benefits, beginning of year | 91,524,344      |
| Net assets available for benefits, end of year       | \$79,594,570    |
| See notes to financial statements.                   |                 |

RADIAN GROUP INC. SAVINGS INCENTIVE PLAN  
NOTES TO FINANCIAL STATEMENTS

A. Plan Description

The following description of the Radian Group Inc. Savings Incentive Plan (the "Plan") provides only general information. Participants should refer to the Plan documents for a complete description of the Plan.

The Plan is a defined contribution plan designed to allow eligible employees of Radian Group Inc. ("Radian Group") and its participating subsidiaries (collectively with Radian Group, the "Company") to save for their retirement. Each eligible employee may participate in the Plan as of his or her date of hire.

Eligible employees may elect to contribute to the Plan on a pre-tax basis up to 100% of their eligible compensation, subject to limits set pursuant to the Plan (not to exceed the indexed limitations contained in the Internal Revenue Code of 1986 (the "Code")). These limits were \$16,500 for both 2011 and 2010. Participants who attain age 50 or older before the close of the Plan year (December 31) are entitled to make catch-up contributions in accordance with, and subject to the limitations of the Code. These limits were \$5,500 for both 2011 and 2010. Participants may also roll over amounts into the Plan, representing distributions from other qualified retirement plans.

In addition, eligible employees are automatically enrolled in the Plan (subject to their right to elect not to participate or to participate at a different contribution level) at a beginning participant contribution rate of 3% of eligible compensation. If a participant is automatically enrolled in the Plan and does not elect to discontinue or change such participant's contribution rate, such participant's contribution rate will be automatically increased by one percent each year until the contribution rate reaches 6%.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

B. Significant Accounting Policies

Basis of Accounting and Use of Estimates

The financial statements of the Plan are prepared under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the changes therein during the reporting period. Actual results may differ significantly from those estimates.

Investment Valuation and Income Recognition

Participants in the Plan can invest in a variety of funds, including money market funds, mutual funds, common collective trusts, the Radian Group Inc. Common Stock Fund (the "Radian Common Stock Fund") and targeted retirement funds.

The Plan's investments are stated at fair value. Cash and cash equivalents are reported at cost, which approximates fair value. Shares of mutual funds are valued at quoted market prices based on the net asset value of shares held by the Plan at year end. Units of the Radian Common Stock Fund are valued based on underlying investments (Radian common stock and money market accounts), which are valued at quoted market prices on the New York Stock Exchange on the last business day of the Plan year.

For common collective trusts, the underlying assets include traditional investment contracts issued by insurance companies and banks, alternative contracts and short-term investments, and are valued by discounting the related cash flows on yields of similar instruments with comparable duration. In addition, for common collective trusts, such as The Vanguard Group ("TVG") Retirement Savings Trust, with underlying investments in investment contracts, such common collective trusts are valued based on the unit value of the trusts, which are based on the fair market value of the underlying investments and then adjusted to contract value. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for the benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts, such as TVG Retirement Savings Trust, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Therefore, the Statements of Net Assets Available for Benefits present investment contracts at fair value, and also include an additional line item showing an adjustment from fair value to contract value for fully benefit-responsive investment contracts. The Statement of Changes in Net Assets

Available for Benefits is presented on a contract value basis.

Dividends are recorded on the ex-dividend date and interest income is recorded when earned. Purchases and sales of securities are recorded as of the trade date.

## Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (the "FASB") issued an update to the accounting standard regarding fair value measurements and disclosure. This update changes the language used to describe the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. The amendments: (i) clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements, and (ii) change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in this update do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. This update is effective for fiscal years beginning after December 15, 2011. We are currently evaluating the impact this new guidance will have on the Plan's financial statements and disclosures.

## C. Administration/Termination of the Plan

The Plan administrator is a committee comprised of members of management that are appointed by the Company's Board of Directors (the "Board"). The Plan administrator has fiduciary responsibility for the general operation of the Plan. The Company's Human Resources group is responsible for the administrative duties of the Plan. TVG assists the Company in fulfilling some of the administrative functions of the Plan. The Company does not receive compensation from the Plan for services provided. Certain costs of the Plan are deducted from participants' accounts, including: (i) brokerage fees and commissions, which are included in the cost of investments and in determining net proceeds on sales of investments; and (ii) investment management fees, which are paid from the assets of the respective funds. Other administrative and operational costs of the Plan for the year ended December 31, 2011, were paid by the Company.

Although the Company has not expressed any intention to do so, the Company reserves the right to terminate the Plan at any time. In the event the Plan is terminated, all benefits would become fully vested and non-forfeitable and the net assets of the Plan would be allocated as required by the Plan and in accordance with ERISA.

## D. Participant Accounts

TVG, the record keeper for the Plan, maintains an account in the name of each participant, constituting the sum of such participant's contributions, Company matching, discretionary and transition credit contributions, rollover contributions and share of the net earnings, losses and expenses of the various investment funds, less any loans and withdrawals. Each participant is entitled to the vested benefit of such participant's account.

## E. Matching, Discretionary and Transition Credit Contributions

The Company makes a "matching contribution" with respect to the salary reduction contributions of each participant, up to 6% of a participant's annual eligible compensation. Beginning with the matching contribution made for the fourth quarter of 2010, which was made in 2011, matching contributions will be contributed (subject to the discretion of the Plan administrator): (i) in cash in accordance with the participants' current investment elections, except to the extent that a participant has elected to invest all or a portion of his matching contribution in the Radian Group Common Stock Fund, and (ii) in the Company's common stock, to the extent the participant has elected to invest all or a portion of their matching contribution in the Radian Common Stock Fund (subject to the 6% limitation discussed above). Prior to the matching contribution made for the fourth quarter of 2010, all matching contributions were made in Company common stock in the Radian Common Stock Fund. As a result, matching contributions made in 2010 were considered non-participant directed investments.

The Company may make discretionary contributions to the Plan in amounts determined annually by the Board. Any such contribution may be made in a fixed dollar amount or may be made as a percentage of the Company's net profits, percentage of a participant's compensation, or any other method determined by the Board. Discretionary contributions are allocated pro rata among the participant's investment elections at the time the discretionary contribution is made. The Company did not make any discretionary contributions for the year ended December 31, 2011.





Certain participants who had participated in the Radian Group Inc. Pension Plan (the "Pension Plan"), which was terminated in 2007, were entitled to receive yearly cash "transition credits" (for up to five years commencing with the Plan year beginning January 1, 2007, if they remained active employees during those five years). Those eligible to receive transition credits had to have attained at least five years of service and have been active participants on December 31, 2006. Contributions are equal to a fixed percentage of their eligible compensation, calculated based on a formula that takes into account their age and years of completed vested service as of January 1, 2007. Transition credits deposited into the Plan are made in January of the following year. For the year ended December 31, 2011, transition credits made to the Plan in 2012 totaled \$524,195. For the year ended December 31, 2010, transition credits made to the Plan in 2011 totaled \$581,568. The transition credit contributions for each eligible participant are allocated pro rata among the participant's investment elections at the time the transition credit contribution is made. The discretionary contributions and transition credits are considered participant-directed because they are allocated pro rata among the participant's investment elections at the time the contribution is made. The final payment for the transition credits pertaining to the Pension Plan was made in 2012.

#### F. Forfeited Accounts

Participants forfeit any discretionary contributions made to them, and any earnings thereon, that are unvested at the time of their termination of service. During 2011 and 2010, forfeited non-vested amounts totaled \$8,940 and \$7,831, respectively. Employer contributions receivable at December 31, 2011 and 2010, were reduced by these amounts. See Note H below for information regarding the vesting of discretionary contributions.

#### G. Trustee

Vanguard Fiduciary Trust Company ("Vanguard") serves as trustee (the "Trustee") for the Plan.

#### H. Vesting

Participants are at all times fully vested in amounts they contribute to the Plan, amounts received as transition credits, including any earnings on such amounts, rollover amounts, and matching contributions.

Discretionary contributions to participants vest upon the completion of three years of eligible service with the Company.

#### I. Investment Options

Employee and employer contributions are allocated pro rata among the investment elections that have been selected by the participant at the time the contribution is made. If a participant does not select an investment election, the initial employee and/or employer contribution will be made to the default fund, which is a Target Retirement Fund, based on the participant's anticipated retirement date. Participants may choose to have their contributions invested entirely in one, or in any combination of investment options, in whole percentage increments. Participants may change their deferral percentage and investment selection for future contributions on any business day. Changes will take effect for the next eligible pay cycle so long as the request is completed before the respective cutoff dates. Participants may transfer part or all of their existing account balances among funds in the Plan at any time. Participants are permitted to make transfers out of the Radian Common Stock Fund and into any other investment option available under the Plan at any time, subject to compliance with the Company's Policy Regarding Securities Trading. Generally, under ordinary market conditions, all common collective trust positions provide daily market liquidity to Plan participants and the Plan. The Plan invests in TVG Retirement Savings Trust, a common collective trust, in which participant transactions (issuances and redemptions) may occur daily. Were the Plan to initiate a full redemption of the common collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. See Note P below.

#### J. Payment of Benefits and Withdrawals

A participant (or his/her beneficiary) may receive the value of his or her vested interest in the Plan only as a lump-sum distribution. Benefit payments to participants are recorded upon distribution.

If the amount in a participant's account is less than \$5,000, a lump-sum distribution is made following termination of the participant's service.

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Participants are permitted to make hardship withdrawals in accordance with Plan provisions. The minimum withdrawal permitted is the lesser of \$500 or the full value of the participant's applicable account. Withdrawals for financial hardship are permitted if they are necessary to satisfy an immediate financial need. A participant must exhaust the possibility of all other withdrawals under the Plan and under all other retirement plans maintained by the Company, including non-taxable loans, before being eligible for a hardship withdrawal. Upon receiving a hardship distribution, a participant is generally suspended from making contributions to the Plan (and all other deferred compensation plans maintained by the Company) for six months following the year of the hardship withdrawal.

#### K. Net Appreciations (Depreciation) in Fair Value

Net appreciation (depreciation) in fair value of investments (including gains and losses on investments bought and sold) for the year ended December 31, 2011, was as follows:

|   | 2011          |   |
|---|---------------|---|
| Artisan International Fund              | \$(134,828    | ) |
| Columbia Acorn Fund                     | (262,870      | ) |
| Oppenheimer Global Fund                 | (217,866      | ) |
| Royce Fund                              | (324,511      | ) |
| TVG 500 Index Fund                      | (29,756       | ) |
| TVG Growth Equity Fund                  | 3,586         |   |
| TVG Growth and Income Fund              | 11,009        |   |
| TVG High -Yield Corporate Fund          | (812          | ) |
| TVG Inflation Protected Securities Fund | 138,627       |   |
| TVG International Explorer Fund         | (743,647      | ) |
| TVG Mid - Cap Growth Fund               | (27,575       | ) |
| TVG Mid - Cap Index Fund                | (64,807       | ) |
| TVG Morgan Growth Fund                  | (216,697      | ) |
| TVG Selected Value Fund                 | (8,806        | ) |
| TVG Small - Cap Index Fund              | (65,476       | ) |
| TVG Strategic Equity Fund               | (5,047        | ) |
| TVG Target Retirement 2005 Fund         | 3,459         |   |
| TVG Target Retirement 2010 Fund         | 140           |   |
| TVG Target Retirement 2015 Fund         | (38,968       | ) |
| TVG Target Retirement 2020 Fund         | (10,270       | ) |
| TVG Target Retirement 2025 Fund         | (124,869      | ) |
| TVG Target Retirement 2030 Fund         | (7,659        | ) |
| TVG Target Retirement 2035 Fund         | (193,637      | ) |
| TVG Target Retirement 2040 Fund         | (13,877       | ) |
| TVG Target Retirement 2045 Fund         | (100,715      | ) |
| TVG Target Retirement 2050 Fund         | (1,545        | ) |
| TVG Target Retirement 2055 Fund         | (2,457        | ) |
| TVG Target Retirement Income            | 5,415         |   |
| TVG Total Bond Market Index Fund        | 201,263       |   |
| TVG Wellington Fund                     | 65,641        |   |
| TVG Windsor II Fund                     | 4,303         |   |
| Radian Common Stock Fund                | (9,796,862    | ) |
| Net Depreciation in Fair Value          | \$(11,960,114 | ) |



#### L. Loans

Eligible participants may borrow from the vested portion of their account balances a minimum of \$1,000 and up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loans bear interest at the prime rate at the time the loan is originated plus 1%. The rates on existing loans currently range from 4.25% to 9.25%, and are paid through payroll deductions. The maximum loan period is five years, subject to a limited exception for the purchase of a primary residence where the loan period can be up to 25 years. A participant may have only one loan outstanding at any one time. Outstanding loans are due and payable upon termination of service with the Company.

#### M. Federal Tax Considerations

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated September 11, 2002, that the Plan and related trust is designed in accordance with applicable sections of the Code. Although the Company has amended the Plan since this determination, the Plan administrator believes that the Plan continues to be designed and operated in compliance with the applicable requirements of the Code. Accordingly, no provision for income taxes has been included in the financial statements. While we submitted a request for an updated favorable determination letter to the IRS in January 2011, we have not yet received a response from them.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan administrator believes that the trust underlying the Plan is no longer subject to income tax examinations for years prior to 2008.

#### N. Schedule of Investments Greater than Five Percent of Net Assets (at fair value)

Investments representing five percent or more of the Plan's net assets at December 31, 2011 and 2010, were as follows:

|                                  | 2011                      |     |                |
|----------------------------------|---------------------------|-----|----------------|
|                                  | Number of<br>Shares/Units |     | Fair Value     |
| TVG Retirement Savings Trust     | 11,039,635                | (1) | \$ 11,550,840  |
| TVG Wellington Fund              | 264,939                   |     | 8,303,203      |
| TVG Morgan Growth Fund           | 381,516                   |     | 6,665,088      |
| TVG Total Bond Market Index Fund | 496,705                   |     | 5,463,759      |
| TVG Target Retirement 2025       | 344,860                   |     | 4,231,437      |
|                                  | 2010                      |     |                |
|                                  | Number of<br>Shares/Units |     | Fair Value     |
| TVG Retirement Savings Trust     | 12,199,716                | (1) | \$ 12,680,117  |
| Radian Common Stock Fund         | 4,228,619                 | (1) | 14,546,450 (2) |
| TVG Wellington Fund              | 256,748                   |     | 7,984,860      |
| TVG Morgan Growth Fund           | 394,152                   |     | 7,106,570      |
| TVG Total Bond Market Index Fund | 517,426                   |     | 5,484,714      |

(1) Reported as units.

(2) Includes \$12,170,517 of non-participant directed investments at December 31, 2010.



### O. Fair Value Measurements

We established a fair value hierarchy by prioritizing the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). The three levels of the fair value hierarchy are described below:

Level I — Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level II — Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities; and

Level III — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The level of market activity used in determining the fair value hierarchy is based on the availability of observable inputs market participants would use to price an asset or a liability, including market value price observations. For markets in which inputs are not observable or limited, we use significant judgment and assumptions that a typical market participant would use to evaluate the market price of an asset or liability. Given the level of judgment, another market participant may derive a materially different estimate of fair value. These assets and liabilities are classified in Level III of our fair value hierarchy. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following are descriptions of our valuation methodologies for assets measured at fair value:

Mutual Funds—Shares of mutual funds are valued at quoted market prices based on the net asset value of shares held by the Plan on the last day of the Plan year.

Common Stock Fund—Units of the Radian Common Stock Fund are valued based on underlying investments (Radian common stock and money market accounts), which are valued at quoted market prices on the New York Stock Exchange and net asset value, respectively, on the last day of the Plan year.

Common Collective Trust—The common collective trust, with underlying investments in investment contracts, is valued based on the unit value of the trust, which is based on the fair market value of the underlying investments.

The following is a list of assets that are measured at fair value by hierarchy level as of December 31, 2011 and 2010:

| Assets at Fair Value for 2011   | Level I      | Level II     | Level III | Total        |
|---------------------------------|--------------|--------------|-----------|--------------|
| Mutual Funds                    | \$62,134,046 | \$—          | \$—       | \$62,134,046 |
| Common Stock Fund               | —            | 3,847,329    | —         | 3,847,329    |
| Common Collective Trust         | —            | 11,550,840   | —         | 11,550,840   |
| Total Investments at Fair Value | \$62,134,046 | \$15,398,169 | \$—       | \$77,532,215 |
| Assets at Fair Value for 2010   | Level I      | Level II     | Level III | Total        |
| Mutual Funds                    | \$61,893,793 | \$—          | \$—       | \$61,893,793 |
| Common Stock Fund               | —            | 14,546,450   | —         | 14,546,450   |
| Common Collective Trust         | —            | 12,680,117   | —         | 12,680,117   |
| Total Investments at Fair Value | \$61,893,793 | \$27,226,567 | \$—       | \$89,120,360 |



#### P. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are subject to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Market values of the Plan's investments may decline for a number of reasons, including among others, changes in prevailing market and interest rates, increases in defaults, increases in voluntary prepayments for investments that are subject to prepayment risk under normal market conditions, and widening of credit spreads.

#### Q. Nonparticipant-Directed Investments

Net assets relating to nonparticipant-directed investments at December 31, 2011 and 2010, and the significant components of changes in net assets relating to nonparticipant-directed investments for the year ended December 31, 2011, were as follows:

|  | December 31,<br>2011 | 2010         |                                 |
|--|----------------------|--------------|---------------------------------|
| Net Assets:  |                      |              |                                 |
| Radian Common Stock Fund*                            | \$2,994,321          | \$12,170,517 |                                 |
| Total  | \$2,994,321          | \$12,170,517 |                                 |
|  |                      |              | Year Ended<br>December 31, 2011 |
| Changes in Net Assets:                               |                      |              |                                 |
| Net depreciation                                     |                      | \$(8,037,524 | )                               |
| Interest and dividends                               |                      | 14,277       |                                 |
| Contributions  |                      | 148,194      |                                 |
| Benefits paid to participants                        |                      | (753,803     | )                               |
| Other additions                                      |                      | 7,111        |                                 |
| Loan activity  |                      | (2,403       | )                               |
| Transfers to participant-directed investments        |                      | (552,048     | )                               |
| Total Change in Non-Participant Directed Investments |                      | \$(9,176,196 | )                               |

\*Indicates a party-in-interest to the Plan.

#### R. Exempt Party-in-Interest Transactions

The Plan permits investments in various investment funds managed by TVG. TVG is the record keeper of the Plan; therefore, investment transactions in these investments qualify as party-in-interest transactions that are exempt from the prohibited transaction rules of ERISA.

In addition, at December 31, 2011 and 2010, the Plan held 3,847,329 and 4,228,619 units, respectively, in the Radian Common Stock Fund, which invests primarily in Radian Group Inc. common stock. The cost basis of the Radian Common Stock Fund was \$12,465,149 and \$14,561,822 as of December 31, 2011 and 2010, respectively. During the year ended December 31, 2011, the Plan recorded dividend income in the Radian Common Stock Fund of \$18,687. Purchases of the Radian Common Stock Fund during the year ended December 31, 2011, were \$509,525, including \$148,194 in Company matching contributions. Transactions in the Radian Common Stock Fund qualify as exempt party-in-interest transactions under ERISA.

#### S. Subsequent Events

We have evaluated all events subsequent to December 31, 2011. There were no subsequent events to report.



T. Reconciliation of Financial Statements to Form 5500

|  | December 31,<br>2011 | 2010              |
|--|----------------------|-------------------|
| Statements of net assets available for benefits:   |                      |                   |
| Net assets available for benefits per the financial statements                                 | \$79,594,570         | \$91,524,344      |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | 511,206              | 480,401           |
| Net assets available for benefits per Form 5500  | \$80,105,776         | \$92,004,745      |
|  |                      | December 31, 2011 |
| Statement of changes in net assets available for benefits:                                     |                      |                   |
| Net decrease in assets available for benefits  |                      | \$ (11,929,774 )  |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts |                      | 30,805            |
| Total decrease in assets available for plan benefits per Form 5500                             |                      | \$ (11,898,969 )  |

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Radian Group Inc. Savings Incentive Plan  
Supplemental Schedule

Form 5500, Schedule H, Part IV Item 4i: Schedule of Assets (Held at End of Year)

December 31, 2011

| Identity of Issue, Borrower, Lessor, or Similar Party | Description Of Investment   | Cost          | Current Value |
|---|---|---------------|---------------|
| * TVG Retirement Savings Trust                        | Common/Collective Trust   | \$ 11,039,635 | \$ 11,550,840 |
| * TVG Wellington Fund                                 | Registered Investment Company   | 7,906,678     | 8,303,203     |
| * TVG Morgan Growth Fund                              | Registered Investment Company   | 6,051,644     | 6,665,088     |
| * TVG Total Bond Market Index Fund                    | Registered Investment Company   | 5,138,290     | 5,463,759     |
| * TVG Target Retirement 2025 Fund                     | Registered Investment Company   | 4,091,300     | 4,231,437     |
| * TVG Target Retirement 2035 Fund                     | Registered Investment Company   | 3,888,126     | 3,978,093     |
| * TVG International Explorer Fund                     | Registered Investment Company   | 3,011,923     | 2,488,721     |
| * TVG Target Retirement 2015 Fund                     | Registered Investment Company   | 2,995,084     | 3,129,876     |
| * Columbia Acorn Fund                                 | Registered Investment Company   | 2,611,290     | 2,710,788     |
| * TVG Growth and Income Fund                          | Registered Investment Company   | 2,579,027     | 2,488,310     |
| * TVG 500 Index Fund                                  | Registered Investment Company   | 2,470,585     | 2,621,015     |
| * TVG Windsor II Fund                                 | Registered Investment Company   | 2,186,174     | 2,055,684     |
| * TVG Inflation-Protected Securities                  | Registered Investment Company   | 1,807,641     | 1,997,265     |
| * TVG Target Retirement 2045 Fund                     | Registered Investment Company   | 1,784,654     | 1,806,562     |
| * Oppenheimer Global Fund                             | Registered Investment Company   | 1,761,202     | 1,700,435     |
| * TVG Mid-Cap Index Fund                              | Registered Investment Company   | 1,732,181     | 1,933,272     |
| * TVG Growth Equity Fund                              | Registered Investment Company   | 1,650,083     | 1,833,788     |
| * Artisan International Fund                          | Registered Investment Company   | 1,558,542     | 1,359,380     |
| * TVG Small-Cap Index Fund                            | Registered Investment Company   | 1,367,317     | 1,486,718     |
| * Royce Low-Priced Stock Fund                         | Registered Investment Company   | 1,323,116     | 1,257,023     |
| * TVG Mid-Cap Growth Fund                             | Registered Investment Company   | 1,002,884     | 1,118,663     |
| * TVG Selected Value Fund                             | Registered Investment Company   | 842,356       | 872,089       |
| * TVG High-Yield Corporate Fund                       | Registered Investment Company   | 621,828       | 635,641       |
| * TVG Strategic Equity Fund                           | Registered Investment Company   | 532,391       | 531,692       |
| * TVG Target Retirement 2030 Fund                     | Registered Investment Company   | 310,275       | 306,123       |
| * TVG Target Retirement 2040 Fund                     | Registered Investment Company   | 287,686       | 278,604       |
| * TVG Target Retirement 2020 Fund                     | Registered Investment Company   | 251,324       | 244,965       |
| * TVG Target Retirement 2005 Fund                     | Registered Investment Company   | 242,382       | 259,892       |
| * TVG Target Retirement Income                        | Registered Investment Company   | 237,892       | 253,234       |
| * TVG Target Retirement 2010 Fund                     | Registered Investment Company   | 79,429        | 84,111        |
| * TVG Target Retirement 2050 Fund                     | Registered Investment Company   | 40,112        | 38,195        |
| * TVG Target Retirement 2055 Fund                     | Registered Investment Company   | 420           | 420           |
| * Radian Common Stock Fund                            | Common stock units  | 12,465,149    | 3,847,329     |
| Total Investments                                     |   | \$ 83,868,620 | \$ 77,532,215 |
| Loans receivable                                      | Interest rates from 4.25% to 9.25%,<br>maturing between 2012 and 2035 | 1,085,816     | 1,085,816     |
| Total Assets  |   | \$ 84,954,436 | \$ 78,618,031 |

\* Indicates a party-in-interest to the Plan.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RADIAN GROUP INC.  
SAVINGS INCENTIVE PLAN

Date: June 28, 2012

By: /s/ Anita Scott  
Anita Scott  
Vice President, Human Resources

Exhibit Index

| Exhibit<br>No. | Description   |
|----------------|---|
| 23.1           | Consent of Independent Registered Public Accounting Firm—PricewaterhouseCoopers LLP |

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