



# CREDIT RISK TRANSFER (CRT) UPDATE

*FOR PERIOD ENDING: JUNE 30, 2022*



**ESSENT<sup>®</sup>**  
GROUP

AUGUST 5, 2022

# DISCLAIMER

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This presentation may include “forward-looking statements” which are subject to known and unknown risks and uncertainties, many of which may be beyond our control. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” or “potential” or the negative thereof or variations thereon or similar terminology. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following: the impact of COVID-19 and related economic conditions; changes in or to Fannie Mae and Freddie Mac (the “GSEs”), whether through Federal legislation, restructurings or a shift in business practices; failure to continue to meet the mortgage insurer eligibility requirements of the GSEs; competition for customers; lenders or investors seeking alternatives to private mortgage insurance; deteriorating economic conditions (including inflation, rising interest rates and other adverse economic trends); an increase in the number of loans insured through Federal government mortgage insurance programs, including those offered by the Federal Housing Administration; decline in new insurance written and franchise value due to loss of a significant customer; decline in the volume of low down payment mortgage originations; the definition of “Qualified Mortgage” reducing the size of the mortgage origination market or creating incentives to use government mortgage insurance programs; the definition of “Qualified Residential Mortgage” reducing the number of low down payment loans or lenders and investors seeking alternatives to private mortgage insurance; the implementation of the Basel III Capital Accord discouraging the use of private mortgage insurance; a decrease in the length of time that insurance policies are in force; uncertainty of loss reserve estimates; our non-U.S. operations becoming subject to U.S. Federal income taxation; becoming considered a passive foreign investment company for U.S. Federal income tax purposes; and other risks and factors described in Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission on February 16, 2022, as subsequently updated through other reports we file with the Securities and Exchange Commission. Any forward-looking information presented herein is made only as of the date of this presentation, and we do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

# COMPLETED TRANSACTIONS: CLOSING INFORMATION

	XOL 2022-1 (XOL 22-1)	Radnor Re 2021-2 (RMIR 21-2)	Radnor Re 2021-1 (RMIR 21-1)	Radnor Re 2020-2 (RMIR 20-2)	Radnor Re 2020-1 (RMIR 20-1)	XOL 2020-1 (XOL 20-1)
Closing Date	June 30, 2022	November 10, 2021	June 23, 2021	October 8, 2020	January 30, 2020	January 30, 2020
NIW Period	October 2021 - December 2022	April 2021 - September 2021	August 2020 - March 2021	September 2019 - July 2020	January 2019 - August 2019	January 2019 - August 2019
Bond Issuance / Reinsurance	\$89,591,389 <sup>(1)</sup>	\$439,407,000	\$557,911,000	\$399,159,000	\$495,889,000	\$55,102,000
Tranche Sizing	2nd Layer: \$76,792,619 <sup>(1)</sup> 1st Layer: \$12,798,770 <sup>(1)</sup>	M-1A: \$139,534,000 M-1B: \$147,763,000 M-2: \$130,382,000 B-1: \$21,728,000	M-1A: \$139,478,000 M-1B: \$132,504,000 M-1C: \$153,426,000 M-2: \$97,634,000 B-1: \$34,869,000	M-1A: \$79,832,000 M-1B: \$93,137,000 M-1C: \$93,137,000 M-2: \$99,790,000 B-1: \$33,263,000	M-1A: \$94,866,000 M-1B: \$133,675,000 M-1C: \$77,617,000 M-2A: \$125,051,000 M-2B: \$43,120,000 B-1: \$21,560,000	M-1A: \$10,541,000 M-1B: \$14,853,000 M-1C: \$8,625,000 M-2A: \$13,895,000 M-2B: \$4,792,000 B-1: \$2,396,000
Spread	-*	M-1A: 1.85% M-1B: 3.70% M-2: 5.00% B-1: 6.00%	M-1A: 1.65% M-1B: 1.70% M-1C: 2.70% M-2: 3.15% B-1: 4.00%	M-1A: 3.15% M-1B: 4.00% M-1C: 4.60% M-2: 5.60% B-1: 7.60%	M-1A: 0.95% M-1B: 1.45% M-1C: 1.75% M-2A: 2.00% M-2B: 2.25% B-1: 3.00%	-*
Initial Credit Enhancement	2nd Layer: 3.00% 1st Layer: 2.50%	M-1A: 5.70% M-1B: 4.00% M-2: 2.50% B-1: 2.25%	M-1A: 4.05% M-1B: 4.05% M-1C: 2.95% M-2: 2.25% B-1: 2.00%	M-1A: 5.90% M-1B: 5.20% M-1C: 4.50% M-2: 3.75% B-1: 3.50%	M-1A: 6.90% M-1B: 5.35% M-1C: 4.45% M-2A: 3.00% M-2B: 2.50% B-1: 2.25%	M-1A: 6.90% M-1B: 5.35% M-1C: 4.45% M-2A: 3.00% M-2B: 2.50% B-1: 2.25%
Credit Rating	N/A	M-1A: Baa3 & BBB (low) M-1B: Ba3 & BB M-2: NR & B B-1: NR & B (low)	M-1A: Baa3 M-1B: Baa3 M-1C: Ba3 M-2: B3 B-1: NR	M-1A: Ba1 M-1B: Ba2 M-1C: Ba3 M-2: B2 B-1: B3	M-1A: BBB (low) M-1B: BB (high) M-1C: BB (low) M-2A: B M-2B: B (low) B-1: NR	N/A
Rating Agency		Moody's & DBRS	Moody's	Moody's	DBRS / Morningstar	

1) XOL balance is accumulating through December 2022

\* Pricing has not been publicly disclosed for XOL agreements.

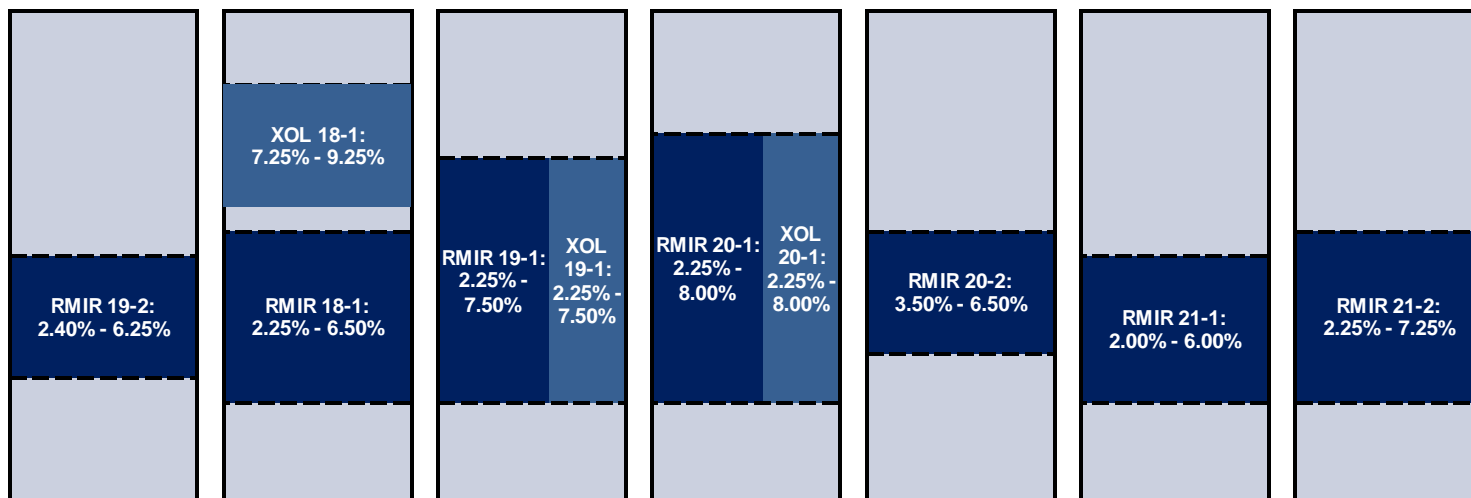
# COMPLETED TRANSACTIONS: CLOSING INFORMATION CONT.

	Radnor Re 2019-2 (RMIR 19-2)	Radnor Re 2019-1 (RMIR 19-1)	XOL 2019-1 (XOL 19-1)	Radnor Re 2018-1 (RMIR 18-1)	XOL 2018-1 (XOL 18-1)
Closing Date	June 20, 2019	February 28, 2019	February 28, 2019	March 22, 2018	November 1, 2018
NIW Period	January 2015 - December 2016	January 2018 - December 2018	January 2018 - December 2018	January 2017 - December 2017	January 2017 - December 2017
Bond Issuance/ Reinsurance	\$333,844,000	\$473,184,000	\$118,650,000	\$424,412,000	\$165,167,226
Tranche Sizing	M-1A: \$125,734,000 M-1B: \$186,432,000 B-1: \$21,678,000	M-1A: \$84,547,000 M-1B: \$174,563,000 M-2: \$192,937,000 B-1: \$21,137,000	M-1A: \$28,183,000 M-1B: \$39,625,000 M-2: \$43,796,000 B-1: \$7,046,000	M-1: \$189,737,000 M-2: \$209,710,000 B-1: \$24,965,000	X-1: \$187,112,603
Spread	M-1A: 1.20% M-1B: 1.75% B-1: 2.70%	M-1A: 1.25% M-1B: 1.95% M-2: 3.20% B-1: 4.45%	-*	M-1: 1.40% M-2: 2.70% B-1: 3.80%	-*
Initial Credit Enhancement	M-1A: 4.80% M-1B: 2.65% B-1: 2.40%	M-1A: 6.50% M-1B: 4.60% M-2: 2.50% B-1: 2.25%	M-1A: 6.50% M-1B: 4.60% M-2: 2.50% B-1: 2.25%	M-1: 4.60% M-2: 2.50% B-1: 2.25%	X-1: 7.25%
Credit Rating	M-1A: AA- M-1B: A- B-1: BBB+	M-1A: A- M-1B: BBB- M-2: BB- B-1: B+	N/A	M-1: BBB M-2: BB- B-1: B+	N/A
Rating Agency	Morningstar	Morningstar		Morningstar	

\* Pricing has not been publicly disclosed for XOL agreements.

# CRT SUMMARY: AS OF CLOSING

INDEX KEY:
ESSENT RETAINS
XOL
ILN

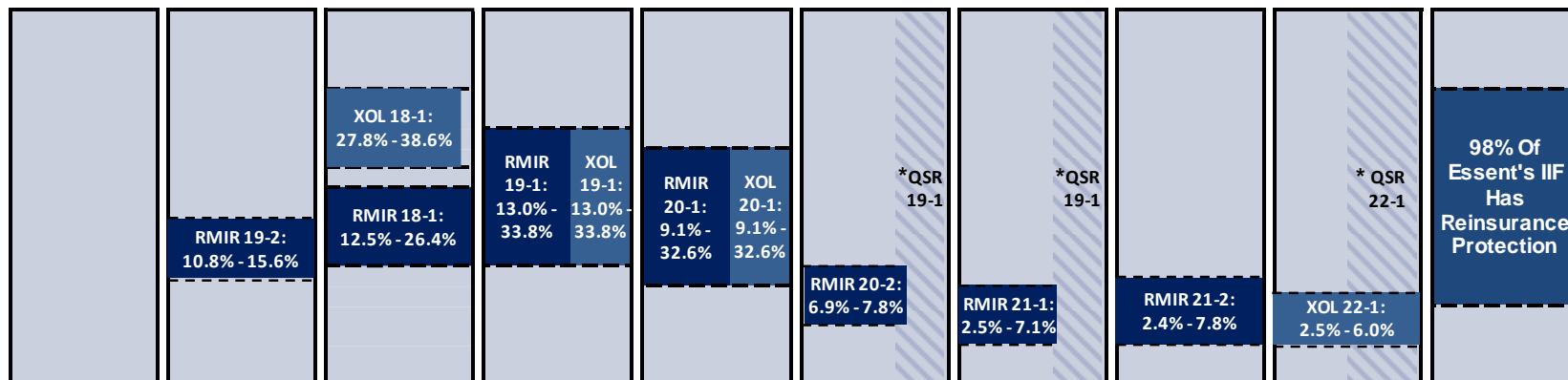


Vintage NIW Period:	2015 & 2016	2017	2018	2019 (JAN-AUG)	SEP-19 - JUL-20	AUG-20 - MAR-21	APR-21 - SEP-21
IIF at Closing \$M	Insurance in Force (IIF):						
	\$32,080	\$40,551	\$45,036	\$38,018	\$68,439	\$68,268	\$47,195
Risk in Force Cut-Off: At Closing \$M	ILN	\$8,671	\$9,986	\$11,273	\$9,582	\$13,305	\$13,948
	XOL	\$8,671	\$9,356	\$11,273	\$9,582	-	-
First Loss Layer: At Closing \$M	ILN	\$208	\$225	\$254	\$216	\$466	\$279
	XOL	-	\$678	\$254	\$216	-	-
Original Reinsurance in Force \$M	ILN	\$334	\$424	\$473	\$496	\$399	\$558
	XOL	-	\$165	\$119	\$55	-	-
	Total:	\$334	\$590	\$592	\$551	\$399	\$558
Insurance Linked Note Transactions (ILN) <sup>1</sup>	Attachment:	2.40%	2.25%	2.25%	2.25%	3.50%	2.00%
	Detachment:	6.25%	6.50%	7.50%	8.00%	6.50%	6.00%
Excess Of Loss Agreements (XOL) <sup>2</sup>	Attachment:	-	7.25%	2.25%	2.25%	-	-
	Detachment:	-	9.25%	7.50%	8.00%	-	-
Target Credit Enhancement %	ILN	6.50%	7.25%	8.50%	9.00%	7.50%	7.00%
	XOL	-	N/A	8.50%	9.00%	-	-

# CRT SUMMARY: AS OF 6/30/22

INDEX KEY:	
ESSENT	
XOL	
ILN	
QSR	

\*QSR 19-1 covers eligible NIW from 9/1/19 - 12/31/20  
 \*QSR 22-1 covers eligible NIW from 1/1/22 - 12/31/22



Not Drawn To Scale

		Remaining IIF	2015 & 2016	2017	2018	Jan-19 - Aug-19	Sep-19 - Jul-20	Aug-20 - Mar-21	Apr-21 - Sep21	Oct-21 - Jun-22	
Insurance in Force \$M		\$4,116	\$7,104	\$6,635	\$7,502	\$9,164	\$36,245	\$53,940	\$43,511	\$47,680	\$215,897
% Of Total IIF		2%	3%	3%	4%	4%	17%	25%	20%	22%	100%
Risk in Force \$M		\$902	\$1,924	\$1,738	\$1,924	\$2,350	\$9,199	\$13,333	\$11,509	\$12,799	\$55,678
Delinquency D60+ % RIF		-	2.86%	4.17%	5.06%	3.84%	1.25%	0.90%	0.72%	-	
Delinquency Risk in Force \$M		-	\$55	\$72	\$97	\$90	\$85	\$100	\$83	-	
Delinquency Trigger In Effect (Y/N)		-	N	Y	Y	N	N	N	N	-	
Remaining Reinsurance in Force \$M	ILN	-	\$92	\$242	\$326	\$496	\$65	\$520	\$439	-	\$2,180
	XOL	-	-	\$163	\$76	\$55	-	-	-	\$90	\$384
	Sub Total:	-	\$92	\$405	\$402	\$551	\$65	\$520	\$439	\$90	\$2,564
Remaining First Layer Retention \$M		-	\$207	\$217	\$249	\$215	\$466	\$279	\$279	\$320	\$2,232
Insurance Linked Note Transactions (ILN) <sup>1</sup>	Attachment:	-	10.76%	12.48%	12.95%	9.15%	6.86%	2.49%	2.43%	-	-
	Detachment:	-	15.55%	26.42%	33.83%	32.60%	7.81%	7.13%	7.82%	-	-
Excess Of Loss Agreements (XOL) <sup>2</sup>	Attachment:	-	-	27.81%	12.95%	9.15%	-	-	-	2.50%	-
	Detachment:	-	-	38.58%	33.83%	32.60%	-	-	-	6.00%	-
PMIERS Capital Credit \$M <sup>3</sup>	ILN	-	-	-	-	-	-	\$475	\$379	-	\$854
	XOL	-	-	-	-	-	-	-	-	\$89	\$89
	QSR	-	-	-	-	-	-	-	-	-	\$383
	Total:	-	-	-	-	-	-	\$475	\$379	\$89	\$1,326

1. Insurance Linked Note Transactions (ILN) are with Radnor Re (RMIR) entities.  
 ➤ The Radnor Re entities are Bermuda Special Purpose Insurers, and are not subsidiaries of nor affiliated with Essent Group Ltd.

2. Excess of Loss Agreements (XOL) are with panels of U.S. & global reinsurers.

3. Reduction in PMIERS Minimum Required Assets estimated by the Company