



ESSENT GROUP LTD.

INVESTOR PRESENTATION 2Q22

NYSE: ESNT

August 5, 2022

Disclaimer

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.

Essent Is A Leading Mortgage Insurer

Company Overview

- Essent Group Ltd. is a Bermuda-based holding company that went public in 2013, and is traded on the New York Stock Exchange (NYSE: ESNT)
- Two primary operating companies: Essent Guaranty, Inc. (Radnor, PA) and Essent Reinsurance Ltd. (Hamilton, Bermuda)
- Serves the U.S. housing finance industry by offering mortgage insurance and reinsurance to support home ownership
- Transformed business model from “Buy and Hold” to “Buy, Manage & Distribute” through use of programmatic reinsurance
- Developed risk-based pricing engine EssentEDGE®, and the next generation of EssentEDGE®, a cloud-based AI pricing platform
- Essent Guaranty, Inc. is rated A3 by Moody’s, A (Excellent) by A.M. Best, and BBB+ by S&P

Capital Distribution To Shareholders

- In April, we purchased \$22.3 million of common shares and completed the \$250 million share repurchase program authorized in May 2021. We have not purchased any shares under the share repurchase program authorized in May 2022
- In conjunction with our 2Q22 Earnings Release, we announced Board approval of an increase of the quarterly dividend to \$0.22 per common share, payable during 3Q22

	2Q22	1Q22
IIF (\$B)	\$215.9	\$206.8
NIW (\$B)	\$20.1	\$12.8
New Defaults (K)	5.5	6.2
Portfolio Default Rate	1.61%	1.93%
Net Income (\$M)	\$231.8	\$274.2
Combined Ratio	(16.2%)	(30.7%)
Annualized ROE	21.8%	26.0%
Shareholders' Equity (\$B)	\$4.3	\$4.2
PMIERS Sufficiency Ratio	167%	174%
% IIF With Reinsurance Protection	98%	90%
Risk-To-Capital Ratio ⁽¹⁾	10.2:1	9.9:1

Recent Developments

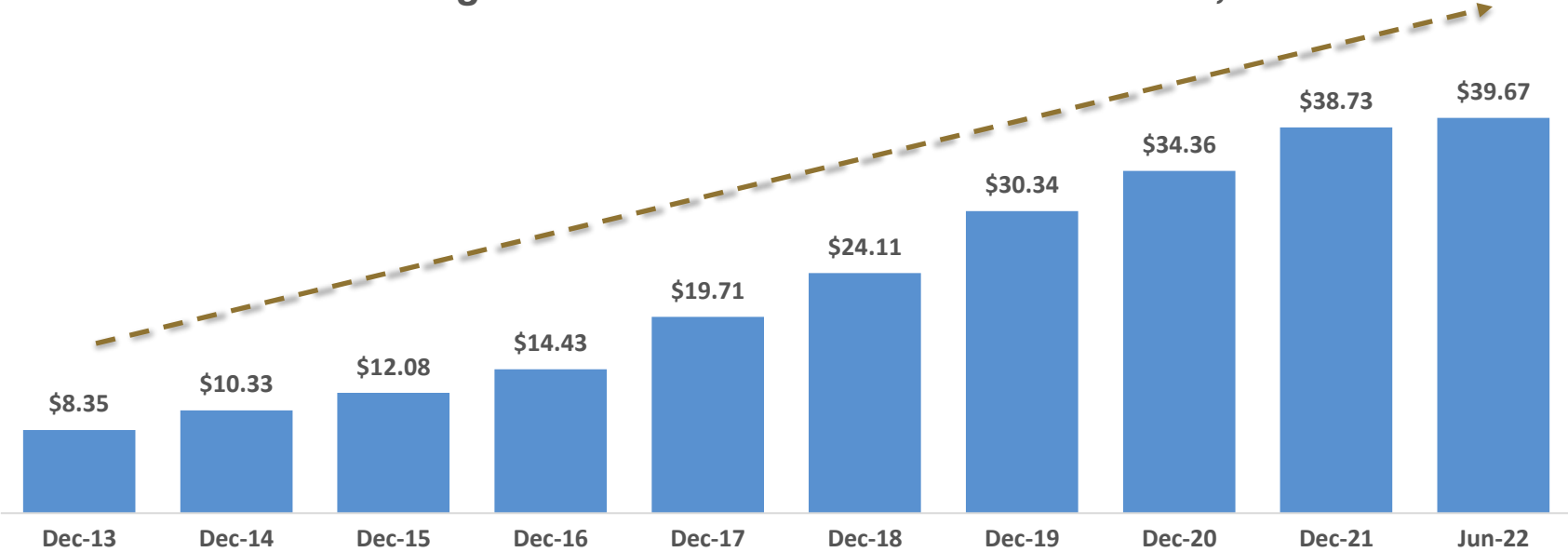
- In June, we executed our inaugural forward XOL program covering 20% of 4Q21-4Q22 new risk written, transferring risk from 2.5% to 6.0% to a panel of reinsurers. Combined with the 20% quota share reinsurance placed in March, we have forward protection on 40% of our 2022 NIW
- Provision for Losses & LAE for the quarter was a benefit of \$76.2 million, including the benefit of \$62.9 million on 2Q-3Q20 COVID default reserves

¹ The combined risk-to-capital ratio equals the net risk in force of Essent Guaranty, Inc. and Essent Guaranty of PA, Inc. divided by the combined statutory capital of these U.S. insurance companies.

Delivering Shareholder Value

BOOK VALUE PER SHARE GROWTH

Annualized growth rate of 20.1% since December 31, 2013



Strong Cash Flows & Earnings



Programmatic Reinsurance Protection

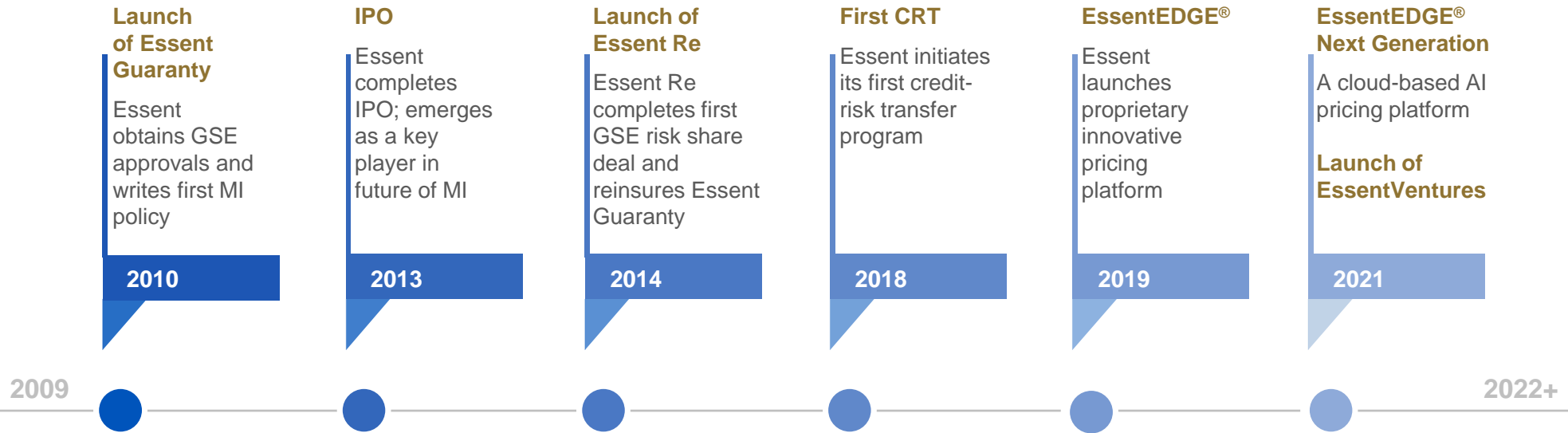


Steadily Increasing Dividends



Disciplined Capital Management

Key Milestones in Essent's Evolution



Essent Advantage



25+ years
Experienced
Management
Team



Strong
Capital
Position



Conservative
Financial
Leverage



Highly
Efficient
Operating
Platform



Best in Class
Analytics &
Technologies

Buy, Manage & Distribute Operating Model

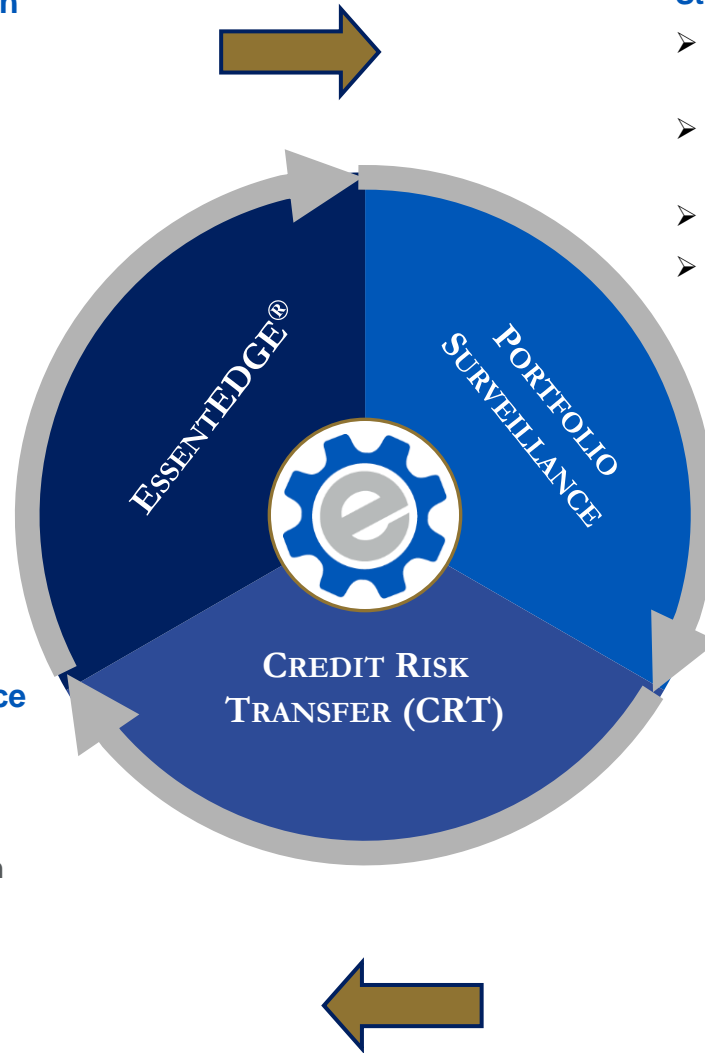
EssentEDGE® Enables Rapid Execution of Targeted Pricing Strategies

- Lender utilization continues to increase
- The next generation of EssentEDGE® is a **cloud-based AI platform with machine learning techniques** that utilizes 400+ attributes to generate an MI quote in ~3 seconds
- Differentiated pricing strategy to deliver borrowers our best price



Committed To Programmatic Reinsurance

- Buy, Manage & Distribute model mitigates franchise volatility during weak economic cycles
- Executed inaugural forward XOL transaction in June, and now have acquired forward protection on 40% of 2022 NIW with highly rated third-party reinsurers
- As of June 30, 2022, Essent has access to \$2.6 billion in ILN/XOL reinsurance coverage, with 98% of IIF subject to reinsurance protection



Strong Operating Results

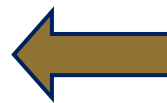
- Last Twelve Months Operating Cash Flow of \$613 million
- Continue to focus on optimizing unit economics
- Credit quality of portfolio remains strong
- Efficient platform enables increased operating leverage and profitability



Fortifying Balance Sheet and Enhancing Financial Flexibility

As of June 30, 2022:

- \$4.3B in GAAP Equity
- Ample liquidity with \$619M net cash and investments available for sale at the holding companies
- An additional \$400M in undrawn capacity with our credit facility
- Financial leverage of 9.0%



Reducing Volatility via Credit Risk Transfer

Since March 2018, Essent has transferred credit risk to:

- Capital market investors via **seven** Radnor Re Insurance-Linked Note (ILN) issuances
- Reinsurers via **four** Excess of Loss (XOL) reinsurance transactions
- Reinsurers via **two** Quota Share (QS) reinsurance programs

As of 6/30/22, **98%** of IIF is subject to reinsurance protection

Capital Markets

\$2.2 billion

in ILNs
sold to investors

Excess of Loss

\$384 million

in risk limit reinsured by
highly rated third-party
reinsurers

Quota Share

\$5.8 billion

of RIF ceded to a panel of
highly rated third-party
reinsurers

Essent Re

➤ Essent Reinsurance Ltd. (“Essent Re”) is a Bermuda-based reinsurance company, rated A (Excellent) by A.M. Best and BBB+ by S&P, with \$1.4 billion in GAAP equity as of June 30, 2022

➤ Essent Re primarily focuses on three business lines:

- Affiliate quota share (QS) to reinsure Essent Guaranty and leverage our Bermuda platform
- GSE risk share to access a larger mortgage credit universe beyond primary MI
- Managing General Agent (MGA) to serve reinsurer clients and generate fee income



ESSENT®

ESSENT REINSURANCE LTD.

Affiliate Quota Share

Provide Quota Share reinsurance to Essent Guaranty with Net Risk In Force of \$15.9 billion

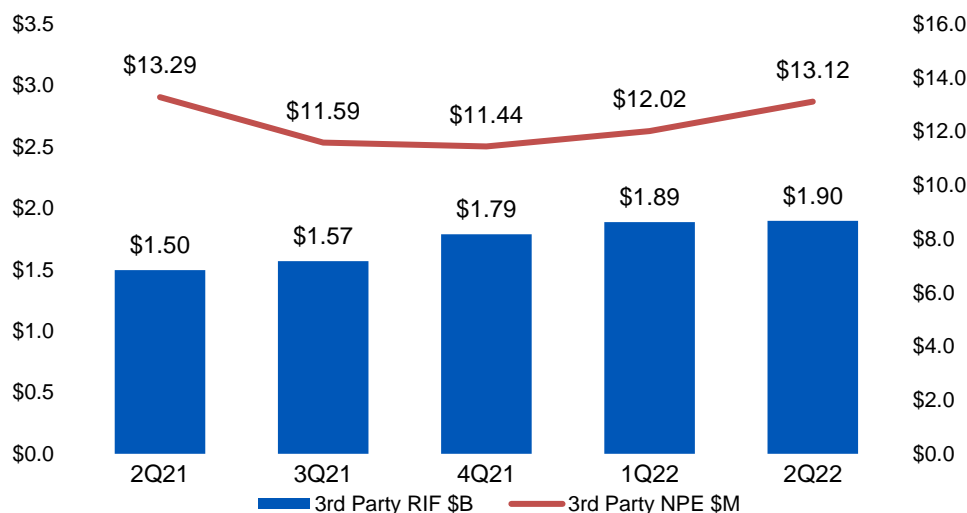
GSE Risk Share

Active participant in GSE risk share business with \$1.9 billion Risk In Force

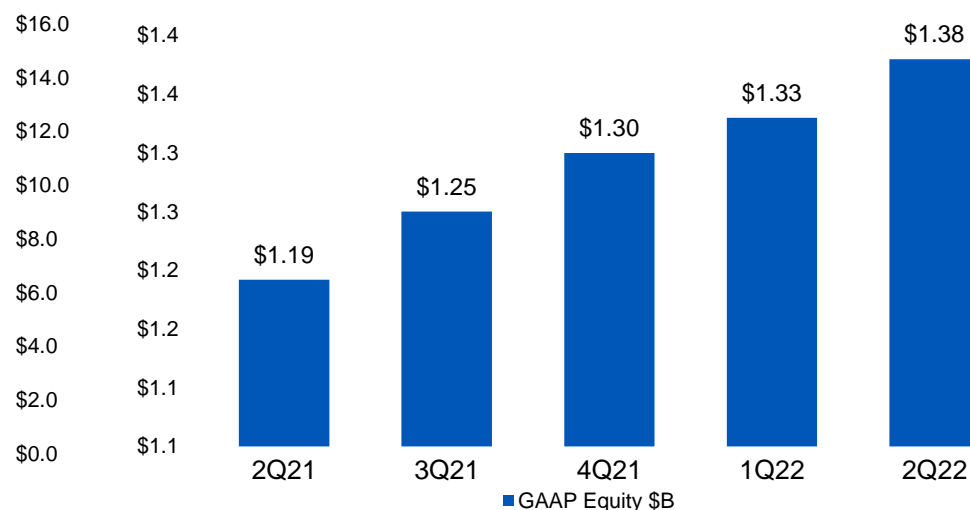
MGA

Offer underwriting, pricing and surveillance services to reinsurers writing mortgage risk

Third Party Premiums Earned & Risk In Force



Total Equity \$B



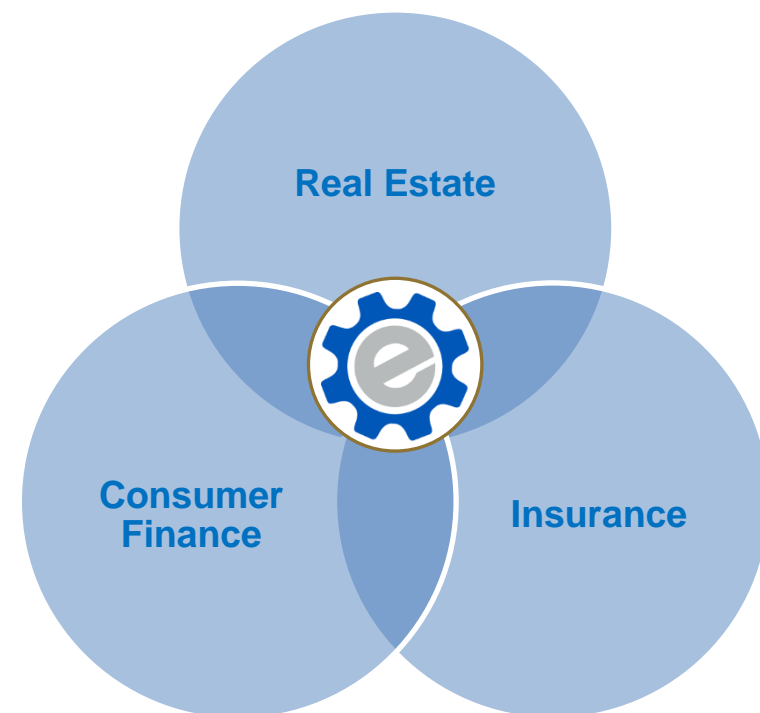
EssentVentures

- Our EssentVentures unit continues to make investments to generate informational and financial returns, taking advantage of opportunities around the convergence of consumer finance, real estate and insurance
- Since 2018, we have invested in 10 venture capital firms providing us access to over 150 portfolio companies
- As of June 30, 2022, we have invested \$195 million with approximately \$83 million value created, of which \$60 million has been returned to us as realized proceeds



(\$ in millions)	Capital Called	Realized Proceeds	Carrying Amount	Total Value ⁽¹⁾
Balance as of 4/1/22	\$185.0	\$53.4	\$212.5	\$265.8
Plus: capital invested	9.8	0.0	9.8	9.8
Less: distributions received	0.0	6.5	(6.5)	0.0
Income recognized	0.0	0.0	2.0	2.0
Balance as of 6/30/22	\$194.8	\$59.9	\$217.8⁽²⁾	\$277.6

\$83M in total value created

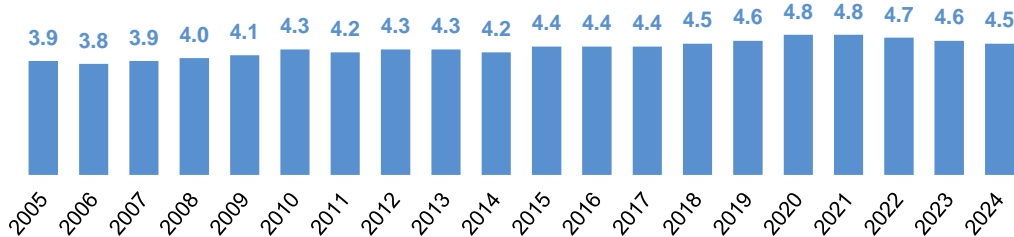


1) Total value represents carrying amount plus distributions received to date.
 2) These investments are classified as other invested assets on our balance sheets.

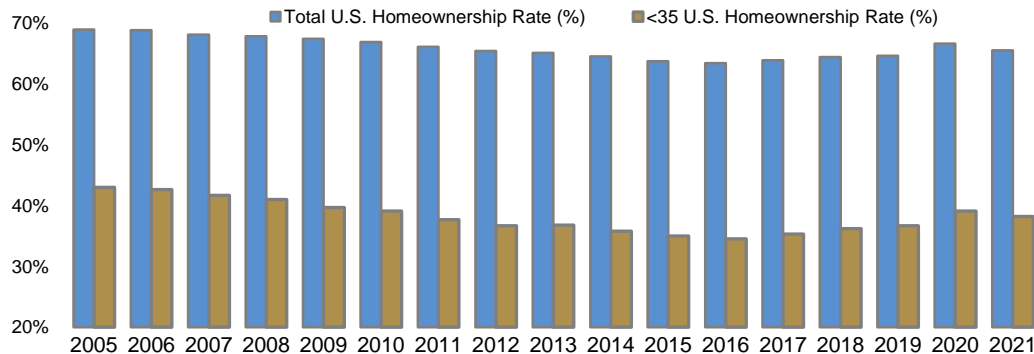
Supportive Industry Fundamentals

GROWING DOMESTIC FIRST-TIME HOMEBUYER POPULATION

New Entrants to Domestic First-Time Homebuyer Population (M)

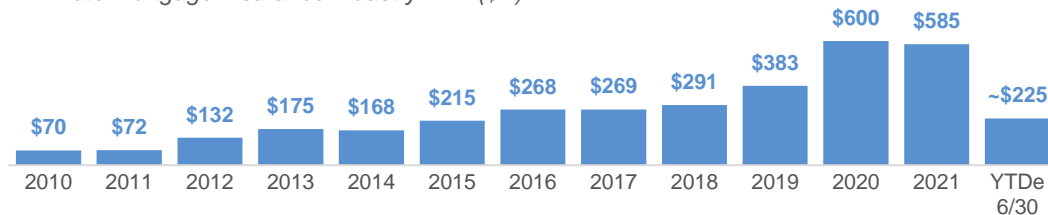


HOMEOWNERSHIP RATE HAVE STARTED TO REBOUND



INDUSTRY NIW HAS EXPERIENCED STRONG GROWTH

Private Mortgage Insurance Industry NIW (\$B)



Sources: U.S. Census Bureau. Mortgage Bankers Association. Inside Mortgage Finance. Company public disclosures.

- Millennial generation of roughly 80M will drive housing's longer-term prospects and first-time buyer activity
- Over next several years, on an annual basis, approximately 4-5M millennials will enter their early thirties, the average age of a first-time home buyer

- Homeownership rates have been increasing in recent years
- Purchase demand remains strong in spite of higher home prices and rising interest rates
- The COVID-19 pandemic also accelerated demand for single family homes given work-from-home and work-from-anywhere dynamics

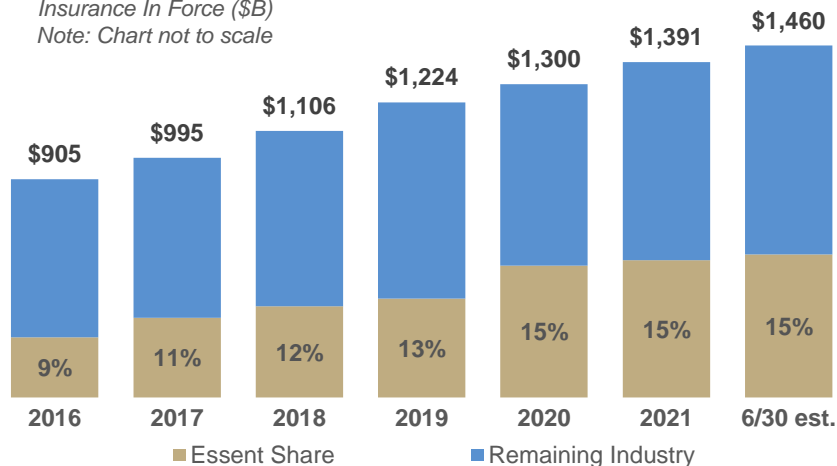
- Demographic and macroeconomic tailwinds have supported NIW growth over the past decade
- Growth has been focused on high credit quality business
- Low unemployment rates and rising income support favorable credit trends

Insurance In Force (IIF)

IIF BY VINTAGE YEAR (\$B)						
(\$ in billions)	JUNE 30, 2022		DEC. 31, 2021		DEC. 31, 2020	
2022	\$32.3	15.0%	-	-	-	-
2021	\$75.3	34.9%	\$79.8	38.5%	-	-
2020	\$67.4	31.2%	\$76.6	36.9%	\$102.1	51.3%
2019	\$16.6	7.7%	\$20.3	9.8%	\$38.7	19.5%
2018	\$7.6	3.5%	\$9.5	4.6%	\$18.7	9.4%
2017	\$6.8	3.2%	\$8.5	4.1%	\$16.3	8.2%
2010 - 2016	\$9.9	4.5%	\$12.5	6.1%	\$23.1	11.6%
Total:	\$215.9	100%	\$207.2	100%	\$198.9	100%

TOTAL MARKET SIZE & GROWTH

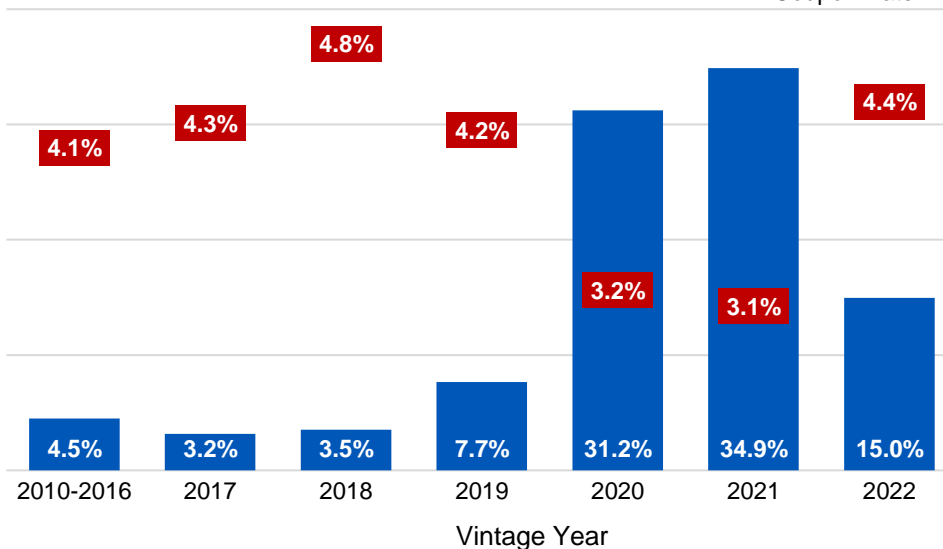
Insurance In Force (\$B)
Note: Chart not to scale



IIF BY WA COUPON RATE: AS OF JUNE 30, 2022:

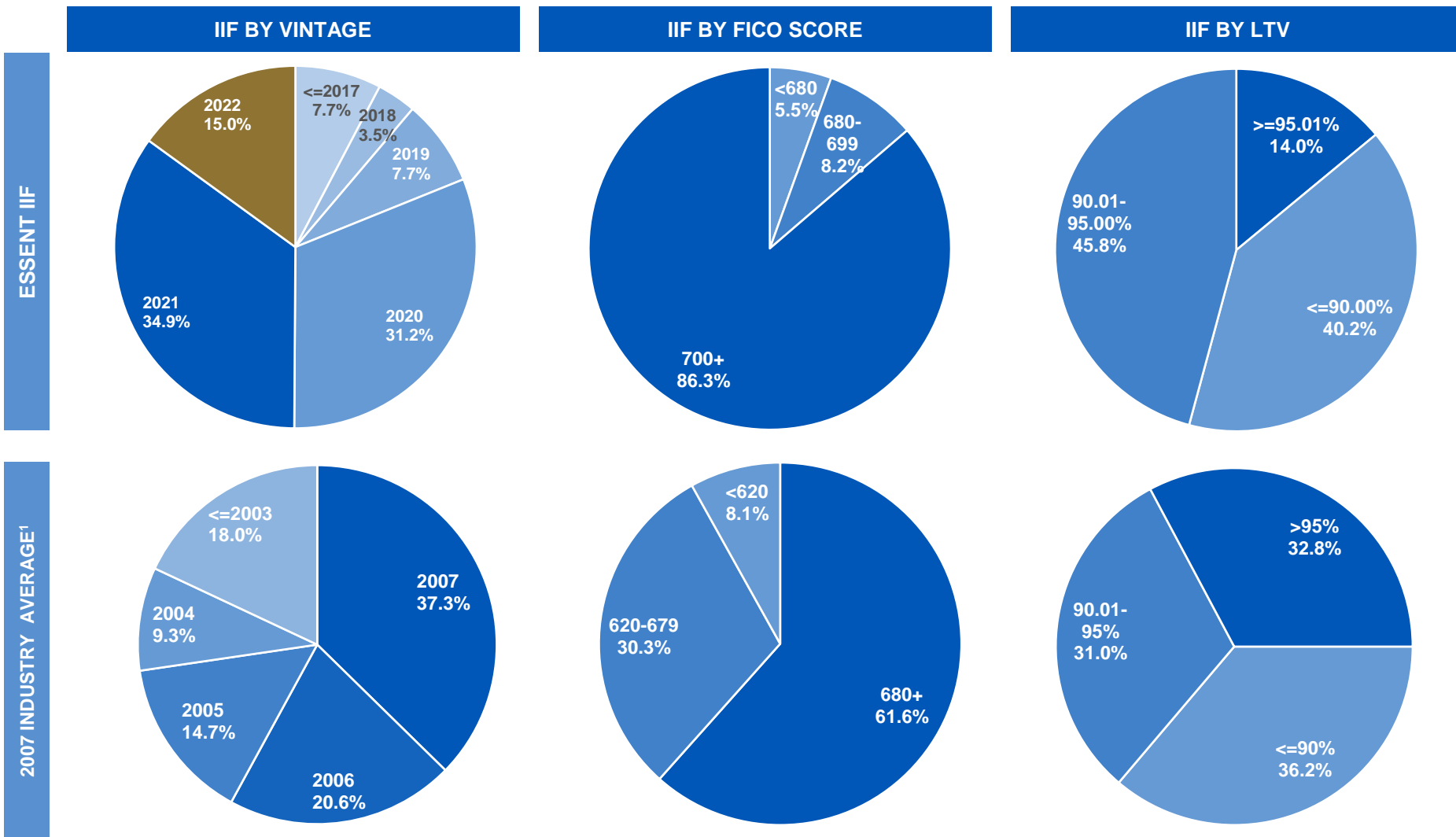
Total IIF WA Coupon Rate: 3.53%

■ % of IIF
■ WA Coupon Rate



A High Credit Quality Portfolio

As Of June 30, 2022, Essent Has \$215.9 Billion Of Insurance In Force



¹ Represents the average breakdown of primary RIF for Q4 2007 between Radian, MGIC, Genworth U.S. M.I., and Triad Guaranty. FICO breakdown excludes Triad Guaranty for FICO 620-679 and 680+ due to lack of comparable disclosure. As reported in SEC filings for each Company for Q4 2007.

Financial Highlights

AS OF END OF PERIOD

(\$ in millions, except per share amounts)

	2Q22	1Q22	4Q21	3Q21	2Q21
KEY METRICS					
Insurance In Force	\$215,896.5	\$206,843.0	\$207,190.5	\$208,216.5	\$203,559.9
Total Assets	\$5,521.1	\$5,586.1	\$5,722.2	\$5,589.5	\$5,521.8
Total Investments	\$4,838.1	\$4,875.4	\$5,133.4	\$5,031.3	\$4,891.6
Loss Reserves	\$210.0	\$293.1	\$407.4	\$413.0	\$421.9
Debt-to-Capital	9%	9%	9%	7%	7%
Shareholders' Equity	\$4,272.0	\$4,215.1	\$4,236.1	\$4,168.0	\$4,084.8
Book Value Per Share	\$39.67	\$38.98	\$38.73	\$37.58	\$36.32
Available / Total HoldCo Liquidity ⁽¹⁾	\$619 / \$1,019	\$579 / \$979	\$618 / \$1,018	\$513 / \$813	\$590 / \$890
PMIERS Excess Available Assets (or "Cushion") ⁽²⁾	\$1,251 / 67%	\$1,355 / 74%	\$1,379 / 77%	\$1,211 / 62%	\$1,284 / 74%

1) HoldCo Liquidity includes net cash and investments available for sale at the holding companies and undrawn capacity with our credit facility.

2) Percentages are calculated as excess divided by Essent Guaranty, Inc.'s Minimum Required Assets based on our interpretation of the PMIERS as of the dates indicated.

In Force Portfolio Premium Yield

U.S. Mortgage Insurance Portfolio <i>(in basis points)</i>	PERIOD ENDING				
	2Q22	1Q22	4Q21	3Q21	2Q21
Base Premium Earned	41 bps	41 bps	42 bps	42 bps	43 bps
Singles Cancellation Premium	1 bps	2 bps	3 bps	3 bps	3 bps
Gross Premium Rate	42 bps	43 bps	45 bps	45 bps	46 bps
Ceded Premium	(4) bps	(4) bps	(5) bps	(5) bps	(5) bps
Net Premium Rate	38 bps	39 bps	40 bps	40 bps	41 bps
Average IIF (\$B)	\$210.90	\$206.63	\$207.39	\$206.73	\$199.74

Cost of Reinsurance Transactions

(\$ in millions)	PERIOD ENDING				
	2Q22	1Q22	4Q21	3Q21	2Q21
U.S. Mortgage Insurance Portfolio					
ILN/XOL Ceded Premium	\$20.23	\$19.83	\$19.09	\$18.09	\$14.88
QSR Ceded Premium	\$2.09	\$0.69	\$7.39	\$8.79	\$11.78
Total Ceded Premium	\$22.32	\$20.52	\$26.48	\$26.88	\$26.66
Increase (Reduction) of Provision for Losses & LAE	\$5.66	\$6.60	\$1.02	\$0.31	(\$2.39)
Reduction of Operating Expense ⁽¹⁾	(\$4.17)	(\$3.93)	(\$4.20)	(\$4.55)	(\$4.70)
Total Cost of Reinsurance	\$23.81	\$23.19	\$23.29	\$22.64	\$19.58

1) Ceding Commission

Default Rollforward

U.S. Mortgage Insurance Portfolio <i>(number of loans)</i>	PERIOD ENDING				
	2Q22	1Q22	4Q21	3Q21	2Q21
Beginning Default Inventory	14,923	16,963	19,721	23,504	29,080
Plus: New Defaults	5,495	6,188	5,809	5,132	4,934
Less: Cures	(7,639)	(8,167)	(8,514)	(8,862)	(10,453)
Less: Claims Paid	(65)	(55)	(47)	(41)	(46)
Less: Recessions & Denials, net	(7)	(6)	(6)	(12)	(11)
Ending Default Inventory	12,707	14,923	16,963	19,721	23,504
Default Rate	1.61%	1.93%	2.16%	2.47%	2.96%

Components Of Provision For Losses & LAE

U.S. Mortgage Insurance Portfolio

PERIOD ENDING

(\$ in millions)

2Q22

1Q22

4Q21

3Q21

2Q21

Provision for Losses & LAE occurring in:

Current Period

\$18.72

\$24.35

\$13.23

\$11.37

\$24.53

Prior Year Development

(\$94.81)

(\$130.11)

(\$16.62)

(\$18.85)

(\$14.96)

Provision For Losses & LAE

(\$76.09)

(\$105.77)

(\$3.39)

(\$7.48)

\$9.57

End Of Period Reserves

\$209.83

\$292.82

\$406.10

\$411.57

\$420.48

Cumulative Incurred Loss Ratio By Vintage Year

	PRE-2015	2015	2016	2017	2018	2019	2020	2021	6/30/2022
Pre-2015	2.4%	2.9%	3.1%	3.0%	2.7%	2.6%	3.3%	3.3%	2.7%
2015		2.1%	3.3%	4.0%	3.0%	2.7%	4.6%	4.3%	2.8%
2016			2.3%	4.6%	3.4%	2.9%	6.4%	5.3%	3.1%
2017				7.5%	4.6%	4.2%	9.7%	8.3%	4.4%
2018					3.3%	6.0%	16.4%	13.7%	6.0%
2019						4.2%	31.2%	21.8%	8.1%
2020							24.5%	13.6%	6.3%
2021								9.1%	9.0%
YTD 2022									6.5%

Incurred loss ratio is calculated by dividing the sum of case reserves and cumulative amount paid for claims by cumulative net premiums earned.

U.S. Mortgage Insurance Subsidiaries

(\$ in millions)

As of:

	2Q22	1Q22	4Q21	3Q21	2Q21
Statutory Financial Information					
Risk-to-capital ratio	10.2:1	9.9:1	10.4:1	10.5:1	10.6:1
Common stock and paid-in surplus ⁽¹⁾	\$744	\$744	\$744	\$744	\$744
Unassigned funds ⁽²⁾	\$332	\$395	\$356	\$394	\$359
Statutory policyholders' surplus	\$1,076	\$1,139	\$1,100	\$1,138	\$1,104
Contingency reserve ⁽³⁾	\$1,986	\$1,920	\$1,850	\$1,779	\$1,705
Total statutory capital	\$3,062	\$3,059	\$2,950	\$2,917	\$2,809
Reserve for losses and LAE	\$142	\$200	\$280	\$284	\$291
Total	\$3,204	\$3,259	\$3,230	\$3,201	\$3,100
Ordinary Dividend Capacity	\$303				
PMIERS Data⁽⁴⁾					
PMIERS available assets	\$3,120	\$3,195	\$3,171	\$3,162	\$3,016
PMIERS minimum required assets	\$1,870	\$1,840	\$1,792	\$1,951	\$1,732
PMIERS excess available assets	\$1,251	\$1,355	\$1,379	\$1,211	\$1,284
PMIERS sufficiency ratio⁽⁵⁾					
with 0.3x factor	167%	174%	177%	162%	174%
without 0.3x factor	159%	165%	165%	152%	163%

Scheduled Contingency Reserve Releases⁽³⁾	
(\$ in millions)	
Jul-Dec 2022	\$14.1
2023	\$61.7
2024	\$109.4
2025	\$146.4
2026	\$174.7
2027	\$204.6
2028	\$243.3
2029	\$285.1
2030	\$305.7
2031	\$298.3
2032	\$142.9
Total	\$1,986.2

1) Common stock and paid-in surplus can only be affected by direct capital contributions and returns of capital approved by Pennsylvania Insurance Department.

2) Unassigned funds change as a result of earnings (net of contingency reserve inflows and outflows) and dividends, and is a regulatory constraint on the ability to pay an ordinary dividend, since unassigned funds must be positive in order to pay such a dividend. A Pennsylvania domiciled insurer may pay dividends during any 12-month period in an amount equal to the greater of (i) 10% of the preceding year-end statutory policyholders' surplus or (ii) the preceding year's statutory net income. While all proposed dividends and distributions to stockholders must be filed with the Pennsylvania Insurance Department prior to payment, dividends and other distributions can be paid out of positive unassigned surplus without prior approval.

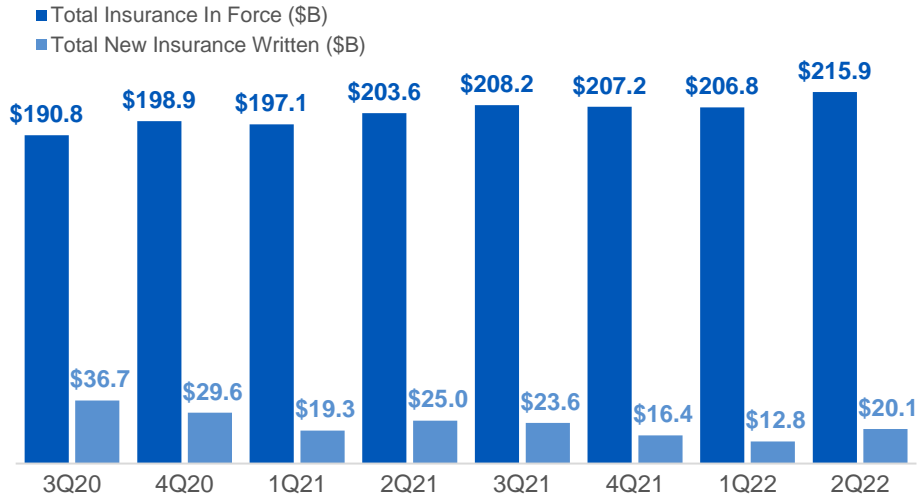
3) Contingency reserves are established by contributing 50% of earned premiums every year. Contingency reserves are released to unassigned funds after 10 years on a first-in, first-out basis or after regulatory approval with an annual loss ratio greater than 35%.

4) Essent Guaranty's Minimum Required Assets calculated based on our interpretation of the PMIERS as of the dates indicated.

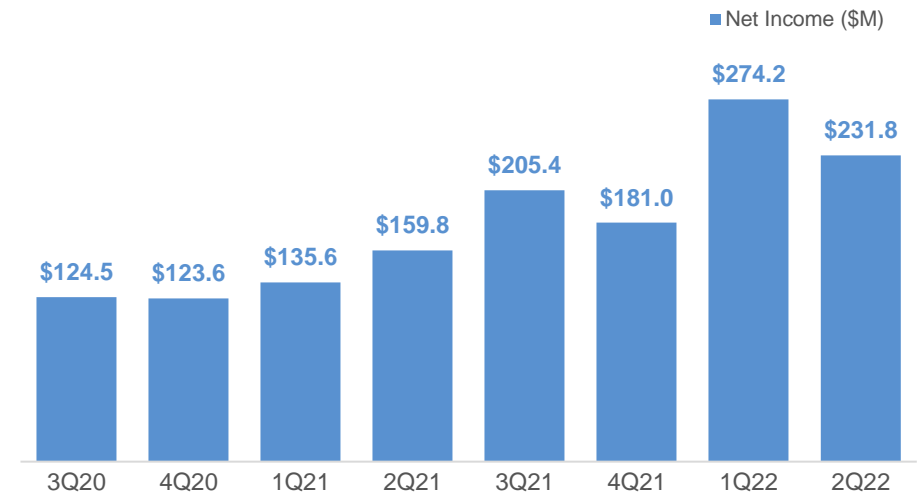
5) Excess as a % of Essent Guaranty's Minimum Required Assets.

Quarterly Financial Trends

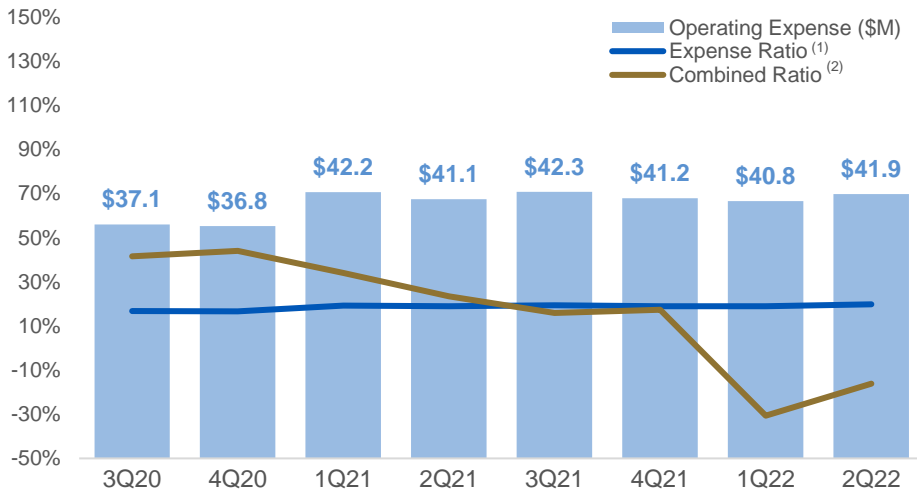
INSURANCE IN FORCE & NEW INSURANCE WRITTEN



NET INCOME

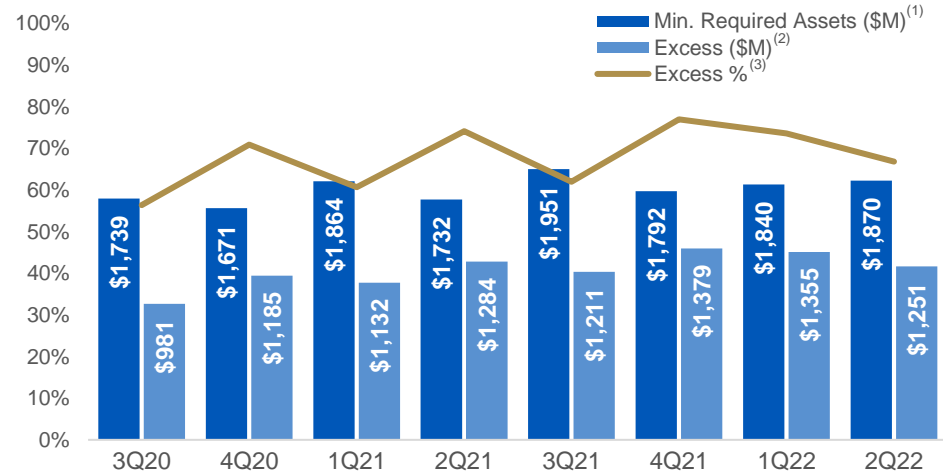


OPERATING EXPENSES



- 1) Expense ratio is calculated by dividing operating expenses by net premiums earned.
- 2) Loss ratio plus expense ratio.

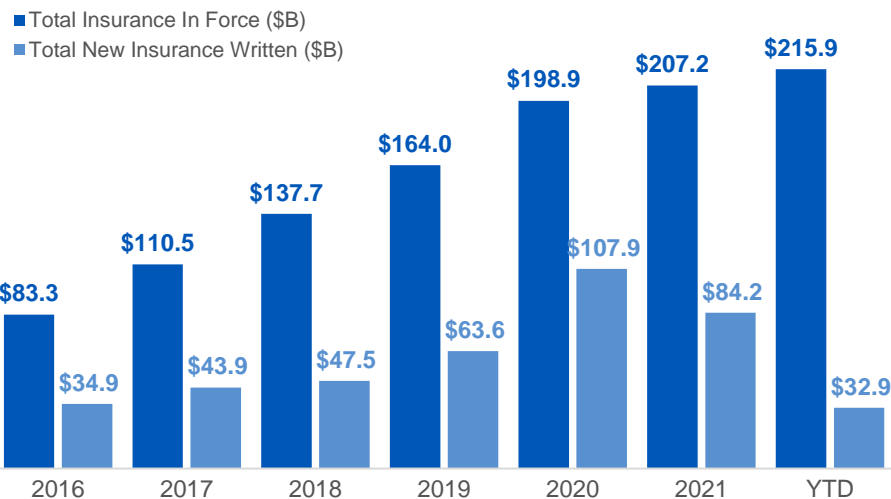
PMIERS CAPITAL



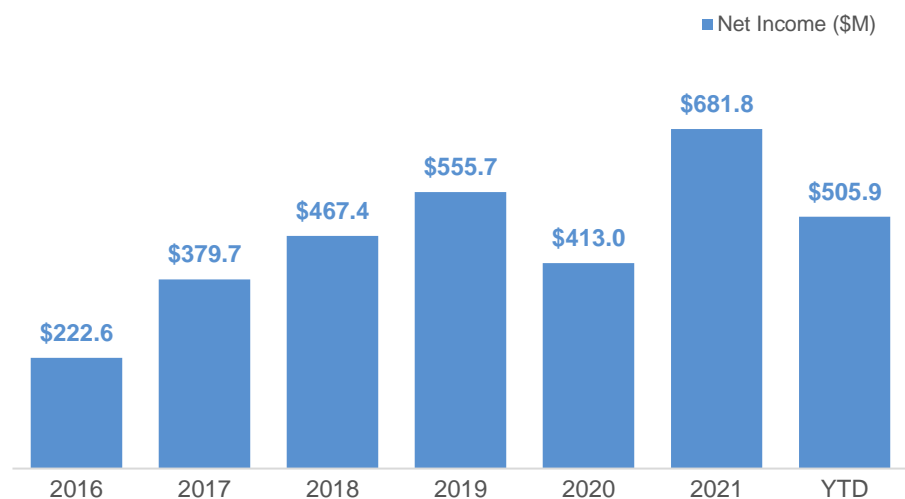
- 1) Essent Guaranty's Minimum Required Assets calculated based on our interpretation of the PMIERS as of the dates indicated.
- 2) Excess of Essent Guaranty's Available Assets over Minimum Required Assets.
- 3) Excess as a % of Essent Guaranty's Minimum Required Assets.

Annual Financial Trends

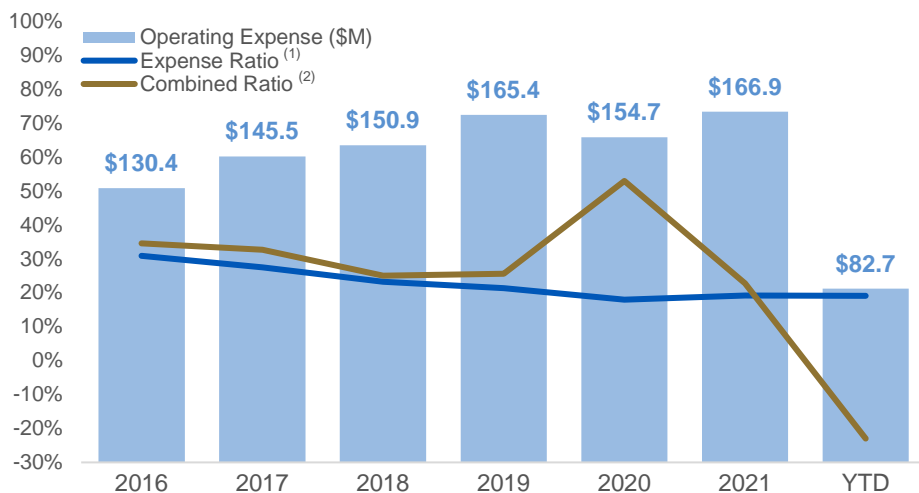
INSURANCE IN FORCE & NEW INSURANCE WRITTEN



NET INCOME

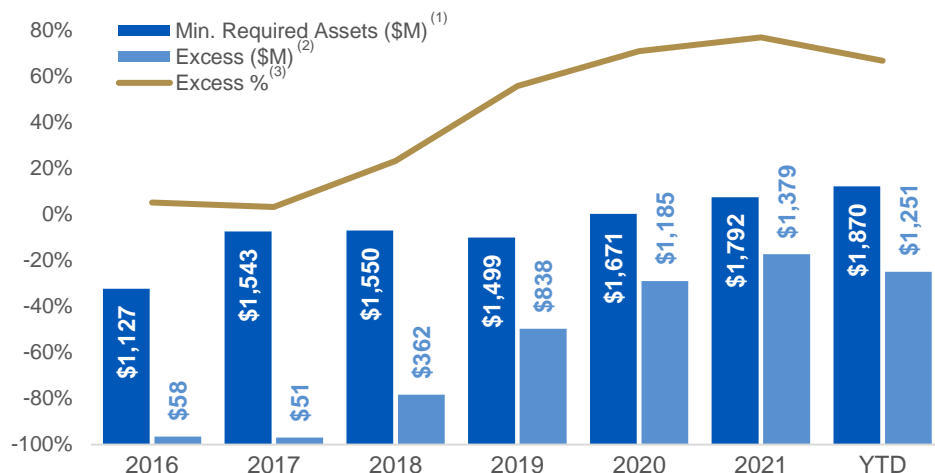


OPERATING EXPENSES



- 1) Expense ratio is calculated by dividing operating expenses by net premiums earned.
- 2) Loss ratio plus expense ratio.

PMIERS CAPITAL



- 1) Essent Guaranty's Minimum Required Assets calculated based on our interpretation of the PMIERS as of the dates indicated.
- 2) Excess of Essent Guaranty's Available Assets over Minimum Required Assets.
- 3) Excess as a % of Essent Guaranty's Minimum Required Assets.

