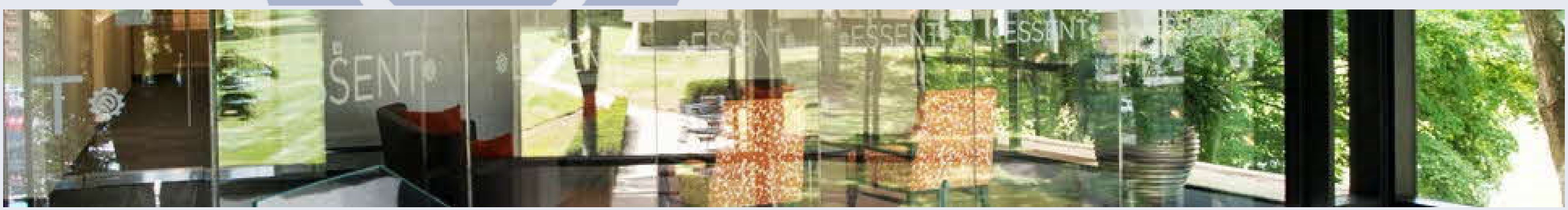
ESSENT GROUP LTD.
INVESTOR PRESENTATION
4Q & FY 2020

NYSE: ESNT



ESSENT GROUP

FEBRUARY 19, 2021

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; 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; deteriorating economic conditions; 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, 2019 filed with the Securities and Exchange Commission on February 18, 2020, 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 Specialty Insurer

Company Highlights

- 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)
- Serves the U.S. housing finance industry by offering mortgage insurance and reinsurance to support home ownership
- Products offered through two primary operating companies: Essent Guaranty, Inc. (Radnor, PA) and Essent Reinsurance Ltd. (Hamilton, Bermuda)
- Transformed business model from a “Buy and Hold” to a “Buy, Manage & Distribute” approach through use of programmatic reinsurance on its insured portfolio
- Developed dynamic pricing tools through EssentEDGE®, allowing more granular pricing, improved credit selection and portfolio optimization
- Total IIF of $198.9 billion as of December 31, 2020
- Combined risk-to-capital ratio of 11.1:1(1) as of December 31, 2020
- Essent Guaranty, Inc. is rated:
  - A3 by Moody’s
  - A (Excellent) by A.M. Best
  - BBB+ by S&P

	4Q20	3Q20
IIF ($B)	**$198.9**	$190.8
NIW ($B)	**$29.6**	$36.7
New Defaults (K)	**8.7**	12.6
Portfolio Default Rate	**3.93%**	4.54%
Net Income ($M)	**$123.6**	$124.5
Combined Ratio	**44%**	42%
ROE	**13.0%**	13.5%
Shareholders’ Equity ($B)	**$3.9**	$3.7
PMIERs Sufficiency Ratio	**173%**	156%
% IIF with Reinsurance Protection	**96%**	95%

(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.

Financial Performance

4Q20 Financial Summary

	Period Ending		
	4Q20	3Q20	% Δ
Key Metrics			
New Insurance Written $B	$29.6	$36.7	-19%
Insurance In Force $B	$198.9	$190.8	4%
Net Premiums Earned $M	$222.3	$222.3	0%
Loss & LAE $M	$62.1	$55.3	12%
Opex $M	$36.8	$37.1	-1%
Net Income $M	$123.6	$124.5	-1%
EPS (Diluted)	$1.10	$1.11	-1%
Key Ratios			
Loss Ratio	28%	25%	12%
Combined Ratio	44%	42%	7%
Return on Equity	13%	14%	-4%
Delinquency KPIs			
Delinquent Loans Inventory	31,469	35,464	-11%
New Defaults	8,745	12,614	-31%
Cures	(12,679)	(15,135)	-16%
Delinquency Rate	3.93%	4.54%	-13%

Y/Y Delinquency Data Trend

	Period Ending		
	4Q20	4Q19	% Δ
Key Metrics			
New Insurance Written $B	$29.6	$15.8	87%
Insurance In Force $B	$198.9	$164.0	21%
Delinquency KPIs			
Delinquent Loans Inventory	31,469	5,947	429%
New Defaults	8,745	3,826	129%
Cures	(12,679)	(3,027)	319%
Delinquency Rate	3.93%	0.85%	362%

Annual Financial Summary

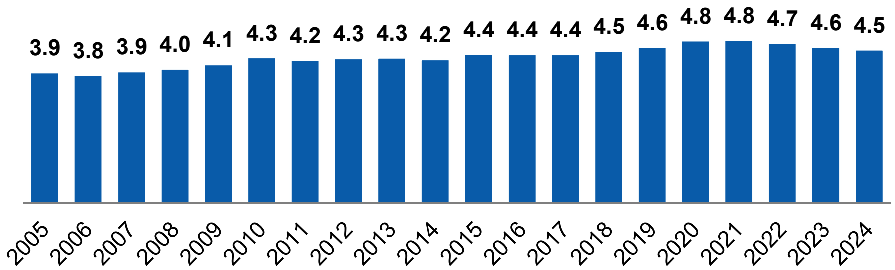
	Full Year Results				
	2020	2019	2018	2017	2016
Key Metrics					
New Insurance Written $B	$107.9	$63.6	$47.5	$43.9	$34.9
Insurance In Force $B	$198.9	$164.0	$137.7	$110.5	$83.3
Net Premiums Earned $M	$862.6	$777.4	$649.5	$530.1	$422.7
Loss & LAE $M	$301.3	$33.0	$11.6	$27.2	$15.5
Opex $M	$154.7	$165.4	$150.9	$145.5	$130.4
Net Income $M	$413.0	$555.7	$467.4	$379.7	$222.6
EPS (Diluted)	$3.88	$5.66	$4.77	$3.99	$2.41
Key Ratios					
Loss Ratio	35%	4%	2%	5%	4%
Combined Ratio	53%	26%	25%	33%	35%
Return on Equity	12%	21%	22%	23%	18%
Additional Metrics					
Market Capitalization $M	$4,857	$5,116	$3,354	$4,274	$3,014
Shareholders Equity $M	$3,863	$2,985	$2,366	$1,940	$1,344
Total Debt Outstanding $M	$325	$225	$225	$250	$100

- 2020 results highlight the impact of COVID-19 as well as the strength and sustainability of Essent's business model.
- We experienced robust IIF and NIW growth in 2020, and the pace of new delinquencies related to COVID-19 has slowed since the onset of the pandemic.
- Strong capital and liquidity, along with 3rd party reinsurance, have enabled Essent to navigate the challenging COVID landscape.
  - ✓ HoldCo cash and investments of $563 million at 12/31
  - ✓ PMIERs capital cushion of $1.2 billion, for a sufficiency ratio of 173%
  - ✓ $2.0 billion of XOL reinsurance at 12/31

Industry Fundamentals Are Supportive Of Growth

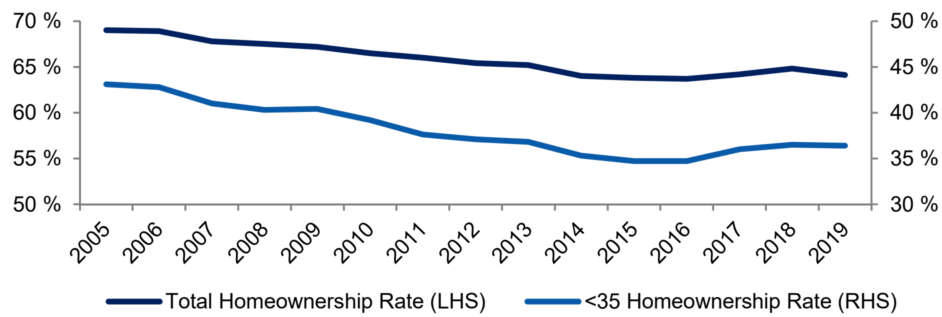
Growing Domestic First-Time Homebuyer Population

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



- 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.

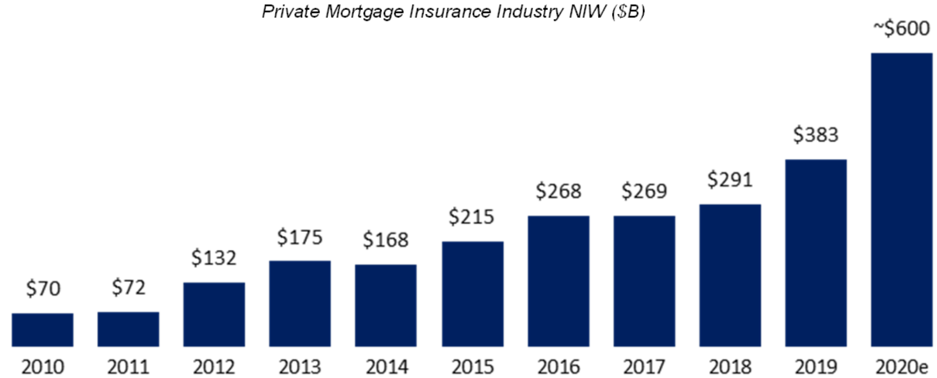
Homeownership Rates Have Started to Rebound



- Homeownership rates have been increasing in recent years.
- Outlook on affordability is favorable as mortgage rates continue to be at historically low levels.
- The COVID-19 pandemic could accelerate housing demand as millennials explore moving away from more densely populated urban areas.

Industry NIW Continues to Grow

Private Mortgage Insurance Industry NIW ($B)



- Demographic and macroeconomic tailwinds have supported NIW growth over the past decade.
- Growth has been focused on higher credit quality business.

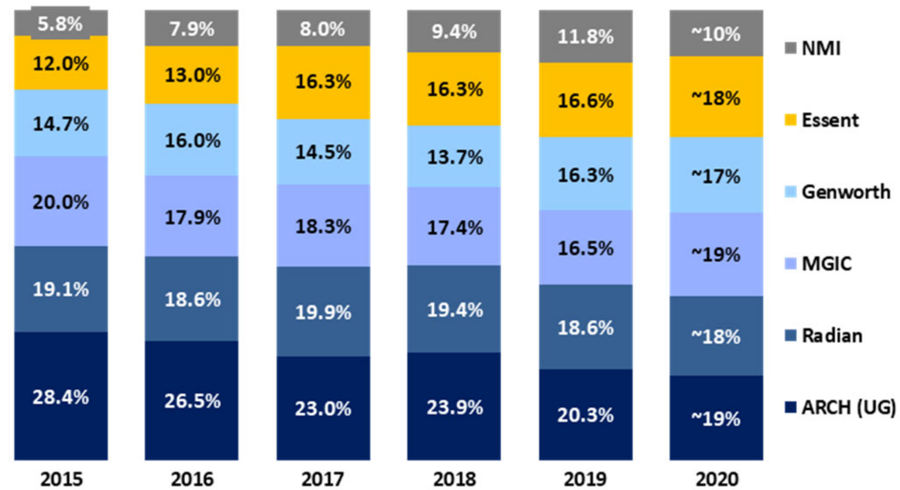
Sources: U.S. Census Bureau. Mortgage Bankers Association. Inside Mortgage Finance.

Market Remains An Attractive Opportunity

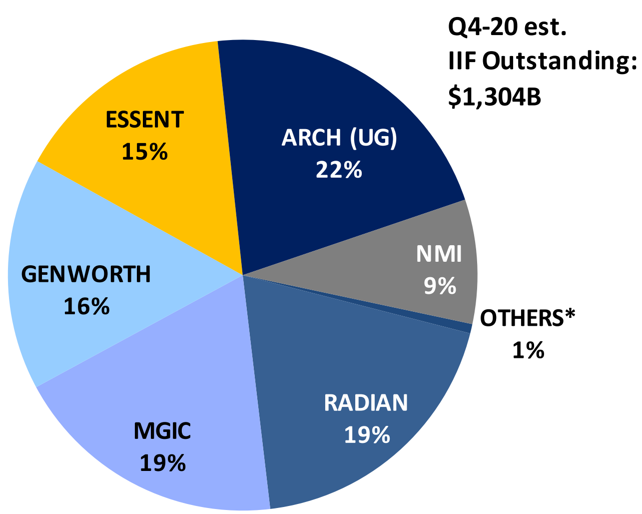
Key Highlights

- Essent maintains a strong market position while continuing to grow its share of industry insurance in force
- Essent has averaged an annual NIW market share of ~15% from 2013 through 2020.
- The MI industry continues to benefit from large mortgage origination markets and robust private MI penetration rates
- MBA's latest report for 2020 total mortgage originations is $3.6 trillion, split 40/60 between purchase and refinance.
- 2020 MI penetration rate of the total mortgage originations was estimated to be 17%.

Annual Market Share

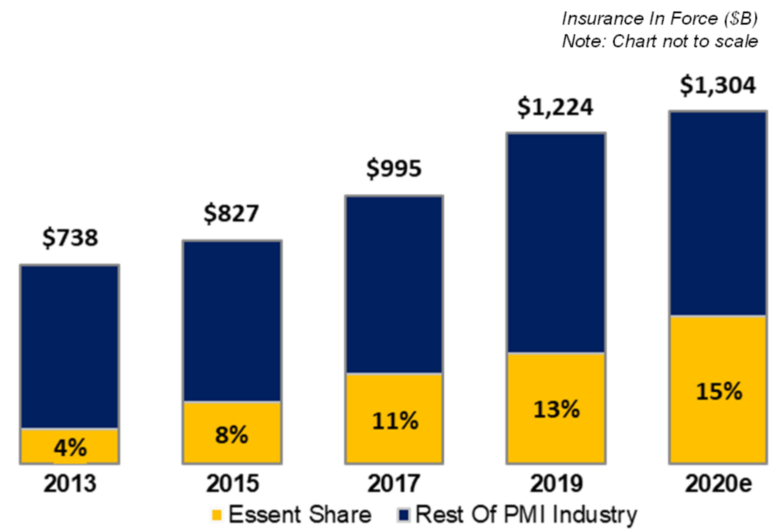


Total Market IIF Share



*OTHERS: MI's in runoff

Market Size & Growth

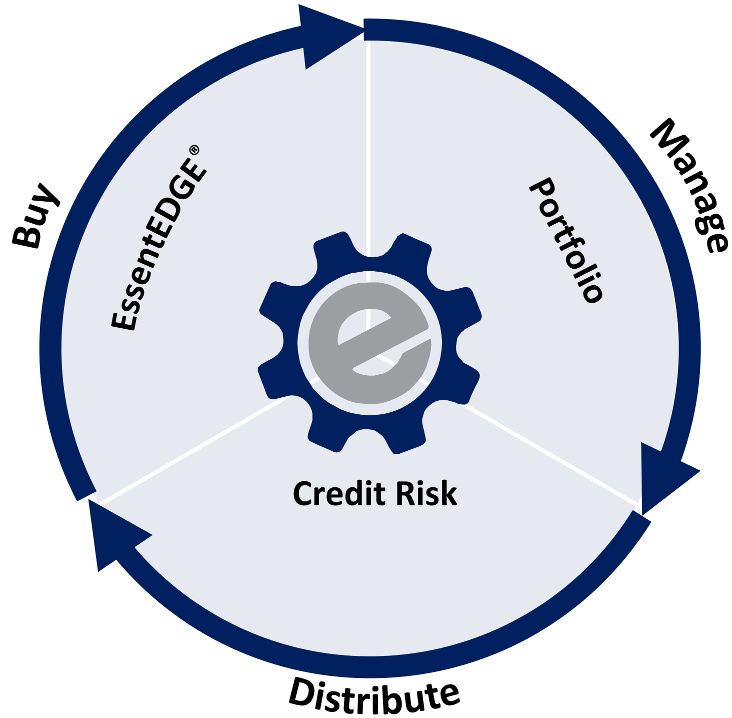


Sources: Mortgage Bankers Association. Inside Mortgage Finance. Company public disclosures.

Essent's Business Model: Buy, Manage & Distribute

EssentEDGE®

- ✓ Risk-based pricing engine
- ✓ Evaluates loan-level credit and borrower attributes in calculating an MI rate
- ✓ Shapes new business at granular levels of FICO, LTV, and DTI
- ✓ Integrated with lender partners



Monitoring

- ✓ Leverage underwriting standards to adjust new business flows
- ✓ Shape portfolio risk profile
- ✓ Robust internal risk analytics and quality assurance

Credit Risk Transfer

- ✓ Mitigate return volatility during down cycles
- ✓ Diversify source of capital through Insurance-Linked Notes ("ILN"), Excess of Loss ("XOL"), and Quota Share Reinsurance ("QSR") transactions
- ✓ Use market as price discovery to inform EssentEDGE®
- ✓ Manage housing cycle with stronger franchise

Focus On Profitability, Robust Capital & Strong Liquidity…

Buy, Manage & Distribute Model Proving Its Value In the Wake of COVID

1 EssentEdge Enables Rapid Execution of Targeted Pricing Strategies

- ✓ As demonstrated at the onset of COVID when we increased pricing ~10%
- ✓ Targeting tail risk and "hot spot" markets
- ✓ Continued EDGE engine refinement and increased lender adoption

2 Improved Unit Economics

- ✓ Credit quality continues to improve due to guideline tightening by the GSEs
- ✓ Pricing increases have contributed to higher ROE of ~15% for new business

3 Committed To Programmatic Reinsurance

- ✓ ILN market recovering with over $3.7B issuances by all MIs post-COVID
- ✓ Executed Radnor Re 2020-2 ILN to transfer $399.2M of risk
- ✓ 96% of IIF with reinsurance protection

4 Fortifying Balance Sheet and Enhancing Financial Flexibility

- ✓ Raised $440M equity capital
- ✓ Amended and extended credit facility for $325M term debt and $300M credit line
- ✓ Ample liquidity with $563M cash and investments at HoldCo

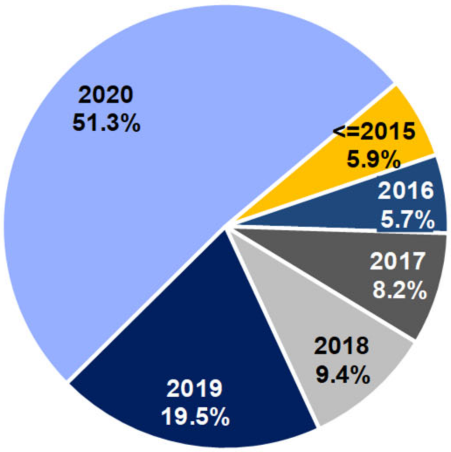
ESSENT®

...While Building a High Credit Quality Portfolio

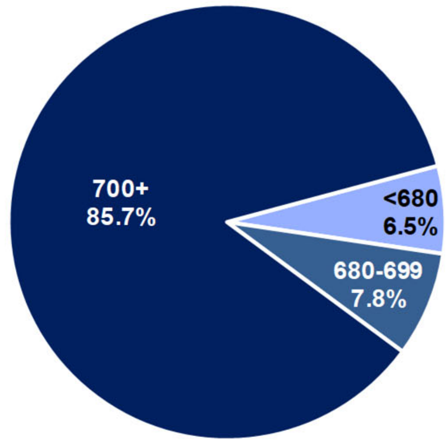
As Of December 31, 2020, Essent Has $198.9 Billion Of Insurance In Force

Essent Q4 2020 IIF

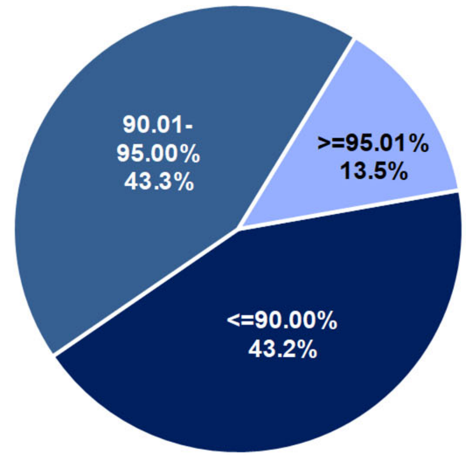
IIF By Vintage



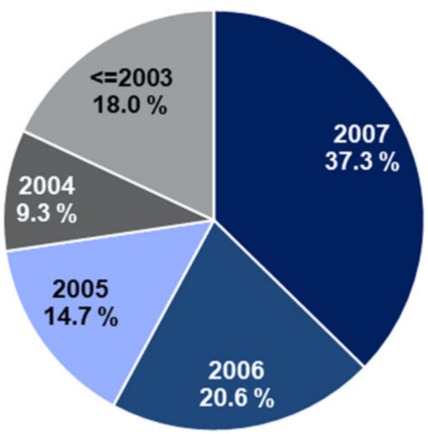
IIF By FICO Score

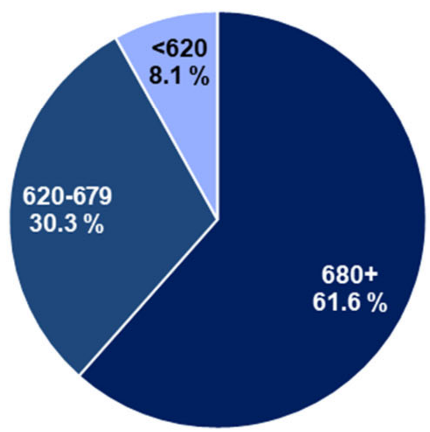


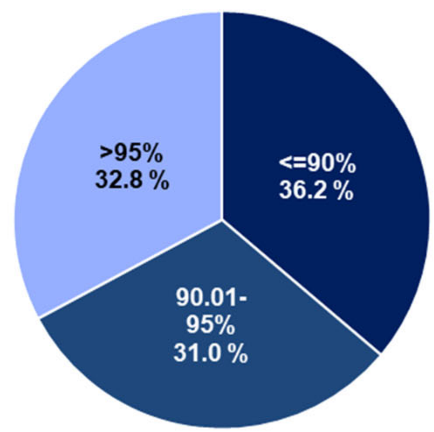
IIF By LTV



2007 Industry Average[1]





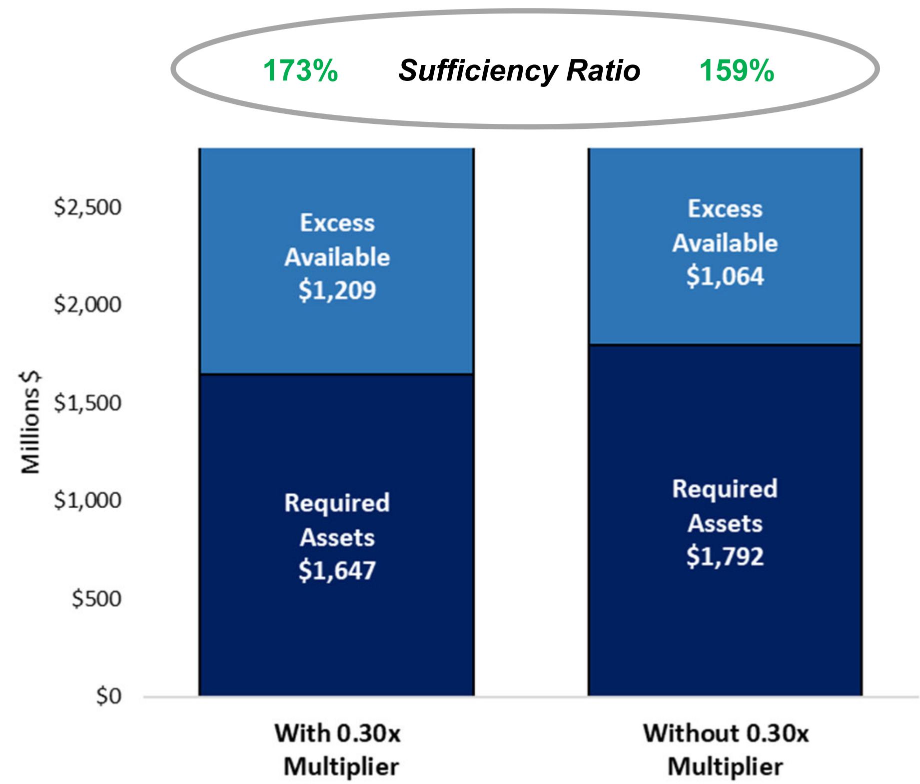


[1] Represents the average breakdown of primary RIF for Q4 2007 between Radian, MGIC, Genworth U.S. M.I., and Triad Guaranty. FICO breakdown excludes Triad Guaranty for FICO 620-679 and 680+ due to lack of comparable disclosure. As reported in SEC filings for each Company for Q4 2007.

…And Maintaining A Sufficient PMIERs Cushion

- At December 31, 2020, Essent Guaranty, Inc. has a PMIERs required asset amount of $1.6 billion and an excess asset amount of $1.2 billion, yielding a PMIERs sufficiency ratio of 173%, with the 0.3x factor applied to the PMIERs asset requirements for defaulted loans resulting from COVID-19.
- Excluding the 0.3x factor, our PMIERs required asset amount would increase to $1.8 billion, resulting in a PMIERs excess of $1.1 billion and a sufficiency ratio of 159%.
  - The exclusion of the 0.3x factor would increase PMIERs gross required asset amount, partially offset by increased PMIERs credit provided by reinsurance programs.
- At December 31, 2020, default rate of Essent's U.S. mortgage insurance portfolio is 3.93%.
- PMIERs sufficiency calculation does ***not*** account for the $563 million cash & investments at holding company, or the $300 million undrawn capacity from the credit facility at December 31, 2020.

PMIERs w/ and w/o 0.3x Multiplier



Essent believes it is well positioned to maintain a sufficient PMIERs cushion

PMIERs available and required assets as reported as of 12/31; Without 0.3x figures represent approximation of Essent PMIERs capital position at 12/31, assuming PMIERs 0.3x multiplier is not applied.

Key Milestones in Essent's Evolution

Essent is primed for future growth with the convergence of housing finance, real estate, insurance and technology sectors

2009
Acquisition of Triad Platform
Essent acquires and integrates Triad Platform

2010
Launch of Essent Guaranty
Essent obtains GSE approvals and writes first MI policy

2013
IPO
Essent completes IPO; emerges as a key competitor in an incumbent heavy landscape

2014
Launch of Essent Re
Essent Re writes its first GSE risk share deal and starts to reinsure Essent Guaranty

2018
First CRT
Essent initiates its first credit-risk transfer program; now a cornerstone of its risk management philosophy

2019
Essent EDGE™
Essent launches proprietary, innovative pricing platform

2009 → 2021+

Key Differentiators of Essent

- 25yrs + Experienced Management Team
- Strong Capital Position
- Conservative Financial Leverage
- Highly Efficient Operating Platform
- Best in Class Analytics & Technologies

Vertical Integration

- Scaled platform broadens reach of Essent's proprietary data analytics capabilities
- Increased penetration of integration opportunities with mortgage technology providers
- Enhanced opportunity to pursue key insurance adjacencies

Horizontal Expansion

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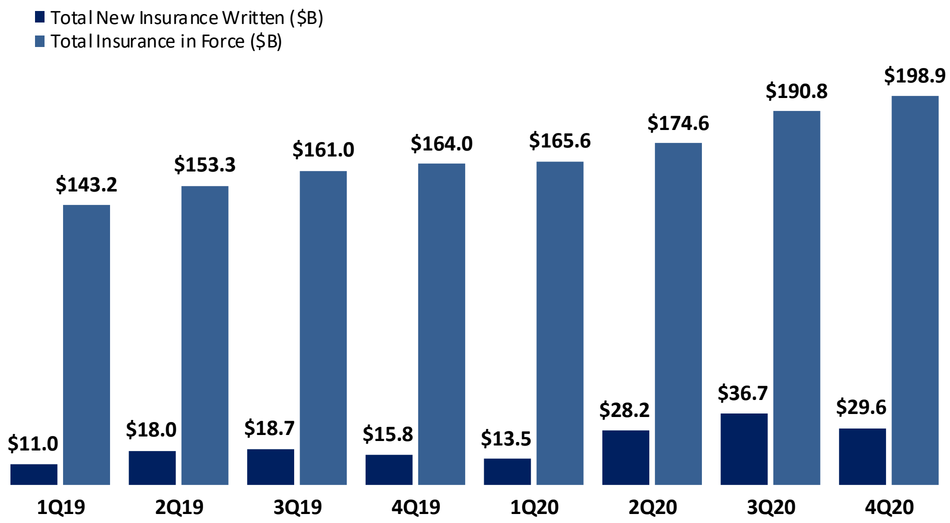
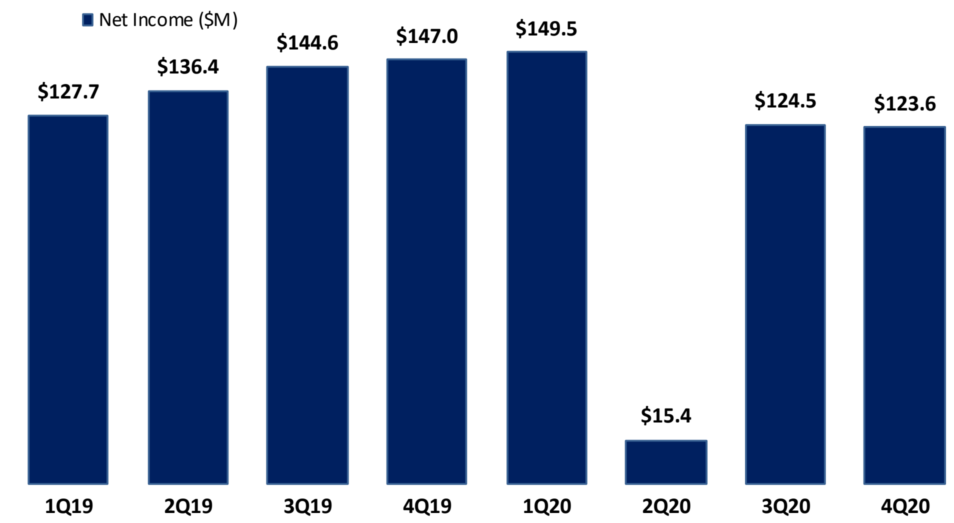
Quarterly Financial Trends

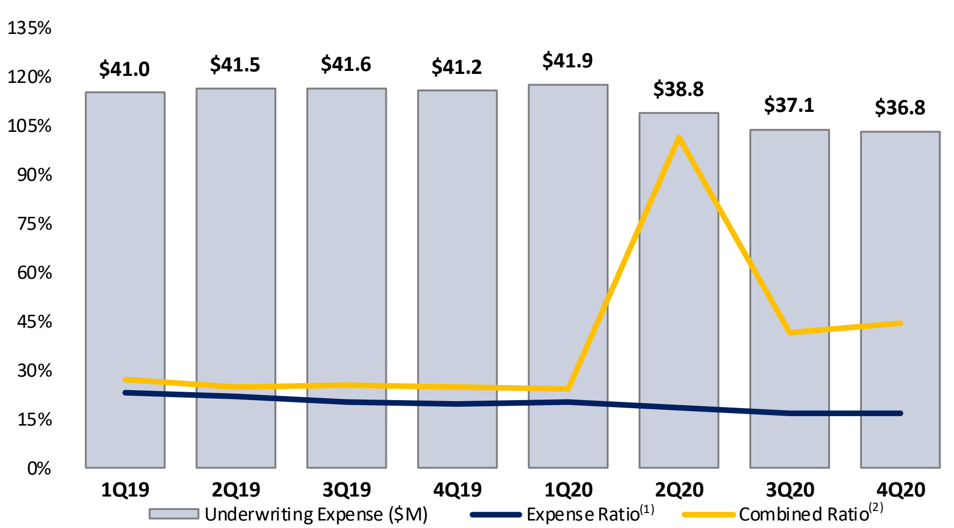
Insurance In Force & New Insurance Written



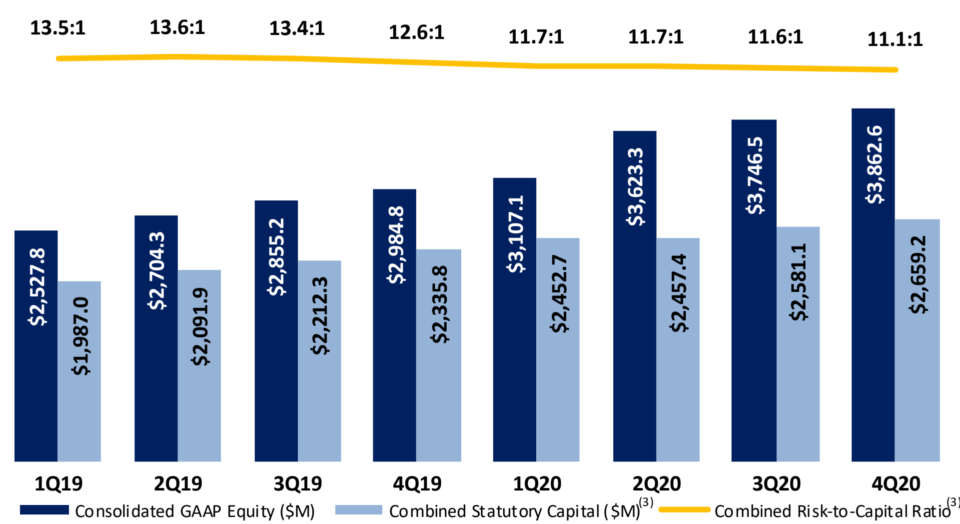
Net Income



Underwriting Expenses



Capital & Equity



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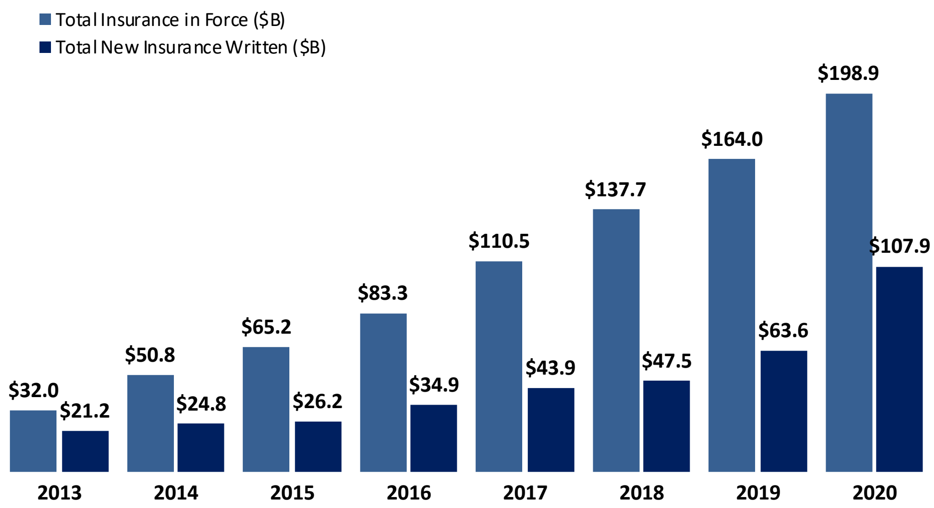
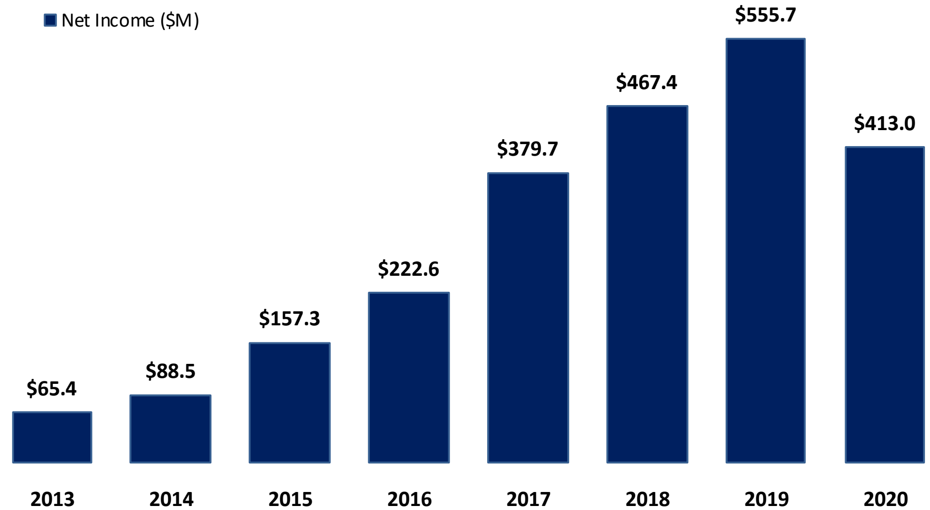
(1) Expense ratio is calculated by dividing other underwriting and operating expenses by net premiums earned.
(2) Loss ratio plus expense ratio.
(3) Represents combined metrics for the U.S. insurance subsidiaries Essent Guaranty, Inc. and Essent Guaranty of PA, Inc.

Annual Financial Trends

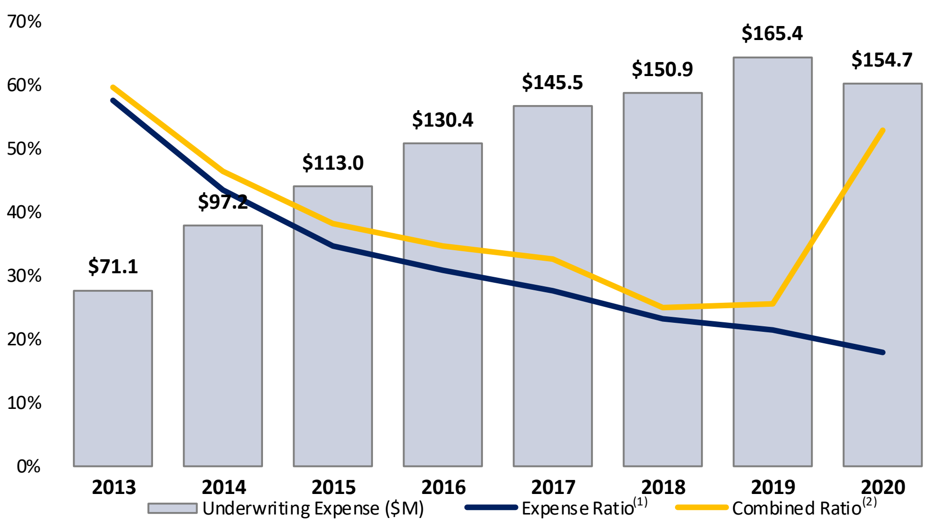
Insurance In Force & New Insurance Written



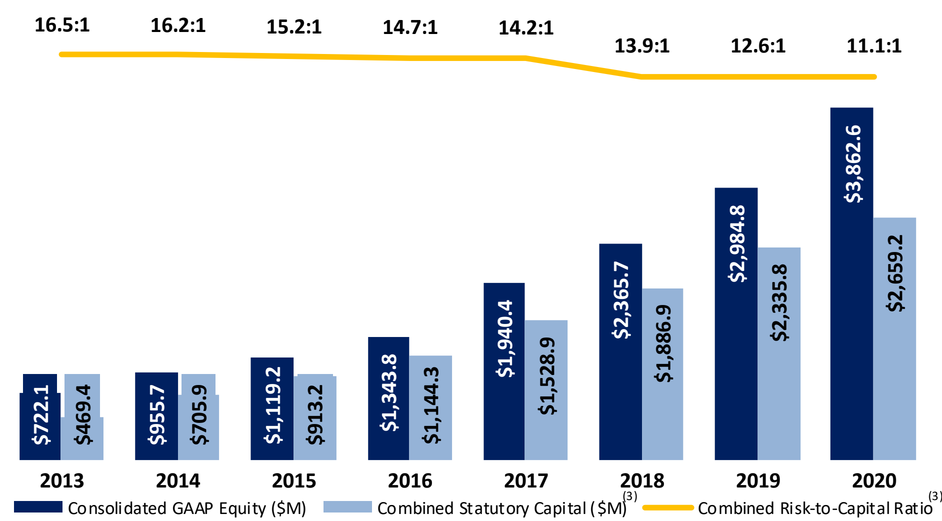
Net Income



Underwriting Expenses



Capital & Equity



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KEY TAKEAWAYS

- Essent is a leading specialty insurance company operating in a large and growing market with high barrier of entry
- Essent has transformed its business model from "Buy and Hold" to "Buy, Manage & Distribute"
- Strong capital and liquidity, along with 3rd party reinsurance, enable Essent to navigate challenging market environments
- Essent's financial strength and flexibility positions us to seize attractive opportunities as the market evolves

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