ESSENT GROUP LTD.
INVESTOR PRESENTATION
2Q20

NYSE: ESNT

SEPTEMBER 2020

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 $174.6 billion as of June 30, 2020
- Combined risk-to-capital ratio of 11.7:1[(1)] as of June 30, 2020
- First monoline mortgage insurer to achieve A3 rating from Moody's post-financial crisis; A (Excellent) rating affirmed by AM Best in Q2 2020

	@ IPO (2013[2])	Buy, Manage & Distribute (2020[3])
Insurance In Force (IIF)	$32b	$175b
New Insurance Written (NIW)	$21b	$64b
Net Income	$65m	$556m
Shareholders' Equity	$0.7b	$3.6b
PMIERs Sufficiency Ratio	N/A	177%
Return On Average Equity (ROE)	14%	10%
Financial Leverage	0%	10%
Ratings[4]	Baa3 / BBB+ / NR	A3 / BBB+ / A
% IIF with Reinsurance Protection	0%	93%

(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.
(2) Balance sheet metrics as of Q4 2013. Income statement metrics (NIW, net income) as of FY2013. ROE calculated as FY2013 net income divided by average shareholders' equity.
(3) Balance sheet metrics as of Q2 2020. Income statement metrics (NIW, net income) as of FY2019. ROE calculated as annualized YTD-2020 net income divided by average shareholders' equity.
(4) Financial Strength Rating (FSR) of Essent Guaranty, Inc. from Moody's / S&P / AM Best

2Q20 Update

2Q20 Financial Summary

	2Q 2020	2Q 2019	%Δ
Key Metrics			
New Insurance Written $B	$28.2	$18.0	57%
Insurance In Force $B	$174.6	$153.3	14%
Net Premiums Earned $M	$211.5	$188.5	12%
EPS (Diluted)	$0.15	$1.39	-89%
Key Ratios			
Loss Ratio	83%	3%	3100%
Combined Ratio	102%	25%	311%
Return on Equity[1]	2%	21%	-91%
Delinquency KPIs			
Delinquent Loans Inventory	38,068	4,405	764%
New Defaults	37,357	2,849	1211%
Cures	(4,983)	(2,433)	105%
Delinquency Rate	5.19%	0.66%	686%

Q/Q Delinquency Data Trend

	Period Ending 2Q20	Period Ending 1Q20	%Δ
Key Metrics			
New Insurance Written $B	$28.2	$13.5	108%
Insurance In Force $B	$174.6	$165.6	5%
Delinquency KPIs			
Delinquent Loans Inventory	38,068	5,841	552%
New Defaults	37,357	3,933	850%
Cures	(4,983)	(3,914)	27%
Delinquency Rate	5.19%	0.83%	525%

[1] Annualized return on average equity.

Commentary

- Q2 results reflect the impact of COVID-19 on the broader U.S. economy and increased defaults for Essent.
- Strong capital levels and liquidity, along with reinsurance, enables Essent to be in a position of strength.
  - ✓ Bolstered Hold Co cash and investments to $702 million by raising $440 million of common equity in Q2 and drawing $200 million on its revolving credit facility at the end of Q1.
  - ✓ Maintained a PMIERs cushion of $1.1 billion (not including any Hold Co cash and investments), representing a sufficiency ratio of 177%.
  - ✓ Have access to $1.6 billion of excess of loss reinsurance.
- Strong NIW and IIF growth year-to-date.

Mortgage Insurance Industry: COVID-19's Impact

Mortgage Industry	• COVID-19 has significantly impacted the U.S economy as a whole, resulting in increased unemployment and mortgage defaults. • Housing, however, has remained strong as record low interest rates have boosted refinance activities and improved affordability for purchase transactions. • Contributing to the favorable demand/supply dynamics are the ~80 million American Millennials. Driven by significant life events such as marriage and having children, an increasing number of Millennials are forming households, continuing to provide strength to entry-level and first-time homebuyer demand.
Loan Forbearance & Delinquencies	• The mortgage insurance industry has experienced an increase in mortgage defaults which has also impacted financial performance for 2Q20. • However, defaulted borrowers have access to nationwide forbearance programs which provide an opportunity to resolve financial hardships, and reduce the probability of foreclosure and likelihood that mortgage insurance defaults become claim payments.
PMIERs Capital Requirements	• PMIERs asset charge increases from ~6-7% for a performing loan to 55% when a loan is reported delinquent and then continues to increase as the loan transitions to later state delinquency. • Recent amendments to the PMIERs framework specify that the asset charge on a delinquent loan where a borrower is in a forbearance plan will receive a 70% haircut[(1)], i.e. a 0.3x multiplier (30% of 55% = 16.5% for the initial delinquency).
Reinsurance	• The use of programmatic reinsurance by the mortgage insurance industry is designed to mitigate volatility during economic downturns by transferring mortgage credit risk to capital markets investors or reinsurers via excess of loss and quota share reinsurance transactions. • Tail risk has been reduced through the advent of mortgage credit risk transfer transactions over the past few years which may result in stress environments impacting P&L but not capital. • Current market environment may limit availability or increase the cost of credit risk transfer transactions in the near-term.

(1) Absent a forbearance plan, delinquent loans with an initial missed payment date on or after March 1, 2020 and prior to January 1, 2021 (i.e. the COVID-19 Crisis Period) will receive the 70% haircut for up to four calendar months from the date of the initial missed payment.

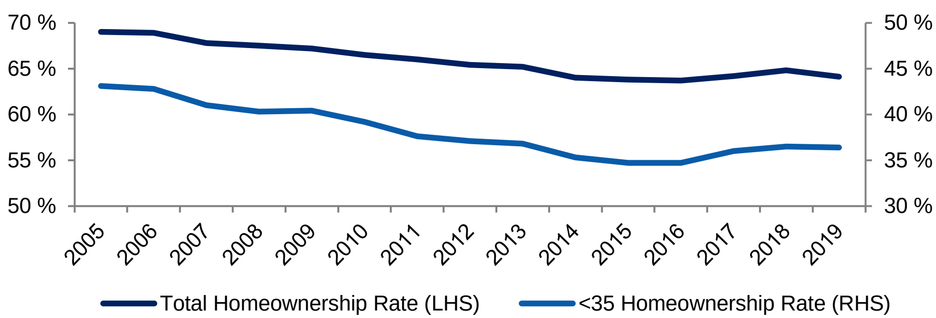
INDUSTRY FUNDAMENTALS ARE SUPPORTIVE OF GROWTH

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 reach the average age of a first-time home buyer which is 32 years old.

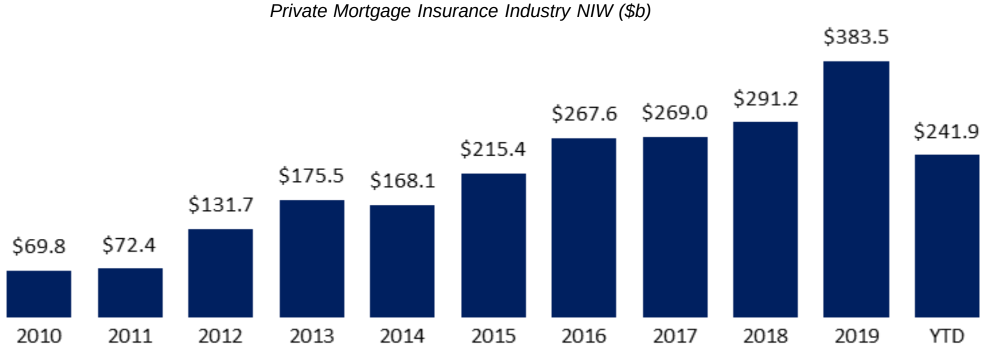
Homeownership Rates Have Started to Rebound



- Homeownership rates have been increasing recently.
- Outlook on affordability is favorable as mortgage rates continue to be at historically low levels.
- Impacts of COVID-19 may cause a pause in purchase mortgages, but conversely, 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.

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

Market Remains An Attractive Opportunity

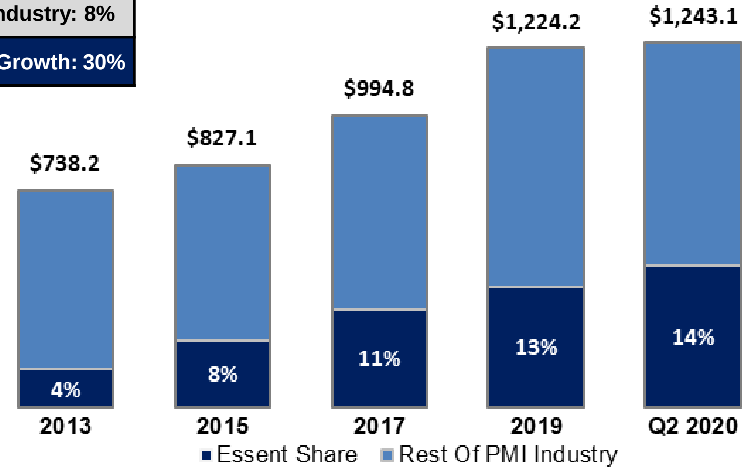
Key Highlights

- Essent continues to maintain a strong market position while continuing to grow its share of industry insurance in force
- Essent's NIW market share has been in the range of 12-17% since 2014
- The MI industry continues to benefit from large mortgage origination markets and robust private MI penetration rates
- MBA's latest forecast for 2020 total mortgage originations in 2020 is $3.0 trillion, split 43/57 between purchase and refinance.
- 2019 MI penetration rate of the total mortgage originations was 18.5%.

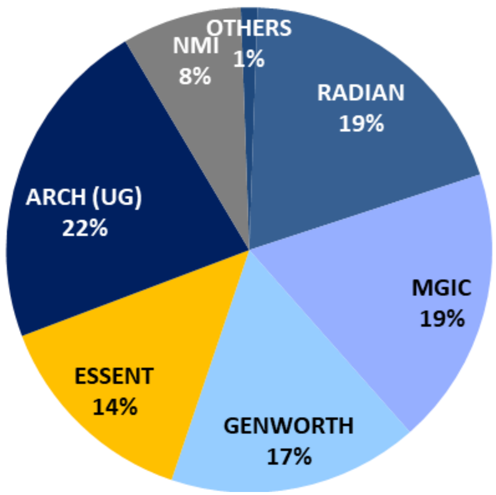
Market Size & Growth

CAGR: 2013 – 2020
Total Industry: 8%
Essent Growth: 30%

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

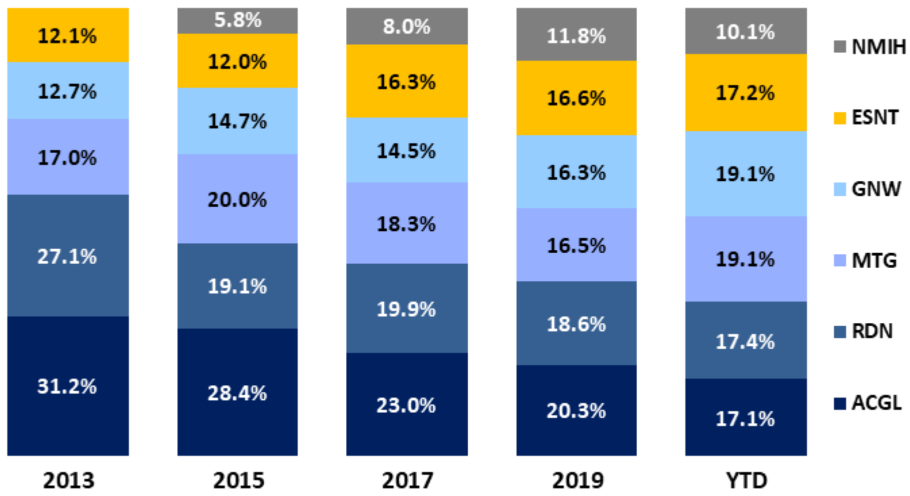


Total Market IIF Share



Q2-20 IIF Outstanding: $1,243B

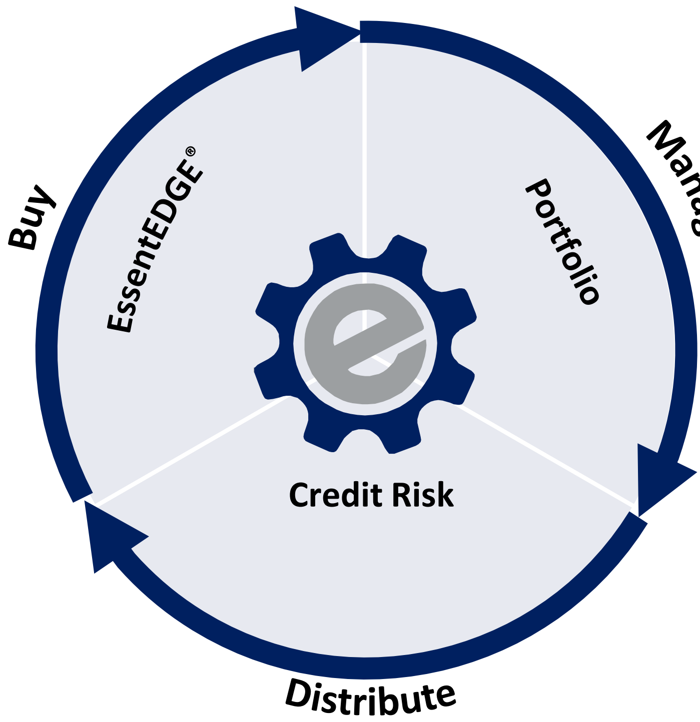
Annual Market Share



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 Robust Capital & Strong Liquidity…

Robust Capital and Strong Liquidity Enable Us to Play Both Defense and Offense

1. **Build Strong Balance Sheet**
   - ✓ Provide a buffer in a world of uncertainty
   - ✓ Send strong signal to various stakeholders
   - ✓ Position to absorb losses in severe downside scenarios

2. **Enhance Financial Flexibility**
   - ✓ Maintain access to multiple sources of capital and liquidity
   - ✓ Remain strong and resilient during a negative economic environment
   - ✓ Adapt to potential future changes to PMIERs capital standards

3. **Grow Insurance In Force Profitably**
   - ✓ Take advantage of growth opportunities during market recovery
   - ✓ Able to fund growth in absence of 3rd party reinsurance

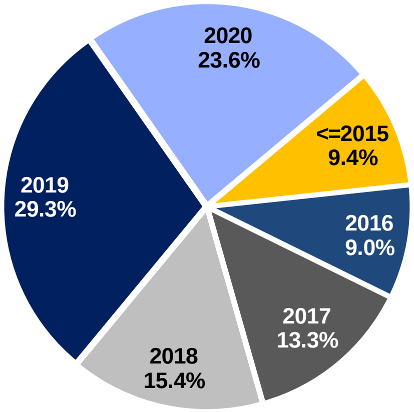
4. **Capital Begets Opportunities**
   - ✓ Operate from a position of strength
   - ✓ Capitalize on potential market dislocation

…While Building A High Credit Quality Portfolio

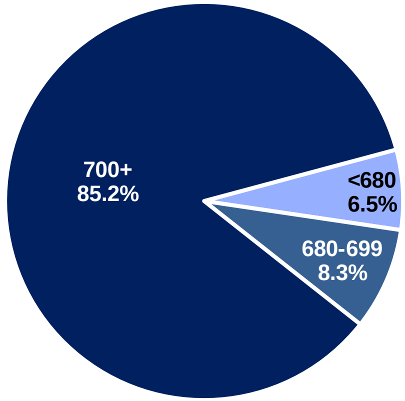
As Of June 30, 2020, Essent Has $174.6 Billion Of Insurance In Force

Essent Q2 2020 IIF

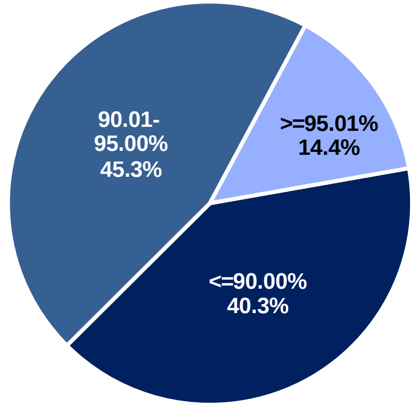
IIF By Vintage



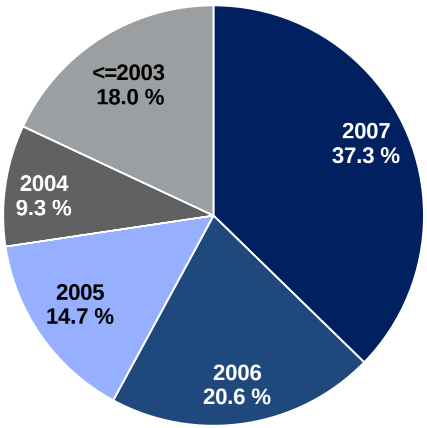
IIF By FICO Score

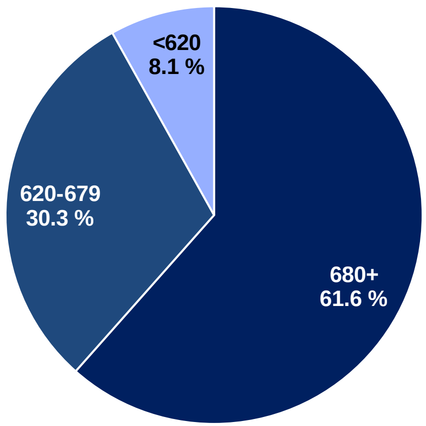


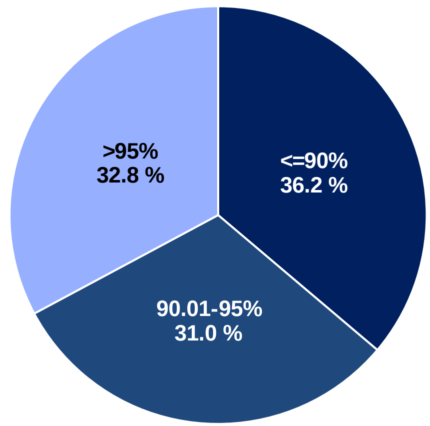
IIF By LTV



2007 Industry Average[1]





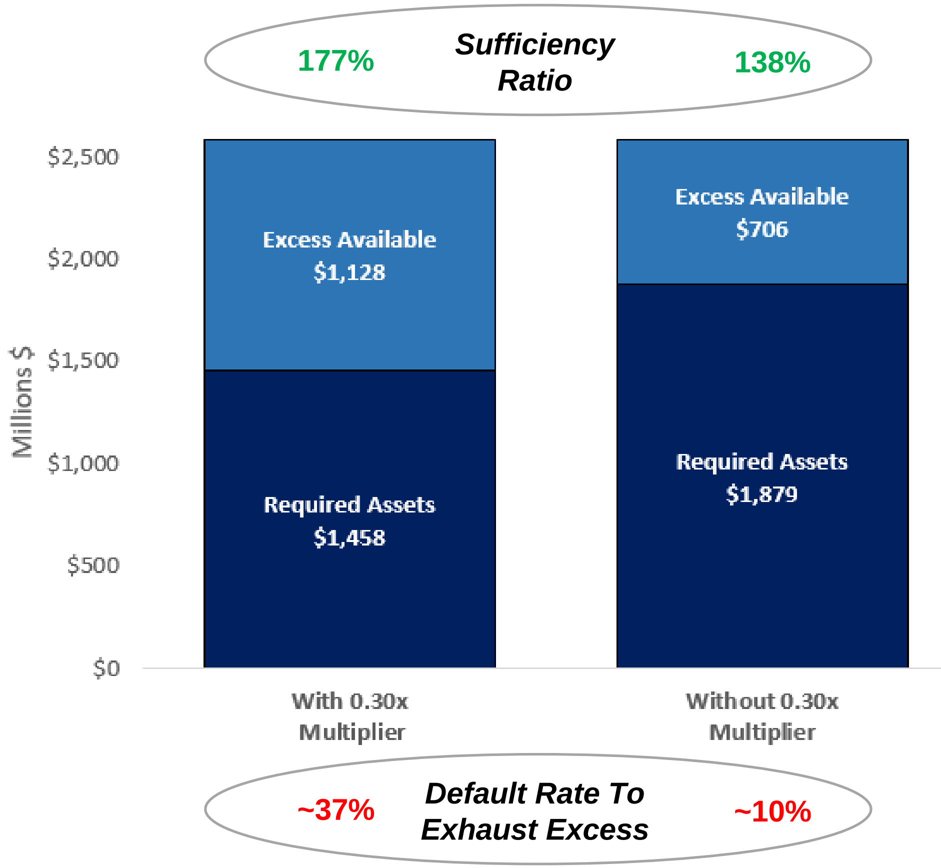


[1] Represents the average breakdown of primary RIF for Q4 2007 between Radian, MGIC, Genworth U.S. M.I., and Triad Guaranty. FICO breakdown excludes Triad Guaranty for FICO 620-679 and 680+ due to lack of comparable disclosure. As reported in SEC filings for each Company for Q4 2007.

… And Maintaining A Sufficient PMIERs Cushion

- At June 30, 2020, Essent Guaranty, Inc. has a PMIERs required asset amount of $1.5 billion and an excess asset amount of $1.1 billion, yielding a PMIERs sufficiency ratio of 177%, with the 0.3x factor applied to the PMIERs asset requirements for defaulted loans resulting from COVID-19.
- Excluding the 0.30x factor, our PMIERs required asset amount would increase to $1.9 billion, resulting in a PMIERs excess of $706 million and a sufficiency ratio of 138%.
  - The exclusion of the 0.30x factor would increase PMIERs gross required asset amount, partially offset by increased PMIERs credit provided by reinsurance programs.
- At June 30, 2020, default rate of Essent's U.S. mortgage insurance portfolio is 5.19%.
  - Default rate would need to increase to ~37% to exhaust the PMIERs excess *with* the 0.3x multiplier.
  - Default rate would need to increase to ~10% to exhaust the PMIERs excess *without* the 0.3x multiplier.
  - Default rate required to exhaust Essent Guaranty's PMIERs excess does *not* account for the $702 million cash & investments at holding company and the $75 million undrawn capacity from the credit facility.

PMIERs w/ and w/o 0.3x Multiplier

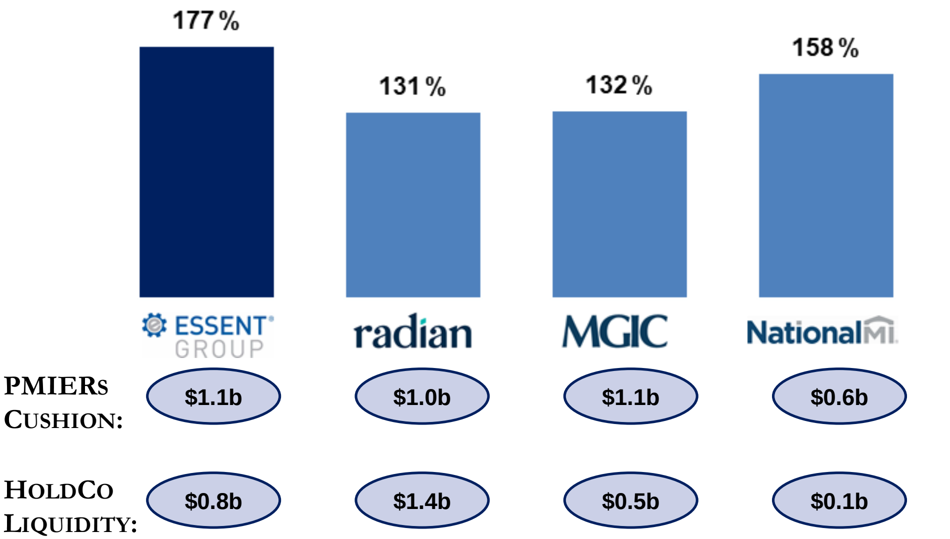


Essent believes it is well positioned to maintain a sufficient PMIERs cushion

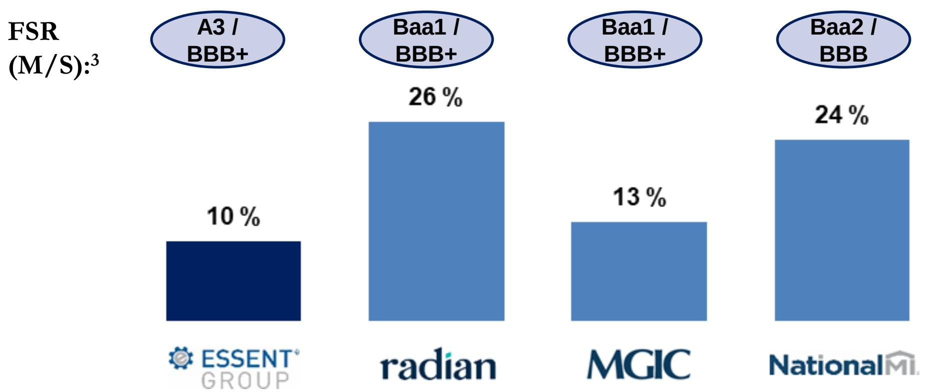
PMIERs available and required assets as reported as of 6/30; Without 0.30x figures represent approximation of Essent PMIERs capital position at 6/30, assuming PMIERs 0.30x multiplier is not applied.

Essent Is Operating From A Position Of Strength

PMIERs Sufficiency Ratio[1]



Total Debt / Capital[2]

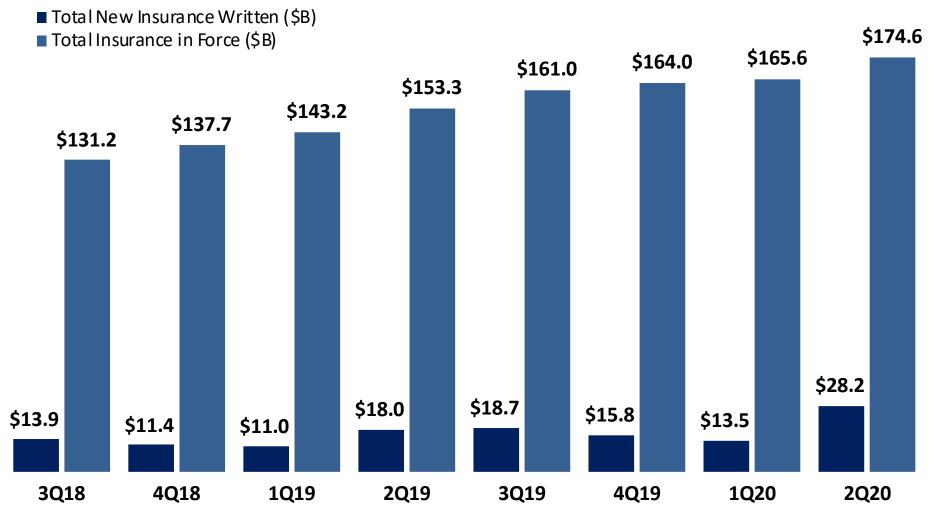


- At June 30, 2020, Essent has the industry leading PMIERs sufficiency ratio of 177%, with a PMIERs excess of $1.1 billion.
- Essent has total HoldCo liquidity of $777 million, including $702 million of cash & investments and $75 million undrawn capacity from our credit facility.
- As the highest rated monoline mortgage insurer, Essent maintains a much lower debt-to-capital ratio of 10% compared to peers.
- Excess capital, ample liquidity and conservative financial leverage enable Essent to operate from a position of strength.

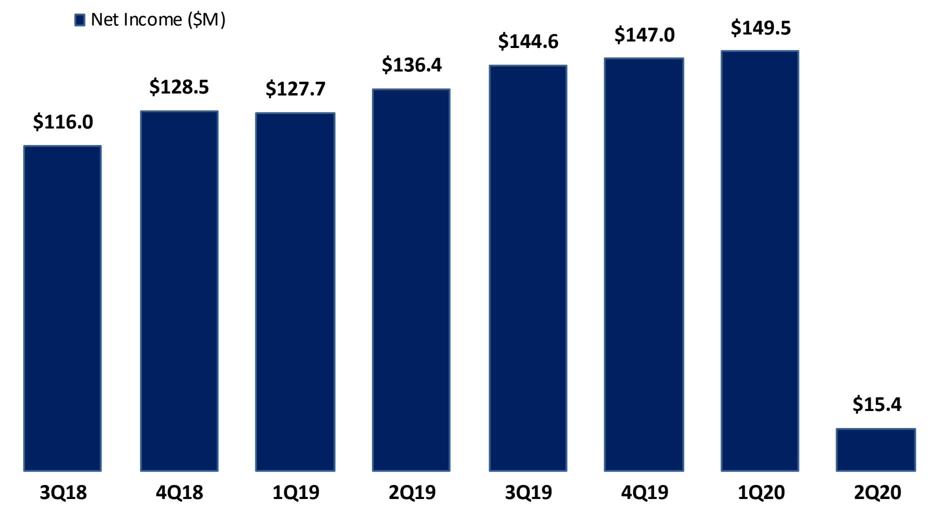
1. Calculated as PMIERs available assets divided by reported PMIERs required assets as of Q2 2020, as reported in recent SEC filings for each Company.
2. Calculated as total debt outstanding as reported on the GAAP balance sheet in recent SEC filings, divided by total capital as at Q2 2020. Excludes FHLB Advances classified as debt.
3. Denotes Financial Strength Ratings by Moody's ("M") and Standard & Poor's ("S").

Quarterly Financial Trends

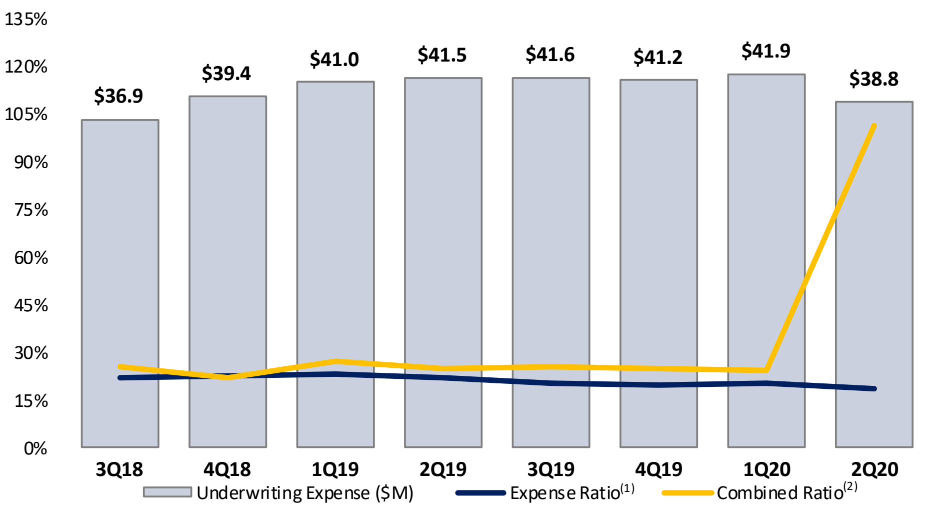
Insurance In Force & New Insurance Written



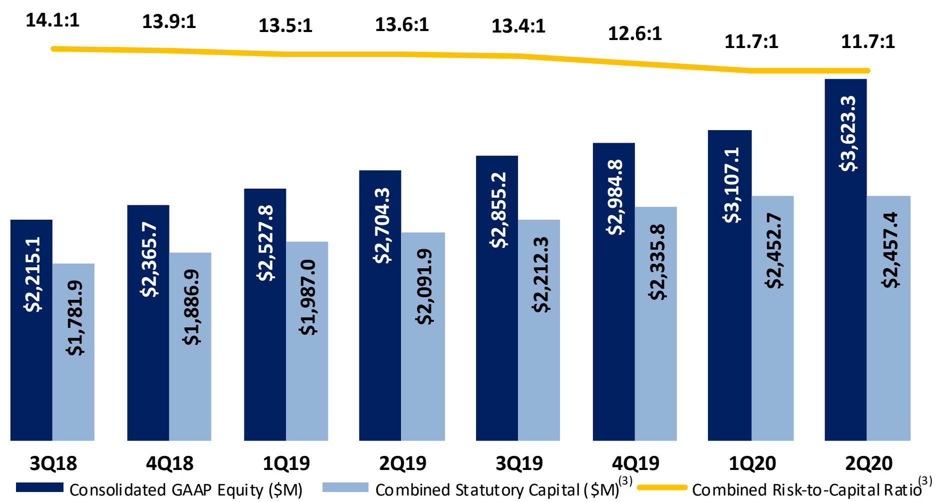
Net Income



Underwritting Expenses



Capital & Equity



(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.

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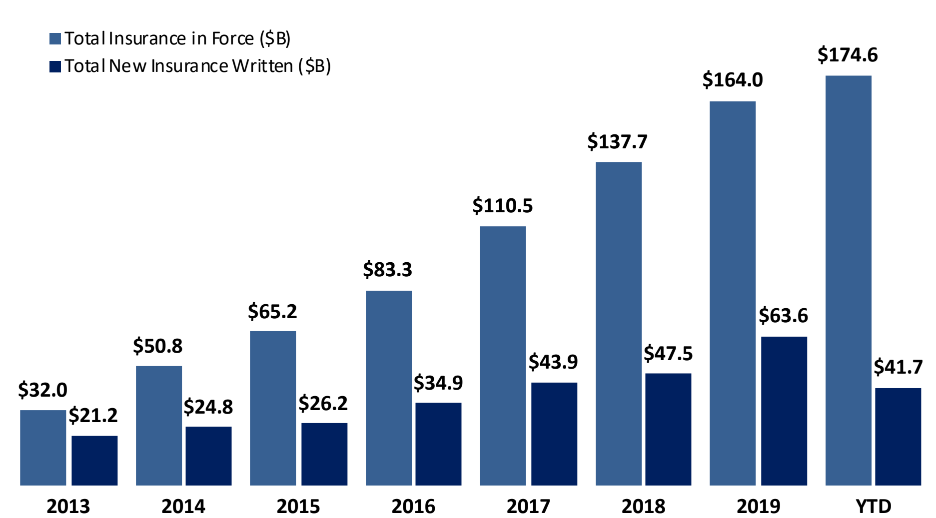
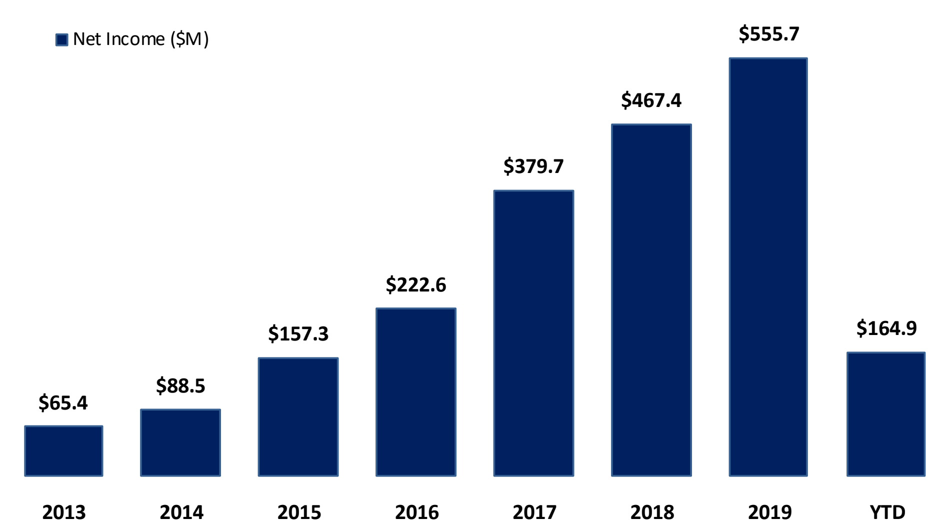
Annual Financial Trends

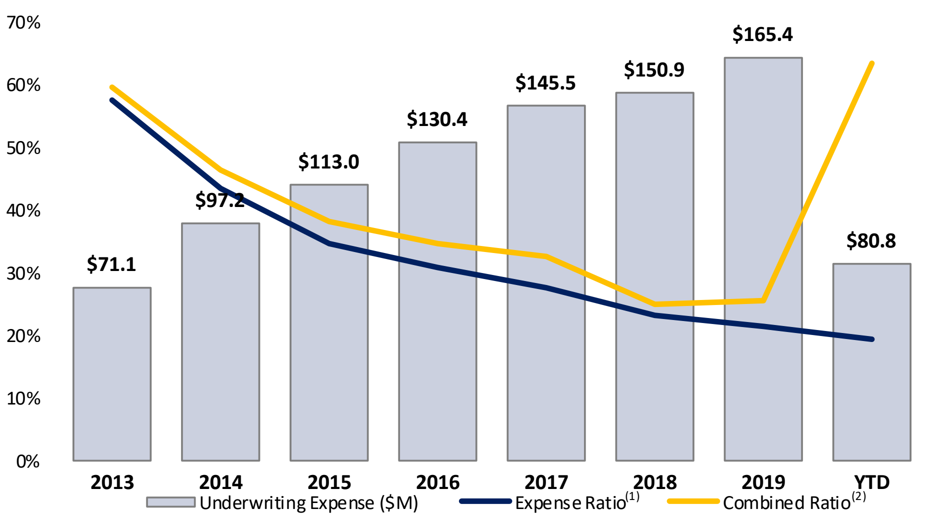
Insurance In Force & New Insurance Written



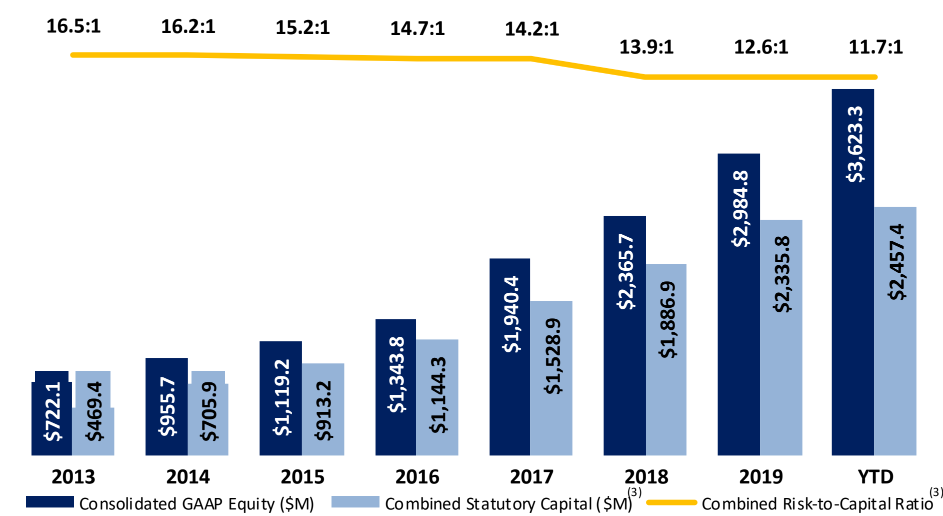
Net Income



Underwritting Expenses



Capital & Equity



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(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.

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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