# Credit Risk Transfer (CRT) Update

***For Period Ending: March 31, 2023***

ESSENT GROUP

**May 5, 2023**

# 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: 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); the impact of COVID-19 and related economic conditions; 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, 2022 filed with the Securities and Exchange Commission on February 17, 2023, 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

| | Radnor Re 2022-1 (RMIR 22-1) | XOL 2022-1 (XOL 22-1) | Radnor Re 2021-2 (RMIR 21-2) | Radnor Re 2021-1 (RMIR 21-1) | Radnor Re 2020-2[1] (RMIR 20-2) | Radnor Re 2020-1 (RMIR 20-1) |
|---|---|---|---|---|---|---|
| Closing Date | September 21, 2022 | June 30, 2022 | November 10, 2021 | June 23, 2021 | October 8, 2020 | January 30, 2020 |
| NIW Period | October 2021 - July 2022 | October 2021 - December 2022 | April 2021 - September 2021 | August 2020 - March 2021 | September 2019 - July 2020 | January 2019 - August 2019 |
| Bond Issuance / Reinsurance | $237,868,000 | $141,991,859 | $439,407,000 | $557,911,000 | $399,159,000 | $495,889,000 |
| Tranche Sizing | M-1A: $84,118,000<br>M-1B: $88,325,000<br>M-2: $49,069,000<br>B-1: $16,356,000 | 2nd Layer: 121,707,308<br>1st Layer: 20,284,551 | M-1A: $139,534,000<br>M-1B: $147,763,000<br>M-2: $130,382,000<br>B-1: $21,728,000 | M-1A: $139,478,000<br>M-1B: $132,504,000<br>M-1C: $153,426,000<br>M-2: $97,634,000<br>B-1: $34,869,000 | M-1A: $79,832,000<br>M-1B: $93,137,000<br>M-1C: $93,137,000<br>M-2: $99,790,000<br>B-1: $33,263,000 | M-1A: $94,866,000<br>M-1B: $133,675,000<br>M-1C: $77,617,000<br>M-2A: $125,051,000<br>M-2B: $43,120,000<br>B-1: $21,560,000 |
| Spread | M-1A: 3.75%<br>M-1B: 6.75%<br>M-2: 8.50%<br>B-1: 10.50% | -* | M-1A: 1.85%<br>M-1B: 3.70%<br>M-2: 5.00%<br>B-1: 6.00% | M-1A: 1.65%<br>M-1B: 1.70%<br>M-1C: 2.70%<br>M-2: 3.15%<br>B-1: 4.00% | M-1A: 3.15%<br>M-1B: 4.00%<br>M-1C: 4.60%<br>M-2: 5.60%<br>B-1: 7.60% | M-1A: 0.95%<br>M-1B: 1.45%<br>M-1C: 1.75%<br>M-2A: 2.00%<br>M-2B: 2.25%<br>B-1: 3.00% |
| Initial Credit Enhancement | M-1A: 5.60%<br>M-1B: 4.25%<br>M-2: 3.50%<br>B-1: 3.25% | 2nd Layer: 3.00%<br>1st Layer: 2.50% | M-1A: 5.70%<br>M-1B: 4.00%<br>M-2: 2.50%<br>B-1: 2.25% | M-1A: 4.05%<br>M-1B: 4.05%<br>M-1C: 2.95%<br>M-2: 2.25%<br>B-1: 2.00% | M-1A: 5.90%<br>M-1B: 5.20%<br>M-1C: 4.50%<br>M-2: 3.75%<br>B-1: 3.50% | M-1A: 6.90%<br>M-1B: 5.35%<br>M-1C: 4.45%<br>M-2A: 3.00%<br>M-2B: 2.50%<br>B-1: 2.25% |
| Credit Rating | M-1A: Ba2 & BBB (low)<br>M-1B: B1 & BB (high)<br>M-2: NR & BB (low)<br>B-1: NR & B (high) | N/A | M-1A: Baa3 & BBB (low)<br>M-1B: Ba3 & BB<br>M-2: NR & B<br>B-1: NR & B (low) | M-1A: Baa3<br>M-1B: Baa3<br>M-1C: Ba3<br>M-2: B3<br>B-1: NR | M-1A: Ba1<br>M-1B: Ba2<br>M-1C: Ba3<br>M-2: B2<br>B-1: B3 | M-1A: BBB (low)<br>M-1B: BB (high)<br>M-1C: BB (low)<br>M-2A: B<br>M-2B: B (low)<br>B-1: NR |
| Rating Agency | Moody's & DBRS | | Moody's & DBRS | Moody's | Moody's | DBRS / Morningstar |

1) Radnor Re 2020-2 was terminated in August 2022.
* Pricing has not been publicly disclosed for XOL agreements

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# Completed Transactions: Closing Information Cont.

| | XOL 2020-1 (XOL 20-1) | Radnor Re 2019-2[2] (RMIR 19-2) | Radnor Re 2019-1 (RMIR 19-1) | XOL 2019-1 (XOL 19-1) | Radnor Re 2018-1[3] (RMIR 18-1) | XOL 2018-1 (XOL 18-1) |
|---|---|---|---|---|---|---|
| Closing Date | January 30, 2020 | June 20, 2019 | February 28, 2019 | February 28, 2019 | March 22, 2018 | November 1, 2018 |
| NIW Period | January 2019 - August 2019 | January 2015 - December 2016 | January 2018 - December 2018 | January 2018 - December 2018 | January 2017 - December 2017 | January 2017 - December 2017 |
| Bond Issuance / Reinsurance | $55,102,000 | $333,844,000 | $473,184,000 | $118,650,000 | $424,412,000 | $165,167,226 |
| Tranche Sizing | M-1A: $10,541,000<br>M-1B: $14,853,000<br>M-1C: $8,625,000<br>M-2A: $13,895,000<br>M-2B: $4,792,000<br>B-1: $2,396,000 | M-1A: $125,734,000<br>M-1B: $186,432,000<br>B-1: $21,678,000 | M-1A: $84,547,000<br>M-1B: $174,563,000<br>M-2: $192,937,000<br>B-1: $21,137,000 | M-1A: $28,183,000<br>M-1B: $39,625,000<br>M-2: $43,796,000<br>B-1: $7,046,000 | M-1: $189,737,000<br>M-2: $209,710,000<br>B-1: $24,965,000 | X-1: $187,112,603 |
| Spread | -* | M-1A: 1.20%<br>M-1B: 1.75%<br>B-1: 2.70% | M-1A: 1.25%<br>M-1B: 1.95%<br>M-2: 3.20%<br>B-1: 4.45% | -* | M-1: 1.40%<br>M-2: 2.70%<br>B-1: 3.80% | -* |
| Initial Credit Enhancement | M-1A: 6.90%<br>M-1B: 5.35%<br>M-1C: 4.45%<br>M-2A: 3.00%<br>M-2B: 2.50%<br>B-1: 2.25% | M-1A: 4.80%<br>M-1B: 2.65%<br>B-1: 2.40% | M-1A: 6.50%<br>M-1B: 4.60%<br>M-2: 2.50%<br>B-1: 2.25% | M-1A: 6.50%<br>M-1B: 4.60%<br>M-2: 2.50%<br>B-1: 2.25% | M-1: 4.60%<br>M-2: 2.50%<br>B-1: 2.25% | X-1: 7.25% |
| Credit Rating | N/A | M-1A: AA-<br>M-1B: A-<br>B-1: BBB+ | M-1A: A-<br>M-1B: BBB-<br>M-2: BB-<br>B-1: B+ | N/A | M-1: BBB<br>M-2: BB-<br>B-1: B+ | N/A |
| Rating Agency | | Morningstar | Morningstar | | Morningstar | |

2) Radnor Re 2019-2 was terminated in February 2023.
3) Radnor Re 2018-1 was terminated in March 2023.
* Pricing has not been publicly disclosed for XOL agreements.

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# CRT SUMMARY: AS OF CLOSING

**Insurance Linked Notes**[1]

*dollars in millions*

| Deal Name | Vintage | IIF | RIF | First Loss Layer | Original Reinsurance | Attach % | Detach % | Target Credit Enhancement % |
|---|---|---|---|---|---|---|---|---|
| Radnor Re 2018-1[(3)] | Jan 17 - Dec 17 | $40,551 | $9,986 | $225 | $424 | 2.25% | 6.50% | 7.25% |
| Radnor Re 2019-1 | Jan 18 - Dec 18 | 45,036 | 11,273 | 254 | 473 | 2.25% | 7.50% | 8.50% |
| Radnor Re 2019-2[(4)] | Jan 15 - Dec 16 | 32,080 | 8,671 | 208 | 334 | 2.40% | 6.25% | 6.50% |
| Radnor Re 2020-1 | Jan 19 - Aug 19 | 38,018 | 9,582 | 216 | 496 | 2.25% | 8.00% | 9.00% |
| Radnor Re 2020-2[(5)] | Sept 19 - Jul 20 | 68,439 | 13,305 | 466 | 399 | 3.50% | 6.50% | 7.50% |
| Radnor Re 2021-1 | Aug 20 - Mar 21 | 68,268 | 13,948 | 279 | 558 | 2.00% | 6.00% | 7.00% |
| Radnor Re 2021-2 | Apr 21 - Sept 21 | 47,195 | 12,417 | 279 | 439 | 2.25% | 7.25% | 7.75% |
| Radnor Re 2022-1 | Oct 21 - Jul 22 | 52,998 | 9,346 | 304 | 238 | 3.25% | 6.50% | 7.00% |

**Reinsurance - Excess of Loss**[2]

| Deal Name | Vintage | IIF | RIF | First Loss Layer | Original Reinsurance | Attach % | Detach % | Target Credit Enhancement % |
|---|---|---|---|---|---|---|---|---|
| XOL 2018-1 | Jan 17 - Dec 17 | $40,551 | $9,356 | $678 | $165 | 7.25% | 9.25% | N/A |
| XOL 2019-1 | Jan 18 - Dec 18 | 45,036 | 11,273 | 254 | 119 | 2.25% | 7.50% | 8.50% |
| XOL 2020-1 | Jan 19 - Aug 19 | 38,018 | 9,582 | 216 | 55 | 2.25% | 8.00% | 9.00% |
| XOL 2022-1 | Oct 21 - Dec 22 | 75,407 | 20,285 | 507 | 142 | 2.50% | 6.00% | N/A |

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) Radnor Re 2018-1 was terminated in March 2023.
4) Radnor Re 2019-2 was terminated in February 2023.
5) Radnor Re 2020-2 was terminated in August 2022.

# CRT Summary: As Of 3/31/23

**Insurance Linked Notes**[1]

*dollars in millions*

| Deal Name | Vintage | IIF | IIF % | RIF | D60+ RIF % | Dlq Trigger (Y / N) | Remaining Retention[3] | Outstanding Note Balance | Attach % | Detach % | PMIERs Credit[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Radnor Re 2019-1 | Jan 18 - Dec 18 | 6,349 | 3% | 1,644 | 4.73% | Y | 248 | 326 | 15.10% | 39.52% | - |
| Radnor Re 2020-1 | Jan 19 - Aug 19 | 7,859 | 3% | 2,030 | 3.49% | N | 214 | 396 | 10.57% | 32.24% | - |
| Radnor Re 2021-1 | Aug 20 - Mar 21 | 38,168 | 16% | 9,653 | 1.18% | N | 279 | 414 | 2.89% | 7.18% | 327 |
| Radnor Re 2021-2 | Apr 21 - Sept 21 | 40,544 | 18% | 10,825 | 1.28% | N | 279 | 400 | 2.58% | 7.81% | 363 |
| Radnor Re 2022-1 | Oct 21 - Jul 22 | 33,357 | 14% | 8,967 | 0.86% | N | 304 | 238 | 3.39% | 6.78% | 219 |
| **Total ILN** | | **$126,278** | **55%** | **$33,118** | | | **$1,325** | **$1,773** | | | **$909** |

**Reinsurance - Excess of Loss**[2]

| Deal Name | Vintage | IIF | IIF % | RIF | D60+ RIF % | Dlq Trigger (Y / N) | Remaining Retention[3] | Program Limit | Attach % | Detach % | PMIERs Credit[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| XOL 2018-1 | Jan 17 - Dec 17 | $5,511 | 2% | $1,450 | 3.69% | N | $421 | $71 | 29.03% | 34.56% | - |
| XOL 2019-1 | Jan 18 - Dec 18 | 6,349 | 3% | 1,644 | 4.73% | Y | 248 | 76 | 15.10% | 39.52% | - |
| XOL 2020-1 | Jan 19 - Aug 19 | 7,859 | 3% | 2,030 | 3.49% | N | 214 | 44 | 10.57% | 32.24% | - |
| XOL 2022-1 | Oct 21 - Dec 22 | 74,276 | 32% | 19,999 | 0.77% | N | 507 | 142 | 2.54% | 6.09% | 138 |
| **Total XOL** | | **$93,996** | **41%** | **$25,123** | | | **$1,391** | **$333** | | | **$138** |

**Reinsurance - Quota Share**[2]

| Deal Name | Vintage | IIF | IIF % | Ceded RIF | D60+ Ceded RIF % | Dlq Trigger (Y / N) | ILN & XOL Remaining Retention[3] | ILN & XOL Balance Outstanding | Attach % | Detach % | PMIERs Credit[4] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| QSR 2019-1 | Sept 19 - Dec 20 | $61,602 | 27% | $3,468 | 1.36% | N/A | N/A | N/A | N/A | N/A | $210 |
| QSR 2022-1 | Jan 22 - Dec 22 | 59,646 | 26% | 3,220 | 0.70% | N/A | N/A | N/A | N/A | N/A | 228 |
| QSR 2023-1[(5)] | Jan 23 - Dec 23 | 12,797 | 6% | 617 | 0.02% | N/A | N/A | N/A | N/A | N/A | 44 |
| **Total QSR** | | **$134,044** | **58%** | **$7,305** | | | | | | | **$482** |
| **Aggregate**[6] | | **$222,863** | **96%** | | | | **$2,026** | **$2,106** | | | **$1,529** |

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) and Quota Share (QSR) transactions are with panels of U.S. & global reinsurers.
3. Remaining Retention refers to retained outstanding first loss exposure.
4. Reduction in PMIERs Minimum Required Assets estimated by the Company.
5. Fill up period from 01/01/23 to 12/31/23.
6. The totals may differ from the sum of the individual reinsurance transactions as a result of overlapping coverage between certain transactions.