

# Essent Second Quarter 2015 Earnings Presentation



## Disclaimer

This presentation includes “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,” “plan,” “seek,” “comfortable with,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” 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; 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; 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, 2014 filed with the Securities and Exchange Commission on February 27, 2015. Any forward-looking information presented herein is made only as of the date of the issuance 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.

## Who Is Essent?

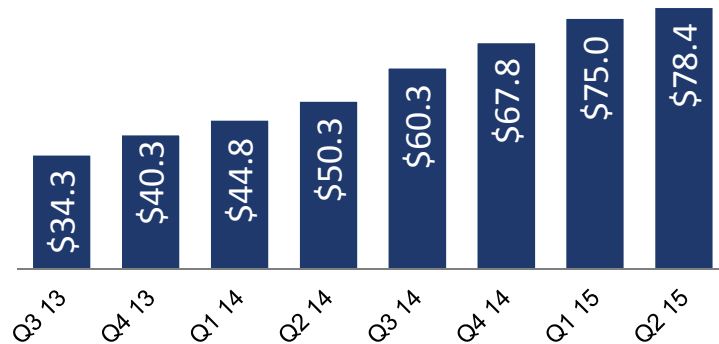
- Essent Group Ltd. is a Bermuda-based holding company (NYSE: ESNT)
- Essent Guaranty, Inc. is rated BBB+ by S&P and Baa2 by Moody's
- Operation centers in
  - Radnor, PA
  - Winston-Salem, NC
  - Irvine, CA
- Bermuda domiciled reinsurance company
- Total IIF of \$57.4B as of June 30, 2015
- Combined risk to capital ratio of 15.3:1<sup>(1)</sup>



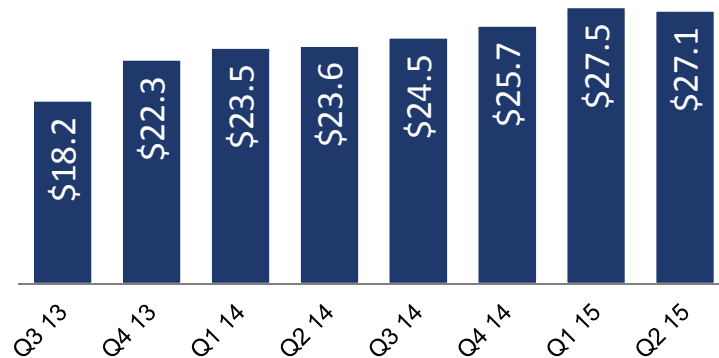
(1) The combined risk to capital ratio equals the net risk in force of Essent Guaranty, Inc. and Essent Guaranty of PA, Inc. divided by the combined statutory capital of these U.S. insurance companies.

## Financial Results

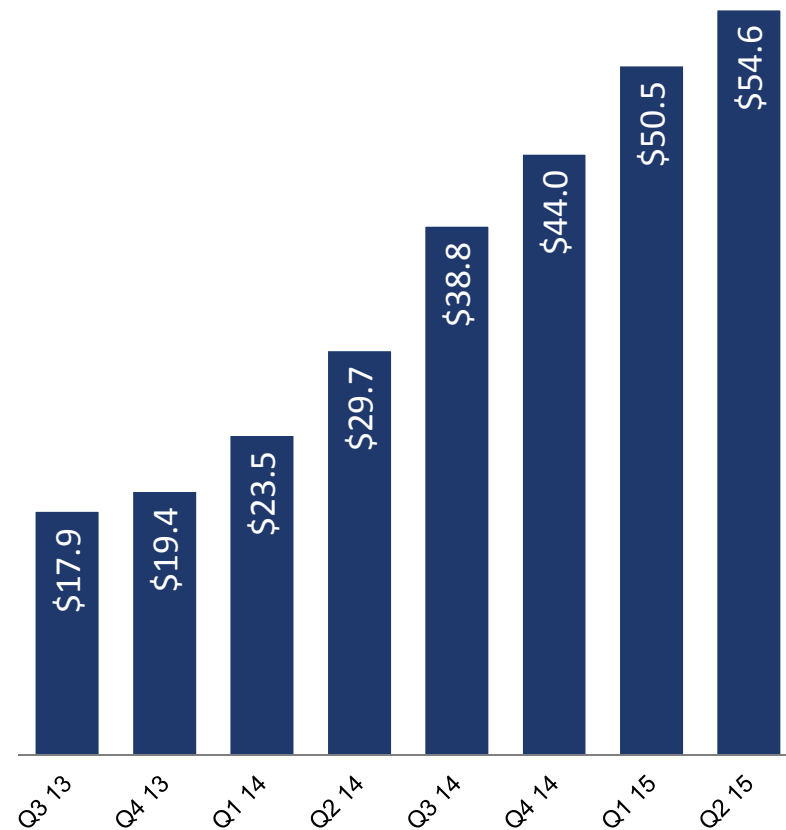
### NET PREMIUMS EARNED (\$M)



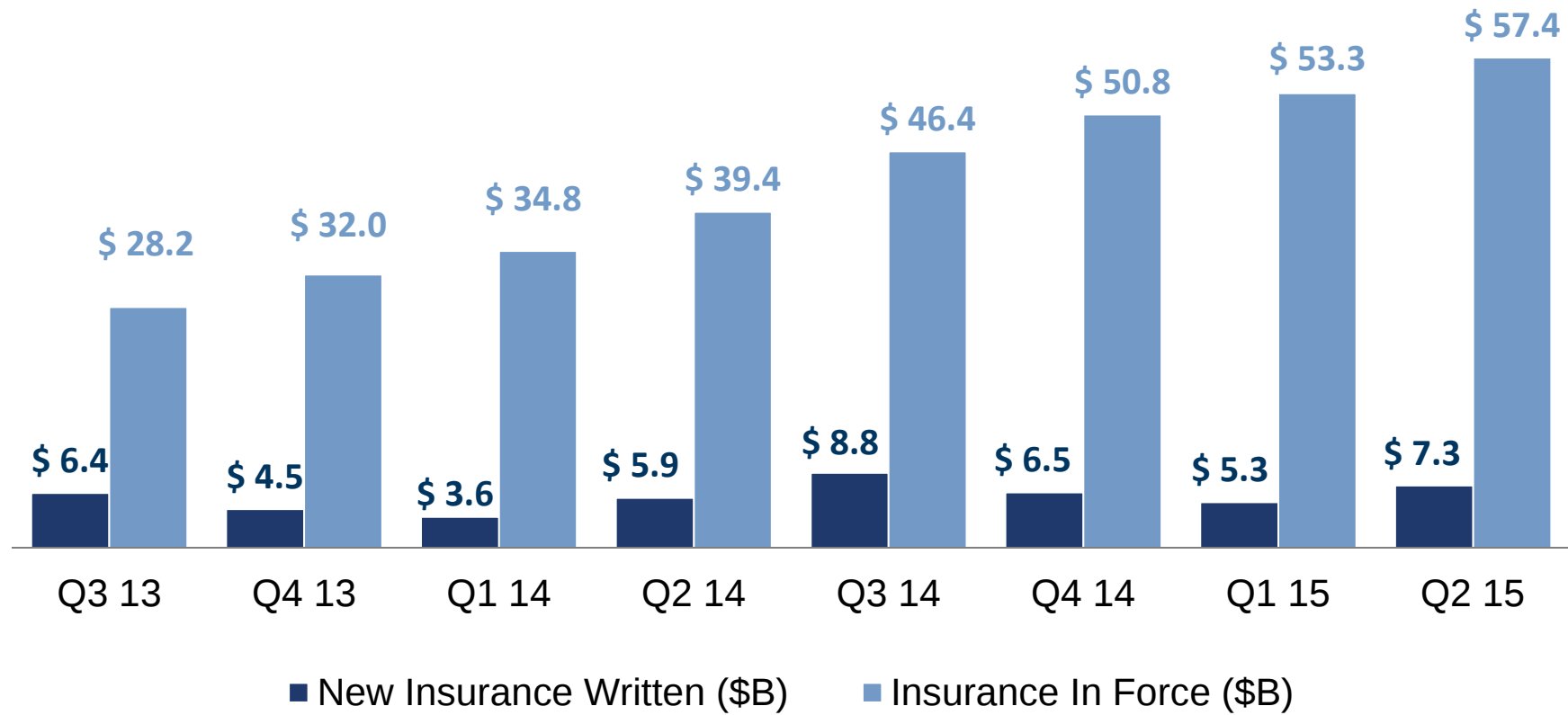
### OTHER UNDERWRITING & OPERATING EXPENSES (\$M)



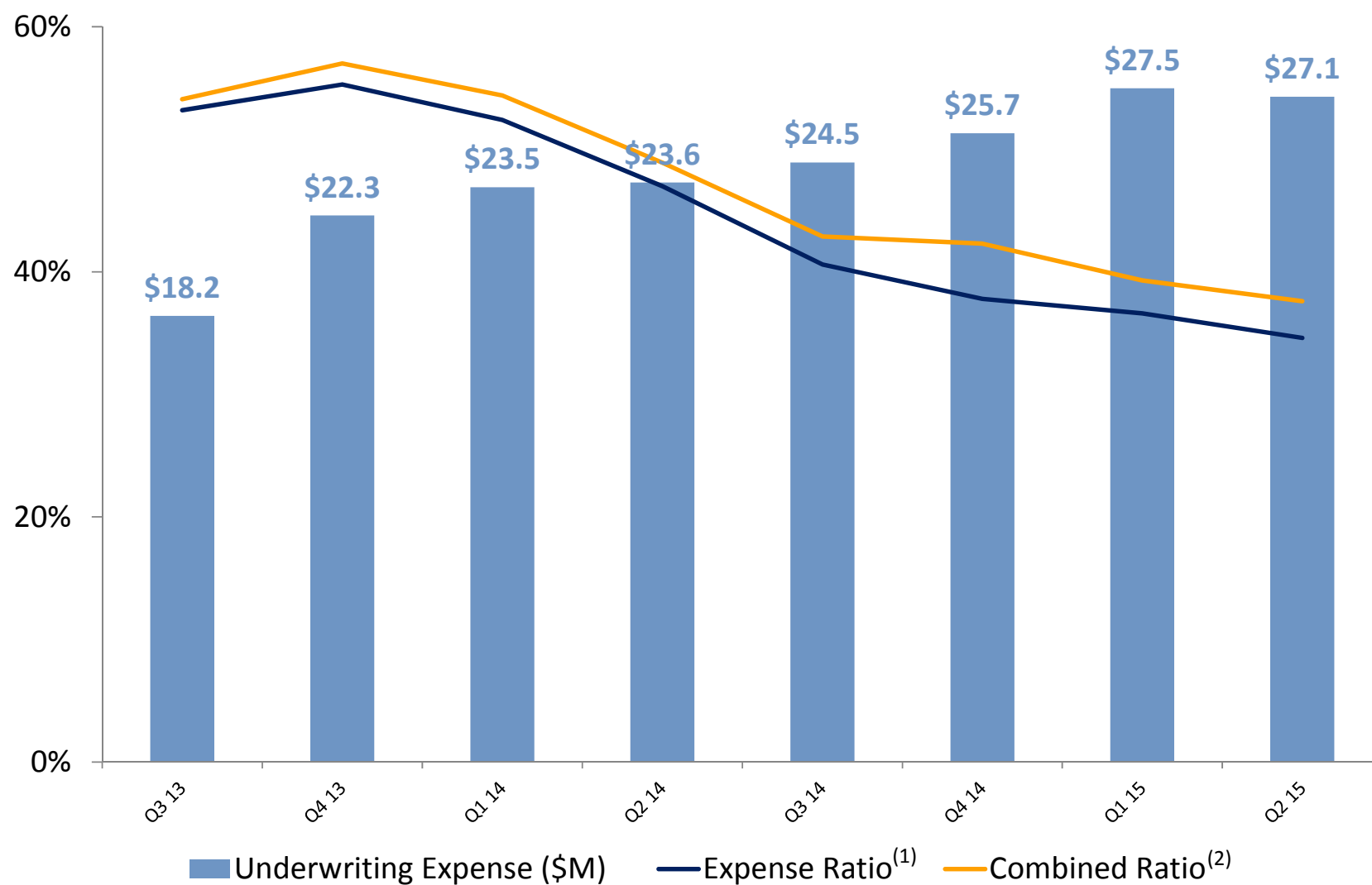
### PRE-TAX INCOME (\$M)



## Insurance In Force and New Insurance Written



## Underwriting Expenses



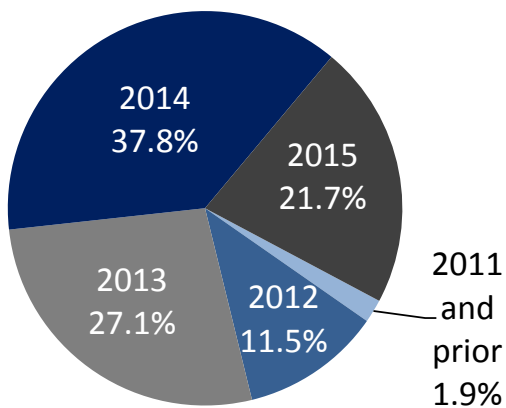
(1) Expense ratio is calculated by dividing other underwriting and operating expenses by net premiums earned.

(2) Loss ratio plus expense ratio.

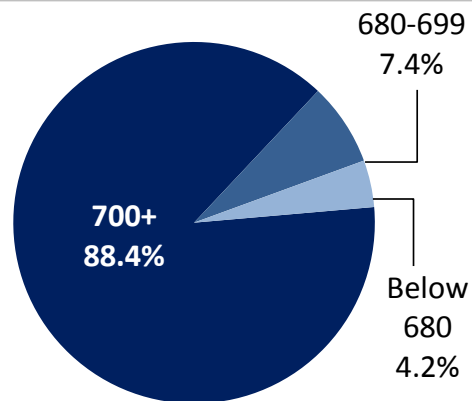
# In Force Portfolio

**\$57.4 BILLION AS OF JUNE 30, 2015**

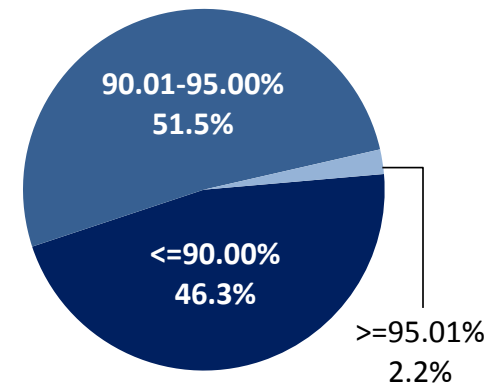
**IIF BY VINTAGE**



**IIF by FICO Score**

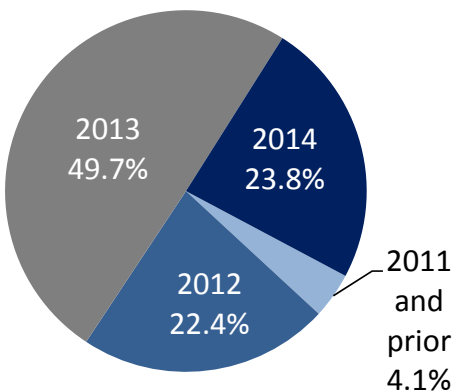


**IIF BY LTV**

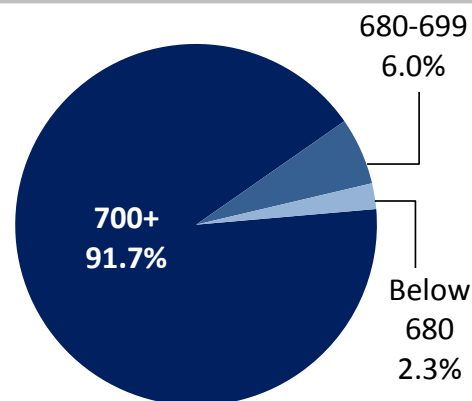


**\$39.4 BILLION AS OF JUNE 30, 2014**

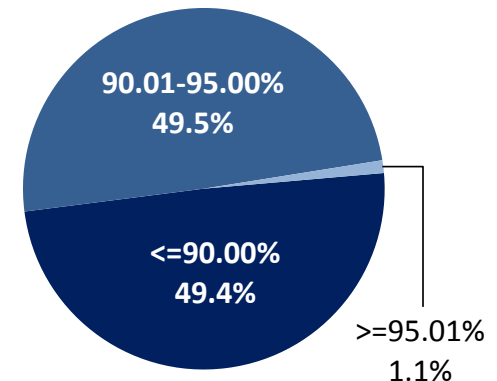
**IIF BY VINTAGE**



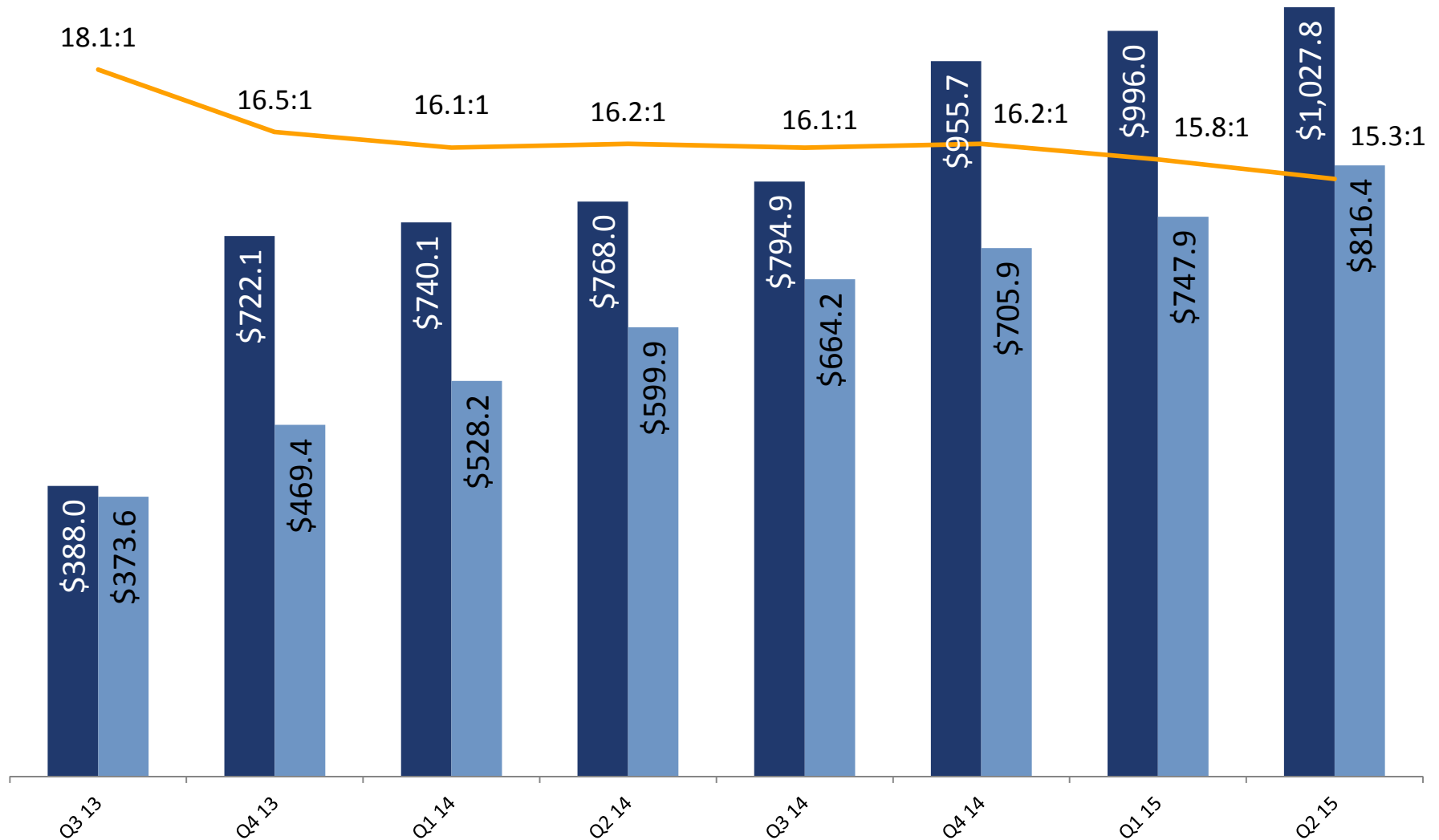
**IIF by FICO Score**



**IIF BY LTV**



## Capital and Equity



Consolidated GAAP Equity (\$M)
  Combined Statutory Capital (\$M)<sup>(1)</sup>
 Combined Risk to Capital Ratio<sup>(1)</sup>

(1) Represents combined metrics for the U.S. insurance subsidiaries Essent Guaranty, Inc. and Essent Guaranty of PA, Inc.