ESSENT GROUP LTD.
INVESTOR PRESENTATION
3Q20

NYSE: ESNT

ESSENT GROUP

NOVEMBER 6, 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 $190.8 billion as of September 30, 2020
- Combined risk-to-capital ratio of 11.6:1(1) as of September 30, 2020
- Essent Guaranty, Inc. is rated:
  - A3 by Moody’s
  - A (Excellent) by A.M. Best
  - BBB+ by S&P

	3Q20	2Q20
IIF ($B)	**$190.8**	$174.6
NIW ($B)	**$36.7**	$28.2
New Defaults (K)	**12.6**	37.4
Portfolio Default Rate	**4.54%**	5.19%
Net Income ($M)	**$124.5**	$15.4
Combined Ratio	**42%**	102%
ROE	**13.5%**	1.8%
Shareholders’ Equity ($B)	**$3.7**	$3.6
PMIERs Sufficiency Ratio	**156%**	177%
% IIF with Reinsurance Protection	**95%**	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.

Financial Performance

3Q20 Financial Summary

	Period Ending		
	3Q20	2Q20	% Δ
Key Metrics			
New Insurance Written $B	$36.7	$28.2	30%
Insurance In Force $B	$190.8	$174.6	9%
Net Premiums Earned $M	$222.3	$211.5	5%
Loss & LAE $M	$55.3	$175.9	-69%
Opex $M	$37.1	$38.8	-4%
Net Income $M	$124.5	$15.4	710%
EPS (Diluted)	$1.11	$0.15	640%
Key Ratios			
Loss Ratio	25%	83%	-70%
Combined Ratio	42%	102%	-59%
Return on Equity	14%	2%	650%
Delinquency KPIs			
Delinquent Loans Inventory	35,464	38,068	-7%
New Defaults	12,614	37,357	-66%
Cures	(15,135)	(4,983)	204%
Delinquency Rate	4.54%	5.19%	-13%

Y/Y Delinquency Data Trend

	Period Ending		
	3Q20	3Q19	% Δ
Key Metrics			
New Insurance Written $B	$36.7	$18.7	96%
Insurance In Force $B	$190.8	$161.0	19%
Delinquency KPIs			
Delinquent Loans Inventory	35,464	5,232	578%
New Defaults	12,614	3,711	240%
Cures	(15,135)	(2,776)	445%
Delinquency Rate	4.54%	0.75%	505%

Annual Financial Summary

	Full Year Results					
	YTD 9/30	2019	2018	2017	2016	2015
Key Metrics						
New Insurance Written $B	$78.4	$63.6	$47.5	$43.9	$34.9	$26.2
Insurance In Force $B	$190.8	$164.0	$137.7	$110.5	$83.3	$65.2
Net Premiums Earned $M	$640.2	$777.4	$649.5	$530.1	$422.7	$326.5
Loss & LAE $M	$239.2	$33.0	$11.6	$27.2	$15.5	$11.9
Opex $M	$117.9	$165.4	$150.9	$145.5	$130.4	$113.0
Net Income $M	$289.4	$555.7	$467.4	$379.7	$222.6	$157.3
EPS (Diluted)	$2.77	$5.66	$4.77	$3.99	$2.41	$1.72
Key Ratios						
Loss Ratio	37%	4%	2%	5%	4%	4%
Combined Ratio	56%	26%	25%	33%	35%	38%
Return on Equity	11%	21%	22%	23%	18%	15%
Additional Metrics						
Market Capitalization $M	$4,161	$5,116	$3,354	$4,274	$3,014	$2,028
Shareholders Equity $M	$3,747	$2,985	$2,366	$1,940	$1,344	$1,119
Total Debt Outstanding $M	$425	$225	$225	$250	$100	-

- Q3 results highlight the strength and sustainability of Essent's business model in the COVID-19 environment.
- We have experienced robust IIF and NIW growth year-to-date, while levels of new defaults are lower than initial expectations at 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 $685 million at 9/30 ($580 million after the amendment of the credit facility in October).
  - ✓ PMIERs excess available assets of $981 million, for a sufficiency ratio of 156% at 9/30 (excluding HoldCo cash and investments and credit from the ILN deal closed in October).
  - ✓ $1.6 billion of excess of loss reinsurance at 9/30 ($2.0 billion including the ILN deal closed in October).

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 resilient as record low interest rates have boosted refinance activities and improved affordability for purchase transactions, while housing inventory is at historical lows. • Contributing to the favorable demand/supply dynamics are the ~80 million 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 impacted financial performance for both 2Q20 and 3Q20. • 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 requirement 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. • PMIERs guidance issued in 2020 specifies 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. • The industry has continued to access the capital market for Insurance-Linked Note (ILN) issuances notwithstanding higher cost of credit risk transfer due to the COVID-19 environment.

(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.

Housing Tailwinds & Headwinds

Tailwinds	Headwinds
✓ Low inventory & strong demand	X Continued high unemployment rate
✓ Low interest rates	X Slowdown in GDP Growth
✓ Demographic trend intact (“Millennials”)	X Surges of COVID
✓ Strong credit quality	X Expiration of Federal stimulus
✓ Fiscal and monetary stimulus	
✓ Forbearance & foreclosure moratorium	

The path to recovery is uncertain but housing has demonstrated remarkable resilience supported by healthy fundamentals

Credit Is Trending The Right Direction Yet Cautious Outlook Is Warranted

1. **Pace of new COVID defaults is decelerating**
   - ✓ *37.4k in Q2 vs. 12.6k in Q3*
   - ✓ *3k in October*

2. **Cure pattern of COVID defaults is encouraging**
   - ✓ *~40% of Q2 defaults cured by the end of Q3*
   - ✓ *~50% of Q2 defaults cured by the end of October*

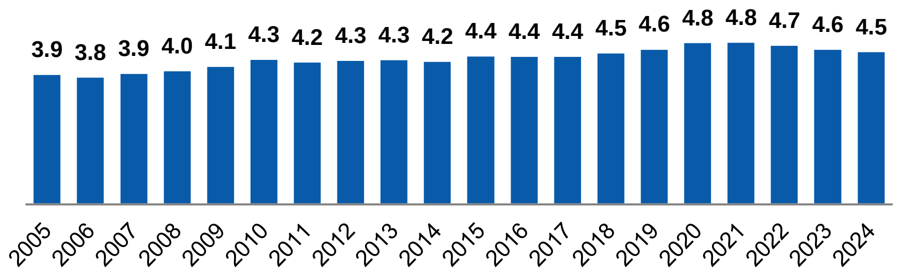
3. **Maintaining a 7% default-to-claim assumption on new defaults**
   - ✓ *Will evaluate quarterly based on credit performance of our default inventory and the economic environment*
   - ✓ *Revision may be needed if cure rates are not consistent with our expectations*

4. **Looking into 2021 on how borrowers will perform when they exit forbearance**
   - ✓ *Will payment deferral, repayment plan and loan modification options be effective?*
   - ✓ *Can embedded home equity mitigate frequency of foreclosures and severity of claims?*

INDUSTRY FUNDAMENTALS ARE SUPPORTIVE OF GROWTH

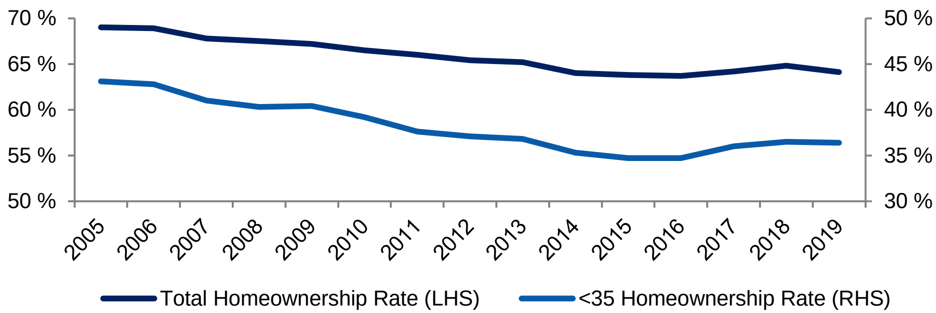
Growing Domestic First-Time Homebuyer Population

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.

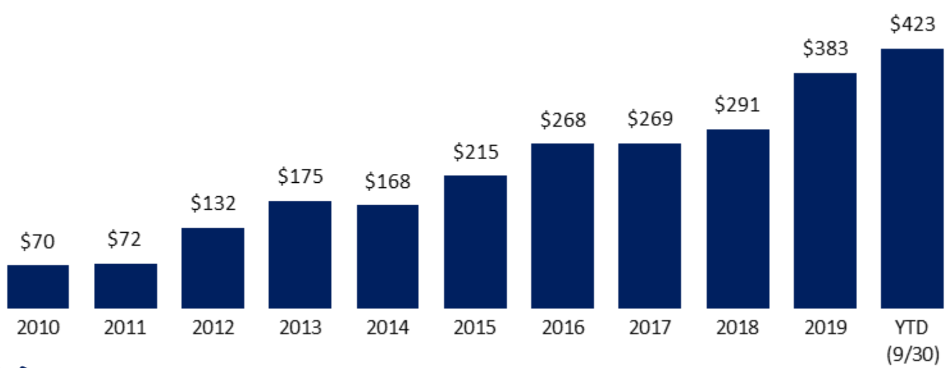
Homeownership Rates Have Started to Rebound



- 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.

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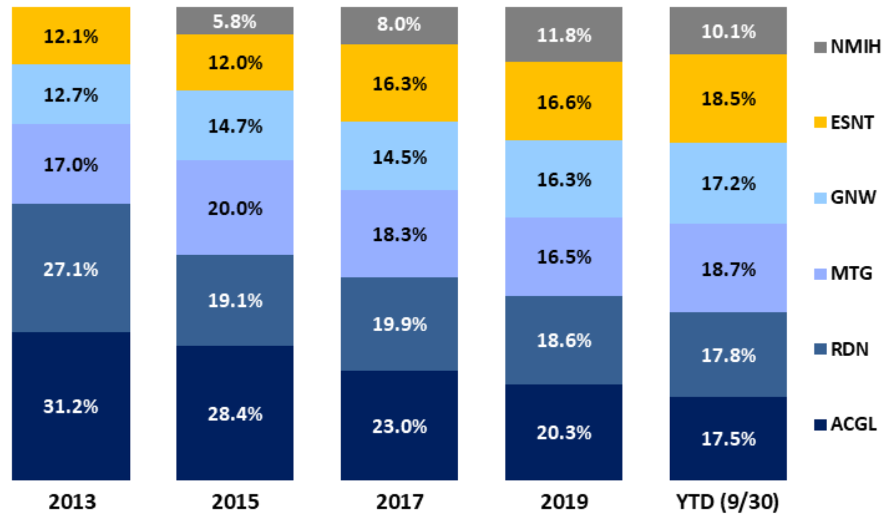
Sources: U.S. Census Bureau. Mortgage Bankers Association. Inside Mortgage Finance.

Market Remains An Attractive Opportunity

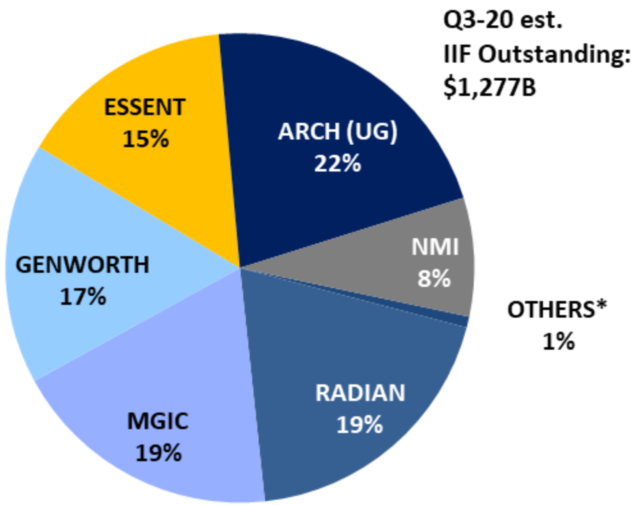
Key Highlights

- 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 year-to-date 2020.
- 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 is $3.2 trillion, split 47/53 between purchase and refinance.
- 2019 MI penetration rate of the total mortgage originations was 18.5%.

Annual Market Share

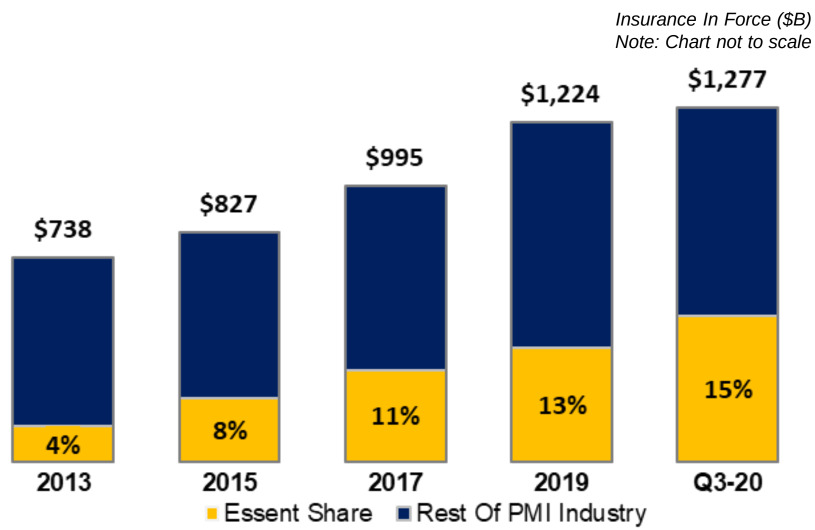


Total Market IIF Share



*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 Enabling Rapid Execution of Targeted Pricing Strategies

- ✓ ~10% pricing increases since the inception of COVID
- ✓ Continued EDGE engine refinement by targeting tail risk and hot spot markets

2 Improved Unit Economics

- ✓ Credit quality continues to improve due to guideline tightening by the GSEs
- ✓ Continue to price new business to a mid-teen risk-adjusted return

3 Committed To Programmatic Reinsurance

- ✓ ILN market recovering with over $3B of issuances by all MIs post-COVID
- ✓ Executed Radnor Re 2020-2 ILN to transfer $399.2M of risk in October
- ✓ 95% of IIF with reinsurance protection

4 Fortifying Balance Sheet and Enhancing Financial Flexibility

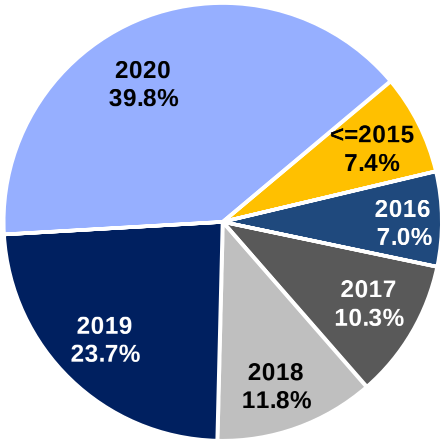
- ✓ Raised $440M equity capital
- ✓ Amended and extended credit facility for $325M term debt and $300M credit line in October
- ✓ Ample liquidity with $580M cash and investments at HoldCo post credit facility amendment
- ✓ Conservative financial leverage of 10%

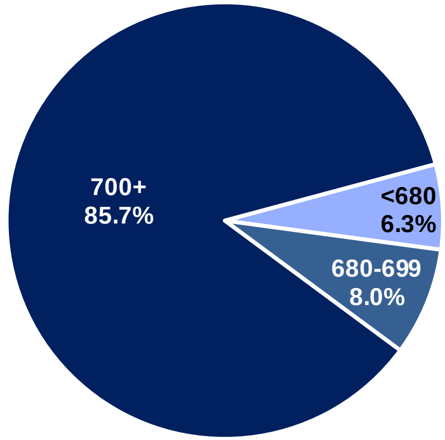
…While Building A High Credit Quality Portfolio

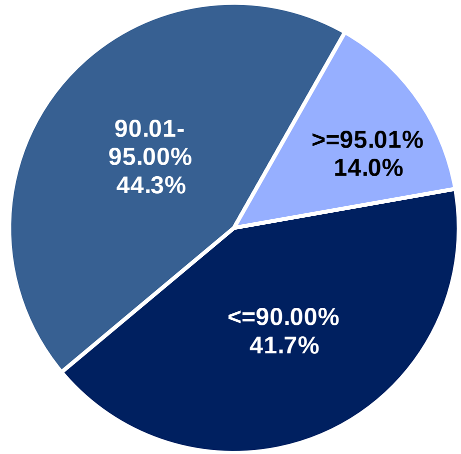
As Of September 30, 2020, Essent Has $190.8 Billion Of Insurance In Force

IIF By Vintage | **IIF By FICO Score** | **IIF By LTV**

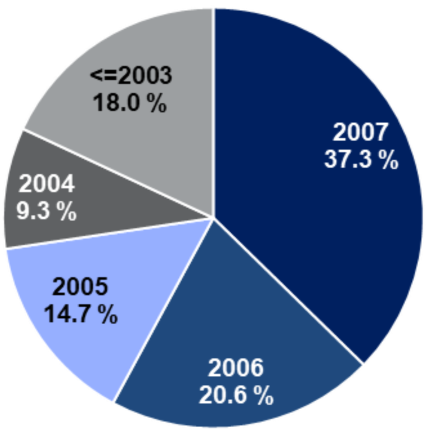
Essent Q3 2020 IIF

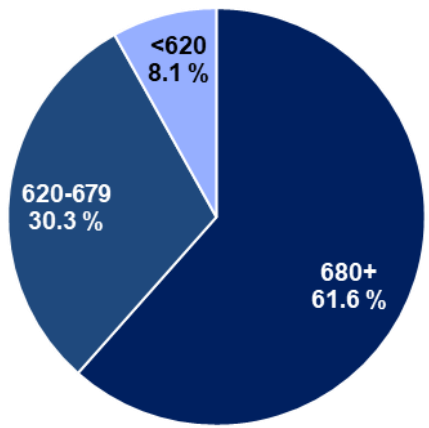


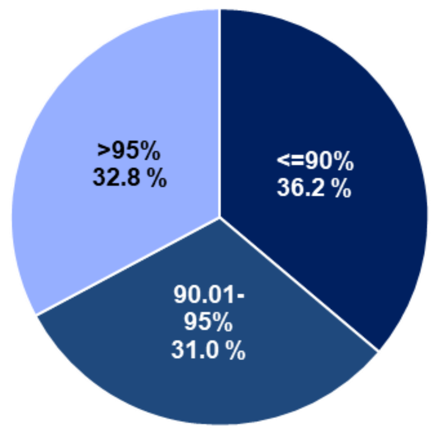




2007 Industry Average[1]





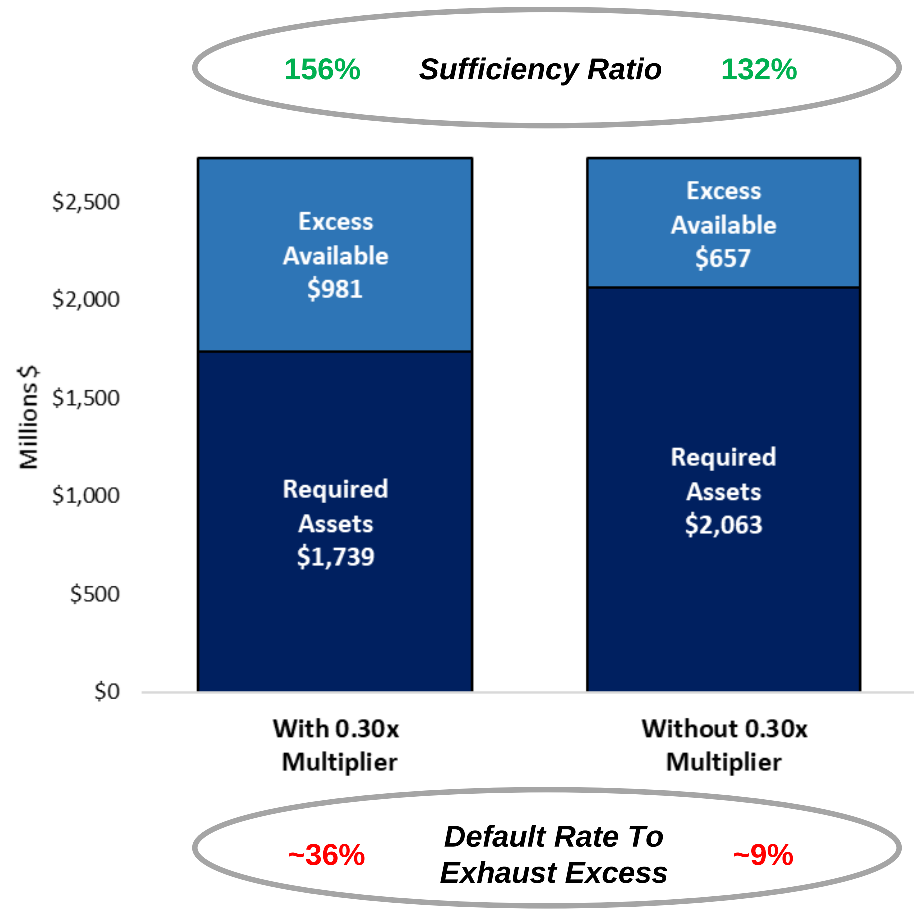


[1] Represents the average breakdown of primary RIF for Q4 2007 between Radian, MGIC, Genworth U.S. M.I., and Triad Guaranty. FICO breakdown excludes Triad Guaranty for FICO 620-679 and 680+ due to lack of comparable disclosure. As reported in SEC filings for each Company for Q4 2007.

…And Maintaining A Sufficient PMIERs Cushion

- At September 30, 2020, Essent Guaranty, Inc. has a PMIERs required asset amount of $1.7 billion and an excess asset amount of $981 million, yielding a PMIERs sufficiency ratio of 156%, 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 $2.1 billion, resulting in a PMIERs excess of $657 million and a sufficiency ratio of 132%.
  - 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 September 30, 2020, default rate of Essent's U.S. mortgage insurance portfolio is 4.54%.
  - Default rate would need to increase to ~36% to exhaust the PMIERs excess *with* the 0.3x multiplier.
  - Default rate would need to increase to ~9% 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 $685 million cash & investments at holding company, or the $75 million undrawn capacity from the credit facility at September 30, 2020.

PMIERs w/ and w/o 0.3x Multiplier

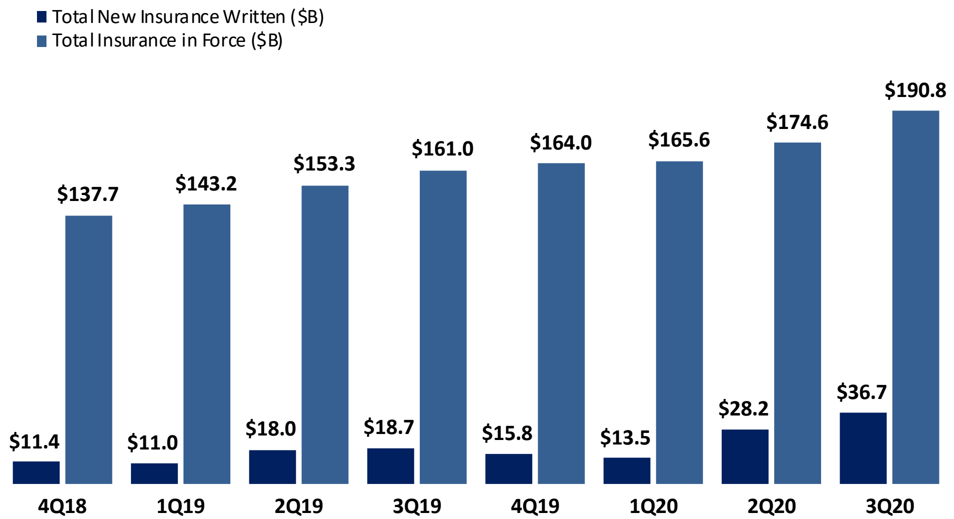


Essent believes it is well positioned to maintain a sufficient PMIERs cushion

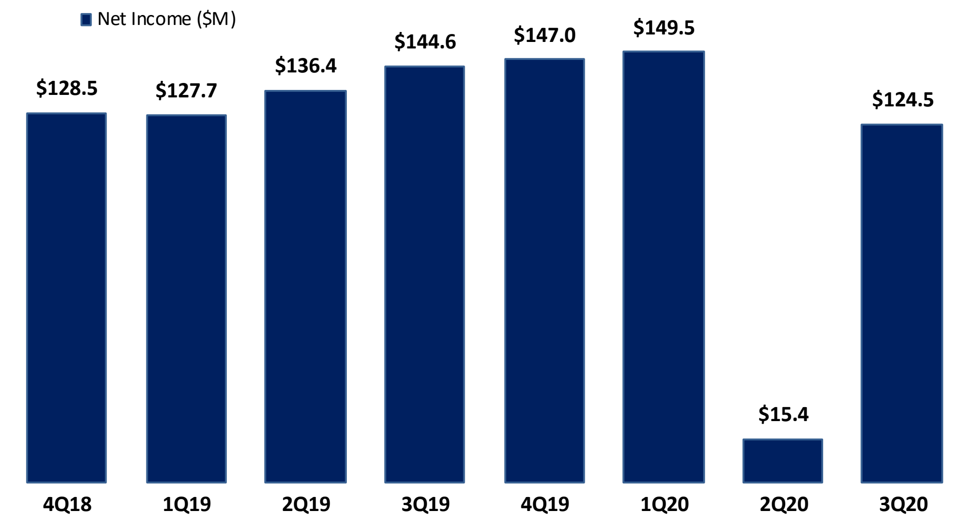
PMIERs available and required assets as reported as of 9/30; Without 0.3x figures represent approximation of Essent PMIERs capital position at 9/30, assuming PMIERs 0.3x multiplier is not applied.

Quarterly Financial Trends

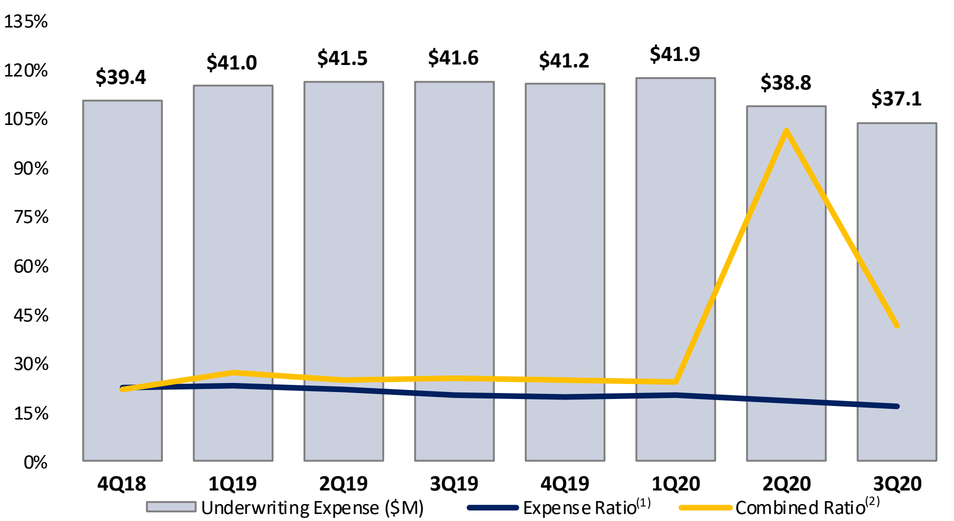
Insurance In Force & New Insurance Written



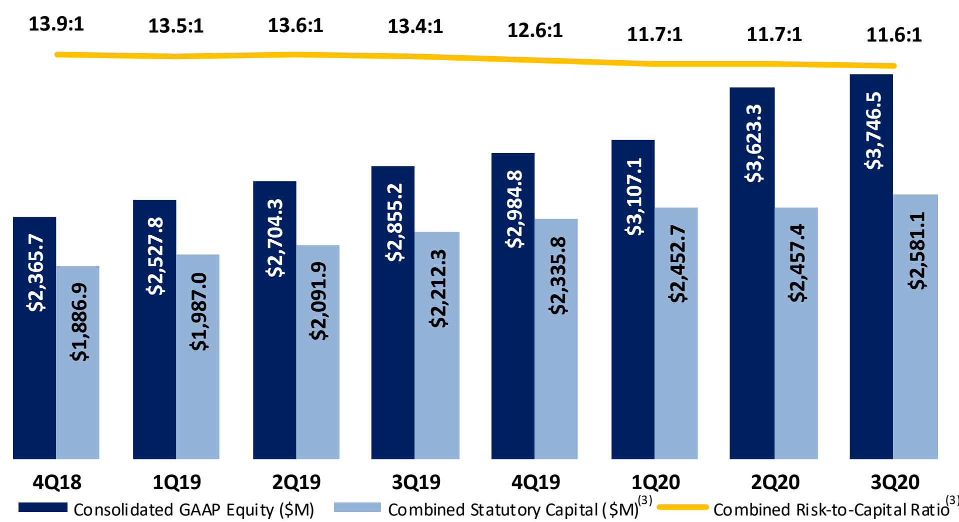
Net Income



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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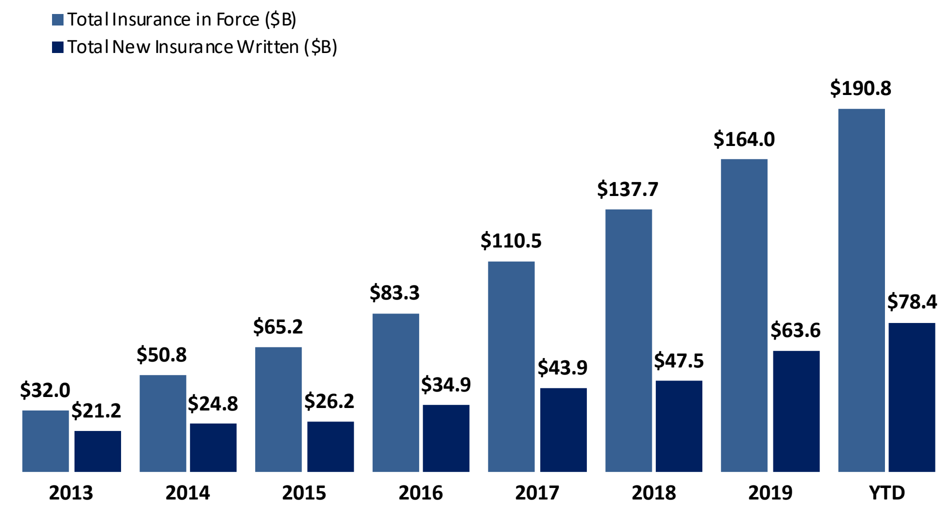
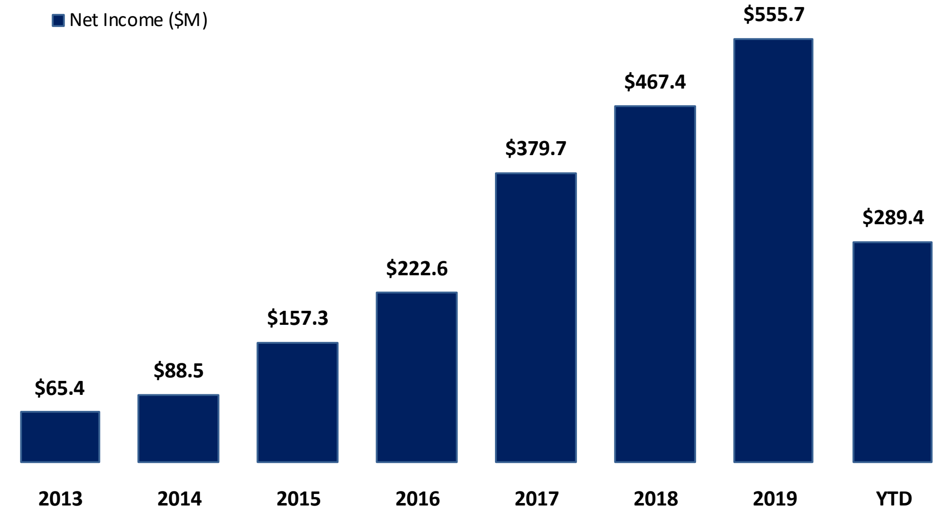
ANNUAL FINANCIAL TRENDS

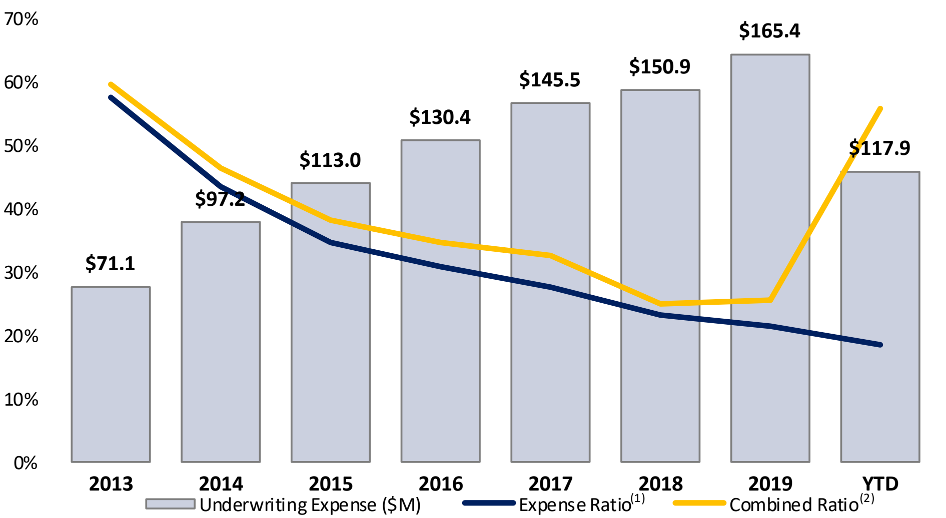
Insurance In Force & New Insurance Written



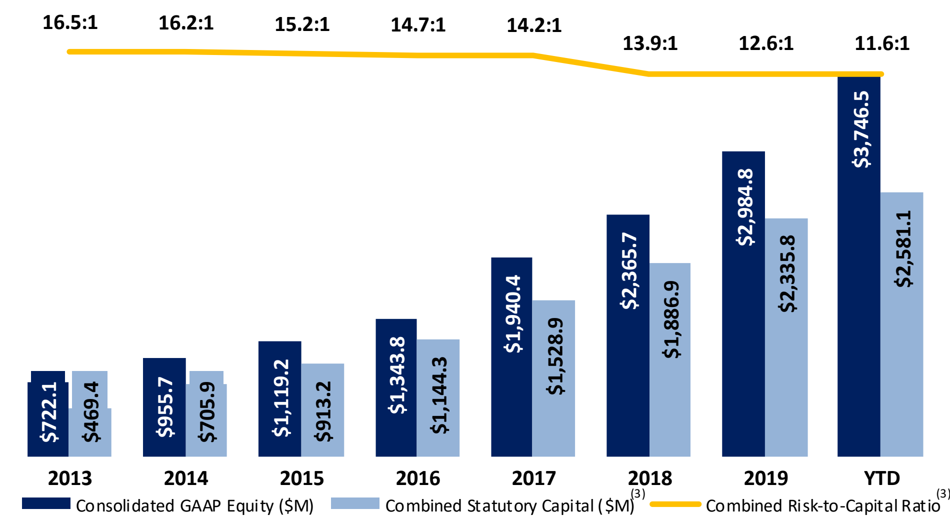
Net Income



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.

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Key Takeaways

ESSENT® GROUP

- 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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