First Quarter 2023 Financial Results

May 04, 2023

Enact℠

Cautionary Note Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements may address, among other things, our expected financial and operational results, the related assumptions underlying our expected results, and the quotations of management. These forward-looking statements are distinguished by use of words such as “will,” “may,” “would,” “anticipate,” “expect,” “believe,” “designed,” “plan,” “predict,” “project,” “target,” “could,” “should,” or “intend,” the negative of these terms, and similar references to future periods. These views involve risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed in our forward-looking statements. Our forward-looking statements contained herein speak only as of the date of this press release. Factors or events that we cannot predict, including uncertainty around Covid-19 and the effects of government and other measures seeking to contain its spread; supply chain constraints; inflation; increases in interest rates; risks related to an economic downturn or recession in the United States and in other countries around the world; changes in political, business, regulatory, and economic conditions; future adverse rating agency actions; 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; and other factors described in the risk factors contained in our Annual Report on Form 10-K and other filings with the Securities and Exchange Commission, may cause our actual results to differ from those expressed in forward-looking statements. In addition, the potential for future dividend payments and other forms of returning capital to shareholders, including share repurchases, will be determined in consultation with the Board of Directors, and after considering economic and regulatory factors, current risks to the Company, and subsidiary performance. Although Enact believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be achieved and it undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events, or otherwise, except as required by applicable law.

Non-GAAP[1] And Other Items

All financial results are as of March 31, 2023, unless otherwise noted. For additional information, please see Enact’s first quarter 2023 earnings release and financial supplement posted at ir.enactmi.com.

For important information regarding the use of non-GAAP and selected operating performance measures, see the Appendix.

Unless otherwise noted, all references in this presentation to net income (loss), net income (loss) per share, adjusted operating income (loss) and adjusted operating income (loss) per share should be read as net income (loss) available to Enact’s common stockholders, net income (loss) available to Enact’s common stockholders per diluted share, adjusted operating income (loss) available to Enact’s common stockholders and adjusted operating income (loss) available to Enact’s common stockholders per diluted share, respectively.

[1] U.S. Generally Accepted Accounting Principles

Key Takeaways

- **Insurance-in-force reached a new record** of $253B, driven by NIW of $13B and persistency of 85%; continue to capture high-quality business priced to generate attractive returns on a risk-adjusted basis
- **Delinquency rate of 1.9% and new delq rate of 1.0% remain consistent with pre-pandemic levels**
- Continued focus on cost discipline drove 13% sequential reduction in operating expenses; **on track to reduce 2023 operating expenses 6% to $225M in 2023**
- Continued to operate from a position of financial strength and flexibility; **received ratings upgrades from S&P, Moody's, and Fitch**
- Increased quarterly dividend by 14% to $0.16 and repurchased $32M in common stock under our share buyback program through April; **expect total 2023 capital returns similar to 2022 levels**
- **Enact helped 36,900 families achieve homeownership and 4,700 families stay in their homes**

About us

Enact

Private mortgage insurance company helping millions of families achieve the dream of sustainable home ownership

Dynamic platform uniquely positioned with innovative approach, strong balance sheet, and 40+ year track record

- **Deep and cohesive customer relationships**
- **Cycle-tested risk and capital management capability and strategy**
- **Investment for growth & purposeful innovation**

Our Strategy

Purposefully invest to differentiate Enact

» Deliver best-in-class underwriting; expand well-established, deep and diversified customer base

» Extend competitive advantages, enhance decision-making, and drive efficiencies

Maintain strong capital levels and financial flexibility

» Maintain strong capital position supported by robust underwriting standards, comprehensive stress testing, a conservative leverage ratio, and a diversified CRT program

» Optimize cost of capital and forward capacity across CRT channels to manage volatility, protect the balance sheet, and enhance ROE

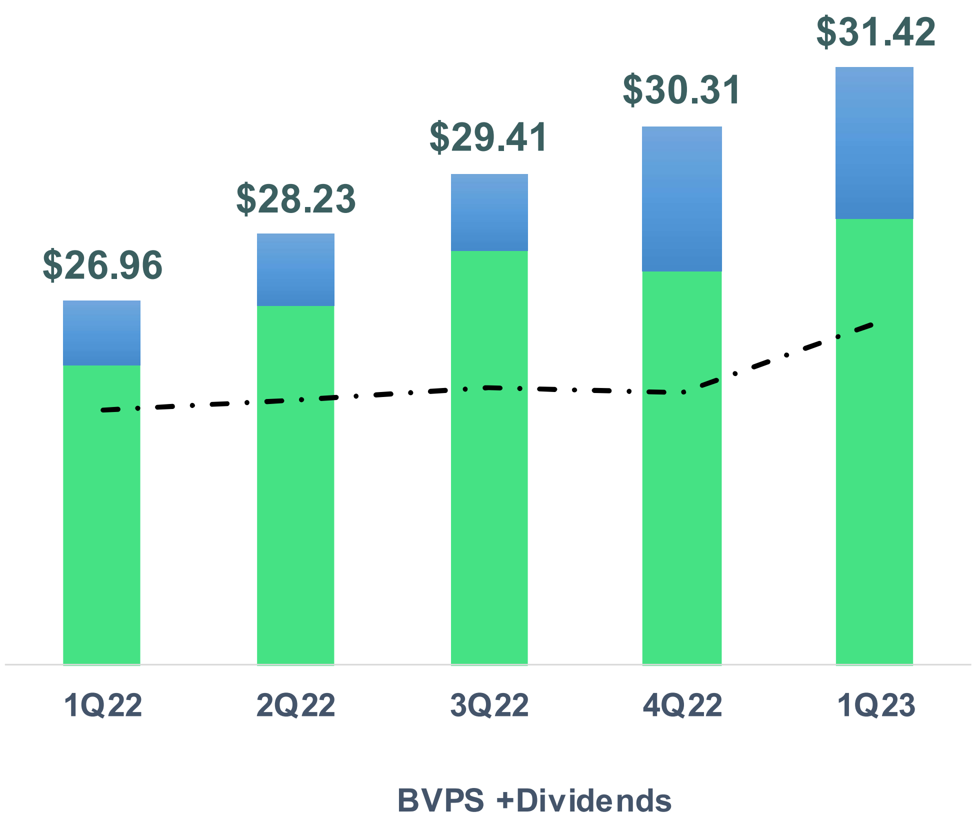
Prudently underwrite risk with disciplined approach to capital management

» Write prudent and profitable new business that delivers attractive risk-adjusted returns

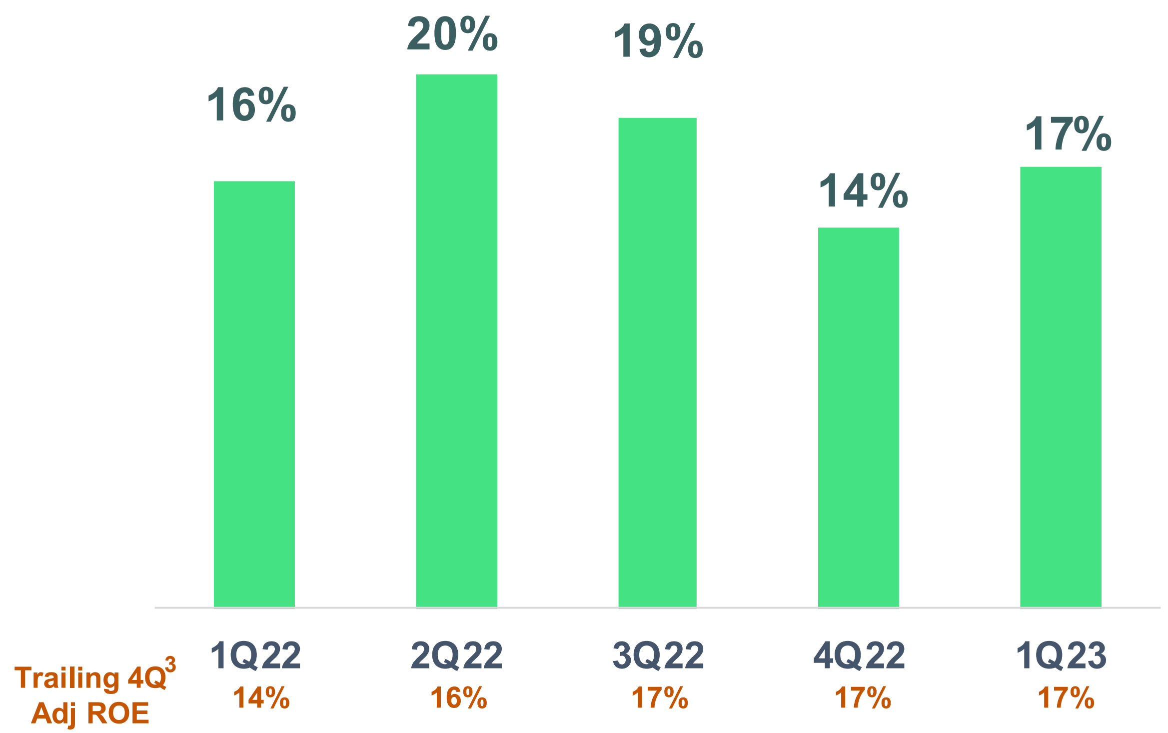
» Maximize shareholder value through a disciplined capital allocation framework that includes supporting existing policyholders, investing for in attractive new business opportunities, and returning excess capital to shareholders

Delivering Shareholder Value

Book value per share excluding AOCI[1] + cumulative dividends



Adjusted operating ROE[2]



[1] Book value per share excluding Accumulated Other Comprehensive Income "AOCI" is a non-GAAP measure. Please see appendix for a reconciliation; [2] Calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity. GAAP ROE is 16%, 20%, 19%, 14%, and 17% as of 1Q22, 2Q22, 3Q22, 4Q22, and 1Q23 respectively. Please see appendix for a reconciliation; [3] Calculated as the last four quarters of adjusted operating income divided by the average of the last four periods' ending total stockholders' equity.

Financial Highlights

Primary Insurance in Force Up 2% Q/Q	**$253** billion	**New Insurance Written** Down 13% Q/Q	**$13** billion	**Net Premiums Earned** Up 1% Q/Q	**$235** million
Net Income Up 22% Q/Q	**$176** million	**Adjusted Operating Income[1]** Up 19% Q/Q	**$176** million	**Net Investment Income** Up 1% Q/Q	**$45** million
Diluted Net Income Per Share Up 23% Q/Q	**$1.08**	**Diluted Adj Operating Income Per Share** Up 19% Q/Q	**$1.08**	**Operating Expenses** Down 13% Q/Q	**$54** million
Return on Equity Up 2.8 Points Q/Q	**16.8%**	**Adj Operating Return on Equity[2]** Up 2.3 Points Q/Q	**16.7%**	**Expense Ratio[3]** Down 4 Points Q/Q	**23%**
PMIERs Sufficiency ($)[4] Up 2% Q/Q	**$2,098** million	**PMIERs Sufficiency (%)[5]** Down 1 Point Q/Q	**164%**	**Losses Incurred** Down 161% Q/Q	**$(11)** million
Delinquency Rate Down 0.2 Points Q/Q	**1.9%**	**New Delinquency Rate[6]** Down 0.1 Points Q/Q	**1.0%**	**Loss Ratio[7]** Down 13 Points Q/Q	**(5)%**

[1] Adjusted operating income is a non-GAAP measure. Please see appendix for a reconciliation; [2] Calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods' ending total stockholders' equity; [3] The ratio of acquisition and operating expenses, net of deferrals, and amortization of deferred acquisition costs and intangibles to net earned premiums; [4] Calculated as total available assets less net required assets, based on the published PMIERs then in effect; [5] Calculated as total available assets divided by net required assets, based on the published PMIERs then in effect; [6] The ratio of new delinquencies divided by total policies in force that are not delinquent; [7] The ratio of losses incurred to net earned premiums.

Enact™

Market and Industry Dynamics

Complex market with favorable underpinnings

- Housing market has slowed as elevated interest rates and cumulative home price appreciation continue to reduce affordability
- Household balance sheets and liquidity remain healthy but excess savings has declined from pandemic levels
- Healthy labor market continues to support credit performance
- Lower housing supply than historical average
- FTHB demographics remain supportive for housing demand in the long-term

Industry well positioned to navigate market conditions

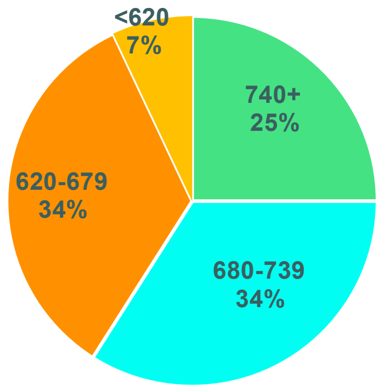
- Qualified Mortgage definition and regulators driving higher credit and manufacturing quality
- Increased risk-based capital standards with materially higher sufficiency levels
- Granular risk-based pricing enables agile and targeted reaction to market changes
- Robust and diversified CRT program
- Elevated persistency caused by higher rates mitigates pressure on originations

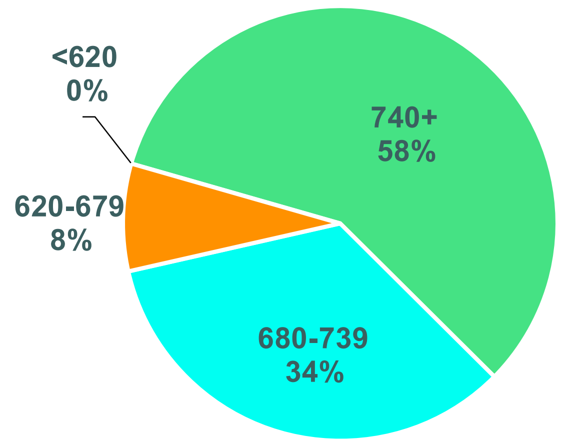
Comprehensive Risk Management

December 31, 2007

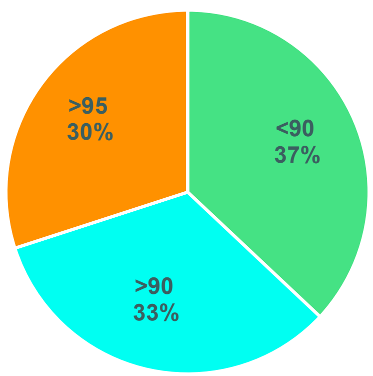
March 31, 2023

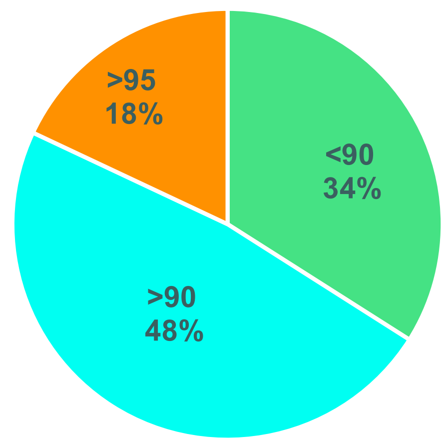
FICO at Origination[1]





LTV at Origination[1]





Significant Decrease in Layered Risk

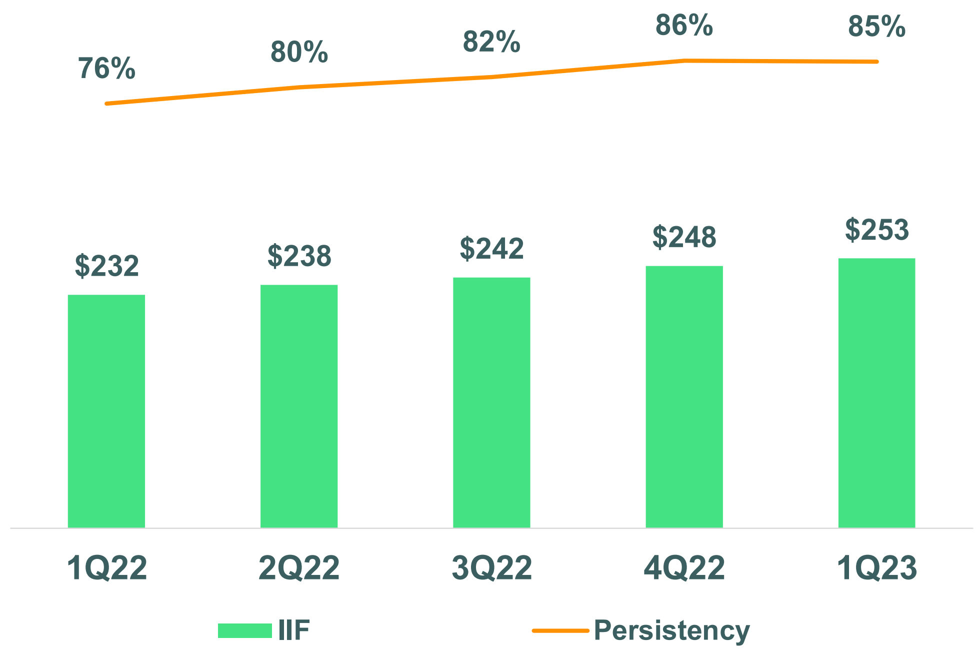
	# of High-Risk Layers[2]	% RIF 4Q07	% RIF 1Q23
LTV > 95%	0	4.6%	0.6%
	1	7.9%	0.6%
FICO < 680	2	2.5%	0.1%
	3+	0.0%	0.0%
	Total	**15.0%**	**1.4%**

- In higher risk loans (>95% LTV, <680 FICO), the in-force book has minimal high-risk layers
- High quality portfolio mix shaped by granular risk-based pricing

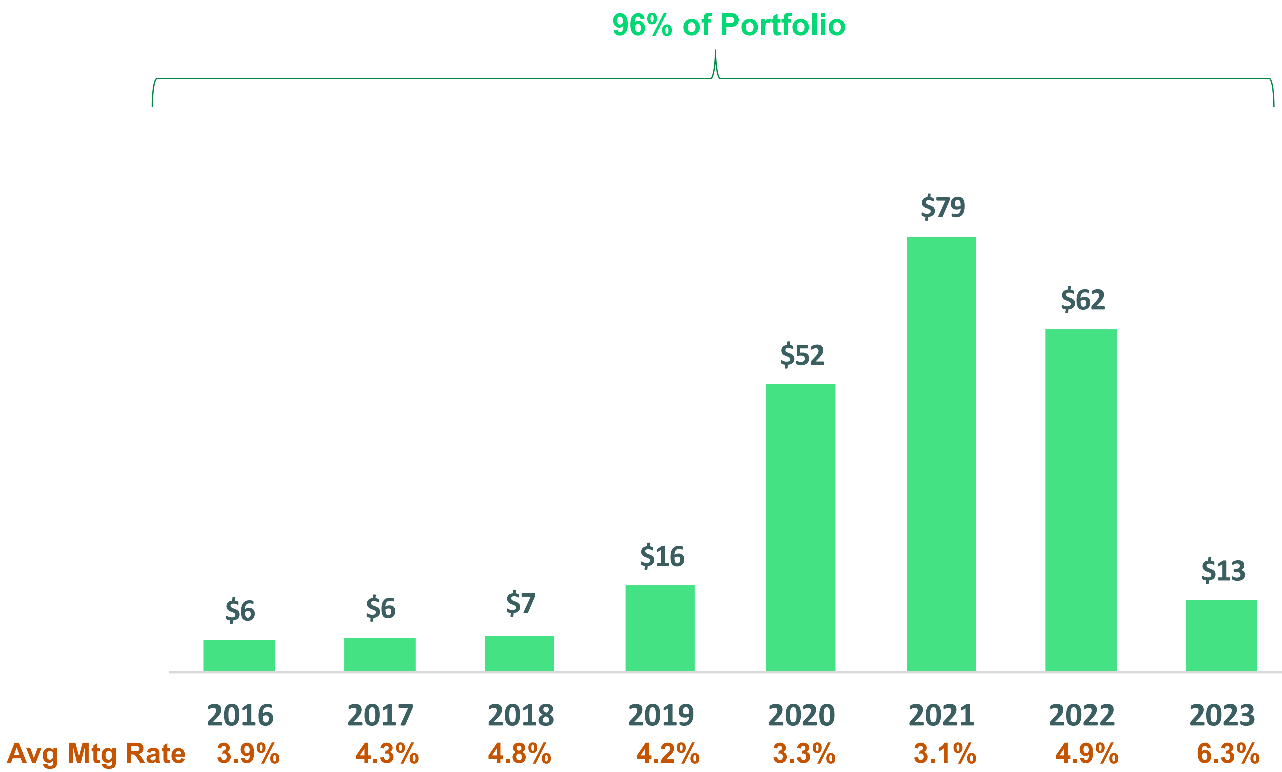
[1] Metrics derived from underlying characteristics at the time the loan was originated. Borrowers without a FICO score included in the 660–679 category; [2] High-risk layers defined as loans that have a single borrower, debt-to-income > 45%, cash-out refinances or investor-owned properties; may not foot due to rounding

Consistent Insurance-in-Force Growth

Insurance-in-force ($B) and persistency



Book year primary insurance-in-force ($B)



- » Persistency and NIW driving IIF growth
- » Persistency remains elevated driven by high mortgage rates and a low percentage of our portfolio with rates at least 50 basis points above current market rates

- » ~1% of entire portfolio has mortgage rates at least 50 basis points above market rate
- » Current mortgage rates substantially lower potential for refinancing across the portfolio

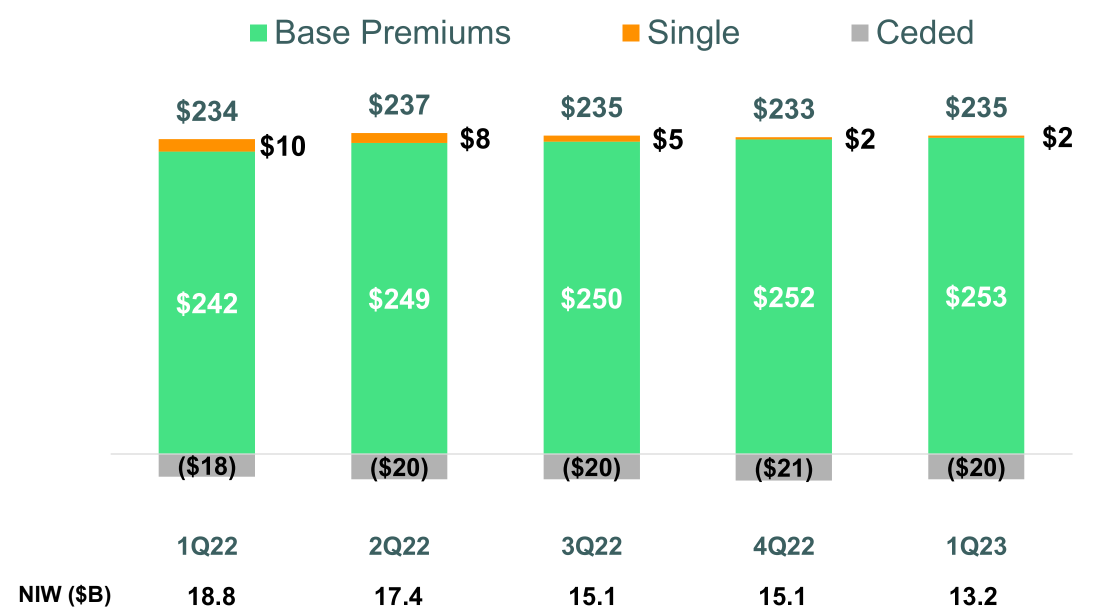
Portfolio Premium Yield & Premiums

In-force portfolio premium yield

	1Q21	2Q22	3Q22	4Q22	1Q23
Base Premium Rate (bps)	**42.3**	**42.5**	**41.7**	**41.0**	**40.5**
Single Cancellations	1.7	1.3	0.9	0.3	0.3
Ceded Premium	(3.2)	(3.4)	(3.4)	(3.4)	(3.2)
Net Premium Rate (bps)	**40.8**	**40.4**	**39.2**	**37.9**	**37.6**
Average IIF ($B)	229	235	240	245	250
Persistency	76%	80%	82%	86%	85%

- Lower base premium rate driven by the continued lapse of older, higher-priced policies as compared to lower-priced new insurance written in addition to quarter-to-quarter variations in persistency, mix, and premium refund estimates
- Single premium cancellations flat sequentially, limiting the potential for meaningful future dilution

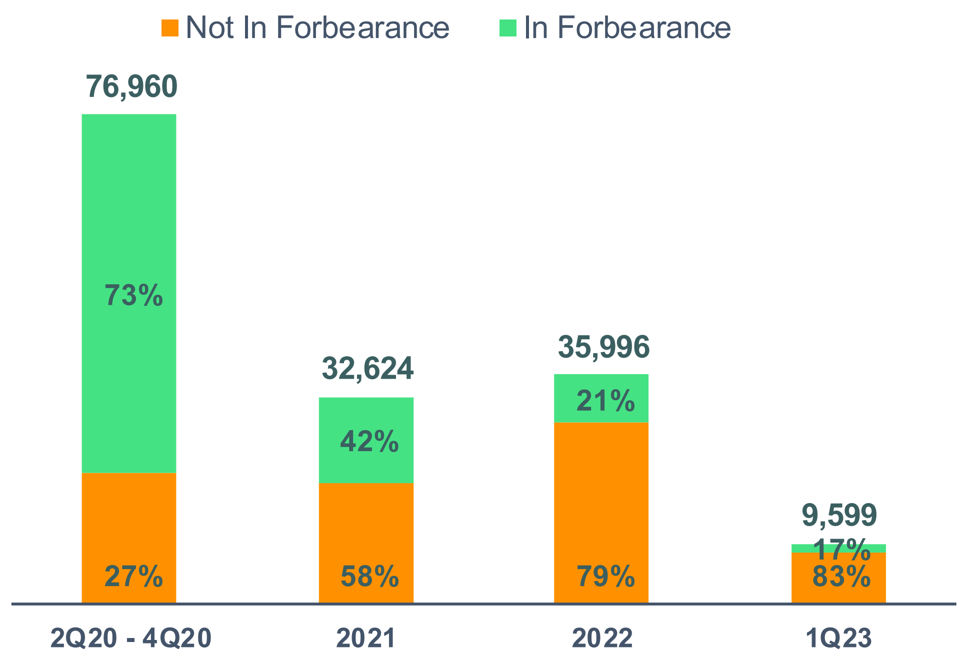
Premiums ($M)



- Premiums up 1% sequentially driven primarily by insurance in force growth partially offset by the lapse of older, higher-priced policies as compared to NIW
- NIW declined 13% sequentially and was down 30% versus the prior year primarily driven by lower originations given elevated mortgage rates

Delinquencies and Forbearance

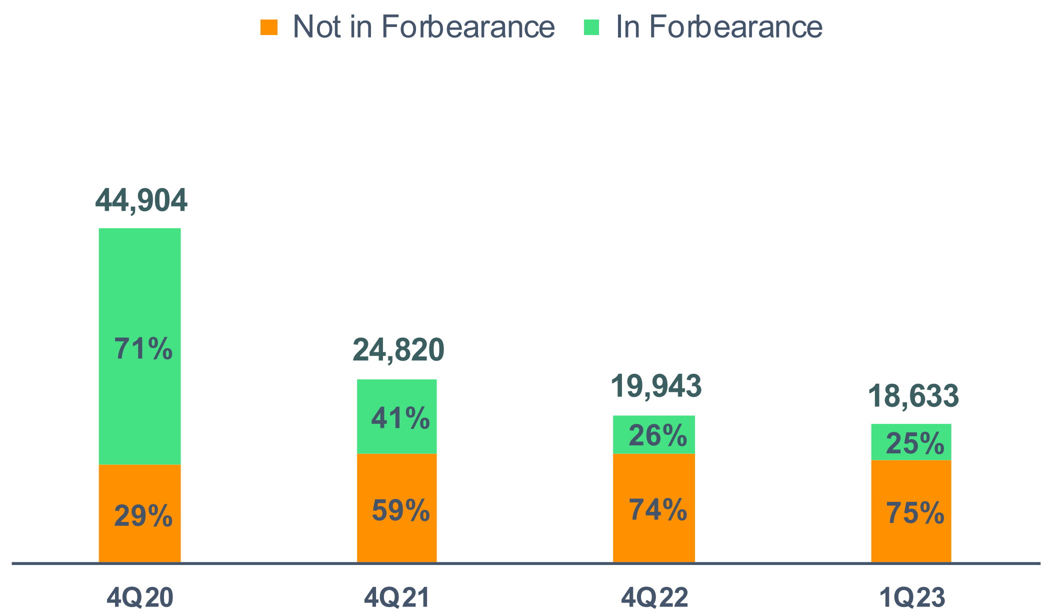
New delinquencies[1]



Delinquencies Remaining	1,068	1,464	8,173	6,478
Cumulative Cure Rate	99%	95%	77%	33%

[1] New delinquencies in forbearance are on an as reported basis in each quarter. Subsequent servicer reporting could result in slight changes to the percentages.

Delinquent policies

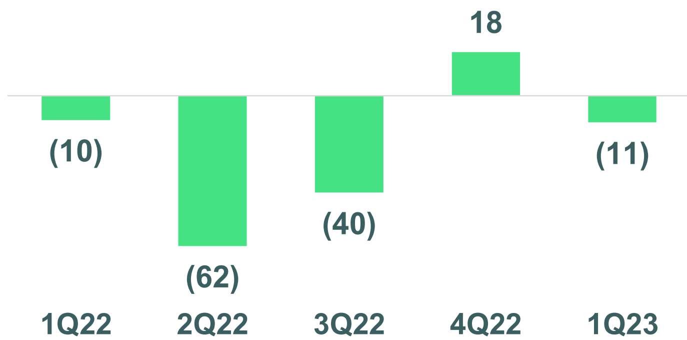


» Total delinquencies declined 59% since end of 2020 as forbearance exits continue and new forbearances decline

» Cures outpaced delinquencies with favorable cure performance on primarily COVID related delinquencies

Losses

Losses ($M)



	1Q22	2Q22	3Q22	4Q22	1Q23
Loss Ratio	**(4)%**	**(26)%**	**(17)%**	**8%**	**(5)%**

Delinquencies

	1Q22	2Q22	3Q22	4Q22	1Q23
Beginning Delq Balance	24,820	22,571	19,513	18,856	19,943
New Delqs	8,724	7,847	9,121	10,304	9,599
Cures[1]	(10,866)	(10,815)	(9,591)	(9,027)	(10,783)
Paid Claims	(107)	(90)	(187)	(190)	(126)
Ending Delq Balance	**22,571**	**19,513**	**18,856**	**19,943**	**18,633**
Delq Rate	2.4%	2.1%	2.0%	2.1%	1.9%
New Delq Rate[2]	0.9%	0.8%	1.0%	1.1%	1.0%

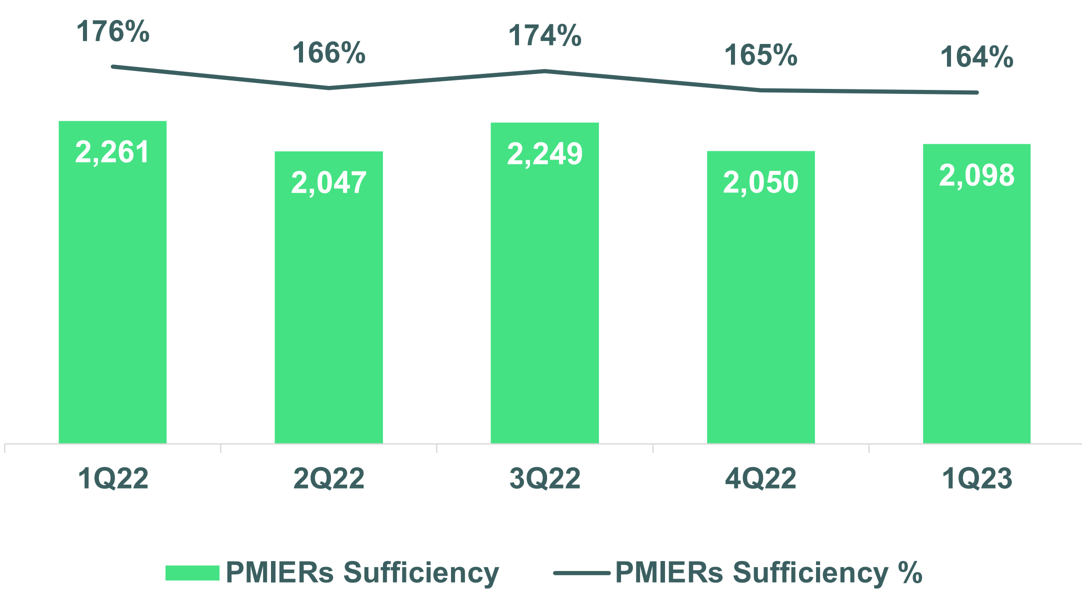
Highlights

- 1Q23 loss performance driven by reserve release of $70 million
  - Primarily from favorable cure performance from COVID related delinquencies
- Current period new delinquencies decreased primarily due to the prior quarter's natural disasters in FEMA-impacted areas
- Paid claims volume remains low relative to pre-pandemic levels
  - 3Q22 (~100), 4Q22 (~80) paid claims include claims relating to a claims settlement on non-performing loans
- Primary delinquency rate and new delinquency rate declined and were at pre-pandemic levels

[1] Includes recissions and claim denials; [2] The ratio of new delinquencies divided by total policies in force that are not delinquent.

Strong PMIERs Sufficiency

Sufficiency to PMIERs[1] ($M)



Highlights

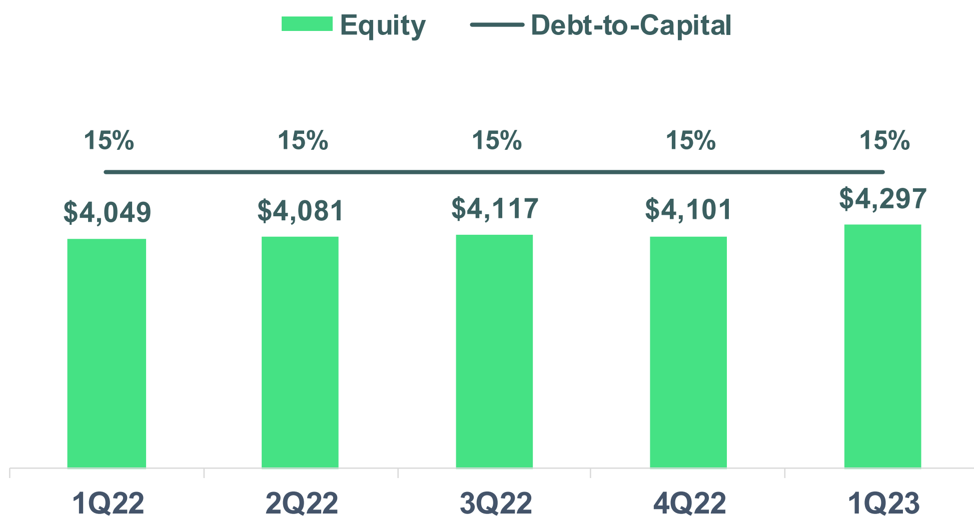
- PMIERs sufficiency relatively flat sequentially as increase in available assets and current period CRT transaction mostly offset by NIW and the amortization of existing reinsurance transactions
- During the quarter, the GSEs confirmed the GSE restrictions were no longer applicable to Enact
- Executed an excess of loss reinsurance transaction which provides up to $180 million of reinsurance coverage on a portion of our 2023 book year, effective January 1, 2023
- Operating leverage of 32% consistent with our mid-30s target
- Since 2015, we have executed approximately $4.7 billion of CRT transactions
  - XOL: ~$2.9 billion
  - ILN: ~$1.8 billion
  - 90% of our RIF is covered by our CRT program

[1] Calculated as available assets divided by or less than required assets as defined within PMIERs

Enact

Robust Capital Position & Ratings

Strong capital position[1] ($M)



	1Q22	2Q22	3Q22	4Q22	1Q23
Dividends ($M)	$23	$23	$23	$206	$23
Combined Risk-to-Capital[2]	12.0	12.6	12.3	12.8	12.6

EMICO's financial strength ratings

Rating Agency	Date Updated	Current Rating	Outlook
Moody's	Upgraded March 2023	A3	Stable
S&P	Upgraded February 2023	BBB+	Stable
Fitch	Upgraded April 2023	A-	Stable

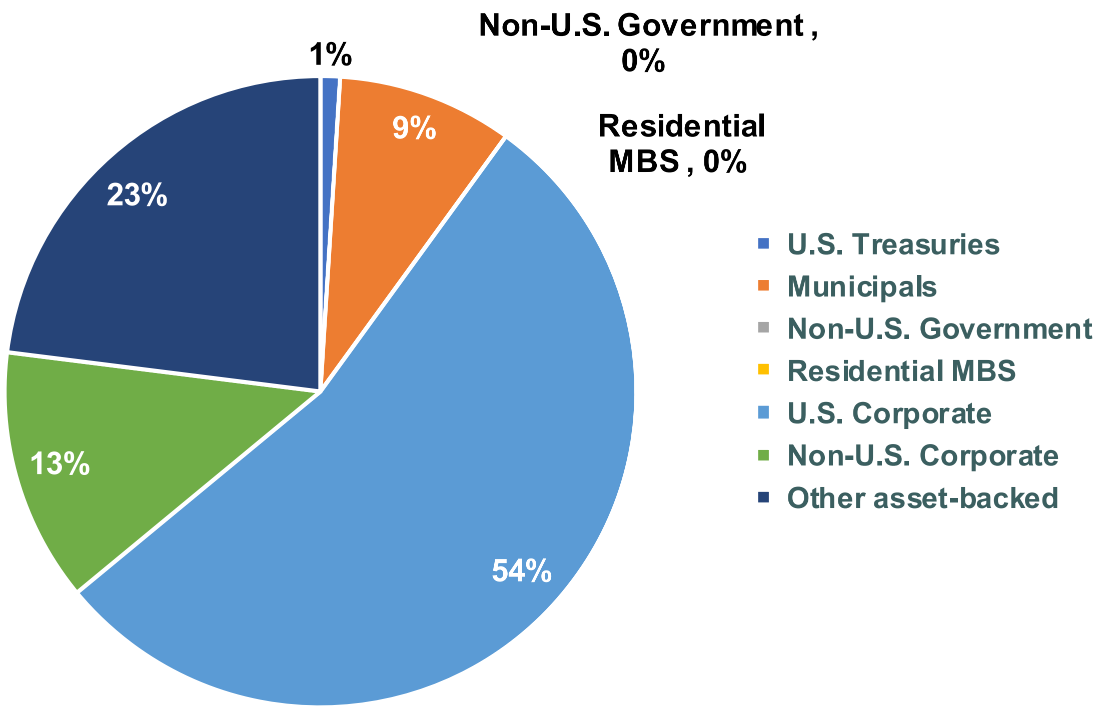
Highlights

- During the quarter, we repurchased $22 million of our common stock through our share buyback program
  - Repurchases under program of $32 million thru April
- In April, EMICO completed a distribution of approximately $158 million that will primarily be used to support our ability to return capital to shareholders and enhance our financial flexibility
- In May, we announced a 14% increase to our quarterly dividend to $0.16 per share, payable on June 14, 2023 to shareholders of record on May 31, 2023
- S&P upgraded the long-term financial strength and issuer credit ratings of EMICO to BBB+ from BBB
- Moody's upgraded the insurance financial strength rating of EMICO to A3 from Baa1
- In April, Fitch upgraded the Insurer Financial Strength rating of EMICO to A- from BBB+
  - Holding Company has achieved Investment Grade Senior Debt Rating

[1] Equity includes accumulated other comprehensive income (loss) of $(141), $(293), $(427), $(383), $(320) million as of 1Q22, 2Q22, 3Q22, 4Q22, 1Q23 respectively; [2] Company estimate for the first quarter of 2023 due to timing of the preparation and filing of statutory statements;

Conservative and Highly Rated Investment Portfolio

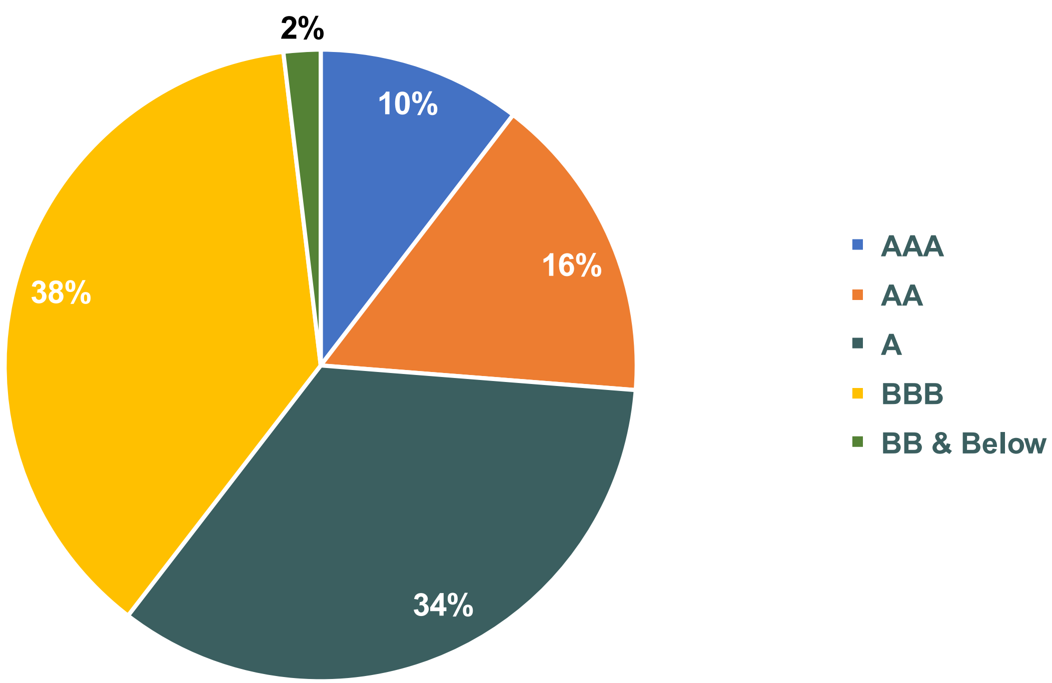
Composition by asset class[1]



» Highly diversified: top 10 issuers comprise ~6% of portfolio

» Portfolio book yield of 3.2% up 0.1 points versus prior quarter

Composition by rating[2]



» 98% of portfolio is investment grade

» Unrealized loss position of ($407M) at 1Q23 down from ($487M) at 4Q22

[1] Available-for-sale fixed maturity securities; [2] Fixed Maturity Securities, Credit Quality Nationally Recognized Statistical Rating Organizations "NRSRO" designation

Enact

Inaugural 2022 ESG Report

Enact has a strong foundation of corporate sustainability and we are proud of the role we play in the communities we serve and our processes that result in a sustainable business. ESG issues are a key component of our strategy to enhance long-term value creation for our stakeholders.

Our ESG Pillars

Strengthening Our Communities

Enable families to achieve the dream of sustainable homeownership and build wealth, while also delivering on commitment to employee volunteerism, philanthropy, and environmental responsibility.

- Helped 1.2 million households achieve the dream of homeownership over the past 5 years.
- Helped 90,700 homeowners avoid foreclosure over the past 5 years.

Driving Diversity and Inclusion & Supporting Our People

Encourage and incorporate varied perspectives at every level of the organization in a supportive and inclusive environment to ensure products and services are innovative and responsive to the diverse needs of our customers and prospective homeowners

- 58% or our workforce is female and 80% of our Board committee chairpersons are female.
- Received the Residential DEI Leadership Award by the Mortgage Bankers of America Association for the second time in four years in 2022.

A Focus on Responsible Business Practices & Sound Corporate Governance

Focus on underwriting excellence, prudent risk and capital management, data privacy and cybersecurity, and regulatory compliance—all overseen by a diverse, experienced, and majority-independent Board.

- 100% of our board committee chairpersons are independent as well as our board chairperson.
- Conduct annual, real-time cybersecurity exercises that stress test our large-scale cyber incident response plan and our cybersecurity incident response capabilities

Appendix

Non-GAAP Measures

Use of Non-GAAP Measures

This communication includes the non-GAAP financial measures entitled “adjusted operating income (loss)”, “adjusted operating income (loss) per share", and “adjusted operating return on equity." Adjusted operating income (loss) per share is derived from adjusted operating income (loss). The chief operating decision maker evaluates performance and allocates resources on the basis of adjusted operating income (loss). The Company defines adjusted operating income (loss) as net income (loss) excluding the after-tax effects of net investment gains (losses), restructuring costs and infrequent or unusual non-operating items. The Company excludes net investment gains (losses) and infrequent or unusual non-operating items because the company does not consider them to be related to the operating performance of the company and other activities. The recognition of realized investment gains or losses can vary significantly across periods as the activity is highly discretionary based on the timing of individual securities sales due to such factors as market opportunities or exposure management. Trends in the profitability of our fundamental operating activities can be more clearly identified without the fluctuations of these realized gains and losses. We do not view them to be indicative of our fundamental operating activities. Therefore, these items are excluded from our calculation of adjusted operating income. In addition, adjusted operating income (loss) per share is derived from adjusted operating income (loss) divided by shares outstanding. Adjusted operating return on equity is calculated as annualized adjusted operating income for the period indicated divided by the average of current period and prior periods’ ending total stockholders’ equity.

While some of these items may be significant components of net income (loss) in accordance with U.S. GAAP, the company believes that adjusted operating income (loss) and measures that are derived from or incorporate adjusted operating income (loss), including adjusted operating income (loss) per share on a basic and diluted basis and adjusted operating return on equity, are appropriate measures that are useful to investors because they identify the income (loss) attributable to the ongoing operations of the business. Management also uses adjusted operating income (loss) as a basis for determining awards and compensation for senior management and to evaluate performance on a basis comparable to that used by analysts. Adjusted operating income (loss) and adjusted operating income (loss) per share on a basic and diluted basis are not substitutes for net income (loss) available to Enact Holdings, Inc.’s common stockholders or net income (loss) available to Enact Holdings, Inc.’s common stockholders per share on a basic and diluted basis determined in accordance with U.S. GAAP. In addition, the company’s definition of adjusted operating income (loss) may differ from the definitions used by other companies.

Adjustments to reconcile net income (loss) available to Enact Holdings, Inc.’s common stockholders to adjusted operating income (loss) assume a 21% tax rate.

Reconciliation of Non-GAAP Measures[1]

Net Income to Adj Operating Income	1Q22	2Q22	3Q22	4Q22	2022	1Q23
Net Income	**$165**	**$205**	**$191**	**$144**	**$704**	**$176**
Adjustments to Net Income:						
Net investment (gains) losses	$0	$0	$0	$1	**$2**	$0
Costs associated with reorganization	$0	$0	($0)	$3	**$3**	($1)
Taxes on adjustments	($0)	($0)	$0	($1)	**($1)**	$0
Adjusted Operating Income	**$165**	**$205**	**$191**	**$147**	**$708**	**$176**

Earnings (Loss) Per Share Data	1Q22	2Q22	3Q22	4Q22	2022	1Q23
Net Income per share						
Basic	$1.01	$1.26	$1.17	$0.88	**$4.32**	**$1.08**
Diluted	$1.01	$1.25	$1.17	$0.88	**$4.31**	**$1.08**
Adj operating income per share						
Basic	$1.01	$1.26	$1.17	$0.91	**$4.35**	**$1.08**
Diluted	$1.01	$1.26	$1.17	$0.90	**$4.34**	**$1.08**
Weighted-average common shares outstanding						
Basic	162,841	162,842	162,843	162,824	**162,838**	**162,442**
Diluted	163,054	163,225	163,376	163,520	**163,294**	**163,179**

Book Value Per Share Reconciliation	1Q22	2Q22	3Q22	4Q22	1Q23
Book Value Per Share	**$24.86**	**$25.06**	**$25.28**	**$25.19**	**$26.53**
Impact of AOCI	$0.87	$1.80	$2.62	$2.35	$1.98
BVPS Excluding AOCI	**$25.73**	**$26.86**	**$27.90**	**$27.54**	**$28.51**

U.S. GAAP ROE to Adj Operating ROE	1Q22	2Q22	3Q22	4Q22	1Q23
Return on Equity	**16.2%**	**20.1%**	**18.6%**	**14.0%**	**16.8%**
Adjustments to Net Income:					
Net investment (gains) losses	0.0%	0.0%	0.0%	0.1%	0.0%
Costs associated with reorganization	0.0%	0.0%	0.0%	0.3%	(0.1)%
Taxes on adjustments	(0.0)%	(0.0)%	0.0%	(0.1)%	0.0%
Adjusted Operating ROE	**16.2%**	**20.2%**	**18.6%**	**14.4%**	**16.7%**

[1] Figures may not foot due to rounding. See Enact 1Q23 Quarterly Financial Supplement (QFS).

Enact