

**Essent Group Ltd. and Subsidiaries**  
**Financial Results and Supplemental Information (Unaudited)**  
**Quarter ended June 30, 2014**

Exhibit A:	Condensed Consolidated Statements of Comprehensive Income (Unaudited)
Exhibit B:	Condensed Consolidated Balance Sheets (Unaudited)
Exhibit C:	New Insurance Written
Exhibit D:	Insurance in Force and Risk in Force
Exhibit E:	Portfolio Vintage Data
Exhibit F:	Portfolio Geographic Data
Exhibit G:	Defaults, Reserve for Losses and LAE, and Claims
Exhibit H:	Investment Portfolio
Exhibit I:	Insurance Company Capital
Exhibit J:	Historical Quarterly Data
Exhibit K:	Earnings per Share
Exhibit L:	Reconciliation of Non-GAAP Financial Measure - Adjusted Book Value per Share

## Essent Group Ltd. and Subsidiaries

## Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>Revenues:</b>				
Net premiums written	\$ 63,505	\$ 44,923	\$ 115,697	\$ 78,296
Increase in unearned premiums	(13,163)	(17,442)	(20,605)	(29,551)
Net premiums earned	50,342	27,481	95,092	48,745
Net investment income	3,080	1,014	4,978	1,744
Realized investment gains, net	68	83	468	93
Other income	793	986	1,566	2,013
<b>Total revenues</b>	<b>54,283</b>	<b>29,564</b>	<b>102,104</b>	<b>52,595</b>
<b>Losses and expenses:</b>				
Provision for losses and LAE	966	580	1,868	1,310
Other underwriting and operating expenses	23,648	15,557	47,107	30,519
<b>Total losses and expenses</b>	<b>24,614</b>	<b>16,137</b>	<b>48,975</b>	<b>31,829</b>
Income before income taxes	29,669	13,427	53,129	20,766
Income tax expense (benefit)	10,114	(10,150)	18,568	(10,011)
<b>Net income</b>	<b>\$ 19,555</b>	<b>\$ 23,577</b>	<b>\$ 34,561</b>	<b>\$ 30,777</b>
<b>Earnings per share:</b>				
Basic:				
Common Shares	\$ 0.23	N/A	\$ 0.42	N/A
Class A common shares	N/A	\$ 0.63	N/A	\$ 0.88
Class B-2 common shares	N/A	0.40	N/A	0.49
Diluted:				
Common Shares	\$ 0.23	N/A	\$ 0.41	N/A
Class A common shares	N/A	\$ 0.62	N/A	\$ 0.88
Class B-2 common shares	N/A	0.09	N/A	0.09
<b>Weighted average common shares outstanding:</b>				
Basic:				
Common Shares	83,276	N/A	83,071	N/A
Class A common shares	N/A	36,793	N/A	34,313
Class B-2 common shares	N/A	1,334	N/A	1,095
Diluted:				
Common Shares	84,706	N/A	84,701	N/A
Class A common shares	N/A	36,901	N/A	34,408
Class B-2 common shares	N/A	5,994	N/A	6,004
<b>Net income</b>	<b>\$ 19,555</b>	<b>\$ 23,577</b>	<b>\$ 34,561</b>	<b>\$ 30,777</b>
<b>Other comprehensive income (loss)</b>				
Change in unrealized appreciation (depreciation) of investments, net of tax expense (benefit) of \$2,095 and \$(2,043) in the three months ended June 30, 2014 and 2013 and \$2,465 and \$(2,182) in the six months ended June 30, 2014 and 2013	4,915	(3,795)	5,394	(4,053)
Total other comprehensive income (loss)	4,915	(3,795)	5,394	(4,053)
<b>Comprehensive income</b>	<b>\$ 24,470</b>	<b>\$ 19,782</b>	<b>\$ 39,955</b>	<b>\$ 26,724</b>
<b>Loss ratio</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>2.7%</b>
<b>Expense ratio</b>	<b>47.0%</b>	<b>56.6%</b>	<b>49.5%</b>	<b>62.6%</b>
<b>Combined ratio</b>	<b>48.9%</b>	<b>58.7%</b>	<b>51.5%</b>	<b>65.3%</b>

## Essent Group Ltd. and Subsidiaries

## Condensed Consolidated Balance Sheets (Unaudited)

<u>(In thousands, except per share amounts)</u>	<u>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
<b>Assets</b>		
Investments available for sale, at fair value		
Fixed maturities	\$ 672,699	\$ 318,476
Short-term investments	173,171	14,079
Total investments	845,870	332,555
Cash	14,180	477,655
Accrued investment income	4,641	1,978
Accounts receivable	12,249	10,006
Deferred policy acquisition costs	7,539	6,173
Property and equipment (at cost, less accumulated depreciation of \$38,013 in 2014 and \$36,796 in 2013)	4,865	4,411
Prepaid federal income tax	34,000	8,000
Net deferred tax asset	-	10,346
Other assets	2,021	2,846
<b>Total assets</b>	<b>\$ 925,365</b>	<b>\$ 853,970</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Reserve for losses and LAE	\$ 4,506	\$ 3,070
Unearned premium reserve	124,004	103,399
Amounts due under Asset Purchase Agreement	2,483	4,949
Accrued payroll and bonuses	7,957	13,076
Net deferred tax liability	9,430	-
Other accrued liabilities	9,026	7,335
Total liabilities	157,406	131,829
Commitments and contingencies		
<b>Stockholders' Equity</b>		
Common Shares, \$0.015 par value:		
Authorized - 233,333; issued - 86,528 shares in 2014 and 86,491 shares in 2013	1,298	1,297
Additional paid-in capital	760,252	754,390
Accumulated other comprehensive income (loss)	3,947	(1,447)
Retained earnings (accumulated deficit)	2,462	(32,099)
Total stockholders' equity	767,959	722,141
<b>Total liabilities and stockholders' equity</b>	<b>\$ 925,365</b>	<b>\$ 853,970</b>

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**New Insurance Written**

**NIW by Credit Score**

(\$ in thousands)	Three months ended				Six months ended			
	June 30, 2014		June 30, 2013		June 30, 2014		June 30, 2013	
	>=760	\$ 2,651,224	45.1%	\$ 3,161,194	53.7%	\$ 4,265,660	44.9%	\$ 5,598,784
740-759	964,322	16.4	1,038,781	17.6	1,601,181	16.8	1,814,340	17.8
720-739	858,348	14.6	791,569	13.4	1,394,819	14.7	1,364,466	13.4
700-719	629,211	10.7	482,263	8.2	1,004,711	10.6	796,736	7.8
680-699	490,259	8.3	331,699	5.6	805,526	8.5	506,558	5.0
<=679	280,970	4.9	89,621	1.5	433,010	4.5	135,799	1.3
<b>Total</b>	<b>\$ 5,874,334</b>	<b>100.0%</b>	<b>\$ 5,895,127</b>	<b>100.0%</b>	<b>\$ 9,504,907</b>	<b>100.0%</b>	<b>\$ 10,216,683</b>	<b>100.0%</b>
Weighted-average Credit Score	749		758		749		759	

**NIW by LTV**

(\$ in thousands)	Three months ended				Six months ended			
	June 30, 2014		June 30, 2013		June 30, 2014		June 30, 2013	
	85.00% and below	\$ 671,651	11.4%	\$ 879,352	14.9%	\$ 1,107,384	11.7%	\$ 1,698,838
85.01% to 90.00%	1,976,596	33.6	2,152,742	36.5	3,217,124	33.8	3,787,024	37.1
90.01% to 95.00%	3,204,930	54.6	2,800,064	47.5	5,130,693	54.0	4,638,486	45.4
95.01% and above	21,157	0.4	62,969	1.1	49,706	0.5	92,335	0.9
<b>Total</b>	<b>\$ 5,874,334</b>	<b>100.0%</b>	<b>\$ 5,895,127</b>	<b>100.0%</b>	<b>\$ 9,504,907</b>	<b>100.0%</b>	<b>\$ 10,216,683</b>	<b>100.0%</b>
Weighted-average LTV	92%		91%		92%		91%	

**NIW by Product**

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	Single Premium policies	18.6%	20.4%	18.5%
Monthly Premium policies	81.4	79.6	81.5	80.3
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

**NIW by Purchase vs. Refinance**

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	Purchase	86.6%	67.5%	86.0%
Refinance	13.4	32.5	14.0	38.5
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Insurance in Force and Risk in Force**

**Portfolio by Credit Score**

Total IIF by FICO score (\$ in thousands)	June 30, 2014		March 31, 2014		June 30, 2013				
>=760	\$	20,157,165	51.2%	\$	18,212,476	52.3%	\$	12,579,842	55.7%
740-759		6,963,735	17.7		6,218,225	17.9		4,011,141	17.8
720-739		5,502,718	14.0		4,804,322	13.8		3,022,359	13.4
700-719		3,481,564	8.8		2,955,696	8.5		1,704,037	7.5
680-699		2,368,613	6.0		1,940,162	5.6		994,955	4.5
<=679		906,084	2.3		647,176	1.9		263,966	1.1
<b>Total</b>	<b>\$</b>	<b>39,379,879</b>	<b>100.0%</b>	<b>\$</b>	<b>34,778,057</b>	<b>100.0%</b>	<b>\$</b>	<b>22,576,300</b>	<b>100.0%</b>
 Weighted-average Credit Score		756			757			760	

Total RIF by FICO score (\$ in thousands)	June 30, 2014		March 31, 2014		June 30, 2013				
>=760	\$	4,913,013	50.6%	\$	4,403,362	51.9%	\$	2,954,484	55.2%
740-759		1,722,247	17.8		1,527,784	18.0		957,841	17.9
720-739		1,376,538	14.2		1,192,630	14.0		728,822	13.6
700-719		855,985	8.8		717,501	8.4		400,692	7.5
680-699		601,426	6.2		488,405	5.8		241,489	4.6
<=679		231,340	2.4		164,180	1.9		65,589	1.2
<b>Total</b>	<b>\$</b>	<b>9,700,549</b>	<b>100.0%</b>	<b>\$</b>	<b>8,493,862</b>	<b>100.0%</b>	<b>\$</b>	<b>5,348,917</b>	<b>100.0%</b>

**Portfolio by LTV**

Total IIF by LTV (\$ in thousands)	June 30, 2014		March 31, 2014		June 30, 2013				
85.00% and below	\$	4,928,612	12.5%	\$	4,540,795	13.1%	\$	3,392,450	15.0%
85.01% to 90.00%		14,516,271	36.9		13,054,922	37.5		8,937,420	39.6
90.01% to 95.00%		19,489,901	49.5		16,748,932	48.2		10,097,956	44.7
95.01% and above		445,095	1.1		433,408	1.2		148,474	0.7
<b>Total</b>	<b>\$</b>	<b>39,379,879</b>	<b>100.0%</b>	<b>\$</b>	<b>34,778,057</b>	<b>100.0%</b>	<b>\$</b>	<b>22,576,300</b>	<b>100.0%</b>
 Weighted-average LTV		91%			91%			91%	

Total RIF by LTV (\$ in thousands)	June 30, 2014		March 31, 2014		June 30, 2013				
85.00% and below	\$	550,950	5.7%	\$	503,315	5.9%	\$	368,071	6.9%
85.01% to 90.00%		3,434,553	35.4		3,074,541	36.2		2,080,074	38.9
90.01% to 95.00%		5,567,538	57.4		4,770,413	56.2		2,851,732	53.3
95.01% and above		147,508	1.5		145,593	1.7		49,040	0.9
<b>Total</b>	<b>\$</b>	<b>9,700,549</b>	<b>100.0%</b>	<b>\$</b>	<b>8,493,862</b>	<b>100.0%</b>	<b>\$</b>	<b>5,348,917</b>	<b>100.0%</b>

**Portfolio by Loan Amortization Period**

Total IIF by Loan Amortization Period (\$ in thousands)	June 30, 2014		March 31, 2014		June 30, 2013				
FRM 30 years and higher	\$	34,103,315	86.6%	\$	29,906,738	85.9%	\$	18,901,211	83.7%
FRM 20-25 years		1,150,105	2.9		1,105,372	3.2		917,020	4.1
FRM 15 years		2,434,151	6.2		2,383,315	6.9		1,940,110	8.6
ARM 5 years and higher		1,692,308	4.3		1,382,632	4.0		817,959	3.6
<b>Total</b>	<b>\$</b>	<b>39,379,879</b>	<b>100.0%</b>	<b>\$</b>	<b>34,778,057</b>	<b>100.0%</b>	<b>\$</b>	<b>22,576,300</b>	<b>100.0%</b>

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Portfolio Vintage Data**

Origination year	Original Insurance Written (\$ in thousands)	Remaining Insurance in Force (\$ in thousands)	% Remaining of Original Insurance	Insurance in Force as of June 30, 2014					
				% Purchase	>90% LTV	>95% LTV	FICO < 700	FICO >= 760	% FRM
2010	\$ 245,898	\$ 91,810	37.3%	72.4%	35.1%	0.0%	3.0%	59.6%	98.0%
2011	3,229,720	1,527,938	47.3	70.8	40.0	0.3	4.2	57.6	92.8
2012	11,241,161	8,832,491	78.6	68.0	47.6	0.5	5.2	56.1	96.7
2013	21,152,638	19,547,594	92.4	73.2	51.0	1.8	7.8	51.5	96.4
2014 (through June 30)	9,504,907	9,380,046	98.7	86.0	54.6	0.5	13.1	44.8	93.7
<b>Total</b>	<b>\$ 45,374,324</b>	<b>\$ 39,379,879</b>	<b>86.8</b>	<b>75.0</b>	<b>50.6</b>	<b>1.1</b>	<b>8.3</b>	<b>51.2</b>	<b>95.7</b>

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Portfolio Geographic Data**

**IIF by State**

	As of June 30, 2014	As of March 31, 2014	As of June 30, 2013
CA	11.0%	11.2%	11.2%
TX	8.5	8.3	8.1
FL	5.1	4.9	4.2
NC	4.3	4.3	4.4
WA	4.0	3.7	3.4
IL	3.9	3.9	4.1
NJ	3.5	3.7	3.9
AZ	3.5	3.5	3.5
GA	3.5	3.5	3.5
CO	3.4	3.4	3.4
All Others	49.3	49.6	50.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**RIF by State**

	As of June 30, 2014	As of March 31, 2014	As of June 30, 2013
CA	10.4%	10.6%	10.6%
TX	8.3	8.1	7.9
FL	5.3	5.0	4.4
NC	4.4	4.4	4.6
WA	4.0	3.8	3.5
IL	4.0	3.9	4.2
GA	3.6	3.7	3.7
NJ	3.4	3.6	3.8
PA	3.4	3.5	3.8
AZ	3.3	3.3	3.2
All Others	49.9	50.1	50.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Defaults, Reserve for Losses and LAE, and Claims**

**Rollforward of Insured Loans in Default**

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2014	2013	2014	2013
Beginning default inventory	192	75	159	56
Plus: new defaults	151	65	318	135
Less: cures	(98)	(46)	(226)	(95)
Less: claims paid	(10)	(4)	(16)	(6)
Ending default inventory	235	90	235	90

**Rollforward of Reserve for Losses and LAE**

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2014	2013	2014	2013
<u>(\$ in thousands)</u>				
Reserve for losses and LAE at beginning of period	\$ 3,804	\$ 2,164	\$ 3,070	\$ 1,499
Add provision for losses and LAE occurring in:				
Current year	1,166	511	2,452	1,435
Prior years	(200)	69	(584)	(125)
Incurred losses during the period	966	580	1,868	1,310
Deduct payments for losses and LAE occurring in:				
Current year	-	3	-	4
Prior years	264	193	432	257
Loss and LAE payments during the period	264	196	432	261
Reserve for losses and LAE at end of period	\$ 4,506	\$ 2,548	\$ 4,506	\$ 2,548

**Claims**

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2014	2013	2014	2013
Number of claims paid	10	4	16	6
Total amount paid for claims (in thousands)	\$ 263	\$ 191	\$ 422	\$ 248
Average amount paid per claim (in thousands)	\$ 26	\$ 48	\$ 26	\$ 41
Severity	54%	81%	62%	86%



**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Defaults, Reserve for Losses and LAE, and Claims**

As of June 30, 2014

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	121	51%	\$ 1,266	31%	\$ 6,316	20%
Four to eleven payments	92	39	2,026	48	4,083	50
Twelve or more payments	20	9	724	18	990	73
Pending claims	2	1	105	3	103	102
TOTAL	<u>235</u>	<u>100%</u>	<u>4,121</u>	<u>100%</u>	<u>\$ 11,492</u>	<u>36</u>
IBNR			309			
LAE			76			
TOTAL			<u>\$ 4,506</u>			
Average reserve per default:						
Case			\$ 17.5			
Total			\$ 19.2			
Default Rate	0.13%					

As of December 31, 2013

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	88	56%	\$ 841	30%	\$ 3,972	21%
Four to eleven payments	56	35	1,497	53	2,672	56
Twelve or more payments	10	6	300	11	447	67
Pending claims	5	3	169	6	166	102
TOTAL	<u>159</u>	<u>100%</u>	<u>2,807</u>	<u>100%</u>	<u>\$ 7,257</u>	<u>39</u>
IBNR			211			
LAE			52			
TOTAL			<u>\$ 3,070</u>			
Average reserve per default:						
Case			\$ 17.7			
Total			\$ 19.3			
Default Rate	0.11%					

As of June 30, 2013

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	49	55%	\$ 740	32%	\$ 2,559	29%
Four to eleven payments	34	38	1,154	50	1,762	66
Twelve or more payments	4	4	215	9	287	75
Pending claims	3	3	206	9	196	105
TOTAL	<u>90</u>	<u>100%</u>	<u>2,315</u>	<u>100%</u>	<u>\$ 4,804</u>	<u>48</u>
IBNR			174			
LAE			59			
TOTAL			<u>\$ 2,548</u>			
Average reserve per default:						
Case			\$ 25.7			
Total			\$ 28.3			
Default Rate	0.09%					

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Investment Portfolio**

**Investment Portfolio by Asset Class**

Asset Class (\$ in thousands)	June 30, 2014		December 31, 2013	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 66,719	7.9%	\$ 59,187	17.8%
U.S. Agency securities	8,165	1.0	14,839	4.5
U.S. Agency Mortgage-backed securities	60,928	7.2	22,241	6.7
Municipal debt securities	170,795	20.2	57,650	17.3
Corporate debt securities	241,874	28.5	125,593	37.8
Mortgage-backed securities	54,207	6.4	18,581	5.6
Asset-backed securities	88,710	10.5	20,385	6.1
Money market investments	154,472	18.3	14,079	4.2
<b>Total Investments</b>	<b>\$ 845,870</b>	<b>100.0%</b>	<b>\$ 332,555</b>	<b>100.0%</b>

**Investment Portfolio by Credit Rating**

Rating (1) (\$ in thousands)	June 30, 2014		December 31, 2013	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 436,451	51.7%	\$ 147,862	44.5%
Aa1	34,913	4.1	21,570	6.5
Aa2	41,658	4.9	15,464	4.6
Aa3	31,776	3.8	11,902	3.6
A1	67,136	7.9	26,541	8.0
A2	46,785	5.5	17,045	5.1
A3	56,170	6.6	29,886	9.0
Baa1	52,043	6.2	24,441	7.3
Baa2	68,474	8.1	30,782	9.3
Baa3	10,464	1.2	7,062	2.1
Below Baa3	-	-	-	-
<b>Total Investments</b>	<b>\$ 845,870</b>	<b>100.0%</b>	<b>\$ 332,555</b>	<b>100.0%</b>

(1) Based on ratings issued by Moody's, if available. S&P rating utilized if Moody's not available.

**Portfolio by Duration and Book Yield**

Effective Duration (\$ in thousands)	June 30, 2014		December 31, 2013	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 261,123	30.8%	\$ 65,092	19.6%
1 to < 2 Years	64,615	7.6	19,093	5.7
2 to < 3 Years	97,011	11.5	74,335	22.4
3 to < 4 Years	109,829	13.0	63,214	19.0
4 to < 5 Years	62,328	7.4	66,230	19.9
5 or more Years	250,964	29.7	44,591	13.4
<b>Total Investments</b>	<b>\$ 845,870</b>	<b>100.0%</b>	<b>\$ 332,555</b>	<b>100.0%</b>

Pre-tax investment income yield:

Three months ended June 30, 2014	1.60%
Six months ended June 30, 2014	1.31%

Net cash and Investments at holding company Essent Group Ltd. (\$ in thousands):

As of June 30, 2014	\$ 170,982
As of December 31, 2013	\$ 246,220

**Essent Group Ltd. and Subsidiaries  
Supplemental Information  
Insurance Company Capital**

	As of	
	June 30, 2014	December 31, 2013
Combined statutory capital (\$ in thousands) <b>(A)</b>	\$ 599,928	\$ 469,424
Risk to capital ratios: <b>(B)</b>		
Essent Guaranty, Inc.	16.1:1	16.6:1
Essent Guaranty of PA, Inc.	17.6:1	17.1:1
Combined <b>(C)</b>	16.2:1	16.5:1

**(A)** Combined statutory capital equals the sum of statutory capital of Essent Guaranty, Inc. plus Essent Guaranty of PA, Inc., after eliminating the impact of intercompany transactions. Statutory capital is computed based on accounting practices prescribed or permitted by the Pennsylvania Insurance Department.

**(B)** The risk to capital ratio is calculated as the ratio of net risk in force to statutory capital. Net risk in force represents total risk in force, net of reinsurance ceded and net of exposures on policies for which loss reserves have been established.

**(C)** The combined risk to capital ratio equals the sum of the net risk in force of Essent Guaranty, Inc. and Essent Guaranty of PA, Inc. divided by the combined statutory capital.

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Historical Quarterly Data**

Selected Income Statement Data	2014				2013	
	June 30	March 31	December 31	September 30	June 30	March 31
<i>(In thousands, except per share amounts)</i>						
<b>Revenues:</b>						
Net premiums written	\$ 63,505	\$ 52,192	\$ 52,878	\$ 55,026	\$ 44,923	\$ 33,373
Net premiums earned	50,342	44,750	40,344	34,282	27,481	21,264
Other revenues	3,941	3,071	2,009	2,173	2,083	1,767
Total revenues	<u>54,283</u>	<u>47,821</u>	<u>42,353</u>	<u>36,455</u>	<u>29,564</u>	<u>23,031</u>
<b>Losses and expenses:</b>						
Provision for losses and LAE	966	902	692	319	580	730
Other underwriting and operating expenses	23,648	23,459	22,299	18,237	15,557	14,962
Total losses and expenses	<u>24,614</u>	<u>24,361</u>	<u>22,991</u>	<u>18,556</u>	<u>16,137</u>	<u>15,692</u>
Income before income taxes	29,669	23,460	19,362	17,899	13,427	7,339
Income tax expense (benefit)	10,114	8,454	345	2,280	(10,150)	139
<b>Net income</b>	<u>\$ 19,555</u>	<u>\$ 15,006</u>	<u>\$ 19,017</u>	<u>\$ 15,619</u>	<u>\$ 23,577</u>	<u>\$ 7,200</u>
<b>Earnings per share:</b>						
Basic:						
Common Shares	\$ 0.23	\$ 0.18	\$ 0.23	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	\$ 0.36	\$ 0.63	\$ 0.23
Class B-2 common shares	N/A	N/A	N/A	0.07	0.40	-
Diluted:						
Common Shares	\$ 0.23	\$ 0.18	\$ 0.22	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	\$ 0.35	\$ 0.62	\$ 0.23
Class B-2 common shares	N/A	N/A	N/A	0.02	0.09	-
<b>Weighted average common shares outstanding:</b>						
Basic:						
Common Shares	83,276	82,864	51,741	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	43,616	36,793	31,805
Class B-2 common shares	N/A	N/A	N/A	1,822	1,334	853
Diluted:						
Common Shares	84,706	84,696	55,130	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	43,788	36,901	31,864
Class B-2 common shares	N/A	N/A	N/A	6,054	5,994	6,009
<b>Other Data:</b>						
<i>(\$ in thousands)</i>						
Loss ratio (1)	1.9%	2.0%	1.7%	0.9%	2.1%	3.4%
Expense ratio (2)	47.0%	52.4%	55.3%	53.2%	56.6%	70.4%
Combined ratio	<u>48.9%</u>	<u>54.4%</u>	<u>57.0%</u>	<u>54.1%</u>	<u>58.7%</u>	<u>73.8%</u>
New insurance written	\$ 5,874,334	\$ 3,630,573	\$ 4,527,900	\$ 6,408,055	\$ 5,895,127	\$ 4,321,556
New risk written	1,477,547	907,257	1,147,560	1,584,267	1,409,905	991,011
Average premium rate (3)	0.54%	0.54%	0.54%	0.54%	0.55%	0.55%
Insurance in force (end of period)	\$ 39,379,879	\$ 34,778,057	\$ 32,028,196	\$ 28,198,722	\$ 22,576,300	\$ 17,430,810
Policies in force	175,773	154,451	141,417	123,737	98,818	76,455
Weighted-average coverage (4)	24.6%	24.4%	24.3%	24.0%	23.7%	23.5%
Annual persistency	89.1%	87.9%	86.1%	83.1%	80.1%	80.9%
Loans in default (count)	235	192	159	116	90	75
Percentage of loans in default	0.13%	0.12%	0.11%	0.09%	0.09%	0.10%

(1) Loss ratio is calculated by dividing the provision for loss and loss adjustment expenses by net premiums earned.

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

(3) Average premium rate is net premium earned as a percentage of average insurance in force for the period.

(4) Weighted-average coverage is end of period risk in force divided by insurance in force.

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Earnings per Share**

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>(In thousands, except per share amounts)</b>				
<b>Net income</b>	\$ 19,555	\$ 23,577	\$ 34,561	\$ 30,777
Less: Class A dividends declared	N/A	-	N/A	-
Less: Class B-2 dividends declared	N/A	-	N/A	-
Undistributed net income	<u>\$ 19,555</u>	<u>\$ 23,577</u>	<u>\$ 34,561</u>	<u>\$ 30,777</u>
Net income allocable to Common Shares	\$ 19,555	N/A	\$ 34,561	N/A
Net income allocable to Class A common shares	N/A	\$ 23,037	N/A	\$ 30,237
Net income allocable to Class B-2 common shares	N/A	540	N/A	540
<b>Basic earnings per common share:</b>				
Common Shares	\$ 0.23	N/A	\$ 0.42	N/A
Class A common shares	N/A	\$ 0.63	N/A	\$ 0.88
Class B-2 common shares	N/A	0.40	N/A	0.49
<b>Diluted earnings per common share:</b>				
Common Shares	\$ 0.23	N/A	\$ 0.41	N/A
Class A common shares	N/A	\$ 0.62	N/A	\$ 0.88
Class B-2 common shares	N/A	0.09	N/A	0.09
<b>Basic weighted average common shares outstanding:</b>				
Common Shares	83,276	N/A	83,071	N/A
Class A common shares	N/A	36,793	N/A	34,313
Class B-2 common shares	N/A	1,334	N/A	1,095
<b>Diluted weighted average common shares outstanding:</b>				
Common Shares	84,706	N/A	84,701	N/A
Class A common shares	N/A	36,901	N/A	34,408
Class B-2 common shares	N/A	5,994	N/A	6,004

**Note:** Prior to the Company's initial public offering on November 5, 2013 ("IPO"), the Company had two classes of common shares outstanding: Class A common shares and Class B-2 common shares. Upon the completion of the IPO, all of the Class A common shares and the Class B-2 common shares converted into a single class of common shares of the Company (the "Common Shares"), as more fully described in the Company's prospectus dated October 30, 2013. Earnings Per Share ("EPS") was calculated and presented prior to the IPO using the "two-class" method which provides that earnings and losses are allocated to each class of common shares according to the dividends declared or unpaid cumulative dividends earned, with the remaining undistributed earnings allocated according to each share's respective participation rights.

**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Reconciliation of Non-GAAP Financial Measure - Adjusted Book Value per Share**

We believe that long-term growth in Adjusted Book Value per Share is an important measure of our financial performance and is a measure used to determine vesting on certain restricted stock granted to senior management under the Company's long-term incentive plan. Adjusted Book Value per Share is a financial measure that is not calculated under standards or rules that comprise accounting principles generally accepted in the United States (GAAP) and is referred to as a non-GAAP measure. Adjusted Book Value per Share may be defined or calculated differently by other companies. Adjusted Book Value per Share is one measure used to monitor our results and should not be viewed as a substitute for those measures determined in accordance with GAAP.

Adjusted Book Value per Share is calculated by dividing Adjusted Book Value by Common Shares and Share Units Outstanding. Adjusted Book Value is defined as consolidated stockholders' equity of the Company, excluding accumulated other comprehensive income (loss) plus the proceeds, if any, from the assumed exercise of all in the money options, warrants and similar instruments. Common Shares and Outstanding Restricted Share Units is defined as total common shares outstanding plus all equity instruments (including Restricted Stock Units) issued to management and the Board of Directors and any in the money options, warrants and similar instruments. Accumulated other comprehensive income (loss) includes unrealized gains and losses that arise from changes in the market value of the Company's investments that are classified as available for sale. The Company does not view these unrealized gains and losses to be indicative of our fundamental operating performance. As of June 30, 2014 and December 31, 2013, the Company does not have any options, warrants and similar instruments outstanding.

The following table sets forth the reconciliation of adjusted book value to the most comparable GAAP amount as of June 30, 2014 and December 31, 2013 in accordance with Regulation G:

(In thousands, except per share amounts)	<u>June 30, 2014</u>	<u>December 31, 2013</u>
Numerator:		
Total Stockholders' Equity (Book Value)	\$ 767,959	\$ 722,141
Subtract: Accumulated Other Comprehensive Income (Loss)	<u>3,947</u>	<u>(1,447)</u>
Adjusted Book Value	<u>\$ 764,012</u>	<u>\$ 723,588</u>
Denominator:		
Total Outstanding Common Shares	86,528	86,491
Add: Outstanding Restricted Share Units	<u>678</u>	<u>528</u>
Total Outstanding Common Shares and Restricted Share Units	<u>87,206</u>	<u>87,019</u>
Adjusted Book Value per Share	<u><u>\$ 8.76</u></u>	<u><u>\$ 8.32</u></u>