

**Essent Group Ltd. and Subsidiaries**  
**Financial Results and Supplemental Information (Unaudited)**  
**Quarter Ended June 30, 2018**

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**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,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Net premiums written	\$ 168,404	\$ 134,063	\$ 333,629	\$ 253,360
Increase in unearned premiums	(11,446)	(7,500)	(24,113)	(9,146)
Net premiums earned	156,958	126,563	309,516	244,214
Net investment income	15,134	9,400	28,848	17,835
Realized investment gains, net	439	544	636	1,199
Other income	1,237	1,099	2,231	1,950
<b>Total revenues</b>	<b>173,768</b>	<b>137,606</b>	<b>341,231</b>	<b>265,198</b>
<b>Losses and expenses:</b>				
Provision for losses and LAE	1,813	1,770	7,122	5,463
Other underwriting and operating expenses	36,428	35,686	74,552	72,018
Interest expense	2,618	1,189	5,068	1,905
<b>Total losses and expenses</b>	<b>40,859</b>	<b>38,645</b>	<b>86,742</b>	<b>79,386</b>
Income before income taxes	132,909	98,961	254,489	185,812
Income tax expense	21,154	26,843	31,665	47,096
<b>Net income</b>	<b>\$ 111,755</b>	<b>\$ 72,118</b>	<b>\$ 222,824</b>	<b>\$ 138,716</b>
<b>Earnings per share:</b>				
Basic	\$ 1.15	\$ 0.79	\$ 2.29	\$ 1.52
Diluted	1.14	0.77	2.28	1.49
<b>Weighted average shares outstanding:</b>				
Basic	97,426	91,381	97,362	91,320
Diluted	97,866	93,162	97,908	93,093
<b>Net income</b>	<b>\$ 111,755</b>	<b>\$ 72,118</b>	<b>\$ 222,824</b>	<b>\$ 138,716</b>
<b>Other comprehensive income (loss):</b>				
Change in unrealized (depreciation) appreciation of investments	(7,246)	8,470	(35,996)	13,320
Total other comprehensive (loss) income	(7,246)	8,470	(35,996)	13,320
<b>Comprehensive income</b>	<b>\$ 104,509</b>	<b>\$ 80,588</b>	<b>\$ 186,828</b>	<b>\$ 152,036</b>
<b>Loss ratio</b>	1.2%	1.4%	2.3%	2.2%
<b>Expense ratio</b>	23.2	28.2	24.1	29.5
<b>Combined ratio</b>	24.4%	29.6%	26.4%	31.7%

**Essent Group Ltd. and Subsidiaries**  
**Condensed Consolidated Balance Sheets (Unaudited)**

<u>(In thousands, except per share amounts)</u>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Investments available for sale, at fair value		
Fixed maturities	\$ 2,229,002	\$ 1,992,371
Short-term investments	327,011	312,694
Total investments	<u>2,556,013</u>	<u>2,305,065</u>
Cash	24,664	43,524
Accrued investment income	15,655	12,807
Accounts receivable	35,276	29,752
Deferred policy acquisition costs	15,947	15,354
Property and equipment	7,295	6,979
Prepaid federal income tax	174,335	252,157
Other assets	<u>20,246</u>	<u>8,730</u>
<b>Total assets</b>	<u><u>\$ 2,849,431</u></u>	<u><u>\$ 2,674,368</u></u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Reserve for losses and LAE	\$ 50,016	\$ 46,850
Unearned premium reserve	283,785	259,672
Net deferred tax liability	147,808	127,636
Credit facility borrowings, net of deferred costs	223,341	248,591
Securities purchased payable	14,464	14,999
Other accrued liabilities	26,446	36,184
Total liabilities	<u>745,860</u>	<u>733,932</u>
Commitments and contingencies		
<b>Stockholders' Equity</b>		
Common shares	1,472	1,476
Additional paid-in capital	1,103,448	1,127,137
Accumulated other comprehensive loss	(39,248)	(3,252)
Retained earnings	1,037,899	815,075
Total stockholders' equity	<u>2,103,571</u>	<u>1,940,436</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 2,849,431</u></u>	<u><u>\$ 2,674,368</u></u>
<b>Return on average equity (1)</b>	22.0%	23.1%

(1) The 2018 return on average equity is calculated by dividing annualized year-to-date 2018 net income by average equity. The 2017 return on average equity is calculated by dividing full year 2017 net income by average equity.

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

Selected Income Statement Data	2018		2017			
	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	\$ 168,404	\$ 165,225	\$ 161,771	\$ 155,055	\$ 134,063	\$ 119,297
Net premiums earned <b>(1)</b>	156,958	152,558	147,976	137,940	126,563	117,651
Other revenues	16,810	14,905	13,134	12,263	11,043	9,941
Total revenues	<u>173,768</u>	<u>167,463</u>	<u>161,110</u>	<u>150,203</u>	<u>137,606</u>	<u>127,592</u>
<b>Losses and expenses:</b>						
Provision for losses and LAE	1,813	5,309	17,456	4,313	1,770	3,693
Other underwriting and operating expenses	36,428	38,124	36,480	37,035	35,686	36,332
Interest expense	2,618	2,450	1,817	1,456	1,189	716
Total losses and expenses	<u>40,859</u>	<u>45,883</u>	<u>55,753</u>	<u>42,804</u>	<u>38,645</u>	<u>40,741</u>
Income before income taxes	132,909	121,580	105,357	107,399	98,961	86,851
Income tax expense (benefit) <b>(2) (3)</b>	21,154	10,511	(57,281)	29,006	26,843	20,253
<b>Net income</b>	<u>\$ 111,755</u>	<u>\$ 111,069</u>	<u>\$ 162,638</u>	<u>\$ 78,393</u>	<u>\$ 72,118</u>	<u>\$ 66,598</u>
<b>Earnings per share:</b>						
Basic	\$ 1.15	\$ 1.14	\$ 1.69	\$ 0.83	\$ 0.79	\$ 0.73
Diluted	1.14	1.13	1.65	0.82	0.77	0.72
<b>Weighted average shares outstanding:</b>						
Basic	97,426	97,298	96,429	94,185	91,381	91,258
Diluted	97,866	97,951	98,497	96,094	93,162	93,023
<b>Other Data:</b>						
Loss ratio <b>(4)</b>	1.2%	3.5%	11.8%	3.1%	1.4%	3.1%
Expense ratio <b>(5)</b>	23.2	25.0	24.7	26.8	28.2	30.9
Combined ratio	<u>24.4%</u>	<u>28.5%</u>	<u>36.4%</u>	<u>30.0%</u>	<u>29.6%</u>	<u>34.0%</u>
Return on average equity (annualized)	21.8%	22.6%	35.0%	19.1%	19.8%	19.3%

**(1)** Net premiums earned are net of premiums ceded to Radnor Re 2018-1 Ltd., an unaffiliated special purpose insurer domiciled in Bermuda, in connection with a fully collateralized reinsurance agreement entered into on March 22, 2018. Premiums ceded to Radnor Re totaled \$3,585 and \$294 in the three months ended June 30, 2018 and March 31, 2018, respectively.

**(2)** Income tax expense for the quarters ended March 31, 2018 and 2017 was reduced by \$9,549 and \$3,023, respectively, of excess tax benefits associated with the vesting of common shares and common share units during each period.

**(3)** Income tax expense for the quarter ended December 31, 2017 was reduced by \$85,091 of income tax benefit due to the one-time impact of the reduced U.S. corporate income tax rate on the company's net deferred tax liability position.

**(4)** Loss ratio is calculated by dividing the provision for losses and LAE by net premiums earned.

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

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

<b>Other Data, continued:</b> <u>(\$ in thousands)</u>	2018		2017			
	June 30	March 31	December 31	September 30	June 30	March 31
<b>U.S. Mortgage Insurance Portfolio</b>						
<b>Flow:</b>						
New insurance written	\$ 12,850,642	\$ 9,336,150	\$ 11,234,855	\$ 13,221,038	\$ 11,368,276	\$ 8,034,153
New risk written	3,201,610	2,295,314	2,737,008	3,228,603	2,786,501	1,929,832
<b>Bulk:</b>						
New insurance written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
New risk written	—	—	—	—	—	—
<b>Total:</b>						
Average gross premium rate (6)	0.52%	0.52%	0.53%	0.53%	0.53%	0.53%
Average net premium rate (7)	0.51%	0.52%	0.53%	0.53%	0.53%	0.53%
New insurance written	\$ 12,850,642	\$ 9,336,150	\$ 11,234,855	\$ 13,221,038	\$ 11,368,276	\$ 8,034,153
New risk written	\$ 3,201,610	\$ 2,295,314	\$ 2,737,008	\$ 3,228,603	\$ 2,786,501	\$ 1,929,832
Insurance in force (end of period)	\$ 122,501,246	\$ 115,250,949	\$ 110,461,950	\$ 103,936,307	\$ 95,494,390	\$ 87,993,227
Gross risk in force (end of period) (8)	\$ 30,579,106	\$ 28,691,561	\$ 27,443,985	\$ 25,807,358	\$ 23,665,045	\$ 21,801,667
Risk in force (end of period)	\$ 30,154,694	\$ 28,267,149	\$ 27,443,985	\$ 25,807,358	\$ 23,665,045	\$ 21,801,667
Policies in force	546,576	517,215	496,477	467,483	430,585	397,650
Weighted average coverage (9)	25.0%	24.9%	24.8%	24.8%	24.8%	24.8%
Annual persistency	83.0%	83.5%	83.9%	82.1%	80.1%	78.2%
Loans in default (count)	3,519	4,442	4,783	2,153	1,776	1,777
Percentage of loans in default	0.64%	0.86%	0.96%	0.46%	0.41%	0.45%
<b>Other Risk in Force</b>						
GSE Risk Share (10)	\$ 592,493	\$ 557,692	\$ 538,944	\$ 501,485	\$ 479,762	\$ 436,991
<b>Credit Facility</b>						
Borrowings outstanding	\$ 225,000	\$ 265,000	\$ 250,000	\$ 175,000	\$ 175,000	\$ 125,000
Undrawn committed capacity	\$ 275,000	\$ 110,000	\$ 125,000	\$ 200,000	\$ 200,000	\$ 75,000
Weighted average interest rate	4.05%					

(6) Average gross premium rate is calculated by dividing annualized premiums earned for the U.S. mortgage insurance portfolio, before reductions for premiums ceded under third-party reinsurance, by average insurance in force for the period.

(7) Average net premium rate is calculated by dividing annualized net premiums earned for the U.S. mortgage insurance portfolio by average insurance in force for the period.

(8) Gross risk in force includes risk ceded under third-party reinsurance.

(9) Weighted average coverage is calculated by dividing end of period gross risk in force by insurance in force.

(10) Essent Re provides insurance or reinsurance relating to the risk in force on loans in reference pools acquired by Freddie Mac and Fannie Mae, including in connection with Freddie Mac's Agency Credit Insurance Structure ("ACIS") and Fannie Mae's Credit Insurance Risk Transfer ("CIRT") programs.

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

**NIW by Credit Score**

	<b>Three Months Ended</b>				<b>Six Months Ended</b>			
	<b>June 30, 2018</b>		<b>June 30, 2017</b>		<b>June 30, 2018</b>		<b>June 30, 2017</b>	
	(\$ in thousands)							
>=760	\$ 5,460,040	42.5%	\$ 4,913,160	43.2%	\$ 9,292,258	41.9%	\$ 8,312,914	42.8%
740-759	2,217,294	17.3	1,785,683	15.7	3,767,432	17.0	3,028,961	15.6
720-739	1,881,334	14.6	1,547,404	13.6	3,220,479	14.5	2,696,619	13.9
700-719	1,544,303	12.0	1,321,235	11.6	2,689,203	12.1	2,279,250	11.8
680-699	940,587	7.3	963,139	8.5	1,750,205	7.9	1,657,953	8.5
<=679	807,084	6.3	837,655	7.4	1,467,215	6.6	1,426,732	7.4
<b>Total</b>	<b>\$ 12,850,642</b>	<b>100.0%</b>	<b>\$ 11,368,276</b>	<b>100.0%</b>	<b>\$ 22,186,792</b>	<b>100.0%</b>	<b>\$ 19,402,429</b>	<b>100.0%</b>
Weighted average credit score	746		745		745		745	

**NIW by LTV**

	<b>Three Months Ended</b>				<b>Six Months Ended</b>			
	<b>June 30, 2018</b>		<b>June 30, 2017</b>		<b>June 30, 2018</b>		<b>June 30, 2017</b>	
	(\$ in thousands)							
85.00% and below	\$ 1,491,036	11.6%	\$ 1,405,971	12.4%	\$ 2,703,372	12.2%	\$ 2,624,771	13.5%
85.01% to 90.00%	3,589,257	27.9	3,393,904	29.9	6,297,769	28.4	5,892,811	30.4
90.01% to 95.00%	5,584,368	43.5	5,132,855	45.1	9,662,576	43.5	8,644,458	44.6
95.01% and above	2,185,981	17.0	1,435,546	12.6	3,523,075	15.9	2,240,389	11.5
<b>Total</b>	<b>\$ 12,850,642</b>	<b>100.0%</b>	<b>\$ 11,368,276</b>	<b>100.0%</b>	<b>\$ 22,186,792</b>	<b>100.0%</b>	<b>\$ 19,402,429</b>	<b>100.0%</b>
Weighted average LTV	92%		92%		92%		92%	

**NIW by Product**

	<b>Three Months Ended</b>				<b>Six Months Ended</b>			
	<b>June 30, 2018</b>		<b>June 30, 2017</b>		<b>June 30, 2018</b>		<b>June 30, 2017</b>	
	Single Premium policies	14.5%		14.5%		17.0%		14.4%
Monthly Premium policies	85.5		85.5		83.0		85.6	
	<u>100.0%</u>		<u>100.0%</u>		<u>100.0%</u>		<u>100.0%</u>	

**NIW by Purchase vs. Refinance**

	<b>Three Months Ended</b>				<b>Six Months Ended</b>			
	<b>June 30, 2018</b>		<b>June 30, 2017</b>		<b>June 30, 2018</b>		<b>June 30, 2017</b>	
	Purchase	93.1%		87.5%		89.8%		83.9%
Refinance	6.9		12.5		10.2		16.1	
	<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**

IIF by FICO score (\$ in thousands)	June 30, 2018		March 31, 2018		June 30, 2017	
>=760	\$ 53,145,884	43.4%	\$ 50,359,464	43.7%	\$ 42,839,819	44.8%
740-759	20,127,254	16.4	18,791,203	16.3	15,628,721	16.4
720-739	17,605,819	14.4	16,473,367	14.3	13,568,471	14.2
700-719	13,836,837	11.3	12,857,417	11.2	10,239,343	10.7
680-699	10,145,188	8.3	9,622,067	8.3	7,715,118	8.1
<=679	7,640,264	6.2	7,147,431	6.2	5,502,918	5.8
Total	<u>\$ 122,501,246</u>	<u>100.0%</u>	<u>\$ 115,250,949</u>	<u>100.0%</u>	<u>\$ 95,494,390</u>	<u>100.0%</u>

Weighted average credit score 746 747 748

Gross RIF by FICO score (\$ in thousands)	June 30, 2018		March 31, 2018		June 30, 2017	
>=760	\$ 13,245,851	43.3%	\$ 12,519,237	43.6%	\$ 10,565,479	44.6%
740-759	5,052,409	16.5	4,707,875	16.4	3,900,374	16.5
720-739	4,438,671	14.5	4,142,041	14.5	3,400,897	14.4
700-719	3,450,490	11.3	3,192,804	11.1	2,531,834	10.7
680-699	2,540,531	8.3	2,402,777	8.4	1,928,884	8.1
<=679	1,851,154	6.1	1,726,827	6.0	1,337,577	5.7
Total	<u>\$ 30,579,106</u>	<u>100.0%</u>	<u>\$ 28,691,561</u>	<u>100.0%</u>	<u>\$ 23,665,045</u>	<u>100.0%</u>

**Portfolio by LTV**

IIF by LTV (\$ in thousands)	June 30, 2018		March 31, 2018		June 30, 2017	
85.00% and below	\$ 13,868,422	11.3%	\$ 13,371,220	11.6%	\$ 11,175,433	11.7%
85.01% to 90.00%	37,558,668	30.6	35,907,759	31.2	30,771,122	32.2
90.01% to 95.00%	59,491,807	48.6	56,367,801	48.9	48,225,083	50.5
95.01% and above	11,582,349	9.5	9,604,169	8.3	5,322,752	5.6
Total	<u>\$ 122,501,246</u>	<u>100.0%</u>	<u>\$ 115,250,949</u>	<u>100.0%</u>	<u>\$ 95,494,390</u>	<u>100.0%</u>

Weighted average LTV 92% 92% 92%

Gross RIF by LTV (\$ in thousands)	June 30, 2018		March 31, 2018		June 30, 2017	
85.00% and below	\$ 1,584,294	5.2%	\$ 1,519,929	5.3%	\$ 1,261,421	5.3%
85.01% to 90.00%	8,950,145	29.3	8,543,010	29.8	7,301,776	30.9
90.01% to 95.00%	17,068,140	55.8	16,176,713	56.4	13,776,313	58.2
95.01% and above	2,976,527	9.7	2,451,909	8.5	1,325,535	5.6
Total	<u>\$ 30,579,106</u>	<u>100.0%</u>	<u>\$ 28,691,561</u>	<u>100.0%</u>	<u>\$ 23,665,045</u>	<u>100.0%</u>

**Portfolio by Loan Amortization Period**

IIF by Loan Amortization Period (\$ in thousands)	June 30, 2018		March 31, 2018		June 30, 2017	
FRM 30 years and higher	\$ 112,753,292	92.0%	\$ 105,438,023	91.5%	\$ 86,471,721	90.5%
FRM 20-25 years	3,040,764	2.5	3,008,292	2.6	2,458,906	2.6
FRM 15 years	3,638,461	3.0	3,746,030	3.2	3,521,645	3.7
ARM 5 years and higher	3,068,729	2.5	3,058,604	2.7	3,042,118	3.2
Total	<u>\$ 122,501,246</u>	<u>100.0%</u>	<u>\$ 115,250,949</u>	<u>100.0%</u>	<u>\$ 95,494,390</u>	<u>100.0%</u>

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

<u>(\$ in thousands)</u>	<u>June 30, 2018</u>	<u>March 31, 2018</u>	<u>June 30, 2017</u>
GSE Risk Share (1)	<u>\$ 592,493</u>	<u>\$ 557,692</u>	<u>\$ 479,762</u>
Weighted average credit score	748	751	749
Weighted average LTV	85%	84%	83%

(1) Essent Reinsurance Ltd. ("Essent Re") provides insurance or reinsurance relating to the risk in force on loans in reference pools acquired by Freddie Mac and Fannie Mae, including in connection with Freddie Mac's Agency Credit Insurance Structure ("ACIS") and Fannie Mae's Credit Insurance Risk Transfer ("CIRT") programs.



**Essent Group Ltd. and Subsidiaries**  
**Supplemental Information**  
**Portfolio Vintage Data**  
**June 30, 2018**

Origination Year	Original Insurance Written (\$ in thousands)	Remaining Insurance in Force (\$ in thousands)	% Remaining of Original Insurance	Number of Policies in Force	Insurance in Force						Incurred Loss Ratio (Inception to Date) (1)	Number of Loans in Default
					% Purchase	>90% LTV	>95% LTV	FICO < 700	FICO >= 760	% FRM		
2010	\$ 245,898	\$ 9,961	4.1%	69	75.8%	72.7%	0.0%	3.6%	62.5%	100.0%	2.6%	—
2011	3,229,720	315,032	9.8	1,832	76.8	50.1	0.2	5.9	53.1	98.1	3.6	32
2012	11,241,161	2,239,544	19.9	11,803	76.1	59.8	0.6	5.7	55.8	98.8	2.3	105
2013	21,152,638	5,829,854	27.6	30,180	79.8	60.0	2.0	7.8	51.5	98.3	2.4	309
2014	24,799,434	9,291,291	37.5	48,989	88.3	63.1	4.4	15.7	41.4	96.1	3.3	631
2015	26,193,656	15,117,741	57.7	71,038	83.8	57.4	2.6	14.6	43.7	97.4	3.6	701
2016	34,949,319	27,835,544	79.6	120,734	81.1	55.6	6.4	13.8	45.2	98.3	4.1	843
2017	43,858,322	40,026,987	91.3	173,799	85.5	57.6	13.4	16.3	41.5	96.9	6.0	866
2018 (through June 30)	22,186,792	21,835,292	98.4	88,132	89.8	59.5	16.0	14.6	41.6	97.8	1.4	32
Total	<u>\$ 187,856,940</u>	<u>\$ 122,501,246</u>	65.2	<u>546,576</u>	84.8	58.0	9.5	14.5	43.4	97.5	3.4	<u>3,519</u>

(1) Incurred loss ratio is calculated by dividing the sum of case reserves and cumulative amount paid for claims by cumulative net premiums earned.

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

**IIF by State**

	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>June 30, 2017</b>
CA	9.2%	9.4%	9.4%
TX	8.0	8.0	8.2
FL	7.2	7.1	6.9
WA	4.8	4.8	4.8
IL	3.9	3.9	4.0
NJ	3.7	3.7	3.6
NC	3.5	3.5	3.6
GA	3.4	3.4	3.4
CO	3.3	3.1	3.0
OH	3.2	3.2	3.1
All Others	49.8	49.9	50.0
Total	100.0%	100.0%	100.0%

**Gross RIF by State**

	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>June 30, 2017</b>
CA	8.9%	9.1%	9.0%
TX	8.2	8.2	8.4
FL	7.3	7.2	7.1
WA	4.9	4.9	4.9
IL	3.8	3.8	3.9
NJ	3.6	3.7	3.5
NC	3.5	3.5	3.7
GA	3.5	3.5	3.5
OH	3.3	3.3	3.2
CO	3.2	3.1	2.9
All Others	49.8	49.7	49.9
Total	100.0%	100.0%	100.0%

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

**Rollforward of Insured Loans in Default**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Beginning default inventory	4,442	1,777	4,783	1,757
Plus: new defaults	1,701	1,105	3,695	2,305
Less: cures	(2,572)	(1,063)	(4,842)	(2,177)
Less: claims paid	(52)	(43)	(115)	(108)
Less: rescissions and denials, net	—	—	(2)	(1)
Ending default inventory	<u>3,519</u>	<u>1,776</u>	<u>3,519</u>	<u>1,776</u>

**Rollforward of Reserve for Losses and LAE**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<i>(\$ in thousands)</i>				
Reserve for losses and LAE at beginning of period	\$ 49,966	\$ 29,468	\$ 46,850	\$ 28,142
Add provision for losses and LAE occurring in:				
Current year	6,576	5,026	16,528	12,116
Prior years	(4,763)	(3,256)	(9,406)	(6,653)
Incurred losses and LAE during the period	<u>1,813</u>	<u>1,770</u>	<u>7,122</u>	<u>5,463</u>
Deduct payments for losses and LAE occurring in:				
Current year	211	96	211	97
Prior years	1,552	1,344	3,745	3,710
Loss and LAE payments during the period	<u>1,763</u>	<u>1,440</u>	<u>3,956</u>	<u>3,807</u>
Reserve for losses and LAE at end of period	<u>\$ 50,016</u>	<u>\$ 29,798</u>	<u>\$ 50,016</u>	<u>\$ 29,798</u>

**Claims**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Number of claims paid	52	43	115	108
Total amount paid for claims (in thousands)	\$ 1,676	\$ 1,380	\$ 3,819	\$ 3,687
Average amount paid per claim (in thousands)	\$ 32	\$ 32	\$ 33	\$ 34
Severity	64%	81%	70%	85%

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

**June 30, 2018**

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of Defaulted RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	1,543	44%	\$ 9,077	20%	\$ 84,685	11%
Four to eleven payments	1,675	47	26,688	58	96,627	28
Twelve or more payments	268	8	8,368	18	14,476	58
Pending claims	33	1	1,640	4	1,946	84
Total case reserves	<u>3,519</u>	<u>100%</u>	<u>45,773</u>	<u>100%</u>	<u>\$ 197,734</u>	<u>23</u>
IBNR			3,433			
LAE			810			
Total reserves for losses and LAE			<u>\$ 50,016</u>			
Average reserve per default:						
Case			\$ 13.0			
Total			\$ 14.2			
Default Rate	0.64%					

**December 31, 2017**

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of Defaulted RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	3,243	68%	\$ 15,925	37%	\$ 187,163	9%
Four to eleven payments	1,284	27	18,087	42	73,547	25
Twelve or more payments	211	4	6,781	16	11,139	61
Pending claims	45	1	2,075	5	2,355	88
Total case reserves	<u>4,783</u>	<u>100%</u>	<u>42,868</u>	<u>100%</u>	<u>\$ 274,204</u>	<u>16</u>
IBNR			3,215			
LAE			767			
Total reserves for losses and LAE			<u>\$ 46,850</u>			
Average reserve per default:						
Case			\$ 9.0			
Total			\$ 9.8			
Default Rate	0.96%					

**June 30, 2017**

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of Defaulted RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	898	50%	\$ 6,101	23%	\$ 49,210	12%
Four to eleven payments	639	36	12,604	46	35,365	36
Twelve or more payments	189	11	6,094	22	10,214	60
Pending claims	50	3	2,469	9	2,842	87
Total case reserves	<u>1,776</u>	<u>100%</u>	<u>27,268</u>	<u>100%</u>	<u>\$ 97,631</u>	<u>28</u>
IBNR			2,045			
LAE			485			
Total reserves for losses and LAE			<u>\$ 29,798</u>			
Average reserve per default:						
Case			\$ 15.4			
Total			\$ 16.8			
Default Rate	0.41%					

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

**Investment Portfolio by Asset Class**

Asset Class (\$ in thousands)	June 30, 2018		December 31, 2017	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 246,204	9.6%	\$ 227,805	9.9%
U.S. agency securities	32,755	1.3	33,114	1.4
U.S. agency mortgage-backed securities	493,004	19.3	456,037	19.8
Municipal debt securities	483,697	18.9	465,255	20.2
Non-U.S. government securities	24,703	1.0	—	—
Corporate debt securities	653,774	25.6	611,728	26.5
Residential and commercial mortgage securities	87,637	3.4	79,407	3.5
Asset-backed securities	257,205	10.1	167,922	7.3
Money market funds	277,034	10.8	263,797	11.4
Total Investments	\$ 2,556,013	100.0%	\$ 2,305,065	100.0%

**Investment Portfolio by Credit Rating**

Rating (1) (\$ in thousands)	June 30, 2018		December 31, 2017	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 1,261,425	49.3%	\$ 1,160,200	50.3%
Aa1	133,062	5.2	115,237	5.0
Aa2	155,552	6.1	123,551	5.4
Aa3	137,257	5.4	127,785	5.6
A1	225,656	8.8	205,369	8.9
A2	162,277	6.3	157,651	6.8
A3	147,648	5.8	148,246	6.4
Baa1	142,040	5.6	115,178	5.0
Baa2	117,464	4.6	87,869	3.8
Baa3	35,452	1.4	43,024	1.9
Below Baa3	38,180	1.5	20,955	0.9
Total Investments	\$ 2,556,013	100.0%	\$ 2,305,065	100.0%

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

**Investment Portfolio by Duration and Book Yield**

Effective Duration (\$ in thousands)	June 30, 2018		December 31, 2017	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 705,739	27.6%	\$ 628,958	27.3%
1 to < 2 Years	230,410	9.0	164,856	7.2
2 to < 3 Years	234,463	9.2	280,177	12.2
3 to < 4 Years	177,606	7.0	263,799	11.4
4 to < 5 Years	361,508	14.1	263,273	11.4
5 or more Years	846,287	33.1	704,002	30.5
Total Investments	\$ 2,556,013	100.0%	\$ 2,305,065	100.0%

Pre-tax investment income yield:

Three months ended June 30, 2018	2.45%
Six months ended June 30, 2018	2.43%

Net cash and investments at holding company, Essent Group Ltd.:

(\$ in thousands)	
As of June 30, 2018	\$ 76,012
As of December 31, 2017	\$ 104,167

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

<u>(\$ in thousands)</u>	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b>U.S. Mortgage Insurance Subsidiaries:</b>		
Combined statutory capital (1)	\$ 1,684,545	\$ 1,528,869
Combined net risk in force (2)	\$ 23,513,547	\$ 21,637,409
Risk-to-capital ratios: (3)		
Essent Guaranty, Inc.	14.5:1	14.7:1
Essent Guaranty of PA, Inc.	4.6:1	5.4:1
Combined (4)	14.0:1	14.2:1
<b>Essent Reinsurance Ltd.:</b>		
Stockholder's equity (GAAP basis)	\$ 716,642	\$ 662,819
Net risk in force (2)	\$ 7,184,434	\$ 6,299,437

(1) 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 and the National Association of Insurance Commissioners Accounting Practices and Procedures Manual.

(2) 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.

(3) The risk-to-capital ratio is calculated as the ratio of net risk in force to statutory capital.

(4) 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**  
**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 Share Units Outstanding is defined as total common shares outstanding plus all equity instruments (including restricted share 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, 2018, December 31, 2017 and June 30, 2017, 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, 2018, December 31, 2017 and June 30, 2017 in accordance with Regulation G:

<u>(In thousands, except per share amounts)</u>	<u>June 30, 2018</u>	<u>December 31, 2017</u>	<u>June 30, 2017</u>
Numerator:			
Total Stockholders' Equity (Book Value)	\$ 2,103,571	\$ 1,940,436	\$ 1,497,897
Subtract: Accumulated Other Comprehensive Income (Loss)	<u>(39,248)</u>	<u>(3,252)</u>	<u>1,065</u>
Adjusted Book Value	<u>\$ 2,142,819</u>	<u>\$ 1,943,688</u>	<u>\$ 1,496,832</u>
Denominator:			
Total Common Shares Outstanding	98,128	98,434	93,424
Add: Restricted Share Units Outstanding	<u>452</u>	<u>536</u>	<u>559</u>
Total Common Shares and Share Units Outstanding	<u>98,580</u>	<u>98,970</u>	<u>93,983</u>
Adjusted Book Value per Share	<u>\$ 21.74</u>	<u>\$ 19.64</u>	<u>\$ 15.93</u>