

Essent Group Ltd. and Subsidiaries
Financial Results and Supplemental Information (Unaudited)
Quarter Ended September 30, 2019

| | |
|-----------|---|
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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 September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | |
| Net premiums written | \$ 198,304 | \$ 175,221 | \$ 564,352 | \$ 508,850 |
| Decrease (increase) in unearned premiums | 5,169 | (8,546) | 5,402 | (32,659) |
| Net premiums earned | 203,473 | 166,675 | 569,754 | 476,191 |
| Net investment income | 21,104 | 16,646 | 61,565 | 45,494 |
| Realized investment gains, net | 1,153 | 524 | 2,396 | 1,160 |
| Other income | 657 | 1,153 | 5,090 | 3,384 |
| Total revenues | 226,387 | 184,998 | 638,805 | 526,229 |
| Losses and expenses: | | | | |
| Provision for losses and LAE | 9,990 | 5,452 | 22,057 | 12,574 |
| Other underwriting and operating expenses | 41,588 | 36,899 | 124,138 | 111,451 |
| Interest expense | 2,584 | 2,500 | 7,933 | 7,568 |
| Total losses and expenses | 54,162 | 44,851 | 154,128 | 131,593 |
| Income before income taxes | 172,225 | 140,147 | 484,677 | 394,636 |
| Income tax expense | 27,595 | 24,136 | 75,922 | 55,801 |
| Net income | \$ 144,630 | \$ 116,011 | \$ 408,755 | \$ 338,835 |
| Earnings per share: | | | | |
| Basic | \$ 1.48 | \$ 1.19 | \$ 4.18 | \$ 3.48 |
| Diluted | 1.47 | 1.18 | 4.16 | 3.46 |
| Weighted average shares outstanding: | | | | |
| Basic | 97,822 | 97,438 | 97,739 | 97,388 |
| Diluted | 98,257 | 98,013 | 98,178 | 97,944 |
| Net income | \$ 144,630 | \$ 116,011 | \$ 408,755 | \$ 338,835 |
| Other comprehensive income (loss): | | | | |
| Change in unrealized appreciation (depreciation) of investments | 17,367 | (8,201) | 91,720 | (44,197) |
| Total other comprehensive income (loss) | 17,367 | (8,201) | 91,720 | (44,197) |
| Comprehensive income | \$ 161,997 | \$ 107,810 | \$ 500,475 | \$ 294,638 |
| Loss ratio | 4.9% | 3.3% | 3.9% | 2.6% |
| Expense ratio | 20.4 | 22.1 | 21.8 | 23.4 |
| Combined ratio | 25.3% | 25.4% | 25.7% | 26.0% |

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

| (\$ in thousands) | <u>September 30,</u> <u>2019</u> | <u>December 31,</u> <u>2018</u> |
|--|-------------------------------------|------------------------------------|
| Assets | | |
| Investments | | |
| Fixed maturities available for sale, at fair value | \$ 2,982,009 | \$ 2,605,666 |
| Short-term investments available for sale, at fair value | 252,604 | 154,400 |
| Total investments available for sale | <u>3,234,613</u> | <u>2,760,066</u> |
| Other invested assets | 75,273 | 30,952 |
| Total investments | <u>3,309,886</u> | <u>2,791,018</u> |
| Cash | 49,582 | 64,946 |
| Accrued investment income | 18,527 | 17,627 |
| Accounts receivable | 40,221 | 36,881 |
| Deferred policy acquisition costs | 16,003 | 16,049 |
| Property and equipment | 16,792 | 7,629 |
| Prepaid federal income tax | 246,885 | 202,385 |
| Other assets | <u>24,158</u> | <u>13,436</u> |
| Total assets | <u><u>\$ 3,722,054</u></u> | <u><u>\$ 3,149,971</u></u> |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| Reserve for losses and LAE | \$ 61,436 | \$ 49,464 |
| Unearned premium reserve | 290,065 | 295,467 |
| Net deferred tax liability | 236,644 | 172,642 |
| Credit facility borrowings, net of deferred costs | 224,094 | 223,664 |
| Other accrued liabilities | 54,645 | 43,017 |
| Total liabilities | <u>866,884</u> | <u>784,254</u> |
| Commitments and contingencies | | |
| Stockholders' Equity | | |
| Common shares | 1,476 | 1,472 |
| Additional paid-in capital | 1,114,586 | 1,110,800 |
| Accumulated other comprehensive income (loss) | 62,727 | (28,993) |
| Retained earnings | 1,676,381 | 1,282,438 |
| Total stockholders' equity | <u>2,855,170</u> | <u>2,365,717</u> |
| Total liabilities and stockholders' equity | <u><u>\$ 3,722,054</u></u> | <u><u>\$ 3,149,971</u></u> |
| Return on average equity (1) | 20.9% | 21.7% |

(1) The 2019 return on average equity is calculated by dividing annualized year-to-date 2019 net income by average equity. The 2018 return on average equity is calculated by dividing full year 2018 net income by average equity.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

| Selected Income Statement Data | 2019 | | | | 2018 | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | September 30 | June 30 | March 31 | December 31 | September 30 | June 30 | March 31 |
| <u>(In thousands, except per share amounts)</u> | | | | | | | |
| Revenues: | | | | | | | |
| Net premiums written | \$ 198,304 | \$ 188,404 | \$ 177,644 | \$ 176,437 | \$ 175,221 | \$ 168,404 | \$ 165,225 |
| Net premiums earned (1) | 203,473 | 188,490 | 177,791 | 173,301 | 166,675 | 156,958 | 152,558 |
| Other revenues (2) | 22,914 | 23,402 | 22,735 | 19,823 | 18,323 | 16,810 | 14,905 |
| Total revenues | 226,387 | 211,892 | 200,526 | 193,124 | 184,998 | 173,768 | 167,463 |
| Losses and expenses: | | | | | | | |
| Provision for losses and LAE (3) | 9,990 | 4,960 | 7,107 | (999) | 5,452 | 1,813 | 5,309 |
| Other underwriting and operating expenses | 41,588 | 41,520 | 41,030 | 39,449 | 36,899 | 36,428 | 38,124 |
| Interest expense | 2,584 | 2,679 | 2,670 | 2,611 | 2,500 | 2,618 | 2,450 |
| Total losses and expenses | 54,162 | 49,159 | 50,807 | 41,061 | 44,851 | 40,859 | 45,883 |
| Income before income taxes | 172,225 | 162,733 | 149,719 | 152,063 | 140,147 | 132,909 | 121,580 |
| Income tax expense (4) | 27,595 | 26,328 | 21,999 | 23,535 | 24,136 | 21,154 | 10,511 |
| Net income | \$ 144,630 | \$ 136,405 | \$ 127,720 | \$ 128,528 | \$ 116,011 | \$ 111,755 | \$ 111,069 |
| Earnings per share: | | | | | | | |
| Basic | \$ 1.48 | \$ 1.39 | \$ 1.31 | \$ 1.32 | \$ 1.19 | \$ 1.15 | \$ 1.14 |
| Diluted | 1.47 | 1.39 | 1.30 | 1.31 | 1.18 | 1.14 | 1.13 |
| Weighted average shares outstanding: | | | | | | | |
| Basic | 97,822 | 97,798 | 97,595 | 97,450 | 97,438 | 97,426 | 97,298 |
| Diluted | 98,257 | 98,170 | 98,104 | 98,066 | 98,013 | 97,866 | 97,951 |
| Other Data: | | | | | | | |
| Loss ratio (5) | 4.9% | 2.6% | 4.0% | (0.6)% | 3.3% | 1.2% | 3.5% |
| Expense ratio (6) | 20.4 | 22.0 | 23.1 | 22.8 | 22.1 | 23.2 | 25.0 |
| Combined ratio | 25.3% | 24.7% | 27.1% | 22.2 % | 25.4% | 24.4% | 28.5% |
| Return on average equity (annualized) | 20.8% | 20.9% | 20.9% | 22.4 % | 21.5% | 21.8% | 22.6% |

(1) Net premiums earned are net of premiums ceded to third-party reinsurers. Premiums ceded totaled \$10,263, \$8,428, \$6,038, \$3,731, \$3,158, \$3,585 and \$294 in the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, respectively.

(2) Certain of our third-party reinsurance agreements contain an embedded derivative as the premium ceded under those agreements will vary based on changes in interest rates. Other revenues for the three months ended September 30, 2019, June 30, 2019 and March 31, 2019 include an unfavorable decrease of \$760 and favorable increases of \$1,160 and \$1,424, respectively, in the fair value of these embedded derivatives.

(3) Provision for losses and LAE for the three months ended December 31, 2018 includes a \$9,941 reduction associated with previously identified hurricane-related defaults based on the performance to date and our expectations of the amount of ultimate losses on the remaining delinquencies.

(4) Income tax expense for the three months ended March 31, 2019 and 2018 was reduced by \$1,956 and \$9,549, respectively, of excess tax benefits associated with the vesting of common shares and common share units during each period. Income tax expense for the three months ended September 30, 2018 includes \$1,450 of expense associated with accrual to return adjustments associated with the completion of the 2017 U.S. federal income tax return.

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

(6) 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

| Other Data, continued: <u>(\$ in thousands)</u> | 2019 | | | 2018 | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | September 30 | June 30 | March 31 | December 31 | September 30 | June 30 | March 31 |
| U.S. Mortgage Insurance Portfolio | | | | | | | |
| Flow: | | | | | | | |
| New insurance written | \$ 18,719,876 | \$ 17,973,505 | \$ 10,945,307 | \$ 11,408,542 | \$ 13,913,191 | \$ 12,850,642 | \$ 9,336,150 |
| New risk written | 4,695,611 | 4,485,217 | 2,713,389 | 2,838,530 | 3,430,942 | 3,201,610 | 2,295,314 |
| Bulk: | | | | | | | |
| New insurance written | \$ 6,133 | \$ 29,524 | \$ 55,002 | \$ — | \$ — | \$ — | \$ — |
| New risk written | 842 | 2,129 | 6,542 | — | — | — | — |
| Total: | | | | | | | |
| Average gross premium rate (7) | 0.52% | 0.51% | 0.50% | 0.50% | 0.51% | 0.52% | 0.52% |
| Average net premium rate (8) | 0.49% | 0.49% | 0.48% | 0.49% | 0.50% | 0.51% | 0.52% |
| New insurance written | \$ 18,726,009 | \$ 18,003,029 | \$ 11,000,309 | \$ 11,408,542 | \$ 13,913,191 | \$ 12,850,642 | \$ 9,336,150 |
| New risk written | \$ 4,696,453 | \$ 4,487,346 | \$ 2,719,931 | \$ 2,838,530 | \$ 3,430,942 | \$ 3,201,610 | \$ 2,295,314 |
| Insurance in force (end of period) | \$ 160,962,192 | \$ 153,317,157 | \$ 143,181,641 | \$ 137,720,786 | \$ 131,249,957 | \$ 122,501,246 | \$ 115,250,949 |
| Gross risk in force (end of period) (9) | \$ 40,540,289 | \$ 38,531,090 | \$ 35,925,830 | \$ 34,482,448 | \$ 32,786,194 | \$ 30,579,106 | \$ 28,691,561 |
| Risk in force (end of period) | \$ 38,784,584 | \$ 37,034,687 | \$ 34,744,417 | \$ 33,892,869 | \$ 32,361,782 | \$ 30,154,694 | \$ 28,267,149 |
| Policies in force | 693,085 | 666,705 | 629,808 | 608,135 | 581,570 | 546,576 | 517,215 |
| Weighted average coverage (10) | 25.2% | 25.1% | 25.1% | 25.0% | 25.0% | 25.0% | 24.9% |
| Annual persistency | 82.1% | 84.8% | 85.1% | 84.9% | 84.0% | 83.0% | 83.5% |
| Loans in default (count) | 5,232 | 4,405 | 4,096 | 4,024 | 3,538 | 3,519 | 4,442 |
| Percentage of loans in default | 0.75% | 0.66% | 0.65% | 0.66% | 0.61% | 0.64% | 0.86% |
| Other Risk in Force | | | | | | | |
| GSE and other risk share (11) | \$ 849,184 | \$ 802,530 | \$ 771,175 | \$ 655,384 | \$ 612,750 | \$ 592,493 | \$ 557,692 |
| Credit Facility | | | | | | | |
| Borrowings outstanding | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 265,000 |
| Undrawn committed capacity | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 110,000 |
| Weighted average interest rate (end of period) | 4.05% | | | | | | |

(7) 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.

(8) 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.

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

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

(11) GSE and other risk share includes GSE risk share and other reinsurance transactions. Essent Re provides insurance or reinsurance relating to the risk in force on loans in reference pools acquired by Freddie Mac and Fannie Mae.

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

NIW by Credit Score

| | Three Months Ended | | | | Nine Months Ended | | | |
|-------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | September 30, 2019 | | September 30, 2018 | | September 30, 2019 | | September 30, 2018 | |
| (\$ in thousands) | | | | | | | | |
| >=760 | \$ 7,467,620 | 39.9% | \$ 5,873,337 | 42.2% | \$ 19,251,937 | 40.4% | \$ 15,165,595 | 42.0% |
| 740-759 | 3,286,476 | 17.5 | 2,349,227 | 16.9 | 8,272,424 | 17.4 | 6,116,659 | 17.0 |
| 720-739 | 2,800,181 | 15.0 | 1,989,413 | 14.3 | 6,938,374 | 14.6 | 5,209,892 | 14.4 |
| 700-719 | 2,202,659 | 11.8 | 1,676,184 | 12.0 | 5,695,567 | 11.9 | 4,365,387 | 12.1 |
| 680-699 | 1,570,179 | 8.4 | 1,097,160 | 7.9 | 4,013,107 | 8.4 | 2,847,365 | 7.9 |
| <=679 | 1,392,761 | 7.4 | 927,870 | 6.7 | 3,467,279 | 7.3 | 2,395,085 | 6.6 |
| Total | <u>\$ 18,719,876</u> | <u>100.0%</u> | <u>\$ 13,913,191</u> | <u>100.0%</u> | <u>\$ 47,638,688</u> | <u>100.0%</u> | <u>\$ 36,099,983</u> | <u>100.0%</u> |
| Weighted average credit score | 744 | | 745 | | 744 | | 745 | |

NIW by LTV

| | Three Months Ended | | | | Nine Months Ended | | | |
|----------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | September 30, 2019 | | September 30, 2018 | | September 30, 2019 | | September 30, 2018 | |
| (\$ in thousands) | | | | | | | | |
| 85.00% and below | \$ 2,126,071 | 11.4% | \$ 1,644,226 | 11.8% | \$ 5,789,334 | 12.2% | \$ 4,347,598 | 12.0% |
| 85.01% to 90.00% | 5,288,027 | 28.2 | 3,804,681 | 27.3 | 13,089,688 | 27.5 | 10,102,450 | 28.0 |
| 90.01% to 95.00% | 7,896,661 | 42.2 | 5,961,310 | 42.9 | 20,081,707 | 42.1 | 15,623,886 | 43.3 |
| 95.01% and above | 3,409,117 | 18.2 | 2,502,974 | 18.0 | 8,677,959 | 18.2 | 6,026,049 | 16.7 |
| Total | <u>\$ 18,719,876</u> | <u>100.0%</u> | <u>\$ 13,913,191</u> | <u>100.0%</u> | <u>\$ 47,638,688</u> | <u>100.0%</u> | <u>\$ 36,099,983</u> | <u>100.0%</u> |
| Weighted average LTV | 92% | | 93% | | 92% | | 92% | |

NIW by Product

| | Three Months Ended | | Nine Months Ended | |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Single Premium policies | 10.8% | 14.2% | 11.3% | 15.9% |
| Monthly Premium policies | 89.2 | 85.8 | 88.7 | 84.1 |
| | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

NIW by Purchase vs. Refinance

| | Three Months Ended | | Nine Months Ended | |
|-----------|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Purchase | 79.6% | 93.8% | 83.3% | 91.3% |
| Refinance | 20.4 | 6.2 | 16.7 | 8.7 |
| | <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) | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|--|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| >=760 | \$ 67,408,766 | 41.9% | \$ 64,977,185 | 42.4% | \$ 56,686,270 | 43.2% |
| 740-759 | 27,178,330 | 16.9 | 25,747,495 | 16.8 | 21,661,445 | 16.5 |
| 720-739 | 23,459,055 | 14.6 | 22,203,764 | 14.5 | 18,909,281 | 14.4 |
| 700-719 | 18,728,884 | 11.6 | 17,723,067 | 11.5 | 14,928,024 | 11.4 |
| 680-699 | 13,418,919 | 8.3 | 12,697,092 | 8.3 | 10,828,068 | 8.2 |
| <=679 | 10,768,238 | 6.7 | 9,968,554 | 6.5 | 8,236,869 | 6.3 |
| Total | <u>\$ 160,962,192</u> | <u>100.0%</u> | <u>\$ 153,317,157</u> | <u>100.0%</u> | <u>\$ 131,249,957</u> | <u>100.0%</u> |

Weighted average credit score 745 746 746

| Gross RIF by FICO score (\$ in thousands) | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| >=760 | \$ 16,877,750 | 41.6% | \$ 16,258,608 | 42.2% | \$ 14,119,178 | 43.1% |
| 740-759 | 6,857,369 | 16.9 | 6,478,145 | 16.8 | 5,434,079 | 16.6 |
| 720-739 | 5,980,949 | 14.8 | 5,643,012 | 14.6 | 4,773,174 | 14.5 |
| 700-719 | 4,743,360 | 11.7 | 4,473,871 | 11.6 | 3,735,034 | 11.4 |
| 680-699 | 3,406,811 | 8.4 | 3,217,062 | 8.4 | 2,718,524 | 8.3 |
| <=679 | 2,674,050 | 6.6 | 2,460,392 | 6.4 | 2,006,205 | 6.1 |
| Total | <u>\$ 40,540,289</u> | <u>100.0%</u> | <u>\$ 38,531,090</u> | <u>100.0%</u> | <u>\$ 32,786,194</u> | <u>100.0%</u> |

Portfolio by LTV

| IIF by LTV (\$ in thousands) | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|---------------------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| 85.00% and below | \$ 16,918,870 | 10.5% | \$ 16,525,093 | 10.8% | \$ 14,641,309 | 11.2% |
| 85.01% to 90.00% | 46,021,398 | 28.6 | 44,234,770 | 28.9 | 39,598,332 | 30.2 |
| 90.01% to 95.00% | 75,528,177 | 46.9 | 72,549,888 | 47.3 | 63,167,371 | 48.1 |
| 95.01% and above | 22,493,747 | 14.0 | 20,007,406 | 13.0 | 13,842,945 | 10.5 |
| Total | <u>\$ 160,962,192</u> | <u>100.0%</u> | <u>\$ 153,317,157</u> | <u>100.0%</u> | <u>\$ 131,249,957</u> | <u>100.0%</u> |

Weighted average LTV 92% 92% 92%

| Gross RIF by LTV (\$ in thousands) | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|---------------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| 85.00% and below | \$ 1,953,058 | 4.8% | \$ 1,907,272 | 5.0% | \$ 1,680,050 | 5.1% |
| 85.01% to 90.00% | 11,065,886 | 27.3 | 10,625,848 | 27.6 | 9,458,067 | 28.8 |
| 90.01% to 95.00% | 21,633,852 | 53.4 | 20,784,261 | 53.9 | 18,090,207 | 55.2 |
| 95.01% and above | 5,887,493 | 14.5 | 5,213,709 | 13.5 | 3,557,870 | 10.9 |
| Total | <u>\$ 40,540,289</u> | <u>100.0%</u> | <u>\$ 38,531,090</u> | <u>100.0%</u> | <u>\$ 32,786,194</u> | <u>100.0%</u> |

Portfolio by Loan Amortization Period

| IIF by Loan Amortization Period (\$ in thousands) | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|--|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| FRM 30 years and higher | \$ 151,594,009 | 94.2% | \$ 143,827,908 | 93.8% | \$ 121,455,115 | 92.6% |
| FRM 20-25 years | 2,872,964 | 1.8 | 2,901,947 | 1.9 | 3,032,593 | 2.3 |
| FRM 15 years | 3,367,326 | 2.1 | 3,391,072 | 2.2 | 3,571,994 | 2.7 |
| ARM 5 years and higher | 3,127,893 | 1.9 | 3,196,230 | 2.1 | 3,190,255 | 2.4 |
| Total | <u>\$ 160,962,192</u> | <u>100.0%</u> | <u>\$ 153,317,157</u> | <u>100.0%</u> | <u>\$ 131,249,957</u> | <u>100.0%</u> |

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

| <u>(\$ in thousands)</u> | <u>September 30, 2019</u> | <u>June 30, 2019</u> | <u>September 30, 2018</u> |
|-------------------------------------|---------------------------|----------------------|---------------------------|
| GSE and other risk share (1) | \$ 849,184 | \$ 802,530 | \$ 612,750 |
| Weighted average credit score | 746 | 748 | 749 |
| Weighted average LTV | 85% | 85% | 85% |

(1) GSE and other risk share includes GSE risk share and other reinsurance transactions. 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.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Vintage Data
September 30, 2019

| 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 | \$ 4,333 | 1.8% | 33 | 62.6% | 47.5% | 0.0% | 2.1% | 65.5% | 100.0% | 2.6% | 1 |
| 2011 | 3,229,720 | 171,131 | 5.3 | 995 | 70.0 | 60.5 | 0.3 | 6.2 | 52.7 | 97.9 | 3.7 | 22 |
| 2012 | 11,241,161 | 1,263,110 | 11.2 | 6,766 | 72.7 | 71.3 | 0.8 | 4.9 | 57.1 | 99.1 | 2.2 | 77 |
| 2013 | 21,152,638 | 3,816,366 | 18.0 | 20,424 | 79.5 | 65.7 | 2.3 | 7.8 | 51.3 | 98.8 | 2.3 | 234 |
| 2014 | 24,799,434 | 6,568,565 | 26.5 | 35,884 | 89.5 | 67.0 | 4.8 | 15.8 | 41.1 | 97.1 | 3.1 | 547 |
| 2015 | 26,193,656 | 10,836,143 | 41.4 | 52,727 | 84.8 | 59.7 | 2.7 | 14.7 | 43.8 | 98.1 | 2.8 | 659 |
| 2016 | 34,949,319 | 20,690,611 | 59.2 | 93,378 | 83.5 | 58.5 | 7.0 | 13.5 | 45.5 | 98.6 | 3.1 | 937 |
| 2017 | 43,858,322 | 32,393,422 | 73.9 | 145,745 | 87.4 | 60.0 | 14.3 | 15.7 | 41.9 | 97.2 | 4.1 | 1,500 |
| 2018 | 47,508,525 | 39,296,715 | 82.7 | 165,805 | 92.1 | 61.7 | 18.2 | 15.2 | 40.5 | 97.9 | 5.5 | 1,090 |
| 2019 (through September 30) | 47,729,347 | 45,921,796 | 96.2 | 171,328 | 83.2 | 60.7 | 18.6 | 15.9 | 39.8 | 98.6 | 2.8 | 165 |
| Total | <u>\$ 260,908,020</u> | <u>\$ 160,962,192</u> | 61.7 | <u>693,085</u> | 86.4 | 60.9 | 14.0 | 15.0 | 41.9 | 98.1 | 3.2 | <u>5,232</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
Reinsurance Vintage Data (1)
September 30, 2019

(\$ in thousands)

| Year | Remaining Insurance in Force | Remaining Risk in Force | Original Reinsurance in Force | | | Remaining Reinsurance in Force | | | Losses Ceded to Date | Original First Layer Retention | Remaining First Layer Retention | Quarter-to-Date Premiums Ceded | Year-to-Date Premiums Ceded |
|-------------|------------------------------|-------------------------|-------------------------------|-------------------|--------------|--------------------------------|-------------------|--------------|----------------------|--------------------------------|---------------------------------|--------------------------------|-----------------------------|
| | | | ILN | Other Reinsurance | Total | ILN | Other Reinsurance | Total | | | | | |
| 2015 & 2016 | \$ 28,837,920 | \$ 7,792,455 | \$ 333,844 (2) | \$ — | \$ 333,844 | \$ 310,282 | \$ — | \$ 310,282 | \$ — | \$ 208,111 | \$ 208,111 | \$ 2,213 | \$ 2,553 |
| 2017 | 31,405,043 | 7,900,590 | 424,412 (3) | 165,167 (4) | 589,579 | 368,705 | 165,167 | 533,872 | — | 224,689 | 223,323 | 3,576 | 10,999 |
| 2018 | 38,517,421 | 9,680,628 | 473,184 (5) | 118,650 (6) | 591,834 | 473,184 | 118,650 | 591,834 | — | 253,643 | 253,521 | 4,354 | 11,057 |
| Total | \$ 98,760,384 | \$ 25,373,673 | \$ 1,231,440 | \$ 283,817 | \$ 1,515,257 | \$ 1,152,171 | \$ 283,817 | \$ 1,435,988 | \$ — | \$ 686,443 | \$ 684,955 | \$ 10,143 | \$ 24,609 |

(1) Excludes quota share reinsurance provided by a panel of reinsurers effective September 1, 2019 (the "QSR Agreement"). RIF ceded under the QSR Agreement was \$320 million as of September 30, 2019.

(2) Reinsurance provided by Radnor Re 2019-2 Ltd., through its issuance of mortgage insurance-linked notes ("ILNs"), effective June 2019.

(3) Reinsurance provided by Radnor Re 2018-1 Ltd., through its issuance of ILNs, effective March 2018.

(4) Reinsurance provided by a panel of reinsurers effective November 2018. Coverage provided immediately above the coverage provided by Radnor Re 2018-1 Ltd.

(5) Reinsurance provided by Radnor Re 2019-1 Ltd., through its issuance of ILNs, effective February 2019.

(6) Reinsurance provided by a panel of reinsurers effective February 2019. Coverage provided pari-passu to the coverage provided by Radnor Re 2019-1 Ltd.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Geographic Data

IIF by State

| | <u>September 30, 2019</u> | <u>June 30, 2019</u> | <u>September 30, 2018</u> |
|------------|---------------------------|----------------------|---------------------------|
| CA | 9.8% | 9.6% | 9.1% |
| TX | 8.3 | 8.0 | 7.9 |
| FL | 7.7 | 7.5 | 7.3 |
| WA | 4.5 | 4.6 | 4.8 |
| IL | 3.7 | 3.8 | 3.9 |
| CO | 3.6 | 3.6 | 3.3 |
| NJ | 3.6 | 3.7 | 3.8 |
| OH | 3.4 | 3.4 | 3.3 |
| NC | 3.3 | 3.4 | 3.5 |
| GA | 3.3 | 3.4 | 3.4 |
| All Others | 48.8 | 49.0 | 49.7 |
| Total | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

Gross RIF by State

| | <u>September 30, 2019</u> | <u>June 30, 2019</u> | <u>September 30, 2018</u> |
|------------|---------------------------|----------------------|---------------------------|
| CA | 9.6% | 9.4% | 8.9% |
| TX | 8.6 | 8.3 | 8.1 |
| FL | 7.9 | 7.6 | 7.4 |
| WA | 4.5 | 4.6 | 4.8 |
| IL | 3.6 | 3.7 | 3.8 |
| NJ | 3.6 | 3.6 | 3.7 |
| CO | 3.5 | 3.5 | 3.3 |
| OH | 3.4 | 3.4 | 3.3 |
| GA | 3.3 | 3.4 | 3.5 |
| NC | 3.3 | 3.4 | 3.5 |
| All Others | 48.7 | 49.1 | 49.7 |
| Total | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

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

Rollforward of Insured Loans in Default

| | Three Months Ended | | Nine Months Ended | |
|------------------------------------|---------------------------|----------------------|--------------------------|----------------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2019 | 2018 | 2019 | 2018 |
| Beginning default inventory | 4,405 | 3,519 | 4,024 | 4,783 |
| Plus: new defaults | 3,711 | 2,285 | 9,478 | 5,980 |
| Less: cures | (2,776) | (2,201) | (7,958) | (7,043) |
| Less: claims paid | (103) | (64) | (297) | (179) |
| Less: rescissions and denials, net | (5) | (1) | (15) | (3) |
| Ending default inventory | <u>5,232</u> | <u>3,538</u> | <u>5,232</u> | <u>3,538</u> |

Rollforward of Reserve for Losses and LAE

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|----------------------|--------------------------|----------------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2019 | 2018 | 2019 | 2018 |
| <i>(\$ in thousands)</i> | | | | |
| Reserve for losses and LAE at beginning of period | \$ 55,138 | \$ 50,016 | \$ 49,464 | \$ 46,850 |
| Add provision for losses and LAE occurring in: | | | | |
| Current year | 14,722 | 8,671 | 37,904 | 25,199 |
| Prior years | (4,732) | (3,219) | (15,847) | (12,625) |
| Incurring losses and LAE during the period | <u>9,990</u> | <u>5,452</u> | <u>22,057</u> | <u>12,574</u> |
| Deduct payments for losses and LAE occurring in: | | | | |
| Current year | 412 | 409 | 657 | 620 |
| Prior years | 3,280 | 1,704 | 9,428 | 5,449 |
| Loss and LAE payments during the period | <u>3,692</u> | <u>2,113</u> | <u>10,085</u> | <u>6,069</u> |
| Reserve for losses and LAE at end of period | <u>\$ 61,436</u> | <u>\$ 53,355</u> | <u>\$ 61,436</u> | <u>\$ 53,355</u> |

Claims

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------------|----------------------|--------------------------|----------------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2019 | 2018 | 2019 | 2018 |
| Number of claims paid | 103 | 64 | 297 | 179 |
| Total amount paid for claims (in thousands) | \$ 3,584 | \$ 2,029 | \$ 9,691 | \$ 5,848 |
| Average amount paid per claim (in thousands) | \$ 35 | \$ 32 | \$ 33 | \$ 33 |
| Severity | 71% | 69% | 73% | 70% |

Essent Group Ltd. and Subsidiaries
Supplemental Information
Defaults, Reserve for Losses and LAE, and Claims
U.S. Mortgage Insurance Portfolio

September 30, 2019

| | 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 |
|---------------------------------------|-------------------------------------|---|-----------------------|---------------------------|-------------------|---|
| <i>(\$ in thousands)</i> | | | | | | |
| Missed Payments: | | | | | | |
| Three payments or less | 3,071 | 59% | \$ 15,212 | 27% | \$ 162,459 | 9% |
| Four to eleven payments | 1,665 | 32 | 24,588 | 44 | 89,965 | 27 |
| Twelve or more payments | 416 | 8 | 12,600 | 22 | 24,503 | 51 |
| Pending claims | 80 | 1 | 3,723 | 7 | 4,227 | 88 |
| Total case reserves (1) | <u>5,232</u> | <u>100%</u> | <u>56,123</u> | <u>100%</u> | <u>\$ 281,154</u> | <u>20</u> |
| IBNR | | | 4,209 | | | |
| LAE | | | 1,014 | | | |
| Total reserves for losses and LAE (1) | | | <u>\$ 61,346</u> | | | |
| Average reserve per default: | | | | | | |
| Case | | | \$ 10.7 | | | |
| Total | | | \$ 11.7 | | | |
| Default Rate | 0.75% | | | | | |

(1) The U.S. Mortgage Insurance Portfolio reserves exclude reserves on GSE and other risk share risk in force at Essent Re of \$90.

December 31, 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 |
|-----------------------------------|-------------------------------------|---|-----------------------|---------------------------|-------------------|---|
| <i>(\$ in thousands)</i> | | | | | | |
| Missed Payments: | | | | | | |
| Three payments or less | 2,254 | 56% | \$ 12,005 | 27% | \$ 119,666 | 10% |
| Four to eleven payments | 1,350 | 33 | 20,031 | 44 | 72,222 | 28 |
| Twelve or more payments | 357 | 9 | 10,523 | 23 | 20,419 | 52 |
| Pending claims | 63 | 2 | 2,749 | 6 | 3,182 | 86 |
| Total case reserves | <u>4,024</u> | <u>100%</u> | <u>45,308</u> | <u>100%</u> | <u>\$ 215,489</u> | <u>21</u> |
| IBNR | | | 3,398 | | | |
| LAE | | | 758 | | | |
| Total reserves for losses and LAE | | | <u>\$ 49,464</u> | | | |
| Average reserve per default: | | | | | | |
| Case | | | \$ 11.3 | | | |
| Total | | | \$ 12.3 | | | |
| Default Rate | 0.66% | | | | | |

September 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 |
|-----------------------------------|-------------------------------------|---|-----------------------|---------------------------|-------------------|---|
| <i>(\$ in thousands)</i> | | | | | | |
| Missed Payments: | | | | | | |
| Three payments or less | 1,886 | 53% | \$ 10,498 | 22% | \$ 101,755 | 10% |
| Four to eleven payments | 1,252 | 36 | 24,531 | 50 | 68,670 | 36 |
| Twelve or more payments | 351 | 10 | 11,795 | 24 | 20,160 | 59 |
| Pending claims | 49 | 1 | 1,941 | 4 | 2,212 | 88 |
| Total case reserves | <u>3,538</u> | <u>100%</u> | <u>48,765</u> | <u>100%</u> | <u>\$ 192,797</u> | <u>25</u> |
| IBNR | | | 3,657 | | | |
| LAE | | | 933 | | | |
| Total reserves for losses and LAE | | | <u>\$ 53,355</u> | | | |
| Average reserve per default: | | | | | | |
| Case | | | \$ 13.8 | | | |
| Total | | | \$ 15.1 | | | |
| Default Rate | 0.61% | | | | | |

Essent Group Ltd. and Subsidiaries
Supplemental Information
Investments Available for Sale

Investments Available for Sale by Asset Class

| Asset Class (\$ in thousands) | September 30, 2019 | | December 31, 2018 | |
|--|---------------------|---------------|---------------------|---------------|
| | Fair Value | Percent | Fair Value | Percent |
| U.S. Treasury securities | \$ 271,359 | 8.4% | \$ 289,892 | 10.5% |
| U.S. agency securities | 33,544 | 1.0 | 32,997 | 1.2 |
| U.S. agency mortgage-backed securities | 829,748 | 25.7 | 637,178 | 23.1 |
| Municipal debt securities | 364,140 | 11.3 | 483,879 | 17.5 |
| Non-U.S. government securities | 49,935 | 1.5 | 45,001 | 1.6 |
| Corporate debt securities | 824,632 | 25.5 | 725,201 | 26.3 |
| Residential and commercial mortgage securities | 283,790 | 8.8 | 121,838 | 4.4 |
| Asset-backed securities | 324,861 | 10.0 | 284,997 | 10.3 |
| Money market funds | 252,604 | 7.8 | 139,083 | 5.1 |
| Total investments available for sale | <u>\$ 3,234,613</u> | <u>100.0%</u> | <u>\$ 2,760,066</u> | <u>100.0%</u> |

Investments Available for Sale by Credit Rating

| Rating (1) (\$ in thousands) | September 30, 2019 | | December 31, 2018 | |
|--------------------------------------|---------------------|---------------|---------------------|---------------|
| | Fair Value | Percent | Fair Value | Percent |
| Aaa | \$ 1,749,369 | 54.1% | \$ 1,362,781 | 49.4% |
| Aa1 | 105,705 | 3.3 | 124,435 | 4.5 |
| Aa2 | 147,510 | 4.6 | 196,218 | 7.1 |
| Aa3 | 168,089 | 5.2 | 143,315 | 5.2 |
| A1 | 203,054 | 6.3 | 222,073 | 8.0 |
| A2 | 192,752 | 5.9 | 199,238 | 7.2 |
| A3 | 170,128 | 5.3 | 146,300 | 5.3 |
| Baa1 | 195,789 | 6.0 | 162,695 | 5.9 |
| Baa2 | 168,371 | 5.2 | 140,168 | 5.1 |
| Baa3 | 72,529 | 2.2 | 26,805 | 1.0 |
| Below Baa3 | 61,317 | 1.9 | 36,038 | 1.3 |
| Total investments available for sale | <u>\$ 3,234,613</u> | <u>100.0%</u> | <u>\$ 2,760,066</u> | <u>100.0%</u> |

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

Investments Available for Sale by Duration and Book Yield

| Effective Duration (\$ in thousands) | September 30, 2019 | | December 31, 2018 | |
|---|---------------------|---------------|---------------------|---------------|
| | Fair Value | Percent | Fair Value | Percent |
| < 1 Year | \$ 862,760 | 26.7% | \$ 529,545 | 19.2% |
| 1 to < 2 Years | 367,167 | 11.3 | 285,060 | 10.3 |
| 2 to < 3 Years | 276,459 | 8.5 | 251,763 | 9.1 |
| 3 to < 4 Years | 385,312 | 11.9 | 278,804 | 10.1 |
| 4 to < 5 Years | 370,529 | 11.5 | 429,005 | 15.6 |
| 5 or more Years | 972,386 | 30.1 | 985,889 | 35.7 |
| Total investments available for sale | <u>\$ 3,234,613</u> | <u>100.0%</u> | <u>\$ 2,760,066</u> | <u>100.0%</u> |

Pre-tax investment income yield:

| | |
|---------------------------------------|-------|
| Three months ended September 30, 2019 | 2.81% |
| Nine months ended September 30, 2019 | 2.83% |

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

| | |
|--------------------------|-----------|
| (\$ in thousands) | |
| As of September 30, 2019 | \$ 98,155 |
| As of December 31, 2018 | \$ 78,405 |

Essent Group Ltd. and Subsidiaries
Supplemental Information
Insurance Company Capital

| (\$ in thousands) | September 30, 2019 | December 31, 2018 |
|--|--------------------|-------------------|
| U.S. Mortgage Insurance Subsidiaries: | | |
| Combined statutory capital (1) | \$ 2,212,341 | \$ 1,886,929 |
| Combined net risk in force (2) | \$ 29,622,379 | \$ 26,233,783 |
| Risk-to-capital ratios: (3) | | |
| Essent Guaranty, Inc. | 13.9:1 | 14.4:1 |
| Essent Guaranty of PA, Inc. | 3.3:1 | 4.2:1 |
| Combined (4) | 13.4:1 | 13.9:1 |
| Essent Reinsurance Ltd.: | | |
| Stockholder's equity (GAAP basis) | \$ 908,203 | \$ 798,612 |
| Net risk in force (2) | \$ 9,950,967 | \$ 8,265,763 |

(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.