

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 |
| Revenues: | | | | |
| 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 |
| Total revenues | 173,768 | 137,606 | 341,231 | 265,198 |
| Losses and expenses: | | | | |
| 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 |
| Total losses and expenses | 40,859 | 38,645 | 86,742 | 79,386 |
| Income before income taxes | 132,909 | 98,961 | 254,489 | 185,812 |
| Income tax expense | 21,154 | 26,843 | 31,665 | 47,096 |
| Net income | \$ 111,755 | \$ 72,118 | \$ 222,824 | \$ 138,716 |
| Earnings per share: | | | | |
| Basic | \$ 1.15 | \$ 0.79 | \$ 2.29 | \$ 1.52 |
| Diluted | 1.14 | 0.77 | 2.28 | 1.49 |
| Weighted average shares outstanding: | | | | |
| Basic | 97,426 | 91,381 | 97,362 | 91,320 |
| Diluted | 97,866 | 93,162 | 97,908 | 93,093 |
| Net income | \$ 111,755 | \$ 72,118 | \$ 222,824 | \$ 138,716 |
| Other comprehensive income (loss): | | | | |
| 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 |
| Comprehensive income | \$ 104,509 | \$ 80,588 | \$ 186,828 | \$ 152,036 |
| Loss ratio | 1.2% | 1.4% | 2.3% | 2.2% |
| Expense ratio | 23.2 | 28.2 | 24.1 | 29.5 |
| Combined ratio | 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> | June 30, 2018 | December 31, 2017 |
|---|-----------------------------|------------------------------|
| | <u> </u> | <u> </u> |
| Assets | | |
| 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> |
| Total assets | <u><u>\$ 2,849,431</u></u> | <u><u>\$ 2,674,368</u></u> |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| 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 | | |
| Stockholders' Equity | | |
| 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> |
| Total liabilities and stockholders' equity | <u><u>\$ 2,849,431</u></u> | <u><u>\$ 2,674,368</u></u> |
| Return on average equity (1) | 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> | | | | | | |
| Revenues: | | | | | | |
| Net premiums written | \$ 168,404 | \$ 165,225 | \$ 161,771 | \$ 155,055 | \$ 134,063 | \$ 119,297 |
| Net premiums earned (1) | 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> |
| Losses and expenses: | | | | | | |
| 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) (2) (3) | 21,154 | 10,511 | (57,281) | 29,006 | 26,843 | 20,253 |
| Net income | <u>\$ 111,755</u> | <u>\$ 111,069</u> | <u>\$ 162,638</u> | <u>\$ 78,393</u> | <u>\$ 72,118</u> | <u>\$ 66,598</u> |
| Earnings per share: | | | | | | |
| 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 |
| Weighted average shares outstanding: | | | | | | |
| 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 |
| Other Data: | | | | | | |
| Loss ratio (4) | 1.2% | 3.5% | 11.8% | 3.1% | 1.4% | 3.1% |
| Expense ratio (5) | 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

| Other Data, continued: <u>(\$ in thousands)</u> | 2018 | | 2017 | | | |
|---|----------------|----------------|----------------|----------------|---------------|---------------|
| | June 30 | March 31 | December 31 | September 30 | June 30 | March 31 |
| U.S. Mortgage Insurance Portfolio | | | | | | |
| Flow: | | | | | | |
| 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 |
| Bulk: | | | | | | |
| New insurance written | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| New risk written | — | — | — | — | — | — |
| Total: | | | | | | |
| 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% |
| Other Risk in Force | | | | | | |
| GSE Risk Share (10) | \$ 592,493 | \$ 557,692 | \$ 538,944 | \$ 501,485 | \$ 479,762 | \$ 436,991 |
| Credit Facility | | | | | | |
| 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

| | Three Months Ended | | | | Six Months Ended | | | |
|-------------------------------|---------------------------|---------------|----------------------|---------------|-------------------------|---------------|----------------------|---------------|
| | June 30, 2018 | | June 30, 2017 | | June 30, 2018 | | June 30, 2017 | |
| | | | | | | | | |
| (\$ 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 |
| Total | <u>\$ 12,850,642</u> | <u>100.0%</u> | <u>\$ 11,368,276</u> | <u>100.0%</u> | <u>\$ 22,186,792</u> | <u>100.0%</u> | <u>\$ 19,402,429</u> | <u>100.0%</u> |
| Weighted average credit score | 746 | | 745 | | 745 | | 745 | |

NIW by LTV

| | Three Months Ended | | | | Six Months Ended | | | |
|----------------------|---------------------------|---------------|----------------------|---------------|-------------------------|---------------|----------------------|---------------|
| | June 30, 2018 | | June 30, 2017 | | June 30, 2018 | | June 30, 2017 | |
| | | | | | | | | |
| (\$ 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 |
| Total | <u>\$ 12,850,642</u> | <u>100.0%</u> | <u>\$ 11,368,276</u> | <u>100.0%</u> | <u>\$ 22,186,792</u> | <u>100.0%</u> | <u>\$ 19,402,429</u> | <u>100.0%</u> |
| Weighted average LTV | 92% | | 92% | | 92% | | 92% | |

NIW by Product

| | Three Months Ended | | | | Six Months Ended | | | |
|--------------------------|---------------------------|--|----------------------|--|-------------------------|--|----------------------|--|
| | June 30, 2018 | | June 30, 2017 | | June 30, 2018 | | June 30, 2017 | |
| | | | | | | | | |
| 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

| | Three Months Ended | | | | Six Months Ended | | | |
|-----------|---------------------------|--|----------------------|--|-------------------------|--|----------------------|--|
| | June 30, 2018 | | June 30, 2017 | | June 30, 2018 | | June 30, 2017 | |
| | | | | | | | | |
| 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

| | June 30, 2018 | March 31, 2018 | June 30, 2017 |
|------------|----------------------|-----------------------|----------------------|
| 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

| | June 30, 2018 | March 31, 2018 | June 30, 2017 |
|------------|----------------------|-----------------------|----------------------|
| 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

| | Three Months Ended | | Six Months Ended | |
|------------------------------------|---------------------------|-----------------|-------------------------|-----------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2018 | 2017 | 2018 | 2017 |
| 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

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|------------------|-------------------------|------------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2018 | 2017 | 2018 | 2017 |
| <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

| | Three Months Ended | | Six Months Ended | |
|--|---------------------------|-----------------|-------------------------|-----------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2018 | 2017 | 2018 | 2017 |
| 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

| <u>(\$ in thousands)</u> | 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 |
|-----------------------------------|-------------------------------|-----------------------------------|--------------------|------------------------|-------------------|---|
| 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

| <u>(\$ in thousands)</u> | 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 |
|-----------------------------------|-------------------------------|-----------------------------------|--------------------|------------------------|-------------------|---|
| 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

| <u>(\$ in thousands)</u> | 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 |
|-----------------------------------|-------------------------------|-----------------------------------|--------------------|------------------------|------------------|---|
| 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> |
|--|----------------------|--------------------------|
| U.S. Mortgage Insurance Subsidiaries: | | |
| 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 |
| Essent Reinsurance Ltd.: | | |
| 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> |