

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

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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,	
	2014	2013	2014	2013
Revenues:				
Net premiums written	\$ 77,862	\$ 55,026	\$ 193,559	\$ 133,322
Increase in unearned premiums	(17,539)	(20,744)	(38,144)	(50,295)
Net premiums earned	60,323	34,282	155,415	83,027
Net investment income	3,405	1,138	8,383	2,882
Realized investment gains, net	151	2	619	95
Other income	742	1,033	2,308	3,046
Total revenues	64,621	36,455	166,725	89,050
Losses and expenses:				
Provision for losses and LAE	1,391	319	3,259	1,629
Other underwriting and operating expenses	24,469	18,237	71,576	48,756
Total losses and expenses	25,860	18,556	74,835	50,385
Income before income taxes	38,761	17,899	91,890	38,665
Income tax expense (benefit)	13,691	2,280	32,259	(7,731)
Net income	\$ 25,070	\$ 15,619	\$ 59,631	\$ 46,396
Earnings per share:				
Basic:				
Common Shares	\$ 0.30	N/A	\$ 0.72	N/A
Class A common shares	N/A	\$ 0.36	N/A	\$ 1.22
Class B-2 common shares	N/A	0.07	N/A	0.50
Diluted:				
Common Shares	\$ 0.29	N/A	\$ 0.70	N/A
Class A common shares	N/A	\$ 0.35	N/A	\$ 1.22
Class B-2 common shares	N/A	0.02	N/A	0.11
Weighted average common shares outstanding:				
Basic:				
Common Shares	83,640	N/A	83,263	N/A
Class A common shares	N/A	43,616	N/A	37,449
Class B-2 common shares	N/A	1,822	N/A	1,340
Diluted:				
Common Shares	85,028	N/A	84,811	N/A
Class A common shares	N/A	43,788	N/A	37,573
Class B-2 common shares	N/A	6,054	N/A	6,033
Net income	\$ 25,070	\$ 15,619	\$ 59,631	\$ 46,396
Other comprehensive income (loss):				
Change in unrealized appreciation (depreciation) of investments, net of tax expense (benefit) of (\$494) and \$339 in the three months ended September 30, 2014 and 2013 and \$1,970 and (\$1,843) in the nine months ended September 30, 2014 and 2013	(1,405)	630	3,989	(3,423)
Total other comprehensive income (loss)	(1,405)	630	3,989	(3,423)
Comprehensive income	\$ 23,665	\$ 16,249	\$ 63,620	\$ 42,973
Loss ratio	2.3%	0.9%	2.1%	2.0%
Expense ratio	40.6%	53.2%	46.1%	58.7%
Combined ratio	42.9%	54.1%	48.2%	60.7%

Essent Group Ltd. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

<u>(In thousands, except per share amounts)</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Assets		
Investments available for sale, at fair value		
Fixed maturities	\$ 790,888	\$ 318,476
Short-term investments	106,263	14,079
Total investments	897,151	332,555
Cash	17,574	477,655
Accrued investment income	5,034	1,978
Accounts receivable	13,168	10,006
Deferred policy acquisition costs	8,784	6,173
Property and equipment (at cost, less accumulated depreciation of \$38,630 in 2014 and \$36,796 in 2013)	5,200	4,411
Prepaid federal income tax	42,673	8,000
Net deferred tax asset	-	10,346
Other assets	2,016	2,846
Total assets	\$ 991,600	\$ 853,970
Liabilities and Stockholders' Equity		
Liabilities		
Reserve for losses and LAE	\$ 5,682	\$ 3,070
Unearned premium reserve	141,544	103,399
Amounts due under Asset Purchase Agreement	2,493	4,949
Accrued payroll and bonuses	11,119	13,076
Net deferred tax liability	22,036	-
Other accrued liabilities	13,833	7,335
Total liabilities	196,707	131,829
Commitments and contingencies		
Stockholders' Equity		
Common Shares, \$0.015 par value:		
Authorized - 233,333; issued - 86,524 shares in 2014 and 86,491 shares in 2013	1,298	1,297
Additional paid-in capital	763,521	754,390
Accumulated other comprehensive income (loss)	2,542	(1,447)
Retained earnings (accumulated deficit)	27,532	(32,099)
Total stockholders' equity	794,893	722,141
Total liabilities and stockholders' equity	\$ 991,600	\$ 853,970

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

Selected Income Statement Data <small>(In thousands, except per share amounts)</small>	2014			2013			
	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Revenues:							
Net premiums written	\$ 77,862	\$ 63,505	\$ 52,192	\$ 52,878	\$ 55,026	\$ 44,923	\$ 33,373
Net premiums earned	60,323	50,342	44,750	40,344	34,282	27,481	21,264
Other revenues	4,298	3,941	3,071	2,009	2,173	2,083	1,767
Total revenues	64,621	54,283	47,821	42,353	36,455	29,564	23,031
Losses and expenses:							
Provision for losses and LAE	1,391	966	902	692	319	580	730
Other underwriting and operating expenses	24,469	23,648	23,459	22,299	18,237	15,557	14,962
Total losses and expenses	25,860	24,614	24,361	22,991	18,556	16,137	15,692
Income before income taxes	38,761	29,669	23,460	19,362	17,899	13,427	7,339
Income tax expense (benefit)	13,691	10,114	8,454	345	2,280	(10,150)	139
Net income	\$ 25,070	\$ 19,555	\$ 15,006	\$ 19,017	\$ 15,619	\$ 23,577	\$ 7,200
Earnings per share:							
Basic:							
Common Shares	\$ 0.30	\$ 0.23	\$ 0.18	\$ 0.23	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	N/A	\$ 0.36	\$ 0.63	\$ 0.23
Class B-2 common shares	N/A	N/A	N/A	N/A	0.07	0.40	-
Diluted:							
Common Shares	\$ 0.29	\$ 0.23	\$ 0.18	\$ 0.22	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	N/A	\$ 0.35	\$ 0.62	\$ 0.23
Class B-2 common shares	N/A	N/A	N/A	N/A	0.02	0.09	-
Weighted average common shares outstanding:							
Basic:							
Common Shares	83,640	83,276	82,864	51,741	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	N/A	43,616	36,793	31,805
Class B-2 common shares	N/A	N/A	N/A	N/A	1,822	1,334	853
Diluted:							
Common Shares	85,028	84,706	84,696	55,130	N/A	N/A	N/A
Class A common shares	N/A	N/A	N/A	N/A	43,788	36,901	31,864
Class B-2 common shares	N/A	N/A	N/A	N/A	6,054	5,994	6,009
Other Data:							
<small>(In thousands)</small>							
Loss ratio (1)	2.3%	1.9%	2.0%	1.7%	0.9%	2.1%	3.4%
Expense ratio (2)	40.6%	47.0%	52.4%	55.3%	53.2%	56.6%	70.4%
Combined ratio	42.9%	48.9%	54.4%	57.0%	54.1%	58.7%	73.8%

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

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

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

Other Data, continued: <i>(\$ in thousands)</i>	2014			2013			
	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Flow:							
New insurance written	\$ 7,283,169	\$ 5,874,334	\$ 3,630,573	\$ 4,527,900	\$ 6,408,055	\$ 5,895,127	\$ 4,321,556
New risk written	1,802,408	1,477,547	907,257	1,147,560	1,584,267	1,409,905	991,011
Bulk:							
New insurance written	\$ 1,506,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New risk written	30,131	-	-	-	-	-	-
Consolidated:							
Average premium rate (3)	0.55%	0.54%	0.54%	0.54%	0.54%	0.55%	0.55%
New insurance written	\$ 8,789,698	\$ 5,874,334	\$ 3,630,573	\$ 4,527,900	\$ 6,408,055	\$ 5,895,127	\$ 4,321,556
New risk written	\$ 1,832,539	\$ 1,477,547	\$ 907,257	\$ 1,147,560	\$ 1,584,267	\$ 1,409,905	\$ 991,011
Insurance in force (end of period)	\$ 46,428,526	\$ 39,379,879	\$ 34,778,057	\$ 32,028,196	\$ 28,198,722	\$ 22,576,300	\$ 17,430,810
Risk in Force (end of period)	\$ 11,152,497	\$ 9,700,549	\$ 8,493,862	\$ 7,768,605	\$ 6,764,997	\$ 5,348,917	\$ 4,100,835
Policies in force	209,841	175,773	154,451	141,417	123,737	98,818	76,455
Weighted-average coverage (4)	24.0%	24.6%	24.4%	24.3%	24.0%	23.7%	23.5%
Annual persistency	88.5%	89.1%	87.9%	86.1%	83.1%	80.1%	80.9%
Loans in default (count)	312	235	192	159	116	90	75
Percentage of loans in default	0.15%	0.13%	0.12%	0.11%	0.09%	0.09%	0.10%

(3) Average premium rate is calculated by dividing net premium earned by average insurance in force for the period.

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

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

NIW by Credit Score

(\$ in thousands)	Three months ended				Nine months ended			
	September 30, 2014		September 30, 2013		September 30, 2014		September 30, 2013	
	>=760	\$ 3,161,643	43.4%	\$ 3,254,723	50.8%	\$ 7,427,303	44.2%	\$ 8,853,507
740-759	1,189,598	16.3	1,158,506	18.1	2,790,779	16.6	2,972,846	17.9
720-739	1,051,260	14.4	893,464	13.9	2,446,079	14.6	2,257,930	13.6
700-719	778,524	10.7	589,426	9.2	1,783,235	10.6	1,386,162	8.3
680-699	637,821	8.8	382,771	6.0	1,443,347	8.6	889,329	5.3
<=679	464,323	6.4	129,165	2.0	897,333	5.4	264,964	1.6
Total	\$ 7,283,169	100.0%	\$ 6,408,055	100.0%	\$ 16,788,076	100.0%	\$ 16,624,738	100.0%
Weighted-average Credit Score	747		756		748		758	

NIW by LTV

(\$ in thousands)	Three months ended				Nine months ended			
	September 30, 2014		September 30, 2013		September 30, 2014		September 30, 2013	
	85.00% and below	\$ 952,873	13.1%	\$ 776,563	12.1%	\$ 2,060,257	12.3%	\$ 2,475,401
85.01% to 90.00%	2,419,571	33.2	2,311,452	36.1	5,636,695	33.6	6,098,476	36.7
90.01% to 95.00%	3,840,911	52.7	3,178,262	49.6	8,971,604	53.4	7,816,748	47.0
95.01% and above	69,814	1.0	141,778	2.2	119,520	0.7	234,113	1.4
Total	\$ 7,283,169	100.0%	\$ 6,408,055	100.0%	\$ 16,788,076	100.0%	\$ 16,624,738	100.0%
Weighted-average LTV	92%		92%		92%		91%	

NIW by Product

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Single Premium policies	19.9%	21.0%	19.1%	20.2%
Monthly Premium policies	80.1	79.0	80.9	79.8
	<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, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Purchase	83.5%	78.5%	84.9%	68.0%
Refinance	16.5	21.5	15.1	32.0
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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

NIW by Credit Score

(\$ in thousands)	Three months ended				Nine months ended			
	September 30, 2014		September 30, 2013		September 30, 2014		September 30, 2013	
	>=760	\$ 490,981	32.6%	\$ -	0.0%	\$ 490,981	32.6%	\$ -
740-759	235,200	15.6	-	-	235,200	15.6	-	-
720-739	234,988	15.6	-	-	234,988	15.6	-	-
700-719	233,874	15.5	-	-	233,874	15.5	-	-
680-699	190,009	12.6	-	-	190,009	12.6	-	-
<=679	121,477	8.1	-	-	121,477	8.1	-	-
Total	\$ 1,506,529	100.0%	\$ -	0.0%	\$ 1,506,529	100.0%	\$ -	100.0%
Weighted-average Credit Score	737		N/A		737		N/A	

NIW by LTV

(\$ in thousands)	Three months ended				Nine months ended			
	September 30, 2014		September 30, 2013		September 30, 2014		September 30, 2013	
	85.00% and below	\$ 51,610	3.4%	\$ -	0.0%	\$ 51,610	3.4%	\$ -
85.01% to 90.00%	121,782	8.1	-	-	121,782	8.1	-	-
90.01% to 95.00%	717,853	47.7	-	-	717,853	47.7	-	-
95.01% and above	615,284	40.8	-	-	615,284	40.8	-	-
Total	\$ 1,506,529	100.0%	\$ -	0.0%	\$ 1,506,529	100.0%	\$ -	0.0%
Weighted-average LTV	94%		N/A		94%		N/A	

NIW by Product

	Three months ended				Nine months ended			
	September 30, 2014		September 30, 2013		September 30, 2014		September 30, 2013	
	Single Premium policies	0.0%		0.0%		0.0%		0.0%
Monthly Premium policies	100.0		-		100.0		-	
	<u>100.0%</u>		<u>0.0%</u>		<u>100.0%</u>		<u>0.0%</u>	

NIW by Purchase vs. Refinance

	Three months ended				Nine months ended			
	September 30, 2014		September 30, 2013		September 30, 2014		September 30, 2013	
	Purchase	85.8%		0.0%		85.8%		0.0%
Refinance	14.2		-		14.2		-	
	<u>100.0%</u>		<u>0.0%</u>		<u>100.0%</u>		<u>0.0%</u>	

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

Portfolio by Credit Score

Total IIF by FICO score (\$ in thousands)	September 30, 2014	June 30, 2014	September 30, 2013
>=760	\$ 22,859,418 49.2%	\$ 20,157,165 51.2%	\$ 15,376,726 54.5%
740-759	8,102,165 17.5	6,963,735 17.7	5,033,831 17.9
720-739	6,561,002 14.1	5,502,718 14.0	3,820,099 13.5
700-719	4,342,161 9.4	3,481,564 8.8	2,233,146 7.9
680-699	3,102,261 6.7	2,368,613 6.0	1,348,761 4.8
<=679	1,461,519 3.1	906,084 2.3	386,159 1.4
Total	\$ 46,428,526 100.0%	\$ 39,379,879 100.0%	\$ 28,198,722 100.0%
 Weighted-average Credit Score	 754	 756	 759

Total RIF by FICO score (\$ in thousands)	September 30, 2014	June 30, 2014	September 30, 2013
>=760	\$ 5,490,591 49.2%	\$ 4,913,013 50.6%	\$ 3,654,156 54.0%
740-759	1,960,787 17.6	1,722,247 17.8	1,217,185 18.0
720-739	1,593,492 14.3	1,376,538 14.2	933,041 13.8
700-719	1,019,259 9.1	855,985 8.8	532,016 7.9
680-699	745,744 6.7	601,426 6.2	331,908 4.9
<=679	342,624 3.1	231,340 2.4	96,691 1.4
Total	\$ 11,152,497 100.0%	\$ 9,700,549 100.0%	\$ 6,764,997 100.0%

Portfolio by LTV

Total IIF by LTV (\$ in thousands)	September 30, 2014	June 30, 2014	September 30, 2013
85.00% and below	\$ 5,581,330 12.0%	\$ 4,928,612 12.5%	\$ 3,976,461 14.1%
85.01% to 90.00%	16,358,760 35.2%	14,516,271 36.9	10,921,950 38.8
90.01% to 95.00%	23,383,926 50.4%	19,489,901 49.5	13,011,241 46.1
95.01% and above	1,104,510 2.4%	445,095 1.1	289,070 1.0
Total	\$ 46,428,526 100.0%	\$ 39,379,879 100.0%	\$ 28,198,722 100.0%
 Weighted-average LTV	 92%	 91%	 91%

Total RIF by LTV (\$ in thousands)	September 30, 2014	June 30, 2014	September 30, 2013
85.00% and below	\$ 621,083 5.6%	\$ 550,950 5.7%	\$ 433,962 6.4%
85.01% to 90.00%	3,859,783 34.6%	3,434,553 35.4	2,552,587 37.8
90.01% to 95.00%	6,502,875 58.3%	5,567,538 57.4	3,682,252 54.4
95.01% and above	168,756 1.5%	147,508 1.5	96,196 1.4
Total	\$ 11,152,497 100.0%	\$ 9,700,549 100.0%	\$ 6,764,997 100.0%

Portfolio by Loan Amortization Period

Total IIF by Loan Amortization Period (\$ in thousands)	September 30, 2014	June 30, 2014	September 30, 2013
FRM 30 years and higher	\$ 40,633,185 87.5%	\$ 34,103,315 86.6%	\$ 23,853,792 84.6%
FRM 20-25 years	1,208,777 2.6	1,150,105 2.9	1,048,754 3.7
FRM 15 years	2,555,323 5.5	2,434,151 6.2	2,246,361 8.0
ARM 5 years and higher	2,031,241 4.4	1,692,308 4.3	1,049,815 3.7
Total	\$ 46,428,526 100.0%	\$ 39,379,879 100.0%	\$ 28,198,722 100.0%

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

<u>(\$ in thousands)</u>	<u>September 30, 2014</u>
ACIS (A)	\$ 28,398

(A) In the third quarter of 2014, Essent Reinsurance, Ltd. issued an insurance policy in connection with Freddie Mac's Agency Credit Insurance Structure ("ACIS") program. This policy covers the risk in force on the loans in the reference pools associated with the STACR 2014 DN-1 notes issued by Freddie Mac in February 2014.

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

Origination year	Original Insurance Written (\$ in thousands)	Remaining Insurance in Force (\$ in thousands)	% Remaining of Original Insurance	Insurance in Force as of September 30, 2014					
				% Purchase	>90% LTV	>95% LTV	FICO < 700	FICO >= 760	% FRM
2010	\$ 245,899	\$ 83,810	34.1%	72.8%	35.9%	0.0%	3.1%	59.0%	98.1%
2011	3,229,492	1,408,705	43.6	71.5	40.0	0.2	4.2	57.7	93.3
2012	11,240,062	8,307,209	73.9	68.8	48.2	0.5	5.2	56.0	96.8
2013	21,146,735	18,781,640	88.8	73.8	51.5	1.8	7.8	51.4	96.5
2014 (through September 30)	18,294,605	17,847,162	97.6	85.1	57.3	4.1	14.6	43.1	94.3
Total	<u>\$ 54,156,793</u>	<u>\$ 46,428,526</u>	85.7	77.2	52.7	2.4	9.8	49.2	95.6

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Geographic Data: Consolidated

IIF by State

	As of September 30, 2014	As of June 30, 2014	As of September 30, 2013
CA	10.4%	11.0%	11.1%
TX	8.3	8.5	8.2
FL	5.1	5.1	4.4
MA	4.1	2.6	2.9
WA	4.1	4.0	3.5
NC	4.0	4.3	4.3
IL	3.8	3.9	4.1
PA	3.5	3.3	3.7
NJ	3.4	3.5	3.8
AZ	3.4	3.5	3.5
All Others	49.9	50.3	50.5
TOTAL	100.0%	100.0%	100.0%

RIF by State

	As of September 30, 2014	As of June 30, 2014	As of September 30, 2013
CA	10.0%	10.4%	10.5%
TX	8.4	8.3	7.9
FL	5.4	5.3	4.6
NC	4.3	4.4	4.4
WA	4.2	4.0	3.6
IL	4.0	4.0	4.2
GA	3.6	3.6	3.6
NJ	3.4	3.4	3.7
PA	3.3	3.4	3.7
AZ	3.3	3.3	3.3
All Others	50.1	49.9	50.5
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		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2014	2013	2014	2013
Beginning default inventory	235	90	159	56
Plus: new defaults	237	84	555	219
Less: cures	(156)	(56)	(382)	(151)
Less: claims paid	(4)	(2)	(20)	(8)
Ending default inventory	<u>312</u>	<u>116</u>	<u>312</u>	<u>116</u>

Rollforward of Reserve for Losses and LAE

(\$ in thousands)	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2014	2013	2014	2013
Reserve for losses and LAE at beginning of period	\$ 4,506	\$ 2,548	\$ 3,070	\$ 1,499
Add provision for losses and LAE occurring in:				
Current year	1,502	648	3,954	2,083
Prior years	(111)	(329)	(695)	(454)
Incurred losses during the period	<u>1,391</u>	<u>319</u>	<u>3,259</u>	<u>1,629</u>
Deduct payments for losses and LAE occurring in:				
Current year	1	91	1	95
Prior years	214	49	646	306
Loss and LAE payments during the period	<u>215</u>	<u>140</u>	<u>647</u>	<u>401</u>
Reserve for losses and LAE at end of period	<u>\$ 5,682</u>	<u>\$ 2,727</u>	<u>\$ 5,682</u>	<u>\$ 2,727</u>

Claims

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2014	2013	2014	2013
Number of claims paid	4	2	20	8
Total amount paid for claims (in thousands)	\$ 214	\$ 128	\$ 636	\$ 376
Average amount paid per claim (in thousands)	\$ 54	\$ 64	\$ 32	\$ 47
Severity	108%	64%	73%	77%

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

As of September 30, 2014

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	175	56%	\$ 1,773	34%	\$ 9,464	19%
Four to eleven payments	105	34	2,405	46	4,865	49
Twelve or more payments	26	8	788	15	1,042	76
Pending claims	6	2	226	5	223	101
TOTAL	312	100%	5,192	100%	\$ 15,594	33
IBNR			389			
LAE			101			
TOTAL			\$ 5,682			
Average reserve per default:						
Case			\$ 16.6			
Total			\$ 18.2			
Default Rate	0.15%					

As of December 31, 2013

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

As of September 30, 2013

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of RIF
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	57	49%	\$ 729	29%	\$ 2,874	25%
Four to eleven payments	43	37	1,086	43	1,949	56
Twelve or more payments	9	8	317	13	441	72
Pending claims	7	6	369	15	376	98
TOTAL	116	100%	2,501	100%	\$ 5,640	44
IBNR			188			
LAE			38			
TOTAL			\$ 2,727			
Average reserve per default:						
Case			\$ 21.6			
Total			\$ 23.5			
Default Rate	0.09%					

Essent Group Ltd. and Subsidiaries
Supplemental Information
Investment Portfolio

Investment Portfolio by Asset Class

Asset Class (\$ in thousands)	September 30, 2014		December 31, 2013	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 68,603	7.6%	\$ 59,187	17.8%
U.S. Agency securities	6,140	0.7	14,839	4.5
U.S. Agency Mortgage-backed securities	69,143	7.7	22,241	6.7
Municipal debt securities	190,656	21.3	57,650	17.3
Corporate debt securities	271,988	30.4	125,593	37.8
Mortgage-backed securities	62,276	6.9	18,581	5.6
Asset-backed securities	122,082	13.6	20,385	6.1
Money market investments	106,263	11.8	14,079	4.2
Total Investments	\$ 897,151	100.0%	\$ 332,555	100.0%

Investment Portfolio by Credit Rating

Rating (1) (\$ in thousands)	September 30, 2014		December 31, 2013	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 430,061	47.9%	\$ 147,862	44.5%
Aa1	37,616	4.2	21,570	6.5
Aa2	47,346	5.3	15,464	4.6
Aa3	45,671	5.1	11,902	3.6
A1	72,101	8.1	26,541	8.0
A2	57,396	6.4	17,045	5.1
A3	64,087	7.1	29,886	9.0
Baa1	59,219	6.6	24,441	7.3
Baa2	71,666	8.0	30,782	9.3
Baa3	11,988	1.3	7,062	2.1
Below Baa3	-	-	-	-
Total Investments	\$ 897,151	100.0%	\$ 332,555	100.0%

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

Portfolio by Duration and Book Yield

Effective Duration (\$ in thousands)	September 30, 2014		December 31, 2013	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 230,179	25.7%	\$ 65,092	19.6%
1 to < 2 Years	70,118	7.8	19,093	5.7
2 to < 3 Years	132,382	14.8	74,335	22.4
3 to < 4 Years	125,722	14.0	63,214	19.0
4 to < 5 Years	67,250	7.5	66,230	19.9
5 or more Years	271,500	30.2	44,591	13.4
Total Investments	\$ 897,151	100.0%	\$ 332,555	100.0%

Pre-tax investment income yield:

Three months ended September 30, 2014	1.71%
Nine months ended September 30, 2014	1.44%

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

As of September 30, 2014	\$ 47,100
As of December 31, 2013	\$ 246,220

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

(\$ in thousands)	As of	
	September 30, 2014	December 31, 2013
US Mortgage Insurance Business:		
Combined statutory capital (A)	\$ 664,206	\$ 469,424
Combined net risk in force (B)	\$ 10,713,036	\$ 7,765,586
Risk to capital ratios: (C)		
Essent Guaranty, Inc.	16.2:1	16.6:1
Essent Guaranty of PA, Inc.	16.2:1	17.1:1
Combined (D)	16.1:1	16.5:1
Essent Reinsurance, Ltd. Mortgage Insurance Business:		
Stockholders' equity (GAAP basis)	\$ 102,109	\$ 389
Net risk in force (B)	\$ 462,280	N/A

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

(B) Net risk in force represents total risk in force, net of reinsurance ceded and net of exposures on policies for which loss reserves have been established.

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

(D) 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
Earnings per Share

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
<i>(In thousands, except per share amounts)</i>				
Net income	\$ 25,070	\$ 15,619	\$ 59,631	\$ 46,396
Less: Class A dividends declared	N/A	-	N/A	-
Less: Class B-2 dividends declared	N/A	-	N/A	-
Undistributed net income	\$ 25,070	\$ 15,619	\$ 59,631	\$ 46,396
Net income allocable to Common Shares	\$ 25,070	N/A	\$ 59,631	N/A
Net income allocable to Class A common shares	N/A	\$ 15,490	N/A	\$ 45,727
Net income allocable to Class B-2 common shares	N/A	129	N/A	669
Basic earnings per common share:				
Common Shares	\$ 0.30	N/A	\$ 0.72	N/A
Class A common shares	N/A	\$ 0.36	N/A	\$ 1.22
Class B-2 common shares	N/A	0.07	N/A	0.50
Diluted earnings per common share:				
Common Shares	\$ 0.29	N/A	\$ 0.70	N/A
Class A common shares	N/A	\$ 0.35	N/A	\$ 1.22
Class B-2 common shares	N/A	0.02	N/A	0.11
Basic weighted average common shares outstanding:				
Common Shares	83,640	N/A	83,263	N/A
Class A common shares	N/A	43,616	N/A	37,449
Class B-2 common shares	N/A	1,822	N/A	1,340
Diluted weighted average common shares outstanding:				
Common Shares	85,028	N/A	84,811	N/A
Class A common shares	N/A	43,788	N/A	37,573
Class B-2 common shares	N/A	6,054	N/A	6,033

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

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

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

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

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

<u>(In thousands, except per share amounts)</u>	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Numerator:		
Total Stockholders' Equity (Book Value)	\$ 794,893	\$ 722,141
Subtract: Accumulated Other Comprehensive Income (Loss)	<u>2,542</u>	<u>(1,447)</u>
Adjusted Book Value	<u>\$ 792,351</u>	<u>\$ 723,588</u>
Denominator:		
Total Outstanding Common Shares	86,524	86,491
Add: Outstanding Restricted Share Units	<u>665</u>	<u>528</u>
Total Outstanding Common Shares and Restricted Share Units	<u>87,189</u>	<u>87,019</u>
Adjusted Book Value per Share	<u><u>\$ 9.09</u></u>	<u><u>\$ 8.32</u></u>