

Essent Group Ltd. and Subsidiaries
Financial Results and Supplemental Information (Unaudited)
Quarter Ended June 30, 2017

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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,	
	2017	2016	2017	2016
Revenues:				
Net premiums written	\$ 134,063	\$ 108,513	\$ 253,360	\$ 208,979
Increase in unearned premiums	(7,500)	(7,802)	(9,146)	(13,865)
Net premiums earned	126,563	100,711	244,214	195,114
Net investment income	9,400	6,701	17,835	12,884
Realized investment gains, net	544	583	1,199	1,054
Other income	1,099	170	1,950	1,579
Total revenues	137,606	108,165	265,198	210,631
Losses and expenses:				
Provision for losses and LAE	1,770	2,964	5,463	6,695
Other underwriting and operating expenses	35,686	31,409	72,018	62,797
Interest expense	1,189	—	1,905	—
Total losses and expenses	38,645	34,373	79,386	69,492
Income before income taxes	98,961	73,792	185,812	141,139
Income tax expense	26,843	21,534	47,096	40,930
Net income	\$ 72,118	\$ 52,258	\$ 138,716	\$ 100,209
Earnings per share:				
Basic	\$ 0.79	\$ 0.57	\$ 1.52	\$ 1.10
Diluted	0.77	0.57	1.49	1.09
Weighted average shares outstanding:				
Basic	91,381	90,912	91,320	90,848
Diluted	93,162	92,138	93,093	91,999
Net income	\$ 72,118	\$ 52,258	\$ 138,716	\$ 100,209
Other comprehensive income (loss):				
Change in unrealized appreciation of investments	8,470	10,702	13,320	24,061
Total other comprehensive income	8,470	10,702	13,320	24,061
Comprehensive income	\$ 80,588	\$ 62,960	\$ 152,036	\$ 124,270
Loss ratio	1.4%	2.9%	2.2%	3.4%
Expense ratio	28.2%	31.2%	29.5%	32.2%
Combined ratio	29.6%	34.1%	31.7%	35.6%

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

<u>(In thousands, except per share amounts)</u>	June 30,	December 31,
	2017	2016
Assets		
Investments available for sale, at fair value		
Fixed maturities	\$ 1,710,057	\$ 1,482,754
Short-term investments	130,984	132,348
Total investments	<u>1,841,041</u>	<u>1,615,102</u>
Cash	27,670	27,531
Accrued investment income	10,776	9,488
Accounts receivable	26,648	21,632
Deferred policy acquisition costs	14,037	13,400
Property and equipment	7,955	8,119
Prepaid federal income tax	215,357	181,272
Other assets	<u>9,409</u>	<u>6,454</u>
Total assets	<u>\$ 2,152,893</u>	<u>\$ 1,882,998</u>
Liabilities and Stockholders' Equity		
Liabilities		
Reserve for losses and LAE	\$ 29,798	\$ 28,142
Unearned premium reserve	228,762	219,616
Net deferred tax liability	181,206	142,587
Credit facility borrowings, net of deferred costs	173,192	100,000
Securities purchased payable	19,770	14,999
Other accrued liabilities	22,268	33,881
Total liabilities	<u>654,996</u>	<u>539,225</u>
Commitments and contingencies		
Stockholders' Equity		
Common shares	1,401	1,397
Additional paid-in capital	920,452	918,296
Accumulated other comprehensive income (loss)	1,065	(12,255)
Retained earnings	574,979	436,335
Total stockholders' equity	<u>1,497,897</u>	<u>1,343,773</u>
Total liabilities and stockholders' equity	<u>\$ 2,152,893</u>	<u>\$ 1,882,998</u>
Return on average equity (1)	19.5%	18.1%

(1) The 2017 return on average equity is calculated by dividing annualized year-to-date 2017 net income by average equity. The 2016 return on average equity is calculated by dividing full year 2016 net income by average equity.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

Selected Income Statement Data	2017		2016			
	June 30	March 31	December 31	September 30	June 30	March 31
<i>(In thousands, except per share amounts)</i>						
Revenues:						
Net premiums written	\$134,063	\$119,297	\$ 116,412	\$ 115,887	\$108,513	\$100,466
Net premiums earned	126,563	117,651	116,792	110,801	100,711	94,403
Other revenues (1)	11,043	9,941	9,581	10,453	7,454	8,063
Total revenues	<u>137,606</u>	<u>127,592</u>	<u>126,373</u>	<u>121,254</u>	<u>108,165</u>	<u>102,466</u>
Losses and expenses:						
Provision for losses and LAE	1,770	3,693	3,865	4,965	2,964	3,731
Other underwriting and operating expenses	35,686	36,332	34,836	32,792	31,409	31,388
Interest expense	1,189	716	370	56	—	—
Total losses and expenses	<u>38,645</u>	<u>40,741</u>	<u>39,071</u>	<u>37,813</u>	<u>34,373</u>	<u>35,119</u>
Income before income taxes	98,961	86,851	87,302	83,441	73,792	67,347
Income tax expense (2)	26,843	20,253	24,616	23,730	21,534	19,396
Net income	<u>\$ 72,118</u>	<u>\$ 66,598</u>	<u>\$ 62,686</u>	<u>\$ 59,711</u>	<u>\$ 52,258</u>	<u>\$ 47,951</u>
Earnings per share:						
Basic	\$ 0.79	\$ 0.73	\$ 0.69	\$ 0.66	\$ 0.57	\$ 0.53
Diluted	0.77	0.72	0.68	0.65	0.57	0.52
Weighted average shares outstanding:						
Basic	91,381	91,258	90,991	90,961	90,912	90,785
Diluted	93,162	93,023	92,577	92,399	92,138	91,859
Other Data:						
Loss ratio (3)	1.4%	3.1%	3.3%	4.5%	2.9%	4.0%
Expense ratio (4)	28.2%	30.9%	29.8%	29.6%	31.2%	33.2%
Combined ratio	<u>29.6%</u>	<u>34.0%</u>	<u>33.1%</u>	<u>34.1%</u>	<u>34.1%</u>	<u>37.2%</u>
Return on average equity (annualized)	19.8%	19.3%	18.9%	18.7%	17.2%	16.7%

(1) In 2016, other revenues included the change in the fair value of insurance and certain reinsurance policies issued by Essent Reinsurance Ltd. ("Essent Re") in connection with Freddie Mac's Agency Credit Insurance Structure ("ACIS") program that were accounted for as derivatives under GAAP. In the three months ended September 30, 2016, these contracts were amended and are now accounted for as insurance contracts. The change in fair values of these policies was \$2,012, (\$755) and \$677 in the three months ended September 30, 2016, June 30, 2016 and March 31, 2016, respectively.

(2) Income tax expense for the quarter ended March 31, 2017 was reduced by \$3,023 of excess tax benefits associated with the vesting of common shares and common share units during the quarter. Prior to January 1, 2017, excess tax benefits were recognized in additional paid-in-capital.

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

(4) 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>	2017		2016			
	June 30	March 31	December 31	September 30	June 30	March 31
U.S. Mortgage Insurance Portfolio						
Flow:						
New insurance written	\$ 11,368,276	\$ 8,034,153	\$ 10,475,258	\$ 10,299,161	\$ 8,715,171	\$ 5,366,675
New risk written	2,786,501	1,929,832	2,498,831	2,536,734	2,167,333	1,340,588
Bulk:						
New insurance written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 93,054
New risk written	—	—	—	—	—	8,480
Total:						
Average premium rate (5)	0.53%	0.53%	0.56%	0.58%	0.57%	0.56%
New insurance written	\$ 11,368,276	\$ 8,034,153	\$ 10,475,258	\$ 10,299,161	\$ 8,715,171	\$ 5,459,729
New risk written	\$ 2,786,501	\$ 1,929,832	\$ 2,498,831	\$ 2,536,734	\$ 2,167,333	\$ 1,349,068
Insurance in force (end of period)	\$95,494,390	\$87,993,227	\$ 83,265,522	\$ 77,614,373	\$72,267,099	\$67,716,741
Risk in force (end of period)	\$23,665,045	\$21,801,667	\$ 20,627,317	\$ 19,289,387	\$17,937,364	\$16,745,819
Policies in force	430,585	397,650	375,898	350,600	328,441	308,779
Weighted average coverage (6)	24.8%	24.8%	24.8%	24.9%	24.8%	24.7%
Annual persistency	80.1%	78.2%	77.7%	79.4%	81.0%	81.0%
Loans in default (count)	1,776	1,777	1,757	1,453	1,174	1,060
Percentage of loans in default	0.41%	0.45%	0.47%	0.41%	0.36%	0.34%
Other Risk in Force						
GSE Risk Share (7)	\$ 479,762	\$ 436,991	\$ 384,103	\$ 302,211	\$ 305,357	\$ 188,766
Credit Facility						
Borrowings outstanding	\$ 175,000	\$ 125,000	\$ 100,000	\$ 50,000	\$ —	N/A
Undrawn committed capacity	\$ 200,000	\$ 75,000	\$ 100,000	\$ 150,000	\$ 200,000	N/A
Weighted average interest rate	3.21%					

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

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

(7) 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, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
	(\$ in thousands)							
>=760	\$ 4,913,160	43.2%	\$ 4,013,236	46.1%	\$ 8,312,914	42.8%	\$ 6,301,139	44.7%
740-759	1,785,683	15.7	1,406,617	16.1	3,028,961	15.6	2,246,425	16.0
720-739	1,547,404	13.6	1,157,032	13.3	2,696,619	13.9	1,936,588	13.8
700-719	1,321,235	11.6	950,965	10.9	2,279,250	11.8	1,533,696	10.9
680-699	963,139	8.5	688,642	7.9	1,657,953	8.5	1,175,494	8.3
<=679	837,655	7.4	498,679	5.7	1,426,732	7.4	888,504	6.3
Total	<u>\$11,368,276</u>	<u>100.0%</u>	<u>\$ 8,715,171</u>	<u>100.0%</u>	<u>\$19,402,429</u>	<u>100.0%</u>	<u>\$14,081,846</u>	<u>100.0%</u>
Weighted average credit score	745		749		745		747	

NIW by LTV

	Three Months Ended				Six Months Ended			
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
	(\$ in thousands)							
85.00% and below	\$ 1,405,971	12.4%	\$ 1,176,073	13.5%	\$ 2,624,771	13.5%	\$ 1,840,071	13.1%
85.01% to 90.00%	3,393,904	29.9	2,848,106	32.7	5,892,811	30.4	4,651,882	33.0
90.01% to 95.00%	5,132,855	45.1	4,330,416	49.7	8,644,458	44.6	7,060,980	50.1
95.01% and above	1,435,546	12.6	360,576	4.1	2,240,389	11.5	528,913	3.8
Total	<u>\$11,368,276</u>	<u>100.0%</u>	<u>\$ 8,715,171</u>	<u>100.0%</u>	<u>\$19,402,429</u>	<u>100.0%</u>	<u>\$14,081,846</u>	<u>100.0%</u>
Weighted average LTV	92%		92%		92%		92%	

NIW by Product

	Three Months Ended				Six Months Ended			
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
	(\$ in thousands)							
Single Premium policies	14.5%		18.4%		14.4%		20.8%	
Monthly Premium policies	85.5		81.6		85.6		79.2	
	<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, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
	(\$ in thousands)							
Purchase	87.5%		82.5%		83.9%		82.1%	
Refinance	12.5		17.5		16.1		17.9	
	<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

	Three Months Ended				Six Months Ended							
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016					
	(\$ in thousands)											
>=760	\$	—	0.0%	\$	—	0.0%	\$	—	0.0%	\$	45,625	49.0%
740-759		—	—		—	—		—	—		18,154	19.5
720-739		—	—		—	—		—	—		11,475	12.3
700-719		—	—		—	—		—	—		8,220	8.8
680-699		—	—		—	—		—	—		6,453	7.0
<=679		—	—		—	—		—	—		3,127	3.4
Total	\$	—	0.0%	\$	—	0.0%	\$	—	0.0%	\$	93,054	100.0%
Weighted average credit score												

NIW by LTV

	Three Months Ended				Six Months Ended							
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016					
	(\$ in thousands)											
85.00% and below	\$	—	0.0%	\$	—	0.0%	\$	—	0.0%	\$	755	0.8%
85.01% to 90.00%		—	—		—	—		—	—		27,757	29.8
90.01% to 95.00%		—	—		—	—		—	—		64,542	69.4
95.01% and above		—	—		—	—		—	—		—	—
Total	\$	—	0.0%	\$	—	0.0%	\$	—	0.0%	\$	93,054	100.0%
Weighted average LTV												

NIW by Product

	Three Months Ended				Six Months Ended			
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
	(\$ in thousands)							
Single Premium policies		0.0%		0.0%		0.0%		100.0%
Monthly Premium policies		—		—		—		—
		<u>0.0%</u>		<u>0.0%</u>		<u>0.0%</u>		<u>100.0%</u>

NIW by Purchase vs. Refinance

	Three Months Ended				Six Months Ended			
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
	(\$ in thousands)							
Purchase		0.0%		0.0%		0.0%		100.0%
Refinance		—		—		—		—
		<u>0.0%</u>		<u>0.0%</u>		<u>0.0%</u>		<u>100.0%</u>

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

Portfolio by Credit Score

Total IIF by FICO score (\$ in thousands)	June 30, 2017		March 31, 2017		June 30, 2016	
>=760	\$ 42,839,819	44.8%	\$ 39,724,096	45.1%	\$ 33,032,120	45.7%
740-759	15,628,721	16.4	14,460,034	16.4	12,096,199	16.7
720-739	13,568,471	14.2	12,550,737	14.3	10,374,218	14.4
700-719	10,239,343	10.7	9,325,770	10.6	7,365,368	10.2
680-699	7,715,118	8.1	7,051,155	8.0	5,696,562	7.9
<=679	5,502,918	5.8	4,881,435	5.6	3,702,632	5.1
Total	\$ 95,494,390	100.0%	\$ 87,993,227	100.0%	\$ 72,267,099	100.0%

Weighted average credit score 748 748 749

Total RIF by FICO score (\$ in thousands)	June 30, 2017		March 31, 2017		June 30, 2016	
>=760	\$ 10,565,479	44.6%	\$ 9,791,036	44.9%	\$ 8,138,995	45.4%
740-759	3,900,374	16.5	3,609,590	16.6	3,023,589	16.9
720-739	3,400,897	14.4	3,146,943	14.4	2,607,057	14.5
700-719	2,531,834	10.7	2,303,107	10.6	1,820,731	10.1
680-699	1,928,884	8.1	1,762,997	8.1	1,432,032	8.0
<=679	1,337,577	5.7	1,187,994	5.4	914,960	5.1
Total	\$ 23,665,045	100.0%	\$ 21,801,667	100.0%	\$ 17,937,364	100.0%

Portfolio by LTV

Total IIF by LTV (\$ in thousands)	June 30, 2017		March 31, 2017		June 30, 2016	
85.00% and below	\$ 11,175,433	11.7%	\$ 10,403,824	11.8%	\$ 7,957,849	11.0%
85.01% to 90.00%	30,771,122	32.2	28,744,011	32.7	24,456,328	33.8
90.01% to 95.00%	48,225,083	50.5	44,862,812	51.0	37,911,936	52.5
95.01% and above	5,322,752	5.6	3,982,580	4.5	1,940,986	2.7
Total	\$ 95,494,390	100.0%	\$ 87,993,227	100.0%	\$ 72,267,099	100.0%

Weighted average LTV 92% 92% 92%

Total RIF by LTV (\$ in thousands)	June 30, 2017		March 31, 2017		June 30, 2016	
85.00% and below	\$ 1,261,421	5.3%	\$ 1,172,920	5.4%	\$ 901,838	5.0%
85.01% to 90.00%	7,301,776	30.9	6,821,725	31.3	5,824,455	32.5
90.01% to 95.00%	13,776,313	58.2	12,829,032	58.8	10,802,375	60.2
95.01% and above	1,325,535	5.6	977,990	4.5	408,696	2.3
Total	\$ 23,665,045	100.0%	\$ 21,801,667	100.0%	\$ 17,937,364	100.0%

Portfolio by Loan Amortization Period

Total IIF by Loan Amortization Period (\$ in thousands)	June 30, 2017		March 31, 2017		June 30, 2016	
FRM 30 years and higher	\$ 86,471,721	90.5%	\$ 79,647,327	90.5%	\$ 65,269,610	90.3%
FRM 20-25 years	2,458,906	2.6	2,298,806	2.6	1,660,361	2.3
FRM 15 years	3,521,645	3.7	3,290,900	3.8	2,653,056	3.7
ARM 5 years and higher	3,042,118	3.2	2,756,194	3.1	2,684,072	3.7
Total	\$ 95,494,390	100.0%	\$ 87,993,227	100.0%	\$ 72,267,099	100.0%

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

<u>(\$ in thousands)</u>	<u>June 30, 2017</u>	<u>March 31, 2017</u>	<u>June 30, 2016</u>
GSE Risk Share (1)	<u>\$ 479,762</u>	<u>\$ 436,991</u>	<u>\$ 305,357</u>
Weighted average credit score	749	750	751
Weighted average LTV	83%	83%	80%

(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, 2017

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	\$ 22,547	9.2%	149	79.6%	48.5%	0.0%	2.8%	62.0%	100.0%	2.8%	1
2011	3,229,720	475,807	14.7	2,644	76.6	45.9	0.2	5.1	54.4	95.9	3.7	34
2012	11,241,161	3,268,512	29.1	16,564	76.1	54.9	0.5	5.4	56.0	98.0	2.4	126
2013	21,152,638	8,067,843	38.1	40,249	79.0	57.0	1.8	7.7	51.3	97.5	2.5	294
2014	24,799,434	12,791,786	51.6	64,102	87.5	61.7	3.9	15.2	42.2	94.4	3.5	576
2015	26,193,656	19,499,925	74.4	88,437	82.5	55.9	2.5	14.7	43.8	96.7	3.2	440
2016	34,949,319	32,242,272	92.3	136,029	79.5	53.9	6.1	14.0	45.0	98.0	2.8	283
2017 (through June 30)	19,402,429	19,125,698	98.6	82,411	83.9	56.2	11.6	16.0	42.7	96.1	1.1	22
Total	<u>\$ 141,214,255</u>	<u>\$ 95,494,390</u>	67.6	<u>430,585</u>	81.9	56.1	5.6	13.8	44.8	96.8	2.9	<u>1,776</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

	<u>June 30, 2017</u>	<u>March 31, 2017</u>	<u>June 30, 2016</u>
CA	9.4%	9.4%	9.5%
TX	8.2	8.2	8.3
FL	6.9	6.8	6.5
WA	4.8	4.8	4.7
IL	4.0	3.9	4.1
NC	3.6	3.6	3.8
NJ	3.6	3.6	3.4
GA	3.4	3.4	3.3
AZ	3.2	3.2	3.2
MN	3.2	3.2	3.0
All Others	49.7	49.9	50.2
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

RIF by State

	<u>June 30, 2017</u>	<u>March 31, 2017</u>	<u>June 30, 2016</u>
CA	9.0%	9.0%	9.1%
TX	8.4	8.5	8.6
FL	7.1	7.0	6.7
WA	4.9	4.9	4.8
IL	3.9	3.9	4.1
NC	3.7	3.7	3.9
NJ	3.5	3.5	3.4
GA	3.5	3.5	3.5
MN	3.3	3.3	3.1
OH	3.2	3.1	3.0
All Others	49.5	49.6	49.8
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		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
Beginning default inventory	1,777	1,060	1,757	1,028
Plus: new defaults	1,105	754	2,305	1,523
Less: cures	(1,063)	(608)	(2,177)	(1,314)
Less: claims paid	(43)	(31)	(108)	(61)
Less: rescissions and denials, net	—	(1)	(1)	(2)
Ending default inventory	<u>1,776</u>	<u>1,174</u>	<u>1,776</u>	<u>1,174</u>

Rollforward of Reserve for Losses and LAE

(\$ in thousands)	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
Reserve for losses and LAE at beginning of period	\$ 29,468	\$ 20,470	\$ 28,142	\$ 17,760
Add provision for losses and LAE occurring in:				
Current year	5,026	4,488	12,116	9,568
Prior years	(3,256)	(1,524)	(6,653)	(2,873)
Incurred losses during the period	<u>1,770</u>	<u>2,964</u>	<u>5,463</u>	<u>6,695</u>
Deduct payments for losses and LAE occurring in:				
Current year	96	111	97	112
Prior years	1,344	849	3,710	1,869
Loss and LAE payments during the period	<u>1,440</u>	<u>960</u>	<u>3,807</u>	<u>1,981</u>
Reserve for losses and LAE at end of period	<u>\$ 29,798</u>	<u>\$ 22,474</u>	<u>\$ 29,798</u>	<u>\$ 22,474</u>

Claims

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
Number of claims paid	43	31	108	61
Total amount paid for claims (in thousands)	\$ 1,380	\$ 924	\$ 3,687	\$ 1,922
Average amount paid per claim (in thousands)	\$ 32	\$ 30	\$ 34	\$ 32
Severity	81%	71%	85%	81%

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

June 30, 2017

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of Defaulted RIF
<i>(\$ in thousands)</i>						
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%					

December 31, 2016

	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	914	52%	\$ 6,615	26%	\$ 50,737	13%
Four to eleven payments	620	35	11,505	45	32,833	35
Twelve or more payments	179	10	5,678	22	9,575	59
Pending claims	44	3	1,960	7	2,272	86
Total case reserves	<u>1,757</u>	<u>100%</u>	<u>25,758</u>	<u>100%</u>	<u>\$ 95,417</u>	<u>27</u>
IBNR			1,932			
LAE			452			
Total reserves for losses and LAE			<u>\$ 28,142</u>			
Average reserve per default:						
Case			\$ 14.7			
Total			\$ 16.0			
Default Rate	0.47%					

June 30, 2016

	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	565	48%	\$ 4,494	22%	\$ 30,478	15%
Four to eleven payments	446	38	10,196	49	24,520	42
Twelve or more payments	126	11	4,431	22	6,703	66
Pending claims	37	3	1,504	7	1,693	89
Total case reserves	<u>1,174</u>	<u>100%</u>	<u>20,625</u>	<u>100%</u>	<u>\$ 63,394</u>	<u>33</u>
IBNR			1,547			
LAE			302			
Total reserves for losses and LAE			<u>\$ 22,474</u>			
Average reserve per default:						
Case			\$ 17.6			
Total			\$ 19.1			
Default Rate	0.36%					

Essent Group Ltd. and Subsidiaries
Supplemental Information
Investment Portfolio

Investment Portfolio by Asset Class

Asset Class (\$ in thousands)	June 30, 2017		December 31, 2016	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 202,364	11.0%	\$ 191,548	11.9%
U.S. agency securities	26,357	1.4	18,441	1.1
U.S. agency mortgage-backed securities	397,602	21.6	316,494	19.6
Municipal debt securities	370,068	20.1	334,324	20.7
Corporate debt securities	555,965	30.2	456,357	28.3
Residential and commercial mortgage securities	69,672	3.8	68,336	4.2
Asset-backed securities	135,505	7.4	127,172	7.9
Money market funds	83,508	4.5	102,430	6.3
Total Investments	\$ 1,841,041	100.0%	\$ 1,615,102	100.0%

Investment Portfolio by Credit Rating

Rating (1) (\$ in thousands)	June 30, 2017		December 31, 2016	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 853,219	46.3%	\$ 780,513	48.3%
Aa1	93,554	5.1	88,977	5.5
Aa2	106,282	5.8	101,772	6.3
Aa3	87,084	4.7	89,421	5.5
A1	201,148	10.9	143,938	8.9
A2	136,813	7.4	126,113	7.8
A3	106,566	5.8	95,926	6.0
Baa1	109,780	6.0	85,864	5.3
Baa2	96,096	5.2	71,950	4.5
Baa3	32,658	1.8	24,544	1.5
Below Baa3 / Unrated	17,841	1.0	6,084	0.4
Total Investments	\$ 1,841,041	100.0%	\$ 1,615,102	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, 2017		December 31, 2016	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 368,433	20.0%	\$ 329,901	20.4%
1 to < 2 Years	155,935	8.5	153,184	9.5
2 to < 3 Years	257,442	14.0	156,620	9.7
3 to < 4 Years	183,786	10.0	176,896	11.0
4 to < 5 Years	205,481	11.1	139,115	8.6
5 or more Years	669,964	36.4	659,386	40.8
Total Investments	\$ 1,841,041	100.0%	\$ 1,615,102	100.0%

Pre-tax investment income yield:

Three months ended June 30, 2017	2.24%
Six months ended June 30, 2017	2.20%

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

(\$ in thousands)	
As of June 30, 2017	\$ 27,188
As of December 31, 2016	\$ 46,561

Essent Group Ltd. and Subsidiaries
Supplemental Information
Insurance Company Capital

<u>(\$ in thousands)</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
U.S. Mortgage Insurance Subsidiaries:		
Combined statutory capital (1)	\$ 1,270,440	\$ 1,144,279
Combined net risk in force (2)	\$ 18,937,727	\$ 16,801,992
Risk-to-capital ratios: (3)		
Essent Guaranty, Inc.	15.5:1	15.3:1
Essent Guaranty of PA, Inc.	6.2:1	6.8:1
Combined (4)	14.9:1	14.7:1
Essent Reinsurance Ltd.:		
Stockholder's equity (GAAP basis)	\$ 537,740	\$ 401,273
Net risk in force (2)	\$ 5,177,768	\$ 4,181,737

(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, 2017, December 31, 2016 and June 30, 2016, 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, 2017, December 31, 2016 and June 30, 2016 in accordance with Regulation G:

<u>(In thousands, except per share amounts)</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 2016</u>
Numerator:			
Total Stockholders' Equity (Book Value)	\$ 1,497,897	\$ 1,343,773	\$ 1,248,607
Subtract: Accumulated Other Comprehensive Income (Loss)	<u>1,065</u>	<u>(12,255)</u>	<u>23,962</u>
Adjusted Book Value	<u>\$ 1,496,832</u>	<u>\$ 1,356,028</u>	<u>\$ 1,224,645</u>
Denominator:			
Total Common Shares Outstanding	93,424	93,105	93,106
Add: Restricted Share Units Outstanding	<u>559</u>	<u>493</u>	<u>490</u>
Total Common Shares and Share Units Outstanding	<u>93,983</u>	<u>93,598</u>	<u>93,596</u>
Adjusted Book Value per Share	<u>\$ 15.93</u>	<u>\$ 14.49</u>	<u>\$ 13.08</u>