

Essent Group Ltd. and Subsidiaries
Financial Results and Supplemental Information (Unaudited)
Quarter Ended March 31, 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 March 31,	
	2019	2018
Revenues:		
Net premiums written	\$ 177,644	\$ 165,225
Decrease (increase) in unearned premiums	147	(12,667)
Net premiums earned	177,791	152,558
Net investment income	19,880	13,714
Realized investment gains, net	660	197
Other income	2,195	994
Total revenues	200,526	167,463
Losses and expenses:		
Provision for losses and LAE	7,107	5,309
Other underwriting and operating expenses	41,030	38,124
Interest expense	2,670	2,450
Total losses and expenses	50,807	45,883
Income before income taxes	149,719	121,580
Income tax expense	21,999	10,511
Net income	\$ 127,720	\$ 111,069
Earnings per share:		
Basic	\$ 1.31	\$ 1.14
Diluted	1.30	1.13
Weighted average shares outstanding:		
Basic	97,595	97,298
Diluted	98,104	97,951
Net income	\$ 127,720	\$ 111,069
Other comprehensive income (loss):		
Change in unrealized appreciation (depreciation) of investments	38,366	(28,750)
Total other comprehensive income (loss)	38,366	(28,750)
Comprehensive income	\$ 166,086	\$ 82,319
Loss ratio	4.0%	3.5%
Expense ratio	23.1	25.0
Combined ratio	27.1%	28.5%

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

<u>(In thousands, except per share amounts)</u>	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Assets		
Investments		
Fixed maturities available for sale, at fair value	\$ 2,765,267	\$ 2,605,666
Short-term investments available for sale, at fair value	210,822	154,400
Total investments available for sale	<u>2,976,089</u>	<u>2,760,066</u>
Other invested assets	32,735	30,952
Total investments	3,008,824	2,791,018
Cash	40,489	64,946
Accrued investment income	18,176	17,627
Accounts receivable	38,194	36,881
Deferred policy acquisition costs	15,657	16,049
Property and equipment	17,940	7,629
Prepaid federal income tax	202,385	202,385
Other assets	11,580	13,436
Total assets	<u><u>\$ 3,353,245</u></u>	<u><u>\$ 3,149,971</u></u>
Liabilities and Stockholders' Equity		
Liabilities		
Reserve for losses and LAE	\$ 53,484	\$ 49,464
Unearned premium reserve	295,320	295,467
Net deferred tax liability	196,040	172,642
Credit facility borrowings, net of deferred costs	223,807	223,664
Securities purchased payable	22,546	2,041
Other accrued liabilities	34,245	40,976
Total liabilities	<u>825,442</u>	<u>784,254</u>
Commitments and contingencies		
Stockholders' Equity		
Common shares	1,475	1,472
Additional paid-in capital	1,106,797	1,110,800
Accumulated other comprehensive income (loss)	9,373	(28,993)
Retained earnings	1,410,158	1,282,438
Total stockholders' equity	<u>2,527,803</u>	<u>2,365,717</u>
Total liabilities and stockholders' equity	<u><u>\$ 3,353,245</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		
	March 31	December 31	September 30	June 30	March 31
<u>(In thousands, except per share amounts)</u>					
Revenues:					
Net premiums written	\$ 177,644	\$ 176,437	\$ 175,221	\$ 168,404	\$ 165,225
Net premiums earned (1)	177,791	173,301	166,675	156,958	152,558
Other revenues (2)	22,735	19,823	18,323	16,810	14,905
Total revenues	200,526	193,124	184,998	173,768	167,463
Losses and expenses:					
Provision for losses and LAE (3)	7,107	(999)	5,452	1,813	5,309
Other underwriting and operating expenses	41,030	39,449	36,899	36,428	38,124
Interest expense	2,670	2,611	2,500	2,618	2,450
Total losses and expenses	50,807	41,061	44,851	40,859	45,883
Income before income taxes	149,719	152,063	140,147	132,909	121,580
Income tax expense (4)	21,999	23,535	24,136	21,154	10,511
Net income	\$ 127,720	\$ 128,528	\$ 116,011	\$ 111,755	\$ 111,069
Earnings per share:					
Basic	\$ 1.31	\$ 1.32	\$ 1.19	\$ 1.15	\$ 1.14
Diluted	1.30	1.31	1.18	1.14	1.13
Weighted average shares outstanding:					
Basic	97,595	97,450	97,438	97,426	97,298
Diluted	98,104	98,066	98,013	97,866	97,951
Other Data:					
Loss ratio (5)	4.0%	(0.6)%	3.3%	1.2%	3.5%
Expense ratio (6)	23.1	22.8	22.1	23.2	25.0
Combined ratio	27.1%	22.2 %	25.4%	24.4%	28.5%
Return on average equity (annualized)	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 \$6,038, \$3,731, \$3,158, \$3,585 and \$294 in the three months ended 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 quarter ended March 31, 2019 includes a \$1,424 favorable increase in the fair value of these embedded derivatives.

(3) Provision for losses and LAE for the quarter 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 quarters 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 quarter 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: (\$ in thousands)	2019		2018		
	March 31	December 31	September 30	June 30	March 31
U.S. Mortgage Insurance Portfolio					
Flow:					
New insurance written	\$ 10,945,307	\$ 11,408,542	\$ 13,913,191	\$ 12,850,642	\$ 9,336,150
New risk written	2,713,389	2,838,530	3,430,942	3,201,610	2,295,314
Bulk:					
New insurance written	\$ 55,002	\$ —	\$ —	\$ —	\$ —
New risk written	6,542	—	—	—	—
Total:					
Average gross premium rate (7)	0.50%	0.50%	0.51%	0.52%	0.52%
Average net premium rate (8)	0.48%	0.49%	0.50%	0.51%	0.52%
New insurance written	\$ 11,000,309	\$ 11,408,542	\$ 13,913,191	\$ 12,850,642	\$ 9,336,150
New risk written	\$ 2,719,931	\$ 2,838,530	\$ 3,430,942	\$ 3,201,610	\$ 2,295,314
Insurance in force (end of period)	\$ 143,181,641	\$ 137,720,786	\$ 131,249,957	\$ 122,501,246	\$ 115,250,949
Gross risk in force (end of period) (9)	\$ 35,925,830	\$ 34,482,448	\$ 32,786,194	\$ 30,579,106	\$ 28,691,561
Risk in force (end of period)	\$ 34,744,417	\$ 33,892,869	\$ 32,361,782	\$ 30,154,694	\$ 28,267,149
Policies in force	629,808	608,135	581,570	546,576	517,215
Weighted average coverage (10)	25.1%	25.0%	25.0%	25.0%	24.9%
Annual persistency	85.1%	84.9%	84.0%	83.0%	83.5%
Loans in default (count)	4,096	4,024	3,538	3,519	4,442
Percentage of loans in default	0.65%	0.66%	0.61%	0.64%	0.86%
Other Risk in Force					
GSE and other risk share (11)	\$ 771,175	\$ 655,384	\$ 612,750	\$ 592,493	\$ 557,692
Credit Facility					
Borrowings outstanding	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 265,000
Undrawn committed capacity	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 110,000
Weighted average interest rate	4.48%				

(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					
	March 31, 2019		December 31, 2018		March 31, 2018	
<i>(\$ in thousands)</i>						
>=760	\$ 4,470,503	40.8%	\$ 4,737,774	41.5%	\$ 3,832,218	41.0%
740-759	1,912,141	17.5	1,959,523	17.2	1,550,138	16.6
720-739	1,565,613	14.3	1,665,931	14.6	1,339,145	14.3
700-719	1,352,545	12.4	1,349,689	11.8	1,144,900	12.3
680-699	907,969	8.3	875,125	7.7	809,618	8.7
<=679	736,536	6.7	820,500	7.2	660,131	7.1
Total	<u>\$ 10,945,307</u>	<u>100.0%</u>	<u>\$ 11,408,542</u>	<u>100.0%</u>	<u>\$ 9,336,150</u>	<u>100.0%</u>
Weighted average credit score	744		745		744	

NIW by LTV

	Three Months Ended					
	March 31, 2019		December 31, 2018		March 31, 2018	
<i>(\$ in thousands)</i>						
85.00% and below	\$ 1,442,833	13.2%	\$ 1,384,296	12.1%	\$ 1,212,336	13.0%
85.01% to 90.00%	2,950,348	26.9	3,124,625	27.4	2,708,512	29.0
90.01% to 95.00%	4,659,337	42.6	4,955,729	43.4	4,078,208	43.7
95.01% and above	1,892,789	17.3	1,943,892	17.1	1,337,094	14.3
Total	<u>\$ 10,945,307</u>	<u>100.0%</u>	<u>\$ 11,408,542</u>	<u>100.0%</u>	<u>\$ 9,336,150</u>	<u>100.0%</u>
Weighted average LTV	92%		92%		92%	

NIW by Product

	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Single Premium policies	12.3%	13.5%	20.3%
Monthly Premium policies	87.7	86.5	79.7
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

NIW by Purchase vs. Refinance

	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Purchase	87.6%	93.3%	85.3%
Refinance	12.4	6.7	14.7
	<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)	March 31, 2019		December 31, 2018		March 31, 2018	
>=760	\$ 61,191,185	42.7%	\$ 59,249,659	43.0%	\$ 50,359,464	43.7%
740-759	23,919,745	16.7	22,843,145	16.6	18,791,203	16.3
720-739	20,728,151	14.5	19,898,885	14.5	16,473,367	14.3
700-719	16,454,730	11.5	15,714,206	11.4	12,857,417	11.2
680-699	11,774,884	8.2	11,299,829	8.2	9,622,067	8.3
<=679	9,112,946	6.4	8,715,062	6.3	7,147,431	6.2
Total	<u>\$ 143,181,641</u>	<u>100.0%</u>	<u>\$ 137,720,786</u>	<u>100.0%</u>	<u>\$ 115,250,949</u>	<u>100.0%</u>

Weighted average credit score 746 746 747

Gross RIF by FICO score (\$ in thousands)	March 31, 2019		December 31, 2018		March 31, 2018	
>=760	\$ 15,303,364	42.6%	\$ 14,789,783	42.9%	\$ 12,519,237	43.6%
740-759	6,012,004	16.7	5,736,432	16.6	4,707,875	16.4
720-739	5,257,051	14.6	5,036,063	14.6	4,142,041	14.5
700-719	4,144,221	11.6	3,943,925	11.4	3,192,804	11.1
680-699	2,974,758	8.3	2,846,297	8.3	2,402,777	8.4
<=679	2,234,432	6.2	2,129,948	6.2	1,726,827	6.0
Total	<u>\$ 35,925,830</u>	<u>100.0%</u>	<u>\$ 34,482,448</u>	<u>100.0%</u>	<u>\$ 28,691,561</u>	<u>100.0%</u>

Portfolio by LTV

IIF by LTV (\$ in thousands)	March 31, 2019		December 31, 2018		March 31, 2018	
85.00% and below	\$ 15,581,861	10.9%	\$ 15,123,578	11.0%	\$ 13,371,220	11.6%
85.01% to 90.00%	42,045,657	29.3	41,020,839	29.8	35,907,759	31.2
90.01% to 95.00%	68,414,122	47.8	66,028,990	47.9	56,367,801	48.9
95.01% and above	17,140,001	12.0	15,547,379	11.3	9,604,169	8.3
Total	<u>\$ 143,181,641</u>	<u>100.0%</u>	<u>\$ 137,720,786</u>	<u>100.0%</u>	<u>\$ 115,250,949</u>	<u>100.0%</u>

Weighted average LTV 92% 92% 92%

Gross RIF by LTV (\$ in thousands)	March 31, 2019		December 31, 2018		March 31, 2018	
85.00% and below	\$ 1,797,794	5.0%	\$ 1,741,823	5.1%	\$ 1,519,929	5.3%
85.01% to 90.00%	10,083,981	28.1	9,819,171	28.5	8,543,010	29.8
90.01% to 95.00%	19,605,747	54.6	18,912,421	54.8	16,176,713	56.4
95.01% and above	4,438,308	12.3	4,009,033	11.6	2,451,909	8.5
Total	<u>\$ 35,925,830</u>	<u>100.0%</u>	<u>\$ 34,482,448</u>	<u>100.0%</u>	<u>\$ 28,691,561</u>	<u>100.0%</u>

Portfolio by Loan Amortization Period

IIF by Loan Amortization Period (\$ in thousands)	March 31, 2019		December 31, 2018		March 31, 2018	
FRM 30 years and higher	\$ 133,725,528	93.4%	\$ 128,083,429	93.0%	\$ 105,438,023	91.5%
FRM 20-25 years	2,912,323	2.1	2,965,782	2.2	3,008,292	2.6
FRM 15 years	3,335,714	2.3	3,445,447	2.5	3,746,030	3.2
ARM 5 years and higher	3,208,076	2.2	3,226,128	2.3	3,058,604	2.7
Total	<u>\$ 143,181,641</u>	<u>100.0%</u>	<u>\$ 137,720,786</u>	<u>100.0%</u>	<u>\$ 115,250,949</u>	<u>100.0%</u>

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

<u>(\$ in thousands)</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
GSE and other risk share (1)	\$ 771,175	\$ 655,384	\$ 557,692
Weighted average credit score	747	748	751
Weighted average LTV	85%	85%	84%

(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
March 31, 2019

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	\$ 7,157	2.9%	50	74.3%	65.1%	0.0%	1.3%	63.4%	100.0%	2.6%	—
2011	3,229,720	205,695	6.4	1,201	70.9	60.7	0.4	6.1	52.4	97.7	3.8	26
2012	11,241,161	1,609,891	14.3	8,601	74.3	67.2	0.7	5.6	56.2	98.8	2.3	99
2013	21,152,638	4,659,035	22.0	24,593	79.9	63.1	2.2	7.8	51.3	98.7	2.3	266
2014	24,799,434	7,756,142	31.3	41,736	88.9	65.2	4.6	15.6	41.2	96.7	3.2	539
2015	26,193,656	12,685,939	48.4	60,705	84.4	58.3	2.7	14.6	43.7	97.9	2.9	619
2016	34,949,319	23,979,879	68.6	106,160	82.5	57.3	6.7	13.6	45.4	98.5	3.3	900
2017	43,858,322	36,591,717	83.4	161,549	86.5	58.8	13.9	16.0	41.6	97.1	4.4	1,136
2018	47,508,525	44,763,371	94.2	182,922	91.9	60.6	17.3	14.8	41.2	97.9	4.3	509
2019 (through March 31)	11,000,309	10,922,815	99.3	42,291	87.6	60.1	17.4	15.1	40.8	98.1	0.3	2
Total	<u>\$ 224,178,982</u>	<u>\$ 143,181,641</u>	63.9	<u>629,808</u>	87.2	59.8	12.0	14.6	42.7	97.8	3.2	<u>4,096</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
March 31, 2019

(\$ in thousands)

Origination 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
			ILN	Other Reinsurance	Total	ILN	Other Reinsurance	Total				
2017	\$ 35,526,434	\$ 8,869,353	\$ 424,412 (1)	\$ 165,167 (2)	\$ 589,579	\$ 424,412	\$ 165,167	\$ 589,579	\$ —	\$ 224,689	\$ 224,453	\$ 3,730
2018	43,948,691	11,010,711	473,184 (3)	118,650 (4)	591,834	473,184	118,650	591,834	—	253,643	253,643	2,308
Total	\$ 79,475,125	\$ 19,880,064	\$ 897,596	\$ 283,817	\$ 1,181,413	\$ 897,596	\$ 283,817	\$ 1,181,413	\$ —	\$ 478,332	\$ 478,096	\$ 6,038

(1) Reinsurance provided by Radnor Re 2018-1 Ltd., through its issuance of mortgage insurance-linked notes ("ILNs"), effective March 2018.

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

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

(4) 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>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
CA	9.3%	9.1%	9.4%
TX	7.9	7.9	8.0
FL	7.4	7.4	7.1
WA	4.7	4.7	4.8
IL	3.8	3.8	3.9
NJ	3.7	3.8	3.7
NC	3.5	3.5	3.5
CO	3.4	3.4	3.1
GA	3.4	3.4	3.4
OH	3.3	3.3	3.2
All Others	49.6	49.7	49.9
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Gross RIF by State

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
CA	9.0%	8.9%	9.1%
TX	8.1	8.1	8.2
FL	7.6	7.5	7.2
WA	4.7	4.7	4.9
IL	3.7	3.8	3.8
NJ	3.7	3.7	3.7
NC	3.5	3.5	3.5
GA	3.5	3.5	3.5
OH	3.4	3.3	3.3
CO	3.3	3.3	3.1
All Others	49.5	49.7	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		
	March 31,	December 31,	March 31,
	2019	2018	2018
Beginning default inventory	4,024	3,538	4,783
Plus: new defaults	2,918	2,747	1,994
Less: cures	(2,749)	(2,183)	(2,270)
Less: claims paid	(88)	(75)	(63)
Less: rescissions and denials, net	(9)	(3)	(2)
Ending default inventory	<u>4,096</u>	<u>4,024</u>	<u>4,442</u>

Rollforward of Reserve for Losses and LAE

(\$ in thousands)	Three Months Ended		
	March 31,	December 31,	March 31,
	2019	2018	2018
Reserve for losses and LAE at beginning of period	\$ 49,464	\$ 53,355	\$ 46,850
Add provision for losses and LAE occurring in:			
Current year	11,828	11,239	9,952
Prior years	(4,721)	(12,238)	(4,643)
Incurred losses and LAE during the period	<u>7,107</u>	<u>(999)</u>	<u>5,309</u>
Deduct payments for losses and LAE occurring in:			
Current year	15	690	—
Prior years	3,072	2,202	2,193
Loss and LAE payments during the period	<u>3,087</u>	<u>2,892</u>	<u>2,193</u>
Reserve for losses and LAE at end of period	<u>\$ 53,484</u>	<u>\$ 49,464</u>	<u>\$ 49,966</u>

Claims

	Three Months Ended		
	March 31,	December 31,	March 31,
	2019	2018	2018
Number of claims paid	88	75	63
Total amount paid for claims (in thousands)	\$ 2,899	\$ 2,711	\$ 2,143
Average amount paid per claim (in thousands)	\$ 33	\$ 36	\$ 34
Severity	78%	82%	76%

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

March 31, 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
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	2,172	53%	\$ 11,374	23%	\$ 117,607	10%
Four to eleven payments	1,492	36	23,599	48	80,842	29
Twelve or more payments	361	9	11,105	23	20,526	54
Pending claims	71	2	3,015	6	3,517	86
Total case reserves	<u>4,096</u>	<u>100%</u>	<u>49,093</u>	<u>100%</u>	<u>\$ 222,492</u>	<u>22</u>
IBNR			3,682			
LAE			709			
Total reserves for losses and LAE			<u>\$ 53,484</u>			
Average reserve per default:						
Case			\$ 12.0			
Total			\$ 13.1			
Default Rate	0.65%					

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
<u>(\$ in thousands)</u>						
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%					

March 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
<u>(\$ in thousands)</u>						
Missed Payments:						
Three payments or less	1,958	44%	\$ 10,879	24%	\$ 110,964	10%
Four to eleven payments	2,214	50	25,547	56	130,461	20
Twelve or more payments	239	5	7,877	17	13,343	59
Pending claims	31	1	1,399	3	1,576	89
Total case reserves	<u>4,442</u>	<u>100%</u>	<u>45,702</u>	<u>100%</u>	<u>\$ 256,344</u>	<u>18</u>
IBNR			3,428			
LAE			836			
Total reserves for losses and LAE			<u>\$ 49,966</u>			
Average reserve per default:						
Case			\$ 10.3			
Total			\$ 11.2			
Default Rate	0.86%					

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

Investments Available for Sale by Asset Class

Asset Class (\$ in thousands)	March 31, 2019		December 31, 2018	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 286,843	9.6%	\$ 289,892	10.5%
U.S. agency securities	33,187	1.1	32,997	1.2
U.S. agency mortgage-backed securities	672,142	22.6	637,178	23.1
Municipal debt securities	461,382	15.5	483,879	17.5
Non-U.S. government securities	46,366	1.6	45,001	1.6
Corporate debt securities	763,401	25.6	725,201	26.3
Residential and commercial mortgage securities	187,210	6.3	121,838	4.4
Asset-backed securities	314,736	10.6	284,997	10.3
Money market funds	210,822	7.1	139,083	5.1
Total investments available for sale	<u>\$ 2,976,089</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)	March 31, 2019		December 31, 2018	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 1,526,070	51.3%	\$ 1,362,781	49.4%
Aa1	132,432	4.4	124,435	4.5
Aa2	180,472	6.1	196,218	7.1
Aa3	151,085	5.1	143,315	5.2
A1	232,703	7.8	222,073	8.0
A2	197,798	6.6	199,238	7.2
A3	166,266	5.6	146,300	5.3
Baa1	148,334	5.0	162,695	5.9
Baa2	151,430	5.1	140,168	5.1
Baa3	33,284	1.1	26,805	1.0
Below Baa3	56,215	1.9	36,038	1.3
Total investments available for sale	<u>\$ 2,976,089</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)	March 31, 2019		December 31, 2018	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 669,219	22.5%	\$ 529,545	19.2%
1 to < 2 Years	300,735	10.1	285,060	10.3
2 to < 3 Years	302,996	10.2	251,763	9.1
3 to < 4 Years	424,770	14.3	278,804	10.1
4 to < 5 Years	318,980	10.7	429,005	15.6
5 or more Years	959,389	32.2	985,889	35.7
Total investments available for sale	<u>\$ 2,976,089</u>	<u>100.0%</u>	<u>\$ 2,760,066</u>	<u>100.0%</u>

Pre-tax investment income yield:

Three months ended March 31, 2019 2.85%

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

(\$ in thousands)

As of March 31, 2019 \$ 73,793

As of December 31, 2018 \$ 78,405

Essent Group Ltd. and Subsidiaries
Supplemental Information
Insurance Company Capital

<u>(\$ in thousands)</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
U.S. Mortgage Insurance Subsidiaries:		
Combined statutory capital (1)	\$ 1,987,048	\$ 1,886,929
Combined net risk in force (2)	\$ 26,813,408	\$ 26,233,783
Risk-to-capital ratios: (3)		
Essent Guaranty, Inc.	14.0:1	14.4:1
Essent Guaranty of PA, Inc.	4.0:1	4.2:1
Combined (4)	13.5:1	13.9:1
Essent Reinsurance Ltd.:		
Stockholder's equity (GAAP basis)	\$ 846,579	\$ 798,612
Net risk in force (2)	\$ 8,649,409	\$ 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.

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. The Company does not view these unrealized gains and losses to be indicative of our fundamental operating performance. As of March 31, 2019, December 31, 2018 and March 31, 2018, 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 March 31, 2019, December 31, 2018 and March 31, 2018 in accordance with Regulation G:

<u>(In thousands, except per share amounts)</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Numerator:			
Total Stockholders' Equity (Book Value)	\$ 2,527,803	\$ 2,365,717	\$ 1,995,290
Subtract: Accumulated Other Comprehensive Income (Loss)	<u>9,373</u>	<u>(28,993)</u>	<u>(32,002)</u>
Adjusted Book Value	<u>\$ 2,518,430</u>	<u>\$ 2,394,710</u>	<u>\$ 2,027,292</u>
Denominator:			
Total Common Shares Outstanding	98,364	98,139	98,102
Add: Restricted Share Units Outstanding	<u>374</u>	<u>449</u>	<u>456</u>
Total Common Shares and Share Units Outstanding	<u>98,738</u>	<u>98,588</u>	<u>98,558</u>
Adjusted Book Value per Share	<u>\$ 25.51</u>	<u>\$ 24.29</u>	<u>\$ 20.57</u>