

Essent Group Ltd. and Subsidiaries
Financial Results and Supplemental Information (Unaudited)
Quarter Ended March 31, 2020

Exhibit A	Condensed Consolidated Statements of Comprehensive Income (Unaudited)
Exhibit B	Condensed Consolidated Balance Sheets (Unaudited)
Exhibit C	Historical Quarterly Data
Exhibit D	New Insurance Written
Exhibit E	Insurance in Force and Risk in Force
Exhibit F	Other Risk in Force
Exhibit G	Portfolio Vintage Data
Exhibit H	Reinsurance Vintage Data
Exhibit I	Portfolio Geographic Data
Exhibit J	Defaults, Reserve for Losses and LAE, and Claims
Exhibit K	Investments Available for Sale
Exhibit L	Insurance Company Capital
Exhibit M	Reconciliation of Non-GAAP Financial Measure - Adjusted Book Value per Share

Essent Group Ltd. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands, except per share amounts)	Three Months Ended March 31,	
	2020	2019
Revenues:		
Direct premiums written	\$ 205,980	\$ 183,682
Ceded premiums	(14,237)	(6,038)
Net premiums written	191,743	177,644
Decrease in unearned premiums	14,753	147
Net premiums earned	206,496	177,791
Net investment income	20,633	19,880
Realized investment gains, net	3,135	660
Other income (loss)	(1,424)	2,195
Total revenues	228,840	200,526
Losses and expenses:		
Provision for losses and LAE	8,063	7,107
Other underwriting and operating expenses	41,947	41,030
Interest expense	2,132	2,670
Total losses and expenses	52,142	50,807
Income before income taxes	176,698	149,719
Income tax expense	27,175	21,999
Net income	\$ 149,523	\$ 127,720
Earnings per share:		
Basic	\$ 1.53	\$ 1.31
Diluted	1.52	1.30
Weighted average shares outstanding:		
Basic	97,949	97,595
Diluted	98,326	98,104
Net income	\$ 149,523	\$ 127,720
Other comprehensive income (loss):		
Change in unrealized (depreciation) appreciation of investments	(10,074)	38,366
Total other comprehensive (loss) income	(10,074)	38,366
Comprehensive income	\$ 139,449	\$ 166,086
Loss ratio	3.9%	4.0%
Expense ratio	20.3	23.1
Combined ratio	24.2%	27.1%

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

<u>(In thousands, except per share amounts)</u>	March 31,	December 31,
	2020	2019
Assets		
Investments		
Fixed maturities available for sale, at fair value	\$ 3,110,362	\$ 3,035,385
Short-term investments available for sale, at fair value	595,165	315,362
Total investments available for sale	<u>3,705,527</u>	<u>3,350,747</u>
Other invested assets	75,380	78,873
Total investments	<u>3,780,907</u>	<u>3,429,620</u>
Cash	31,055	71,350
Accrued investment income	18,572	18,535
Accounts receivable	41,228	40,655
Deferred policy acquisition costs	15,147	15,705
Property and equipment	16,325	17,308
Prepaid federal income tax	261,885	261,885
Other assets	21,815	18,367
	<u>4,186,934</u>	<u>3,873,425</u>
Total assets	\$ 4,186,934	\$ 3,873,425
Liabilities and Stockholders' Equity		
Liabilities		
Reserve for losses and LAE	\$ 73,341	\$ 69,362
Unearned premium reserve	264,134	278,887
Net deferred tax liability	259,688	249,620
Credit facility borrowings, net of deferred costs	424,380	224,237
Other accrued liabilities	58,317	66,474
Total liabilities	<u>1,079,860</u>	<u>888,580</u>
Commitments and contingencies		
Stockholders' Equity		
Common shares, \$0.015 par value:		
Authorized - 233,333; issued and outstanding - 98,602 shares in 2020 and 98,394 shares in 2019	1,479	1,476
Additional paid-in capital	1,117,286	1,118,655
Accumulated other comprehensive income	46,113	56,187
Retained earnings	1,942,196	1,808,527
Total stockholders' equity	<u>3,107,074</u>	<u>2,984,845</u>
	<u>\$ 4,186,934</u>	<u>\$ 3,873,425</u>
Total liabilities and stockholders' equity	\$ 4,186,934	\$ 3,873,425
Return on average equity (1)	19.6%	20.8%

(1) The 2019 return on average equity is calculated by dividing annualized year-to-date 2020 net income by average equity. The 2019 return on average equity is calculated by dividing full year 2019 net income by average equity.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

Selected Income Statement Data	2020		2019		
	March 31	December 31	September 30	June 30	March 31
<u>(In thousands, except per share amounts)</u>					
Revenues:					
Net premiums written	\$ 191,743	\$ 196,493	\$ 198,304	\$ 188,404	\$ 177,644
Net premiums earned (1)	206,496	207,671	203,473	188,490	177,791
Other revenues (2)	22,344	21,091	22,914	23,402	22,735
Total revenues	228,840	228,762	226,387	211,892	200,526
Losses and expenses:					
Provision for losses and LAE	8,063	10,929	9,990	4,960	7,107
Other underwriting and operating expenses	41,947	41,231	41,588	41,520	41,030
Interest expense	2,132	2,218	2,584	2,679	2,670
Total losses and expenses	52,142	54,378	54,162	49,159	50,807
Income before income taxes	176,698	174,384	172,225	162,733	149,719
Income tax expense (3)	27,175	27,426	27,595	26,328	21,999
Net income	\$ 149,523	\$ 146,958	\$ 144,630	\$ 136,405	\$ 127,720
Earnings per share:					
Basic	\$ 1.53	\$ 1.50	\$ 1.48	\$ 1.39	\$ 1.31
Diluted	1.52	1.49	1.47	1.39	1.30
Weighted average shares outstanding:					
Basic	97,949	97,830	97,822	97,798	97,595
Diluted	98,326	98,376	98,257	98,170	98,104
Other Data:					
Loss ratio (4)	3.9%	5.3%	4.9%	2.6%	4.0%
Expense ratio (5)	20.3	19.9	20.4	22.0	23.1
Combined ratio	24.2%	25.1%	25.3%	24.7%	27.1%
Return on average equity (annualized)	19.6%	20.1%	20.8%	20.9%	20.9%

(1) Net premiums earned also includes premiums earned on GSE and other risk share. See Exhibit F.

(2) Certain of our third-party reinsurance agreements contain an embedded derivative as the premium ceded under those agreements will vary based on changes in interest rates. Other revenues for the three months ended March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019 include unfavorable decreases of \$4,200, \$3,585 and \$760 and favorable increases of \$1,160 and \$1,424, respectively, in the fair value of these embedded derivatives.

(3) Income tax expense for the three months ended March 31, 2020 and 2019 was reduced by \$620 and \$1,956, respectively, of excess tax benefits associated with the vesting of common shares and common share units during each period.

(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: (\$ in thousands)	2020		2019		
	March 31	December 31	September 30	June 30	March 31
U.S. Mortgage Insurance Portfolio					
Flow:					
New insurance written	\$ 13,549,299	\$ 15,839,836	\$ 18,719,876	\$ 17,973,505	\$ 10,945,307
New risk written	3,384,171	3,966,363	4,695,611	4,485,217	2,713,389
Bulk:					
New insurance written	\$ 151	\$ —	\$ 6,133	\$ 29,524	\$ 55,002
New risk written	24	—	842	2,129	6,542
Total:					
Average gross premium rate (6)	0.51%	0.51%	0.52%	0.51%	0.50%
Average net premium rate (7)	0.48%	0.49%	0.49%	0.49%	0.48%
New insurance written	\$ 13,549,450	\$ 15,839,836	\$ 18,726,009	\$ 18,003,029	\$ 11,000,309
New risk written	\$ 3,384,195	\$ 3,966,363	\$ 4,696,453	\$ 4,487,346	\$ 2,719,931
Insurance in force (end of period)	\$ 165,615,503	\$ 164,005,853	\$ 160,962,192	\$ 153,317,157	\$ 143,181,641
Gross risk in force (end of period) (8)	\$ 41,865,977	\$ 41,402,950	\$ 40,540,289	\$ 38,531,090	\$ 35,925,830
Risk in force (end of period)	\$ 38,290,022	\$ 38,947,857	\$ 38,784,584	\$ 37,034,687	\$ 34,744,417
Policies in force	706,714	702,925	693,085	666,705	629,808
Weighted average coverage (9)	25.3%	25.2%	25.2%	25.1%	25.1%
Annual persistency	73.9%	77.5%	82.1%	84.8%	85.1%
Loans in default (count)	5,841	5,947	5,232	4,405	4,096
Percentage of loans in default	0.83%	0.85%	0.75%	0.66%	0.65%
Other Risk in Force					
GSE and other risk share (10)	\$ 1,100,966	\$ 895,374	\$ 849,184	\$ 802,530	\$ 771,175
Credit Facility					
Borrowings outstanding	\$ 425,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Undrawn committed capacity	\$ 75,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000
Weighted average interest rate (end of period)	2.87%				

(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 end of period insurance in force.

(10) 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, 2020		December 31, 2019		March 31, 2019	
<i>(\$ in thousands)</i>						
>=760	\$ 5,655,716	41.8%	\$ 6,486,486	40.9%	\$ 4,470,503	40.8%
740-759	2,458,032	18.1	2,880,429	18.2	1,912,141	17.5
720-739	2,018,874	14.9	2,401,806	15.2	1,565,613	14.3
700-719	1,558,743	11.5	1,860,120	11.7	1,352,545	12.4
680-699	1,044,918	7.7	1,235,223	7.8	907,969	8.3
<=679	813,016	6.0	975,772	6.2	736,536	6.7
Total	\$ 13,549,299	100.0%	\$ 15,839,836	100.0%	\$ 10,945,307	100.0%
 Weighted average credit score	746		745		744	

NIW by LTV

	Three Months Ended					
	March 31, 2020		December 31, 2019		March 31, 2019	
<i>(\$ in thousands)</i>						
85.00% and below	\$ 1,963,476	14.5%	\$ 2,084,932	13.2%	\$ 1,442,833	13.2%
85.01% to 90.00%	3,987,274	29.4	4,757,915	30.0	2,950,348	26.9
90.01% to 95.00%	5,685,880	42.0	6,771,196	42.7	4,659,337	42.6
95.01% and above	1,912,669	14.1	2,225,793	14.1	1,892,789	17.3
Total	\$ 13,549,299	100.0%	\$ 15,839,836	100.0%	\$ 10,945,307	100.0%
 Weighted average LTV	92%		92%		92%	

NIW by Product

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Single Premium policies	9.7%	10.4%	12.3%
Monthly Premium policies	90.3	89.6	87.7
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

NIW by Purchase vs. Refinance

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Purchase	69.2%	71.8%	87.6%
Refinance	30.8	28.2	12.4
	<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, 2020		December 31, 2019		March 31, 2019	
>=760	\$ 68,385,363	41.3%	\$ 68,123,523	41.5%	\$ 61,191,185	42.7%
740-759	28,289,661	17.1	27,886,603	17.0	23,919,745	16.7
720-739	24,441,834	14.7	24,069,139	14.7	20,728,151	14.5
700-719	19,442,133	11.7	19,183,219	11.7	16,454,730	11.5
680-699	13,859,727	8.4	13,713,164	8.4	11,774,884	8.2
<=679	11,196,785	6.8	11,030,205	6.7	9,112,946	6.4
Total	<u>\$ 165,615,503</u>	<u>100.0%</u>	<u>\$ 164,005,853</u>	<u>100.0%</u>	<u>\$ 143,181,641</u>	<u>100.0%</u>

Weighted average credit score 745 745 746

Gross RIF by FICO score (\$ in thousands)	March 31, 2020		December 31, 2019		March 31, 2019	
>=760	\$ 17,138,596	40.9%	\$ 17,082,683	41.3%	\$ 15,303,364	42.6%
740-759	7,181,181	17.2	7,056,654	17.0	6,012,004	16.7
720-739	6,262,376	15.0	6,150,334	14.9	5,257,051	14.6
700-719	4,950,746	11.8	4,873,597	11.8	4,144,221	11.6
680-699	3,537,973	8.4	3,491,755	8.4	2,974,758	8.3
<=679	2,795,105	6.7	2,747,927	6.6	2,234,432	6.2
Total	<u>\$ 41,865,977</u>	<u>100.0%</u>	<u>\$ 41,402,950</u>	<u>100.0%</u>	<u>\$ 35,925,830</u>	<u>100.0%</u>

Portfolio by LTV

IIF by LTV (\$ in thousands)	March 31, 2020		December 31, 2019		March 31, 2019	
85.00% and below	\$ 17,304,231	10.5%	\$ 17,128,008	10.5%	\$ 15,581,861	10.9%
85.01% to 90.00%	47,063,180	28.4	46,771,386	28.5	42,045,657	29.3
90.01% to 95.00%	77,059,950	46.5	76,611,494	46.7	68,414,122	47.8
95.01% and above	24,188,142	14.6	23,494,965	14.3	17,140,001	12.0
Total	<u>\$ 165,615,503</u>	<u>100.0%</u>	<u>\$ 164,005,853</u>	<u>100.0%</u>	<u>\$ 143,181,641</u>	<u>100.0%</u>

Weighted average LTV 92% 92% 92%

Gross RIF by LTV (\$ in thousands)	March 31, 2020		December 31, 2019		March 31, 2019	
85.00% and below	\$ 1,997,845	4.8%	\$ 1,977,361	4.8%	\$ 1,797,794	5.0%
85.01% to 90.00%	11,322,131	27.0	11,249,383	27.2	10,083,981	28.1
90.01% to 95.00%	22,110,369	52.8	21,981,598	53.1	19,605,747	54.6
95.01% and above	6,435,632	15.4	6,194,608	14.9	4,438,308	12.3
Total	<u>\$ 41,865,977</u>	<u>100.0%</u>	<u>\$ 41,402,950</u>	<u>100.0%</u>	<u>\$ 35,925,830</u>	<u>100.0%</u>

Portfolio by Loan Amortization Period

IIF by Loan Amortization Period (\$ in thousands)	March 31, 2020		December 31, 2019		March 31, 2019	
FRM 30 years and higher	\$ 156,741,714	94.6%	\$ 154,905,519	94.5%	\$ 133,725,528	93.4%
FRM 20-25 years	2,829,876	1.7	2,854,560	1.7	2,912,323	2.1
FRM 15 years	3,230,148	2.0	3,300,715	2.0	3,335,714	2.3
ARM 5 years and higher	2,813,765	1.7	2,945,059	1.8	3,208,076	2.2
Total	<u>\$ 165,615,503</u>	<u>100.0%</u>	<u>\$ 164,005,853</u>	<u>100.0%</u>	<u>\$ 143,181,641</u>	<u>100.0%</u>

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

(\$ in thousands)	2020		2019		
	March 31	December 31	September 30	June 30	March 31
GSE and other risk share (1):					
Premiums earned	\$ 10,778	\$ 9,867	\$ 9,284	\$ 8,622	\$ 7,894
Risk in Force	\$ 1,100,966	\$ 895,374	\$ 849,184	\$ 802,530	\$ 771,175
Weighted average credit score	746	745	746	748	747
Weighted average LTV	85%	85%	85%	85%	85%

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

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Vintage Data
March 31, 2020

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	Percentage of Loans in Default
					% Purchase	>90% LTV	>95% LTV	FICO < 700	FICO >= 760			
2010 - 2014	\$ 60,668,851	\$ 9,744,199	16.1%	53,929	83.9%	68.5%	3.8%	12.2%	45.9%	2.6%	815	1.51%
2015	26,193,656	9,081,764	34.7	45,264	85.2	61.3	2.8	14.8	43.8	2.7	594	1.31
2016	34,949,319	17,593,372	50.3	81,241	84.7	59.6	7.2	13.5	45.7	2.9	890	1.10
2017	43,858,322	27,127,737	61.9	125,541	88.2	61.3	14.8	15.8	41.9	4.2	1,542	1.23
2018	47,508,525	32,032,954	67.4	140,687	92.5	63.0	19.1	15.9	39.5	5.9	1,390	0.99
2019	63,569,183	56,579,438	89.0	212,911	80.6	60.4	18.1	15.8	39.3	4.3	603	0.28
2020 (through March 31)	13,549,450	13,456,039	99.3	47,141	69.1	56.1	14.1	13.7	41.7	1.1	7	0.01
Total	<u>\$ 290,297,306</u>	<u>\$ 165,615,503</u>	57.1	<u>706,714</u>	84.1	61.1	14.6	15.1	41.3	3.4	<u>5,841</u>	0.83

(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, 2020

(\$ in thousands)

Excess of Loss Reinsurance

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	Year-to-Date		Reduction in PMIERS Minimum Required Assets (5)
			ILN (1)	Other Reinsurance (2)	Total	ILN	Other Reinsurance	Total				Earned Premiums Ceded		
2015 & 2016	\$ 25,025,497	\$ 6,762,026	\$ 333,844	\$ —	\$ 333,844	\$ 244,105	\$ —	\$ 244,105	\$ —	\$ 208,111	\$ 208,111	\$ 1,838	\$ 192,485	
2017	26,279,318	6,665,183	424,412	165,167	589,579	280,180	165,167	445,347	—	224,689	221,852	3,353	241,513	
2018	31,375,687	7,923,964	473,184	118,650	591,834	377,509	87,941	465,450	—	253,643	253,081	4,105	366,199	
2019 (3)	34,916,398	8,826,958	495,889	55,102	550,991	495,889	55,102	550,991	—	215,605	215,605	2,489	462,024	
Total	\$ 117,596,900	\$ 30,178,131	\$ 1,727,329	\$ 338,919	\$ 2,066,248	\$ 1,397,683	\$ 308,210	\$ 1,705,893	\$ —	\$ 902,048	\$ 898,649	\$ 11,785	\$ 1,262,221	

Quota Share Reinsurance

Year	Remaining Insurance in Force	Remaining Risk in Force	Remaining Ceded Insurance in Force	Remaining Ceded Risk in Force	Year-to-Date			Reduction in PMIERS Minimum Required Assets (5)
					Losses Ceded	Ceding Commission	Earned Premiums Ceded	
2019 & 2020 (4)	\$ 34,268,944	\$ 8,598,188	\$ 7,542,999	\$ 1,870,062	\$ 98	\$ 1,177	\$ 2,452	\$ 127,311

(1) Reinsurance provided by unaffiliated special purpose insurers through the issuance of mortgage insurance-linked notes ("ILNs").

(2) Reinsurance provided by panels of reinsurers.

(3) Reinsurance coverage on new insurance written from January 1, 2019 through August 31, 2019.

(4) Reinsurance coverage on 40% of eligible single premium policies and 20% of all other eligible policies written from September 1, 2019 through December 31, 2020.

(5) Represents the reduction in Essent Guaranty, Inc.'s Minimum Required Assets based on our interpretation of the PMIERS.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Geographic Data

IIF by State

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
CA	10.4%	10.0%	9.3%
TX	8.9	8.6	7.9
FL	8.0	7.9	7.4
WA	4.2	4.4	4.7
CO	3.8	3.7	3.4
IL	3.6	3.7	3.8
NJ	3.6	3.6	3.7
AZ	3.3	3.3	3.1
OH	3.3	3.4	3.3
NC	3.2	3.3	3.5
All Others	47.7	48.1	49.9
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Gross RIF by State

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
CA	10.1%	9.8%	9.0%
TX	9.2	8.9	8.1
FL	8.2	8.0	7.6
WA	4.2	4.4	4.7
CO	3.7	3.6	3.3
NJ	3.5	3.6	3.7
IL	3.5	3.5	3.7
AZ	3.3	3.2	3.1
OH	3.3	3.3	3.4
GA	3.2	3.3	3.5
All Others	47.8	48.4	49.9
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,
	2020	2019	2019
Beginning default inventory	5,947	5,232	4,024
Plus: new defaults	3,933	3,826	2,918
Less: cures	(3,914)	(3,027)	(2,749)
Less: claims paid	(118)	(80)	(88)
Less: rescissions and denials, net	(7)	(4)	(9)
Ending default inventory	<u>5,841</u>	<u>5,947</u>	<u>4,096</u>

Rollforward of Reserve for Losses and LAE

(\$ in thousands)	Three Months Ended		
	March 31,	December 31,	March 31,
	2020	2019	2019
Reserve for losses and LAE at beginning of period	\$ 69,362	\$ 61,436	\$ 49,464
Less: Reinsurance recoverables	71	—	—
Net reserve for losses and LAE at beginning of period	<u>69,291</u>	<u>61,436</u>	<u>49,464</u>
Add provision for losses and LAE occurring in:			
Current year	15,419	12,658	11,828
Prior years	(7,356)	(1,729)	(4,721)
Incurred losses and LAE during the period	<u>8,063</u>	<u>10,929</u>	<u>7,107</u>
Deduct payments for losses and LAE occurring in:			
Current year	1	631	15
Prior years	4,110	2,443	3,072
Loss and LAE payments during the period	<u>4,111</u>	<u>3,074</u>	<u>3,087</u>
Net reserve for losses and LAE at end of period	<u>73,243</u>	<u>69,291</u>	<u>53,484</u>
Plus: Reinsurance recoverables	98	71	—
Reserve for losses and LAE at end of period	<u>\$ 73,341</u>	<u>\$ 69,362</u>	<u>\$ 53,484</u>

Claims

	Three Months Ended		
	March 31,	December 31,	March 31,
	2020	2019	2019
Number of claims paid	118	80	88
Total amount paid for claims (in thousands)	\$ 4,157	\$ 2,922	\$ 2,899
Average amount paid per claim (in thousands)	\$ 35	\$ 37	\$ 33
Severity	77%	76%	78%

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

March 31, 2020

	Number of Policies in Default	Percentage of Policies in Default	Amount of Reserves	Percentage of Reserves	Defaulted RIF	Reserves as a Percentage of Defaulted RIF
<i>(\$ in thousands)</i>						
Missed Payments:						
Three payments or less	3,043	52%	\$ 15,128	23%	\$ 170,374	9%
Four to eleven payments	2,140	37	30,493	45	114,135	27
Twelve or more payments	518	9	15,235	23	29,596	51
Pending claims	140	2	6,241	9	7,074	88
Total case reserves (1)	<u>5,841</u>	<u>100%</u>	<u>67,097</u>	<u>100%</u>	<u>\$ 321,179</u>	<u>21</u>
IBNR			5,032			
LAE			1,196			
Total reserves for losses and LAE (1)			<u>\$ 73,325</u>			
Average reserve per default:						
Case			\$ 11.5			
Total			\$ 12.6			
Default Rate	0.83%					

(1) The U.S. Mortgage Insurance Portfolio reserves exclude reserves on GSE and other risk share at Essent Re of \$16.

December 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
<i>(\$ in thousands)</i>						
Missed Payments:						
Three payments or less	3,310	56%	\$ 15,793	25%	\$ 177,238	9%
Four to eleven payments	2,035	34	28,006	44	108,743	26
Twelve or more payments	473	8	13,549	22	27,152	50
Pending claims	129	2	5,832	9	6,777	86
Total case reserves (2)	<u>5,947</u>	<u>100%</u>	<u>63,180</u>	<u>100%</u>	<u>\$ 319,910</u>	<u>20</u>
IBNR			4,738			
LAE			1,265			
Total reserves for losses and LAE (2)			<u>\$ 69,183</u>			
Average reserve per default:						
Case			\$ 10.6			
Total			\$ 11.6			
Default Rate	0.85%					

(2) The U.S. Mortgage Insurance Portfolio reserves exclude reserves on GSE and other risk share at Essent Re of \$179.

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

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

Investments Available for Sale by Asset Class

Asset Class (\$ in thousands)	March 31, 2020		December 31, 2019	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 235,565	6.4%	\$ 242,206	7.2%
U.S. agency securities	33,892	0.9	33,605	1.0
U.S. agency mortgage-backed securities	876,298	23.7	848,334	25.3
Municipal debt securities	419,688	11.3	361,638	10.8
Non-U.S. government securities	52,209	1.4	54,995	1.7
Corporate debt securities	879,503	23.7	880,301	26.3
Residential and commercial mortgage securities	275,532	7.4	288,281	8.6
Asset-backed securities	337,675	9.1	326,025	9.7
Money market funds	595,165	16.1	315,362	9.4
Total investments available for sale	<u>\$ 3,705,527</u>	<u>100.0%</u>	<u>\$ 3,350,747</u>	<u>100.0%</u>

Investments Available for Sale by Credit Rating

Rating (1) (\$ in thousands)	March 31, 2020		December 31, 2019	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 2,177,097	58.7%	\$ 1,817,905	54.2%
Aa1	109,937	3.0	109,122	3.3
Aa2	152,322	4.1	145,282	4.3
Aa3	200,368	5.4	159,599	4.8
A1	199,762	5.4	206,643	6.2
A2	199,109	5.4	183,780	5.5
A3	188,393	5.1	191,933	5.7
Baa1	227,067	6.1	232,490	6.9
Baa2	173,772	4.7	179,664	5.4
Baa3	43,374	1.2	65,119	1.9
Below Baa3	34,326	0.9	59,210	1.8
Total investments available for sale	<u>\$ 3,705,527</u>	<u>100.0%</u>	<u>\$ 3,350,747</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, 2020		December 31, 2019	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 1,372,660	37.0%	\$ 1,038,782	31.0%
1 to < 2 Years	508,923	13.7	306,148	9.1
2 to < 3 Years	402,111	10.9	348,708	10.4
3 to < 4 Years	330,719	8.9	361,147	10.8
4 to < 5 Years	298,753	8.1	443,382	13.2
5 or more Years	792,361	21.4	852,580	25.5
Total investments available for sale	<u>\$ 3,705,527</u>	<u>100.0%</u>	<u>\$ 3,350,747</u>	<u>100.0%</u>

Pre-tax investment income yield:
Three months ended March 31, 2020

2.51%

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

(\$ in thousands)

As of March 31, 2020	\$ 279,778
As of December 31, 2019	\$ 98,376

Essent Group Ltd. and Subsidiaries
Supplemental Information
Insurance Company Capital

<u>(\$ in thousands)</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
U.S. Mortgage Insurance Subsidiaries:		
Combined statutory capital (1)	\$ 2,452,730	\$ 2,335,828
Combined net risk in force (2)	\$ 28,729,105	\$ 29,460,191
Risk-to-capital ratios: (3)		
Essent Guaranty, Inc.	12.1:1	13.1:1
Essent Guaranty of PA, Inc.	2.7:1	2.9:1
Combined (4)	11.7:1	12.6:1
Essent Reinsurance Ltd.:		
Stockholder's equity (GAAP basis)	\$ 1,005,038	\$ 939,360
Net risk in force (2)	\$ 10,589,736	\$ 10,314,942

(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 the basis for measures 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 and dividend equivalent 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, 2020, December 31, 2019 and March 31, 2019, 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, 2020, December 31, 2019 and March 31, 2019 in accordance with Regulation G:

<u>(In thousands, except per share amounts)</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Numerator:			
Total Stockholders' Equity (Book Value)	\$ 3,107,074	\$ 2,984,845	\$ 2,527,803
Subtract: Accumulated Other Comprehensive Income	<u>46,113</u>	<u>56,187</u>	<u>9,373</u>
Adjusted Book Value	<u>\$ 3,060,961</u>	<u>\$ 2,928,658</u>	<u>\$ 2,518,430</u>
Denominator:			
Total Common Shares Outstanding	98,602	98,394	98,364
Add: Restricted Share Units and Dividend Equivalent Units Outstanding	<u>495</u>	<u>356</u>	<u>374</u>
Total Common Shares and Share Units Outstanding	<u>99,097</u>	<u>98,750</u>	<u>98,738</u>
Adjusted Book Value per Share	<u>\$ 30.89</u>	<u>\$ 29.66</u>	<u>\$ 25.51</u>