

**Essent Group Ltd. and Subsidiaries**  
**Financial Results and Supplemental Information (Unaudited)**  
**Quarter Ended September 30, 2020**

|           |  |
|-----------|--|
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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, |            |
|--|----------------------------------|------------|---------------------------------|------------|
|  | 2020                             | 2019       | 2020                            | 2019       |
| <b>Revenues:</b>                                 |                                  |            |                                 |            |
| Direct premiums written                          | \$ 243,390                       | \$ 208,567 | \$ 677,414                      | \$ 589,081 |
| Ceded premiums                                   | (21,167)                         | (10,263)   | (57,544)                        | (24,729)   |
| Net premiums written                             | 222,223                          | 198,304    | 619,870                         | 564,352    |
| Decrease in unearned premiums                    | 35                               | 5,169      | 20,355                          | 5,402      |
| Net premiums earned                              | 222,258                          | 203,473    | 640,225                         | 569,754    |
| Net investment income                            | 18,639                           | 21,104     | 59,138                          | 61,565     |
| Realized investment gains, net                   | 267                              | 1,153      | 2,133                           | 2,396      |
| Other income                                     | 1,874                            | 657        | 6,459                           | 5,090      |
| <b>Total revenues</b>                            | 243,038                          | 226,387    | 707,955                         | 638,805    |
| <b>Losses and expenses:</b>                      |                                  |            |                                 |            |
| Provision for losses and LAE                     | 55,280                           | 9,990      | 239,220                         | 22,057     |
| Other underwriting and operating expenses        | 37,100                           | 41,588     | 117,866                         | 124,138    |
| Interest expense                                 | 2,227                            | 2,584      | 6,925                           | 7,933      |
| <b>Total losses and expenses</b>                 | 94,607                           | 54,162     | 364,011                         | 154,128    |
| Income before income taxes                       | 148,431                          | 172,225    | 343,944                         | 484,677    |
| Income tax expense                               | 23,895                           | 27,595     | 54,505                          | 75,922     |
| <b>Net income</b>                                | \$ 124,536                       | \$ 144,630 | \$ 289,439                      | \$ 408,755 |
| <b>Earnings per share:</b>                       |                                  |            |                                 |            |
| Basic  | \$ 1.11                          | \$ 1.48    | \$ 2.78                         | \$ 4.18    |
| Diluted  | 1.11                             | 1.47       | 2.77                            | 4.16       |
| <b>Weighted average shares outstanding:</b>      |                                  |            |                                 |            |
| Basic  | 111,908                          | 97,822     | 104,147                         | 97,739     |
| Diluted  | 112,134                          | 98,257     | 104,383                         | 98,178     |
| <b>Net income</b>                                | \$ 124,536                       | \$ 144,630 | \$ 289,439                      | \$ 408,755 |
| <b>Other comprehensive income (loss):</b>        |                                  |            |                                 |            |
| Change in unrealized appreciation of investments | 12,036                           | 17,367     | 76,247                          | 91,720     |
| Total other comprehensive income                 | 12,036                           | 17,367     | 76,247                          | 91,720     |
| <b>Comprehensive income</b>                      | \$ 136,572                       | \$ 161,997 | \$ 365,686                      | \$ 500,475 |
| <b>Loss ratio</b>                                | 24.9%                            | 4.9%       | 37.4%                           | 3.9%       |
| <b>Expense ratio</b>                             | 16.7                             | 20.4       | 18.4                            | 21.8       |
| <b>Combined ratio</b>                            | 41.6%                            | 25.3%      | 55.8%                           | 25.7%      |

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

| <u>(In thousands, except per share amounts)</u>   | <u>September 30,</u><br><u>2020</u> | <u>December 31,</u><br><u>2019</u> |
|---|-------------------------------------|------------------------------------|
| <b>Assets</b>   |                                     |                                    |
| Investments   |                                     |                                    |
| Fixed maturities available for sale, at fair value  | \$ 3,549,397                        | \$ 3,035,385                       |
| Short-term investments available for sale, at fair value  | 952,952                             | 315,362                            |
| Total investments available for sale  | 4,502,349                           | 3,350,747                          |
| Other invested assets   | 83,063                              | 78,873                             |
| Total investments   | 4,585,412                           | 3,429,620                          |
| Cash  | 118,691                             | 71,350                             |
| Accrued investment income   | 19,152                              | 18,535                             |
| Accounts receivable   | 45,434                              | 40,655                             |
| Deferred policy acquisition costs   | 16,704                              | 15,705                             |
| Property and equipment  | 14,596                              | 17,308                             |
| Prepaid federal income tax  | 279,136                             | 261,885                            |
| Other assets  | 27,963                              | 18,367                             |
| <b>Total assets</b>   | <b>\$ 5,107,088</b>                 | <b>\$ 3,873,425</b>                |
| <b>Liabilities and Stockholders' Equity</b>   |                                     |                                    |
| <b>Liabilities</b>  |                                     |                                    |
| Reserve for losses and LAE  | \$ 307,737                          | \$ 69,362                          |
| Unearned premium reserve  | 258,532                             | 278,887                            |
| Net deferred tax liability  | 281,506                             | 249,620                            |
| Credit facility borrowings, net of deferred costs   | 424,658                             | 224,237                            |
| Other accrued liabilities   | 88,111                              | 66,474                             |
| Total liabilities   | 1,360,544                           | 888,580                            |
| Commitments and contingencies   |                                     |                                    |
| <b>Stockholders' Equity</b>   |                                     |                                    |
| Common shares, \$0.015 par value:   |                                     |                                    |
| Authorized - 233,333; issued and outstanding - 112,423 shares in 2020 and 98,394 shares in 2019 | 1,686                               | 1,476                              |
| Additional paid-in capital  | 1,566,448                           | 1,118,655                          |
| Accumulated other comprehensive income  | 132,434                             | 56,187                             |
| Retained earnings   | 2,045,976                           | 1,808,527                          |
| Total stockholders' equity  | 3,746,544                           | 2,984,845                          |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$ 5,107,088</b>                 | <b>\$ 3,873,425</b>                |
| <b>Return on average equity (1)</b>   | 11.5%                               | 20.8%                              |

(1) The 2020 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              |                   |                   |                   |
|---|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | September 30      | June 30          | March 31          | December 31       | September 30      | June 30           | March 31          |
| <i>(In thousands, except per share amounts)</i> |                   |                  |                   |                   |                   |                   |                   |
| <b>Revenues:</b>                                |                   |                  |                   |                   |                   |                   |                   |
| Net premiums written                            | \$ 222,223        | \$ 205,904       | \$ 191,743        | \$ 196,493        | \$ 198,304        | \$ 188,404        | \$ 177,644        |
| Net premiums earned (1)                         | 222,258           | 211,471          | 206,496           | 207,671           | 203,473           | 188,490           | 177,791           |
| Other revenues (2)                              | 20,780            | 24,606           | 22,344            | 21,091            | 22,914            | 23,402            | 22,735            |
| Total revenues                                  | 243,038           | 236,077          | 228,840           | 228,762           | 226,387           | 211,892           | 200,526           |
| <b>Losses and expenses:</b>                     |                   |                  |                   |                   |                   |                   |                   |
| Provision for losses and LAE                    | 55,280            | 175,877          | 8,063             | 10,929            | 9,990             | 4,960             | 7,107             |
| Other underwriting and operating expenses       | 37,100            | 38,819           | 41,947            | 41,231            | 41,588            | 41,520            | 41,030            |
| Interest expense                                | 2,227             | 2,566            | 2,132             | 2,218             | 2,584             | 2,679             | 2,670             |
| Total losses and expenses                       | 94,607            | 217,262          | 52,142            | 54,378            | 54,162            | 49,159            | 50,807            |
| Income before income taxes                      | 148,431           | 18,815           | 176,698           | 174,384           | 172,225           | 162,733           | 149,719           |
| Income tax expense (3)                          | 23,895            | 3,435            | 27,175            | 27,426            | 27,595            | 26,328            | 21,999            |
| <b>Net income</b>                               | <b>\$ 124,536</b> | <b>\$ 15,380</b> | <b>\$ 149,523</b> | <b>\$ 146,958</b> | <b>\$ 144,630</b> | <b>\$ 136,405</b> | <b>\$ 127,720</b> |
| <b>Earnings per share:</b>                      |                   |                  |                   |                   |                   |                   |                   |
| Basic   | \$ 1.11           | \$ 0.15          | \$ 1.53           | \$ 1.50           | \$ 1.48           | \$ 1.39           | \$ 1.31           |
| Diluted   | 1.11              | 0.15             | 1.52              | 1.49              | 1.47              | 1.39              | 1.30              |
| <b>Weighted average shares outstanding:</b>     |                   |                  |                   |                   |                   |                   |                   |
| Basic   | 111,908           | 102,500          | 97,949            | 97,830            | 97,822            | 97,798            | 97,595            |
| Diluted   | 112,134           | 102,605          | 98,326            | 98,376            | 98,257            | 98,170            | 98,104            |
| <b>Other Data:</b>                              |                   |                  |                   |                   |                   |                   |                   |
| Loss ratio (4)                                  | 24.9%             | 83.2%            | 3.9%              | 5.3%              | 4.9%              | 2.6%              | 4.0%              |
| Expense ratio (5)                               | 16.7              | 18.4             | 20.3              | 19.9              | 20.4              | 22.0              | 23.1              |
| Combined ratio                                  | 41.6%             | 101.5%           | 24.2%             | 25.1%             | 25.3%             | 24.7%             | 27.1%             |
| Return on average equity (annualized)           | 13.5%             | 1.8%             | 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 September 30, 2020, June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019 include net favorable (unfavorable) changes of (\$677), \$2,502, (\$4,200), (\$3,585), (\$760), \$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**

| <b>Other Data, continued:</b><br><i>(\$ in thousands)</i> | 2020          |               |               | 2019          |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | September 30  | June 30       | March 31      | December 31   | September 30  | June 30       | March 31      |
| <b>U.S. Mortgage Insurance Portfolio</b>                  |               |               |               |               |               |               |               |
| <b>Flow:</b>  |               |               |               |               |               |               |               |
| New insurance written                                     | \$ 36,664,583 | \$ 28,163,212 | \$ 13,549,299 | \$ 15,839,836 | \$ 18,719,876 | \$ 17,973,505 | \$ 10,945,307 |
| New risk written  | 8,938,544     | 6,875,250     | 3,384,171     | 3,966,363     | 4,695,611     | 4,485,217     | 2,713,389     |
| <b>Bulk:</b>  |               |               |               |               |               |               |               |
| New insurance written                                     | \$ —          | \$ —          | \$ 151        | \$ —          | \$ 6,133      | \$ 29,524     | \$ 55,002     |
| New risk written  | —             | —             | 24            | —             | 842           | 2,129         | 6,542         |
| <b>Total:</b>   |               |               |               |               |               |               |               |
| Average gross premium rate (6)                            | 0.51%         | 0.53%         | 0.51%         | 0.51%         | 0.52%         | 0.51%         | 0.50%         |
| Average net premium rate (7)                              | 0.46%         | 0.48%         | 0.48%         | 0.49%         | 0.49%         | 0.49%         | 0.48%         |
| New insurance written                                     | \$ 36,664,583 | \$ 28,163,212 | \$ 13,549,450 | \$ 15,839,836 | \$ 18,726,009 | \$ 18,003,029 | \$ 11,000,309 |
| New risk written  | \$ 8,938,544  | \$ 6,875,250  | \$ 3,384,195  | \$ 3,966,363  | \$ 4,696,453  | \$ 4,487,346  | \$ 2,719,931  |
| Insurance in force (end of period)                        | \$190,811,292 | \$174,646,273 | \$165,615,503 | \$164,005,853 | \$160,962,192 | \$153,317,157 | \$143,181,641 |
| Gross risk in force (end of period) (8)                   | \$ 47,838,668 | \$ 43,993,989 | \$ 41,865,977 | \$ 41,402,950 | \$ 40,540,289 | \$ 38,531,090 | \$ 35,925,830 |
| Risk in force (end of period)                             | \$ 41,219,216 | \$ 39,113,879 | \$ 38,290,022 | \$ 38,947,857 | \$ 38,784,584 | \$ 37,034,687 | \$ 34,744,417 |
| Policies in force   | 781,836       | 733,651       | 706,714       | 702,925       | 693,085       | 666,705       | 629,808       |
| Weighted average coverage (9)                             | 25.1%         | 25.2%         | 25.3%         | 25.2%         | 25.2%         | 25.1%         | 25.1%         |
| Annual persistency  | 64.2%         | 67.9%         | 73.9%         | 77.5%         | 82.1%         | 84.8%         | 85.1%         |
| Loans in default (count)                                  | 35,464        | 38,068        | 5,841         | 5,947         | 5,232         | 4,405         | 4,096         |
| Percentage of loans in default                            | 4.54%         | 5.19%         | 0.83%         | 0.85%         | 0.75%         | 0.66%         | 0.65%         |
| <b>Other Risk in Force</b>                                |               |               |               |               |               |               |               |
| GSE and other risk share (10)                             | \$ 1,216,353  | \$ 1,031,699  | \$ 1,100,966  | \$ 895,374    | \$ 849,184    | \$ 802,530    | \$ 771,175    |
| <b>Credit Facility</b>                                    |               |               |               |               |               |               |               |
| Borrowings outstanding                                    | \$ 425,000    | \$ 425,000    | \$ 425,000    | \$ 225,000    | \$ 225,000    | \$ 225,000    | \$ 225,000    |
| Undrawn committed capacity                                | \$ 75,000     | \$ 75,000     | \$ 75,000     | \$ 275,000    | \$ 275,000    | \$ 275,000    | \$ 275,000    |
| Weighted average interest rate (end of period)            | 1.90%         |               |               |               |               |               |               |

(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**

|                               | <b>Three Months Ended</b> |               |                           |               | <b>Nine Months Ended</b>  |               |                           |               |
|-------------------------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|
|                               | <b>September 30, 2020</b> |               | <b>September 30, 2019</b> |               | <b>September 30, 2020</b> |               | <b>September 30, 2019</b> |               |
|                               |                           |               |                           |               |                           |               |                           |               |
| (\$ in thousands)             |                           |               |                           |               |                           |               |                           |               |
| ≥760                          | \$ 16,887,062             | 46.1%         | \$ 7,467,620              | 39.9%         | \$ 34,706,705             | 44.3%         | \$ 19,251,937             | 40.4%         |
| 740-759                       | 6,557,520                 | 17.9          | 3,286,476                 | 17.5          | 14,316,011                | 18.3          | 8,272,424                 | 17.4          |
| 720-739                       | 5,238,462                 | 14.3          | 2,800,181                 | 15.0          | 11,609,703                | 14.8          | 6,938,374                 | 14.6          |
| 700-719                       | 4,187,254                 | 11.4          | 2,202,659                 | 11.8          | 9,024,266                 | 11.5          | 5,695,567                 | 11.9          |
| 680-699                       | 2,131,994                 | 5.8           | 1,570,179                 | 8.4           | 5,127,817                 | 6.5           | 4,013,107                 | 8.4           |
| ≤679                          | 1,662,291                 | 4.5           | 1,392,761                 | 7.4           | 3,592,592                 | 4.6           | 3,467,279                 | 7.3           |
| Total                         | <u>\$ 36,664,583</u>      | <u>100.0%</u> | <u>\$ 18,719,876</u>      | <u>100.0%</u> | <u>\$ 78,377,094</u>      | <u>100.0%</u> | <u>\$ 47,638,688</u>      | <u>100.0%</u> |
| Weighted average credit score | 751                       |               | 744                       |               | 749                       |               | 744                       |               |

**NIW by LTV**

|                      | <b>Three Months Ended</b> |               |                           |               | <b>Nine Months Ended</b>  |               |                           |               |
|----------------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|
|                      | <b>September 30, 2020</b> |               | <b>September 30, 2019</b> |               | <b>September 30, 2020</b> |               | <b>September 30, 2019</b> |               |
|                      |                           |               |                           |               |                           |               |                           |               |
| (\$ in thousands)    |                           |               |                           |               |                           |               |                           |               |
| 85.00% and below     | \$ 6,815,158              | 18.6%         | \$ 2,126,071              | 11.4%         | \$ 13,807,437             | 17.6%         | \$ 5,789,334              | 12.2%         |
| 85.01% to 90.00%     | 11,324,610                | 30.9          | 5,288,027                 | 28.2          | 24,391,509                | 31.1          | 13,089,688                | 27.5          |
| 90.01% to 95.00%     | 14,781,544                | 40.3          | 7,896,661                 | 42.2          | 31,382,298                | 40.1          | 20,081,707                | 42.1          |
| 95.01% and above     | 3,743,271                 | 10.2          | 3,409,117                 | 18.2          | 8,795,850                 | 11.2          | 8,677,959                 | 18.2          |
| Total                | <u>\$ 36,664,583</u>      | <u>100.0%</u> | <u>\$ 18,719,876</u>      | <u>100.0%</u> | <u>\$ 78,377,094</u>      | <u>100.0%</u> | <u>\$ 47,638,688</u>      | <u>100.0%</u> |
| Weighted average LTV | 91%                       |               | 92%                       |               | 91%                       |               | 92%                       |               |

**NIW by Product**

|                          | <b>Three Months Ended</b> |  |                           |  | <b>Nine Months Ended</b>  |  |                           |  |
|--------------------------|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|
|                          | <b>September 30, 2020</b> |  | <b>September 30, 2019</b> |  | <b>September 30, 2020</b> |  | <b>September 30, 2019</b> |  |
|                          |                           |  |                           |  |                           |  |                           |  |
| Single Premium policies  | 8.6%                      |  | 10.8%                     |  | 9.5%                      |  | 11.3%                     |  |
| Monthly Premium policies | 91.4                      |  | 89.2                      |  | 90.5                      |  | 88.7                      |  |
|                          | <u>100.0%</u>             |  | <u>100.0%</u>             |  | <u>100.0%</u>             |  | <u>100.0%</u>             |  |

**NIW by Purchase vs. Refinance**

|           | <b>Three Months Ended</b> |  |                           |  | <b>Nine Months Ended</b>  |  |                           |  |
|-----------|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|
|           | <b>September 30, 2020</b> |  | <b>September 30, 2019</b> |  | <b>September 30, 2020</b> |  | <b>September 30, 2019</b> |  |
|           |                           |  |                           |  |                           |  |                           |  |
| Purchase  | 61.1%                     |  | 79.6%                     |  | 60.0%                     |  | 83.3%                     |  |
| Refinance | 38.9                      |  | 20.4                      |  | 40.0                      |  | 16.7                      |  |
|           | <u>100.0%</u>             |  | <u>100.0%</u>             |  | <u>100.0%</u>             |  | <u>100.0%</u>             |  |

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

**Portfolio by Credit Score**

| IIF by FICO score<br>(\$ in thousands) | September 30, 2020   |               | June 30, 2020        |               | September 30, 2019   |               |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| >=760                                  | \$ 78,923,142        | 41.4%         | \$ 71,570,804        | 41.0%         | \$ 67,408,766        | 41.9%         |
| 740-759                                | 33,229,396           | 17.4          | 30,265,718           | 17.3          | 27,178,330           | 16.9          |
| 720-739                                | 28,496,228           | 15.0          | 26,130,764           | 15.0          | 23,459,055           | 14.6          |
| 700-719                                | 22,748,385           | 11.9          | 20,721,839           | 11.9          | 18,728,884           | 11.6          |
| 680-699                                | 15,302,772           | 8.0           | 14,545,011           | 8.3           | 13,418,919           | 8.3           |
| <=679                                  | 12,111,369           | 6.3           | 11,412,137           | 6.5           | 10,768,238           | 6.7           |
| <b>Total</b>                           | <b>\$190,811,292</b> | <b>100.0%</b> | <b>\$174,646,273</b> | <b>100.0%</b> | <b>\$160,962,192</b> | <b>100.0%</b> |

Weighted average credit score 745 745 745

| Gross RIF by FICO score<br>(\$ in thousands) | September 30, 2020   |               | June 30, 2020        |               | September 30, 2019   |               |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| >=760  | \$ 19,606,502        | 41.0%         | \$ 17,871,881        | 40.6%         | \$ 16,877,750        | 41.6%         |
| 740-759                                      | 8,395,009            | 17.5          | 7,672,436            | 17.4          | 6,857,369            | 16.9          |
| 720-739                                      | 7,251,499            | 15.2          | 6,673,863            | 15.2          | 5,980,949            | 14.8          |
| 700-719                                      | 5,738,412            | 12.0          | 5,246,989            | 11.9          | 4,743,360            | 11.7          |
| 680-699                                      | 3,853,734            | 8.0           | 3,693,448            | 8.4           | 3,406,811            | 8.4           |
| <=679  | 2,993,512            | 6.3           | 2,835,372            | 6.5           | 2,674,050            | 6.6           |
| <b>Total</b>                                 | <b>\$ 47,838,668</b> | <b>100.0%</b> | <b>\$ 43,993,989</b> | <b>100.0%</b> | <b>\$ 40,540,289</b> | <b>100.0%</b> |

**Portfolio by LTV**

| IIF by LTV<br>(\$ in thousands) | September 30, 2020   |               | June 30, 2020        |               | September 30, 2019   |               |
|---------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| 85.00% and below                | \$ 23,979,065        | 12.6%         | \$ 19,874,830        | 11.4%         | \$ 16,918,870        | 10.5%         |
| 85.01% to 90.00%                | 55,453,633           | 29.1          | 50,446,645           | 28.9          | 46,021,398           | 28.6          |
| 90.01% to 95.00%                | 84,573,433           | 44.3          | 79,112,541           | 45.3          | 75,528,177           | 46.9          |
| 95.01% and above                | 26,805,161           | 14.0          | 25,212,257           | 14.4          | 22,493,747           | 14.0          |
| <b>Total</b>                    | <b>\$190,811,292</b> | <b>100.0%</b> | <b>\$174,646,273</b> | <b>100.0%</b> | <b>\$160,962,192</b> | <b>100.0%</b> |

Weighted average LTV 92% 92% 92%

| Gross RIF by LTV<br>(\$ in thousands) | September 30, 2020   |               | June 30, 2020        |               | September 30, 2019   |               |
|---------------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| 85.00% and below                      | \$ 2,759,320         | 5.8%          | \$ 2,292,935         | 5.2%          | \$ 1,953,058         | 4.8%          |
| 85.01% to 90.00%                      | 13,307,205           | 27.8          | 12,120,308           | 27.6          | 11,065,886           | 27.3          |
| 90.01% to 95.00%                      | 24,391,376           | 51.0          | 22,760,884           | 51.7          | 21,633,852           | 53.4          |
| 95.01% and above                      | 7,380,767            | 15.4          | 6,819,862            | 15.5          | 5,887,493            | 14.5          |
| <b>Total</b>                          | <b>\$ 47,838,668</b> | <b>100.0%</b> | <b>\$ 43,993,989</b> | <b>100.0%</b> | <b>\$ 40,540,289</b> | <b>100.0%</b> |

**Portfolio by Loan Amortization Period**

| IIF by Loan Amortization Period<br>(\$ in thousands) | September 30, 2020   |               | June 30, 2020        |               | September 30, 2019   |               |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| FRM 30 years and higher                              | \$180,135,430        | 94.4%         | \$165,143,246        | 94.5%         | \$151,594,009        | 94.2%         |
| FRM 20-25 years                                      | 3,945,019            | 2.1           | 3,277,847            | 1.9           | 2,872,964            | 1.8           |
| FRM 15 years   | 4,417,092            | 2.3           | 3,660,888            | 2.1           | 3,367,326            | 2.1           |
| ARM 5 years and higher                               | 2,313,751            | 1.2           | 2,564,292            | 1.5           | 3,127,893            | 1.9           |
| <b>Total</b>   | <b>\$190,811,292</b> | <b>100.0%</b> | <b>\$174,646,273</b> | <b>100.0%</b> | <b>\$160,962,192</b> | <b>100.0%</b> |

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

| (\$ in thousands)                    | 2020         |              |              |             | 2019         |            |            |
|--------------------------------------|--------------|--------------|--------------|-------------|--------------|------------|------------|
|                                      | September 30 | June 30      | March 31     | December 31 | September 30 | June 30    | March 31   |
| <b>GSE and other risk share (1):</b> |              |              |              |             |              |            |            |
| Premiums earned                      | \$ 11,132    | \$ 10,655    | \$ 10,778    | \$ 9,867    | \$ 9,284     | \$ 8,622   | \$ 7,894   |
| Risk in Force                        | \$ 1,216,353 | \$ 1,031,699 | \$ 1,100,966 | \$ 895,374  | \$ 849,184   | \$ 802,530 | \$ 771,175 |
| Weighted average credit score        | 747          | 746          | 746          | 745         | 746          | 748        | 747        |
| Weighted average LTV                 | 84%          | 85%          | 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**  
**September 30, 2020**

| Year                        | Original<br>Insurance<br>Written<br>(\$ in thousands) | Remaining<br>Insurance<br>in Force<br>(\$ in thousands) | % Remaining of<br>Original<br>Insurance | Number of<br>Policies in<br>Force | Insurance in Force |          |          |            |             | Incurred Loss<br>Ratio<br>(Inception to<br>Date) (1) | Number of<br>Loans in<br>Default | Percentage of<br>Loans in<br>Default |
|-----------------------------|---|---|---|-----------------------------------|--------------------|----------|----------|------------|-------------|--|----------------------------------|--------------------------------------|
|                             |   |   |   |                                   | % Purchase         | >90% LTV | >95% LTV | FICO < 700 | FICO >= 760 |  |                                  |                                      |
| 2010 - 2014                 | \$ 60,668,851   | \$ 7,269,635  | 12.0%                                   | 41,790                            | 83.4%              | 69.3%    | 4.0%     | 13.0%      | 44.8%       | 3.3%   | 2,213                            | 5.30%                                |
| 2015                        | 26,193,656  | 6,744,380   | 25.7                                    | 35,079                            | 85.8               | 62.4     | 3.0      | 15.7       | 42.5        | 4.5  | 1,940                            | 5.53                                 |
| 2016                        | 34,949,319  | 13,401,895  | 38.3                                    | 64,585                            | 86.0               | 61.3     | 7.6      | 14.0       | 45.1        | 6.2  | 3,750                            | 5.81                                 |
| 2017                        | 43,858,322  | 19,575,798  | 44.6                                    | 95,783                            | 88.9               | 62.3     | 15.9     | 17.4       | 40.3        | 9.4  | 6,591                            | 6.88                                 |
| 2018                        | 47,508,525  | 22,549,067  | 47.5                                    | 105,062                           | 92.8               | 64.6     | 20.7     | 17.7       | 37.1        | 15.4   | 8,054                            | 7.67                                 |
| 2019                        | 63,569,183  | 45,236,714  | 71.2                                    | 177,594                           | 81.9               | 62.0     | 19.6     | 16.9       | 37.7        | 28.7   | 10,531                           | 5.93                                 |
| 2020 (through September 30) | 78,377,245  | 76,033,803  | 97.0                                    | 261,943                           | 59.9               | 51.4     | 11.4     | 11.2       | 44.0        | 23.9   | 2,385                            | 0.91                                 |
| Total                       | <u>\$ 355,125,101</u>                                 | <u>\$ 190,811,292</u>                                   | 53.7                                    | <u>781,836</u>                    | 75.6               | 58.4     | 14.0     | 14.4       | 41.4        | 8.9  | <u>35,464</u>                    | 4.54                                 |

(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**  
**September 30, 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 | Earned Premiums Ceded |                  | Reduction in PMIERS Minimum Required Assets (5) |
|-------------|------------------------------|-------------------------|-------------------------------|-----------------------|---------------------|--------------------------------|-------------------|---------------------|----------------------|--------------------------------|---------------------------------|-----------------------|------------------|---|
|             |                              |                         | ILN (1)                       | Other Reinsurance (2) | Total               | ILN                            | Other Reinsurance | Total               |                      |                                |                                 | Quarter-to-Date       | Year-to-Date     |   |
| 2015 & 2016 | \$ 19,182,623                | \$ 5,179,608            | \$ 333,844                    | \$ —                  | \$ 333,844          | \$ 216,480                     | \$ —              | \$ 216,480          | \$ —                 | \$ 208,111                     | \$ 207,813                      | \$ 1,245              | \$ 4,532         | \$ 133,695                                      |
| 2017        | 19,040,243                   | 4,851,958               | 424,412                       | 165,167               | 589,579             | 242,123                        | 165,167           | 407,290             | —                    | 224,689                        | 219,220                         | 2,708                 | 8,862            | 152,007   |
| 2018        | 22,096,001                   | 5,601,015               | 473,184                       | 118,650               | 591,834             | 325,537                        | 76,144            | 401,681             | —                    | 253,643                        | 251,614                         | 3,357                 | 10,935           | 232,059   |
| 2019 (3)    | 26,346,557                   | 6,698,195               | 495,889                       | 55,102                | 550,991             | 495,889                        | 55,102            | 550,991             | —                    | 215,605                        | 215,509                         | 3,057                 | 8,499            | 376,386   |
| Total       | <u>\$ 86,665,424</u>         | <u>\$ 22,330,776</u>    | <u>\$ 1,727,329</u>           | <u>\$ 338,919</u>     | <u>\$ 2,066,248</u> | <u>\$ 1,280,029</u>            | <u>\$ 296,413</u> | <u>\$ 1,576,442</u> | <u>\$ —</u>          | <u>\$ 902,048</u>              | <u>\$ 894,156</u>               | <u>\$ 10,367</u>      | <u>\$ 32,828</u> | <u>\$ 894,147</u>                               |

**Quota Share Reinsurance**

| Year            | Remaining Insurance in Force | Remaining Risk in Force | Remaining Ceded Insurance in Force | Remaining Ceded Risk in Force | Losses Ceded    |                  | Ceding Commission |                 | Earned Premiums Ceded |                  | Reduction in PMIERS Minimum Required Assets (5) |
|-----------------|------------------------------|-------------------------|------------------------------------|-------------------------------|-----------------|------------------|-------------------|-----------------|-----------------------|------------------|---|
|                 |                              |                         |                                    |                               | Quarter-to-Date | Year-to-Date     | Quarter-to-Date   | Year-to-Date    | Quarter-to-Date       | Year-to-Date     |   |
| 2019 & 2020 (4) | <u>\$ 94,074,498</u>         | <u>\$ 23,215,840</u>    | <u>\$ 20,635,915</u>               | <u>\$ 5,043,010</u>           | <u>\$ 4,154</u> | <u>\$ 11,850</u> | <u>\$ 3,316</u>   | <u>\$ 6,426</u> | <u>\$ 10,800</u>      | <u>\$ 24,716</u> | <u>\$ 336,170</u>                               |

(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**

|            | <b>September 30, 2020</b> | <b>June 30, 2020</b> | <b>September 30, 2019</b> |
|------------|---------------------------|----------------------|---------------------------|
| CA         | 11.2%                     | 10.6%                | 9.8%                      |
| TX         | 9.6                       | 9.4                  | 8.3                       |
| FL         | 8.5                       | 8.2                  | 7.7                       |
| CO         | 4.1                       | 3.9                  | 3.6                       |
| WA         | 3.9                       | 4.0                  | 4.5                       |
| AZ         | 3.5                       | 3.5                  | 3.2                       |
| IL         | 3.5                       | 3.5                  | 3.7                       |
| NJ         | 3.4                       | 3.5                  | 3.6                       |
| VA         | 3.2                       | 3.2                  | 3.2                       |
| GA         | 3.1                       | 3.1                  | 3.3                       |
| All Others | 46.0                      | 47.1                 | 49.1                      |
| Total      | <u>100.0%</u>             | <u>100.0%</u>        | <u>100.0%</u>             |

**Gross RIF by State**

|            | <b>September 30, 2020</b> | <b>June 30, 2020</b> | <b>September 30, 2019</b> |
|------------|---------------------------|----------------------|---------------------------|
| CA         | 11.0%                     | 10.3%                | 9.6%                      |
| TX         | 9.9                       | 9.7                  | 8.6                       |
| FL         | 8.7                       | 8.4                  | 7.9                       |
| CO         | 4.0                       | 3.8                  | 3.5                       |
| WA         | 3.9                       | 4.0                  | 4.5                       |
| AZ         | 3.4                       | 3.4                  | 3.2                       |
| IL         | 3.4                       | 3.4                  | 3.6                       |
| NJ         | 3.3                       | 3.4                  | 3.6                       |
| VA         | 3.1                       | 3.2                  | 3.2                       |
| GA         | 3.1                       | 3.2                  | 3.3                       |
| All Others | 46.2                      | 47.2                 | 49.0                      |
| 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 |               | Nine Months Ended |               |
|------------------------------------|--------------------|---------------|-------------------|---------------|
|                                    | September 30,      | September 30, | September 30,     | September 30, |
|                                    | 2020               | 2019          | 2020              | 2019          |
| Beginning default inventory        | 38,068             | 4,405         | 5,947             | 4,024         |
| Plus: new defaults                 | 12,614             | 3,711         | 53,904            | 9,478         |
| Less: cures                        | (15,135)           | (2,776)       | (24,032)          | (7,958)       |
| Less: claims paid                  | (67)               | (103)         | (329)             | (297)         |
| Less: rescissions and denials, net | (16)               | (5)           | (26)              | (15)          |
| Ending default inventory           | <u>35,464</u>      | <u>5,232</u>  | <u>35,464</u>     | <u>5,232</u>  |

**Rollforward of Reserve for Losses and LAE**

|   | Three Months Ended |                  | Nine Months Ended |                  |
|---|--------------------|------------------|-------------------|------------------|
|   | September 30,      | September 30,    | September 30,     | September 30,    |
|   | 2020               | 2019             | 2020              | 2019             |
| <i>(\$ in thousands)</i>                              |                    |                  |                   |                  |
| Reserve for losses and LAE at beginning of period     | \$ 250,890         | \$ 55,138        | \$ 69,362         | \$ 49,464        |
| Less: Reinsurance recoverables                        | 7,761              | —                | 71                | —                |
| Net reserve for losses and LAE at beginning of period | <u>243,129</u>     | <u>55,138</u>    | <u>69,291</u>     | <u>49,464</u>    |
| Add provision for losses and LAE occurring in:        |                    |                  |                   |                  |
| Current period  | 56,372             | 14,722           | 253,567           | 37,904           |
| Prior years   | (1,092)            | (4,732)          | (14,347)          | (15,847)         |
| Incurred losses and LAE during the period             | <u>55,280</u>      | <u>9,990</u>     | <u>239,220</u>    | <u>22,057</u>    |
| Deduct payments for losses and LAE occurring in:      |                    |                  |                   |                  |
| Current period  | 205                | 412              | 494               | 657              |
| Prior years   | 2,365              | 3,280            | 12,178            | 9,428            |
| Loss and LAE payments during the period               | <u>2,570</u>       | <u>3,692</u>     | <u>12,672</u>     | <u>10,085</u>    |
| Net reserve for losses and LAE at end of period       | 295,839            | 61,436           | 295,839           | 61,436           |
| Plus: Reinsurance recoverables                        | 11,898             | —                | 11,898            | —                |
| Reserve for losses and LAE at end of period           | <u>\$ 307,737</u>  | <u>\$ 61,436</u> | <u>\$ 307,737</u> | <u>\$ 61,436</u> |

**Claims**

|  | Three Months Ended |               | Nine Months Ended |               |
|--|--------------------|---------------|-------------------|---------------|
|  | September 30,      | September 30, | September 30,     | September 30, |
|  | 2020               | 2019          | 2020              | 2019          |
| Number of claims paid                        | 67                 | 103           | 329               | 297           |
| Total amount paid for claims (in thousands)  | \$ 2,557           | \$ 3,584      | \$ 12,432         | \$ 9,691      |
| Average amount paid per claim (in thousands) | \$ 38              | \$ 35         | \$ 38             | \$ 33         |
| Severity                                     | 77%                | 71%           | 78%               | 73%           |

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

September 30, 2020

|                                       | Number of<br>Policies in<br>Default | Percentage of<br>Policies in<br>Default | Amount of<br>Reserves | Percentage of<br>Reserves | Defaulted RIF       | Reserves as a<br>Percentage of<br>Defaulted RIF |
|---------------------------------------|-------------------------------------|---|-----------------------|---------------------------|---------------------|---|
| (\$ in thousands)                     |                                     |   |                       |                           |                     |   |
| Missed Payments:                      |                                     |   |                       |                           |                     |   |
| Three payments or less                | 9,237                               | 26%                                     | \$ 58,296             | 21%                       | \$ 554,524          | 11%   |
| Four to eleven payments               | 25,290                              | 71                                      | 194,892               | 69                        | 1,697,419           | 11  |
| Twelve or more payments               | 891                                 | 3                                       | 24,842                | 9                         | 48,612              | 51  |
| Pending claims                        | 46                                  | —                                       | 2,417                 | 1                         | 2,840               | 85  |
| Total case reserves (1)               | <u>35,464</u>                       | <u>100%</u>                             | <u>280,447</u>        | <u>100%</u>               | <u>\$ 2,303,395</u> | <u>12</u>                                       |
| IBNR                                  |                                     |   | 21,034                |                           |                     |   |
| LAE                                   |                                     |   | 5,538                 |                           |                     |   |
| Total reserves for losses and LAE (1) |                                     |   | <u>\$ 307,019</u>     |                           |                     |   |
| Average reserve per default:          |                                     |   |                       |                           |                     |   |
| Case                                  |                                     |   | \$ 7.9                |                           |                     |   |
| Total                                 |                                     |   | \$ 8.7                |                           |                     |   |
| Default Rate                          | 4.54%                               |   |                       |                           |                     |   |

(1) The U.S. Mortgage Insurance Portfolio reserves exclude reserves on GSE and other risk share at Essent Re of \$718.

December 31, 2019

|                                       | Number of<br>Policies in<br>Default | Percentage of<br>Policies in<br>Default | Amount of<br>Reserves | Percentage of<br>Reserves | Defaulted RIF     | Reserves as a<br>Percentage of<br>Defaulted RIF |
|---------------------------------------|-------------------------------------|---|-----------------------|---------------------------|-------------------|---|
| (\$ in thousands)                     |                                     |   |                       |                           |                   |   |
| 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.

September 30, 2019

|                                       | Number of<br>Policies in<br>Default | Percentage of<br>Policies in<br>Default | Amount of<br>Reserves | Percentage of<br>Reserves | Defaulted RIF     | Reserves as a<br>Percentage of<br>Defaulted RIF |
|---------------------------------------|-------------------------------------|---|-----------------------|---------------------------|-------------------|---|
| (\$ in thousands)                     |                                     |   |                       |                           |                   |   |
| Missed Payments:                      |                                     |   |                       |                           |                   |   |
| Three payments or less                | 3,071                               | 59%                                     | \$ 15,212             | 27%                       | \$ 162,459        | 9%  |
| Four to eleven payments               | 1,665                               | 32                                      | 24,588                | 44                        | 89,965            | 27  |
| Twelve or more payments               | 416                                 | 8                                       | 12,600                | 22                        | 24,503            | 51  |
| Pending claims                        | 80                                  | 1                                       | 3,723                 | 7                         | 4,227             | 88  |
| Total case reserves (3)               | <u>5,232</u>                        | <u>100%</u>                             | <u>56,123</u>         | <u>100%</u>               | <u>\$ 281,154</u> | <u>20</u>                                       |
| IBNR                                  |                                     |   | 4,209                 |                           |                   |   |
| LAE                                   |                                     |   | 1,014                 |                           |                   |   |
| Total reserves for losses and LAE (3) |                                     |   | <u>\$ 61,346</u>      |                           |                   |   |
| Average reserve per default:          |                                     |   |                       |                           |                   |   |
| Case                                  |                                     |   | \$ 10.7               |                           |                   |   |
| Total                                 |                                     |   | \$ 11.7               |                           |                   |   |
| Default Rate                          | 0.75%                               |   |                       |                           |                   |   |

(3) The U.S. Mortgage Insurance Portfolio reserves exclude reserves on GSE and other risk share at Essent Re of \$90.

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

**Investments Available for Sale by Asset Class**

| Asset Class<br>(\$ in thousands)               | September 30, 2020  |               | December 31, 2019   |               |
|--|---------------------|---------------|---------------------|---------------|
|  | Fair Value          | Percent       | Fair Value          | Percent       |
| U.S. Treasury securities                       | \$ 229,417          | 5.1%          | \$ 242,206          | 7.2%          |
| U.S. agency securities                         | 14,640              | 0.3           | 33,605              | 1.0           |
| U.S. agency mortgage-backed securities         | 956,581             | 21.2          | 848,334             | 25.3          |
| Municipal debt securities                      | 493,673             | 11.0          | 361,638             | 10.8          |
| Non-U.S. government securities                 | 60,752              | 1.4           | 54,995              | 1.7           |
| Corporate debt securities                      | 985,384             | 21.9          | 880,301             | 26.3          |
| Residential and commercial mortgage securities | 366,227             | 8.1           | 288,281             | 8.6           |
| Asset-backed securities                        | 442,723             | 9.8           | 326,025             | 9.7           |
| Money market funds                             | 952,952             | 21.2          | 315,362             | 9.4           |
| Total investments available for sale           | <u>\$ 4,502,349</u> | <u>100.0%</u> | <u>\$ 3,350,747</u> | <u>100.0%</u> |

**Investments Available for Sale by Credit Rating**

| Rating (1)<br>(\$ in thousands)      | September 30, 2020  |               | December 31, 2019   |               |
|--------------------------------------|---------------------|---------------|---------------------|---------------|
|                                      | Fair Value          | Percent       | Fair Value          | Percent       |
| Aaa                                  | \$ 2,665,634        | 59.2%         | \$ 1,817,905        | 54.2%         |
| Aa1                                  | 175,114             | 3.9           | 109,122             | 3.3           |
| Aa2                                  | 223,475             | 5.0           | 145,282             | 4.3           |
| Aa3                                  | 213,770             | 4.7           | 159,599             | 4.8           |
| A1                                   | 229,925             | 5.1           | 206,643             | 6.2           |
| A2                                   | 278,661             | 6.2           | 183,780             | 5.5           |
| A3                                   | 213,041             | 4.7           | 191,933             | 5.7           |
| Baa1                                 | 251,954             | 5.6           | 232,490             | 6.9           |
| Baa2                                 | 177,633             | 3.9           | 179,664             | 5.4           |
| Baa3                                 | 43,850              | 1.0           | 65,119              | 1.9           |
| Below Baa3                           | 29,292              | 0.7           | 59,210              | 1.8           |
| Total investments available for sale | <u>\$ 4,502,349</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<br>(\$ in thousands) | September 30, 2020  |               | December 31, 2019   |               |
|---|---------------------|---------------|---------------------|---------------|
|   | Fair Value          | Percent       | Fair Value          | Percent       |
| < 1 Year                                | \$ 2,009,570        | 44.6%         | \$ 1,038,782        | 31.0%         |
| 1 to < 2 Years                          | 431,317             | 9.6           | 306,148             | 9.1           |
| 2 to < 3 Years                          | 377,331             | 8.4           | 348,708             | 10.4          |
| 3 to < 4 Years                          | 334,656             | 7.4           | 361,147             | 10.8          |
| 4 to < 5 Years                          | 381,525             | 8.5           | 443,382             | 13.2          |
| 5 or more Years                         | 967,950             | 21.5          | 852,580             | 25.5          |
| Total investments available for sale    | <u>\$ 4,502,349</u> | <u>100.0%</u> | <u>\$ 3,350,747</u> | <u>100.0%</u> |

Pre-tax investment income yield:

|                                       |       |
|---------------------------------------|-------|
| Three months ended September 30, 2020 | 1.83% |
| Nine months ended September 30, 2020  | 2.15% |

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

|                          |            |
|--------------------------|------------|
| (\$ in thousands)        |            |
| As of September 30, 2020 | \$ 684,959 |
| As of December 31, 2019  | \$ 98,376  |

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

|   | September 30, 2020 | December 31, 2019 |
|---|--------------------|-------------------|
| <i>(\$ in thousands)</i>                      |                    |                   |
| <b>U.S. Mortgage Insurance Subsidiaries:</b>  |                    |                   |
| Combined statutory capital (1)                | \$ 2,581,136       | \$ 2,335,828      |
| Combined net risk in force (2)                | \$ 29,821,246      | \$ 29,460,191     |
| Risk-to-capital ratios: (3)                   |                    |                   |
| Essent Guaranty, Inc.                         | 12.0:1             | 13.1:1            |
| Essent Guaranty of PA, Inc.                   | 2.0:1              | 2.9:1             |
| Combined (4)                                  | 11.6:1             | 12.6:1            |
| <b>Essent Guaranty, Inc. PMIERS Data (5):</b> |                    |                   |
| Available Assets                              | \$ 2,720,432       | \$ 2,337,086      |
| Minimum Required Assets                       | 1,739,479          | 1,499,369         |
| PMIERS excess Available Assets                | \$ 980,953         | \$ 837,717        |
| <b>Essent Reinsurance Ltd.:</b>               |                    |                   |
| Stockholder's equity (GAAP basis)             | \$ 1,061,546       | \$ 939,360        |
| Net risk in force (2)                         | \$ 12,312,124      | \$ 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.

(5) Data is based on our interpretation of the PMIERS as of the dates indicated.

**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 September 30, 2020, December 31, 2019 and September 30, 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 September 30, 2020, December 31, 2019 and September 30, 2019 in accordance with Regulation G:

| <u>(In thousands, except per share amounts)</u>                       | <u>September 30, 2020</u> | <u>December 31, 2019</u> | <u>September 30, 2019</u> |
|---|---------------------------|--------------------------|---------------------------|
| Numerator:  |                           |                          |                           |
| Total Stockholders' Equity (Book Value)                               | \$ 3,746,544              | \$ 2,984,845             | \$ 2,855,170              |
| Subtract: Accumulated Other Comprehensive Income                      | <u>132,434</u>            | <u>56,187</u>            | <u>62,727</u>             |
| Adjusted Book Value   | <u>\$ 3,614,110</u>       | <u>\$ 2,928,658</u>      | <u>\$ 2,792,443</u>       |
| Denominator:  |                           |                          |                           |
| Total Common Shares Outstanding                                       | 112,423                   | 98,394                   | 98,385                    |
| Add: Restricted Share Units and Dividend Equivalent Units Outstanding | <u>511</u>                | <u>356</u>               | <u>366</u>                |
| Total Common Shares and Share Units Outstanding                       | <u>112,934</u>            | <u>98,750</u>            | <u>98,751</u>             |
| Adjusted Book Value per Share   | <u>\$ 32.00</u>           | <u>\$ 29.66</u>          | <u>\$ 28.28</u>           |