

Essent Group Ltd. and Subsidiaries
Financial Results and Supplemental Information (Unaudited)
Quarter Ended March 31, 2023

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

	Three Months Ended March 31,	
	2023	2022
<u>(In thousands, except per share amounts)</u>		
Revenues:		
Direct premiums written	\$ 239,491	\$ 220,254
Ceded premiums	(33,591)	(20,523)
Net premiums written	205,900	199,731
Decrease in unearned premiums	5,358	15,599
Net premiums earned	211,258	215,330
Net investment income	43,236	24,680
Realized investment losses, net	(488)	(7,352)
(Loss) income from other invested assets	(2,702)	24,705
Other income	4,942	7,248
Total revenues	256,246	264,611
Losses and expenses:		
(Benefit) provision for losses and LAE	(180)	(106,858)
Other underwriting and operating expenses	48,195	40,796
Interest expense	6,936	2,226
Total losses and expenses	54,951	(63,836)
Income before income taxes	201,295	328,447
Income tax expense	30,468	54,280
Net income	\$ 170,827	\$ 274,167
Earnings per share:		
Basic	\$ 1.60	\$ 2.53
Diluted	1.59	2.52
Weighted average shares outstanding:		
Basic	106,943	108,166
Diluted	107,585	108,590
Net income	\$ 170,827	\$ 274,167
Other comprehensive income (loss):		
Change in unrealized appreciation (depreciation) of investments	58,753	(203,006)
Total other comprehensive income (loss)	58,753	(203,006)
Comprehensive income	\$ 229,580	\$ 71,161
Loss ratio	(0.1%)	(49.6%)
Expense ratio	22.8	18.9
Combined ratio	22.7%	(30.7%)

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

<u>(In thousands, except per share amounts)</u>	March 31, 2023	December 31, 2022
Assets		
Investments		
Fixed maturities available for sale, at fair value	\$ 4,602,284	\$ 4,489,598
Short-term investments available for sale, at fair value	347,752	252,027
Total investments available for sale	4,950,036	4,741,625
Other invested assets	255,288	257,941
Total investments	5,205,324	4,999,566
Cash	68,633	81,240
Accrued investment income	36,896	33,162
Accounts receivable	61,282	57,399
Deferred policy acquisition costs	9,511	9,910
Property and equipment	18,514	19,571
Prepaid federal income tax	418,460	418,460
Other assets	108,886	104,489
Total assets	\$ 5,927,506	\$ 5,723,797
Liabilities and Stockholders' Equity		
Liabilities		
Reserve for losses and LAE	\$ 216,022	\$ 216,464
Unearned premium reserve	157,529	162,887
Net deferred tax liability	383,116	356,810
Credit facility borrowings, net of deferred costs	421,128	420,864
Other accrued liabilities	100,770	104,463
Total liabilities	1,278,565	1,261,488
Commitments and contingencies		
Stockholders' Equity		
Common shares, \$0.015 par value:		
Authorized - 233,333; issued and outstanding - 107,659 shares in 2023 and 107,683 shares in 2022	1,615	1,615
Additional paid-in capital	1,334,607	1,350,377
Accumulated other comprehensive loss	(324,037)	(382,790)
Retained earnings	3,636,756	3,493,107
Total stockholders' equity	4,648,941	4,462,309
Total liabilities and stockholders' equity	\$ 5,927,506	\$ 5,723,797
Return on average equity (1)	15.0%	19.1%

(1) The 2023 return on average equity is calculated by dividing annualized year-to-date 2023 net income by average equity. The 2022 return on average equity is calculated by dividing full year 2022 net income by average equity.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

Selected Income Statement Data	2023	2022			
	March 31	December 31	September 30	June 30	March 31
(In thousands, except per share amounts)					
Revenues:					
Net premiums earned:					
U.S. Mortgage Insurance Portfolio	\$ 196,565	\$ 192,670	\$ 194,272	\$ 198,891	\$ 203,312
GSE and other risk share	14,693	14,582	13,662	13,120	12,018
Net premiums earned	211,258	207,252	207,934	212,011	215,330
Net investment income	43,236	37,796	32,594	29,339	24,680
Realized investment (losses) gains, net	(488)	(5,524)	175	(471)	(7,352)
(Loss) income from other invested assets	(2,702)	(7,599)	9,617	1,953	24,705
Other income (loss) (1)	4,942	(1,888)	11,447	1,577	7,248
Total revenues	256,246	230,037	261,767	244,409	264,611
Losses and expenses:					
(Benefit) provision for losses and LAE	(180)	4,101	4,252	(76,199)	(106,858)
Other underwriting and operating expenses	48,195	46,895	42,144	41,898	40,796
Interest expense	6,936	6,045	4,450	2,887	2,226
Total losses and expenses	54,951	57,041	50,846	(31,414)	(63,836)
Income before income taxes	201,295	172,996	210,921	275,823	328,447
Income tax expense (2)	30,468	25,630	32,870	44,054	54,280
Net income	\$ 170,827	\$ 147,366	\$ 178,051	\$ 231,769	\$ 274,167
Earnings per share:					
Basic	\$ 1.60	\$ 1.38	\$ 1.67	\$ 2.17	\$ 2.53
Diluted	1.59	1.37	1.66	2.16	2.52
Weighted average shares outstanding:					
Basic	106,943	106,881	106,870	106,921	108,166
Diluted	107,585	107,419	107,337	107,283	108,590
Book value per share	\$ 43.18	\$ 41.44	\$ 39.87	\$ 39.67	\$ 38.98
Return on average equity (annualized)	15.0 %	13.5 %	16.6 %	21.8 %	26.0 %
Other Data:					
Loss ratio (3)	(0.1%)	2.0 %	2.0 %	(35.9)%	(49.6)%
Expense ratio (4)	22.8	22.6	20.3	19.8	18.9
Combined ratio	22.7%	24.6 %	22.3 %	(16.2)%	(30.7)%
Credit Facility					
Borrowings outstanding	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
Undrawn committed capacity	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Weighted average interest rate (end of period)	6.52%	6.02 %	4.39 %	2.92 %	1.99 %
Debt-to-capital	8.38%	8.70 %	9.01 %	9.05 %	9.16 %

(1) Other income includes net favorable (unfavorable) changes in the fair value of embedded derivatives associated with certain of our third-party reinsurance agreements, which for the quarters ended March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022 was (\$368), (\$6,515), \$5,177, (\$5,549), and \$4,365, respectively.

(2) Income tax expense for the quarters ended March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022 and March 31, 2022 includes (\$368), (\$4,122), \$2,925, (\$299), and \$7,002, respectively, of discrete tax (benefit) expense associated with realized and unrealized gains and losses.

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

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

Essent Group Ltd. and Subsidiaries
Supplemental Information
Historical Quarterly Data

Other Data, continued:	2023	2022			
	March 31	December 31	September 30	June 30	March 31
(\$ in thousands)					
U.S. Mortgage Insurance Portfolio					
Flow:					
New insurance written	\$ 12,893,789	\$ 13,011,432	\$ 17,112,017	\$ 20,096,135	\$ 12,841,482
New risk written	3,548,015	3,522,726	4,570,699	5,442,115	3,438,016
Bulk:					
New insurance written	\$ —	\$ —	\$ —	\$ 196	\$ —
New risk written	—	—	—	29	—
Total:					
New insurance written	\$ 12,893,789	\$ 13,011,432	\$ 17,112,017	\$ 20,096,331	\$ 12,841,482
New risk written	\$ 3,548,015	\$ 3,522,726	\$ 4,570,669	\$ 5,442,144	\$ 3,438,016
Average insurance in force	\$ 228,885,174	\$ 224,840,675	\$ 219,280,350	\$ 210,896,297	\$ 206,631,135
Insurance in force (end of period)	\$ 231,537,417	\$ 227,062,055	\$ 222,542,569	\$ 215,896,531	\$ 206,842,996
Gross risk in force (end of period) (5)	\$ 60,879,979	\$ 59,276,489	\$ 57,743,091	\$ 55,678,063	\$ 52,847,985
Risk in force (end of period)	\$ 51,469,312	\$ 49,903,626	\$ 48,690,571	\$ 47,289,910	\$ 45,261,164
Policies in force	815,751	808,596	800,745	789,652	774,002
Weighted average coverage (6)	26.3%	26.1%	25.9%	25.8%	25.5%
Annual persistency	84.4%	82.1%	77.9%	73.4%	69.1%
Loans in default (count)	12,773	13,433	12,435	12,707	14,923
Percentage of loans in default	1.57%	1.66%	1.55%	1.61%	1.93%
U.S. Mortgage Insurance Portfolio premium rate:					
Base average premium rate (7)	0.40%	0.40%	0.40%	0.41%	0.41%
Single premium cancellations (8)	—%	—%	0.01%	0.01%	0.02%
Gross average premium rate	0.40%	0.40%	0.41%	0.42%	0.43%
Ceded premiums	(0.06%)	(0.06%)	(0.06%)	(0.04%)	(0.04%)
Net average premium rate	0.34%	0.34%	0.35%	0.38%	0.39%

(5) Gross risk in force includes risk ceded under third-party reinsurance.

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

(7) Base average premium rate is calculated by dividing annualized base premiums earned by average insurance in force for the period.

(8) Single premium cancellations is calculated by dividing annualized premiums on the cancellation of non-refundable single premium policies by average insurance in force for the period.

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

NIW by Credit Score

	Three Months Ended					
	March 31, 2023		December 31, 2022		March 31, 2022	
(\$ in thousands)						
>=760	\$ 4,847,058	37.7%	\$ 4,761,917	36.6%	\$ 5,410,654	42.1%
740-759	2,397,982	18.6	2,428,164	18.7	2,113,232	16.5
720-739	2,204,844	17.1	2,301,392	17.7	1,991,318	15.5
700-719	2,002,892	15.5	1,919,146	14.6	1,620,473	12.6
680-699	1,100,815	8.5	1,138,743	8.8	1,147,766	8.9
<=679	340,198	2.6	462,070	3.6	558,039	4.4
Total	<u>\$ 12,893,789</u>	<u>100.0%</u>	<u>\$ 13,011,432</u>	<u>100.0%</u>	<u>\$ 12,841,482</u>	<u>100.0%</u>
Weighted average credit score	745		744		747	

NIW by LTV

	Three Months Ended					
	March 31, 2023		December 31, 2022		March 31, 2022	
(\$ in thousands)						
85.00% and below	\$ 963,009	7.5%	\$ 1,121,853	8.6%	\$ 1,262,038	9.8%
85.01% to 90.00%	2,685,828	20.8	3,075,304	23.6	3,415,938	26.6
90.01% to 95.00%	7,430,113	57.6	7,464,333	57.4	6,416,255	50.0
95.01% and above	1,814,839	14.1	1,349,942	10.4	1,747,251	13.6
Total	<u>\$ 12,893,789</u>	<u>100.0%</u>	<u>\$ 13,011,432</u>	<u>100.0%</u>	<u>\$ 12,841,482</u>	<u>100.0%</u>
Weighted average LTV	93%		93%		93%	

NIW by Product

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Single Premium policies	4.1%	4.3%	1.9%
Monthly Premium policies	95.9	95.7	98.1
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

NIW by Purchase vs. Refinance

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Purchase	98.6%	98.9%	94.1%
Refinance	1.4	1.1	5.9
	<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, 2023		December 31, 2022		March 31, 2022	
>=760	\$ 94,560,292	40.8%	\$ 93,389,066	41.1%	\$ 85,707,070	41.4%
740-759	39,870,193	17.2	38,842,311	17.2	35,048,891	17.0
720-739	35,950,319	15.5	34,981,632	15.4	31,180,765	15.1
700-719	30,103,007	13.0	29,146,543	12.8	26,040,114	12.6
680-699	19,338,187	8.4	18,859,824	8.3	16,847,202	8.1
<=679	11,715,419	5.1	11,842,679	5.2	12,018,954	5.8
Total	<u>\$ 231,537,417</u>	<u>100.0%</u>	<u>\$ 227,062,055</u>	<u>100.0%</u>	<u>\$ 206,842,996</u>	<u>100.0%</u>

Weighted average credit score	746	746	746
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Gross RIF by FICO score (\$ in thousands)	March 31, 2023		December 31, 2022		March 31, 2022	
>=760	\$ 24,613,214	40.4%	\$ 24,152,726	40.8%	\$ 21,707,751	41.1%
740-759	10,612,582	17.4	10,255,195	17.3	9,041,350	17.1
720-739	9,602,368	15.8	9,276,750	15.6	8,091,445	15.3
700-719	8,017,430	13.2	7,696,965	13.0	6,724,288	12.7
680-699	5,126,581	8.4	4,963,470	8.4	4,338,206	8.2
<=679	2,907,804	4.8	2,931,383	4.9	2,944,945	5.6
Total	<u>\$ 60,879,979</u>	<u>100.0%</u>	<u>\$ 59,276,489</u>	<u>100.0%</u>	<u>\$ 52,847,985</u>	<u>100.0%</u>

Portfolio by LTV

IIF by LTV (\$ in thousands)	March 31, 2023		December 31, 2022		March 31, 2022	
85.00% and below	\$ 23,502,232	10.2%	\$ 24,454,468	10.8%	\$ 26,057,055	12.6%
85.01% to 90.00%	63,478,244	27.3	63,436,445	27.8	59,113,908	28.6
90.01% to 95.00%	112,184,833	48.5	107,932,064	47.6	92,460,810	44.7
95.01% and above	32,372,108	14.0	31,239,078	13.8	29,211,223	14.1
Total	<u>\$ 231,537,417</u>	<u>100.0%</u>	<u>\$ 227,062,055</u>	<u>100.0%</u>	<u>\$ 206,842,996</u>	<u>100.0%</u>

Weighted average LTV	92%	92%	92%
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Gross RIF by LTV (\$ in thousands)	March 31, 2023		December 31, 2022		March 31, 2022	
85.00% and below	\$ 2,793,895	4.6%	\$ 2,903,877	4.9%	\$ 3,062,878	5.8%
85.01% to 90.00%	15,529,427	25.5	15,477,031	26.1	14,288,854	27.0
90.01% to 95.00%	32,929,489	54.1	31,642,669	53.4	26,960,457	51.0
95.01% and above	9,627,168	15.8	9,252,912	15.6	8,535,796	16.2
Total	<u>\$ 60,879,979</u>	<u>100.0%</u>	<u>\$ 59,276,489</u>	<u>100.0%</u>	<u>\$ 52,847,985</u>	<u>100.0%</u>

Portfolio by Loan Amortization Period

IIF by Loan Amortization Period (\$ in thousands)	March 31, 2023		December 31, 2022		March 31, 2022	
FRM 30 years and higher	\$ 224,230,607	96.8%	\$ 219,416,408	96.7%	\$ 198,658,948	96.1%
FRM 20-25 years	2,364,623	1.0	2,601,108	1.1	3,365,533	1.6
FRM 15 years	2,214,448	1.0	2,552,931	1.1	3,580,416	1.7
ARM 5 years and higher	2,727,739	1.2	2,491,608	1.1	1,238,099	0.6
Total	<u>\$ 231,537,417</u>	<u>100.0%</u>	<u>\$ 227,062,055</u>	<u>100.0%</u>	<u>\$ 206,842,996</u>	<u>100.0%</u>

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

(\$ in thousands)	2023	2022			
	March 31	December 31	September 30	June 30	March 31
GSE and other risk share (1):					
Risk in Force	\$ 2,098,033	\$ 2,030,571	\$ 2,026,895	\$ 1,898,364	\$ 1,888,437
Reserve for losses and LAE	\$ 65	\$ 74	\$ 102	\$ 144	\$ 254
Weighted average credit score	749	749	748	748	748
Weighted average LTV	83%	83%	84%	84%	84%

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

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Vintage Data
March 31, 2023

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
					Weighted Average Coupon	% Purchase	>90% LTV	>95% LTV	FICO < 700	FICO >= 760			
2010 - 2014	\$ 60,668,851	\$ 1,970,588	3.2%	12,429	4.32%	76.7%	67.7%	6.1%	15.0%	43.0%	2.6 %	469	3.77%
2015	26,193,656	1,774,450	6.8	10,695	4.19	85.1	76.3	4.4	17.4	39.6	2.7	384	3.59
2016	34,949,319	3,808,006	10.9	21,772	3.88	88.3	76.6	11.0	16.2	42.4	2.6	642	2.95
2017	43,858,322	5,637,892	12.9	33,053	4.27	91.2	69.7	20.0	20.2	38.0	3.8	1,251	3.78
2018	47,508,525	6,439,876	13.6	35,612	4.79	94.4	69.7	25.3	21.6	32.8	5.3	1,593	4.47
2019	63,569,183	14,135,010	22.2	66,304	4.22	87.7	67.2	24.1	18.7	35.6	5.5	1,957	2.95
2020	107,944,065	55,661,138	51.6	209,325	3.18	66.6	54.8	12.4	10.7	45.6	4.2	2,594	1.24
2021	84,218,250	69,593,624	82.6	223,703	3.08	85.0	61.2	14.8	13.9	40.4	7.8	2,743	1.23
2022	63,061,262	59,703,096	94.7	168,003	5.07	97.7	64.9	11.0	12.7	39.9	17.4	1,131	0.67
2023 (through March 31)	12,893,789	12,813,737	99.4	34,855	6.24	98.6	71.8	14.1	11.2	37.4	3.1	9	0.03
Total	<u>\$ 544,865,222</u>	<u>\$ 231,537,417</u>	42.5	<u>815,751</u>	3.97	85.2	62.4	14.0	13.4	40.8	4.4	<u>12,773</u>	1.57

(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, 2023

(\$ 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 (3)
			ILN (1)	Other Reinsurance (2)	Total	ILN	Other Reinsurance	Total				Year-to-Date		
2017	\$ 5,511,131	\$ 1,450,432	\$ 424,412	\$ 165,167	\$ 589,579	\$ —	\$ 70,895	\$ 70,895	\$ —	\$ 678,283	\$ 421,003	(9) \$ 2,136		\$ —
2018	6,349,474	1,644,287	473,184	118,650	591,834	325,537	76,144	401,681	—	253,643	248,221	4,113		—
2019 (4)	7,859,217	2,029,598	495,889	55,102	550,991	395,889	43,991	439,880	—	215,605	214,485	2,691		—
2020 & 2021 (5)	38,168,321	9,652,777	557,911	—	557,911	414,005	—	414,005	—	278,956	278,909	3,195		326,919
2021 (6)	40,543,749	10,825,130	439,407	—	439,407	399,786	—	399,786	—	279,415	279,400	4,153		363,292
2021 & 2022 (7)	74,276,338	19,998,840	—	141,992	141,992	—	141,992	141,992	—	507,114	507,114	1,553		138,375
2021 & 2022 (8)	33,357,208	8,966,697	237,868	—	237,868	237,868	—	237,868	—	303,761	303,761	4,215		218,839
Total	\$ 206,065,438	\$ 54,567,761	\$ 2,628,671	\$ 480,911	\$ 3,109,582	\$ 1,773,085	\$ 333,022	\$ 2,106,107	\$ —	\$ 2,289,964	\$ 2,025,706	(10) \$ 22,276	(11)	\$ 1,047,425

Quota Share Reinsurance

Year	Ceding Percentage	Remaining Insurance in Force	Remaining Risk in Force	Remaining Ceded Insurance in Force	Remaining Ceded Risk in Force	Year-to-Date	Ceding Commission	Earned Premiums Ceded	Reduction in PMIERs Minimum Required Assets (3)
2019 & 2020	(12)	\$ 61,601,698	\$ 15,757,097	\$ 13,706,657	\$ 3,467,883	\$ (729)	\$ 2,927	\$ 4,686	\$ 210,467
2022	20%	59,645,799	16,099,874	11,929,160	3,219,975	2,493	1,979	6,253	228,069
2023	17.5%	12,796,821	3,524,010	2,559,364	616,702	29	166	376	43,519
Total		\$ 134,044,318	\$ 35,380,981	\$ 28,195,181	\$ 7,304,560	\$ 1,793	\$ 5,072	\$ 11,315	\$ 482,055

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

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

(5) Reinsurance coverage on new insurance written from August 1, 2020 through March 31, 2021.

(6) Reinsurance coverage on new insurance written from April 1, 2021 through September 30, 2021.

(7) Reinsurance coverage on 20% of all eligible policies written from October 1, 2021 through December 31, 2022.

(8) Reinsurance coverage on new insurance written from October 1, 2021 through July 31, 2022.

(9) The original and remaining first layer retention is associated with reinsurance provided by a panel of reinsurers. Amounts reported in prior periods reflected the retention associated with an ILN that is no longer outstanding as of March 31, 2023.

(10) The total remaining first layer retention differs from the sum of the individual reinsurance transactions as a result of overlapping coverage between certain transactions.

(11) The total ceded premium differs from the sum of the individual reinsurance transactions as a result of ILN's that ceded premiums during 2023 but are no longer outstanding as of March 31, 2023.

(12) 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.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Portfolio Geographic Data

IIF by State

	March 31, 2023	December 31, 2022	March 31, 2022
CA	13.2%	13.2%	13.2%
TX	10.5	10.4	10.0
FL	10.4	10.2	9.9
CO	4.2	4.2	4.1
AZ	3.6	3.5	3.3
WA	3.4	3.4	3.6
GA	3.2	3.2	3.1
IL	3.0	3.1	3.3
VA	3.0	3.0	3.1
NJ	2.9	3.0	3.1
All Others	42.6	42.8	43.3
Total	100.0%	100.0%	100.0%

Gross RIF by State

	March 31, 2023	December 31, 2022	March 31, 2022
CA	13.0%	13.0%	13.1%
TX	10.8	10.7	10.4
FL	10.7	10.5	10.2
CO	4.1	4.1	4.0
AZ	3.7	3.6	3.4
WA	3.4	3.3	3.6
GA	3.3	3.2	3.2
IL	2.9	3.0	3.2
VA	2.9	3.0	3.0
NJ	2.8	2.9	3.0
All Others	42.4	42.7	42.9
Total	100.0%	100.0%	100.0%

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

Rollforward of Insured Loans in Default

	Three Months Ended				
	2023	2022			
	March 31	December 31	September 30	June 30	March 31
Beginning default inventory	13,433	12,435	12,707	14,923	16,963
Plus: new defaults (A)	7,015	7,505	6,448	5,495	6,188
Less: cures	(7,574)	(6,425)	(6,642)	(7,639)	(8,167)
Less: claims paid	(94)	(73)	(68)	(65)	(55)
Less: rescissions and denials, net	(7)	(9)	(10)	(7)	(6)
Ending default inventory	12,773	13,433	12,435	12,707	14,923
(A) New defaults remaining as of March 31, 2023	4,755	2,897	1,658	990	540
Cure rate (1)	32%	61%	74%	82%	91%
Total amount paid for claims (in thousands)	\$ 1,959	\$ 1,441	\$ 1,261	\$ 1,137	\$ 826
Average amount paid per claim (in thousands)	\$ 21	\$ 20	\$ 19	\$ 17	\$ 15
Severity	59%	46%	47%	50%	35%

Rollforward of Reserve for Losses and LAE

	Three Months Ended				
	2023	2022			
	March 31	December 31	September 30	June 30	March 31
(\$ in thousands)					
Reserve for losses and LAE at beginning of period	\$ 216,390	\$ 212,392	\$ 209,829	\$ 292,818	\$ 406,096
Less: Reinsurance recoverables	14,618	13,244	13,657	19,335	25,940
Net reserve for losses and LAE at beginning of period	201,772	199,148	196,172	273,483	380,156
Add provision for losses and LAE occurring in:					
Current period	32,693	36,141	20,144	18,720	24,346
Prior years	(32,864)	(32,012)	(15,850)	(94,809)	(130,114)
Incurred losses and LAE during the period	(171)	4,129	4,294	(76,089)	(105,768)
Deduct payments for losses and LAE occurring in:					
Current period	—	113	30	80	1
Prior years	2,001	1,392	1,288	1,142	904
Loss and LAE payments during the period	2,001	1,505	1,318	1,222	905
Net reserve for losses and LAE at end of period	199,600	201,772	199,148	196,172	273,483
Plus: Reinsurance recoverables	16,357	14,618	13,244	13,657	19,335
Reserve for losses and LAE at end of period	\$ 215,957	\$ 216,390	\$ 212,392	\$ 209,829	\$ 292,818

(1) The cure rate is calculated by dividing new defaults remaining as of the reporting date by the original number of new defaults reported in the quarterly period and subtracting that percentage from 100%.

Essent Group Ltd. and Subsidiaries
Supplemental Information
Detail of Reserves by Default Delinquency
U.S. Mortgage Insurance Portfolio

March 31, 2023

(\$ in thousands)

Missed Payments:

	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
Three payments or less	5,366	42%	\$ 31,080	16%	\$ 366,993	8%
Four to eleven payments	5,106	40	78,125	39	363,299	22
Twelve or more payments	2,188	17	85,517	43	130,520	66
Pending claims	113	1	4,386	2	5,004	88
Total case reserves	12,773	100%	199,108	100%	\$ 865,816	23
IBNR			14,933			
LAE			1,916			
Total reserves for losses and LAE			\$ 215,957			

Average reserve per default:

Case	\$ 15.6
Total	\$ 16.9

Default Rate 1.57%

December 31, 2022

(\$ in thousands)

Missed Payments:

	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
Three payments or less	6,154	46%	\$ 32,242	16%	\$ 411,624	8%
Four to eleven payments	4,684	35	65,071	33	317,417	21
Twelve or more payments	2,474	18	98,291	49	147,247	67
Pending claims	121	1	3,815	2	4,860	78
Total case reserves	13,433	100%	199,419	100%	\$ 881,148	23
IBNR			14,956			
LAE			2,015			
Total reserves for losses and LAE			\$ 216,390			

Average reserve per default:

Case	\$ 14.8
Total	\$ 16.1

Default Rate 1.66%

March 31, 2022

(\$ in thousands)

Missed Payments:

	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
Three payments or less	4,338	29%	\$ 21,348	8%	\$ 269,069	8%
Four to eleven payments	4,971	33	64,332	24	312,976	21
Twelve or more payments	5,540	37	181,859	67	347,926	52
Pending claims	74	1	2,753	1	3,341	82
Total case reserves	14,923	100%	270,292	100%	\$ 933,312	29
IBNR			20,272			
LAE			2,254			
Total reserves for losses and LAE			\$ 292,818			

Average reserve per default:

Case	\$ 18.1
Total	\$ 19.6

Default Rate 1.93%

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

Investments Available for Sale by Asset Class

Asset Class (\$ in thousands)	March 31, 2023		December 31, 2022	
	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	\$ 475,784	9.6%	\$ 556,438	11.7%
U.S. agency securities	12,690	0.3	49,058	1.0
U.S. agency mortgage-backed securities	850,124	17.2	783,743	16.5
Municipal debt securities	609,010	12.3	602,690	12.8
Non-U.S. government securities	63,018	1.3	62,399	1.3
Corporate debt securities	1,462,596	29.5	1,414,321	29.8
Residential and commercial mortgage securities	542,013	10.9	511,824	10.8
Asset-backed securities	648,109	13.1	624,561	13.2
Money market funds	286,692	5.8	136,591	2.9
Total investments available for sale	<u>\$ 4,950,036</u>	<u>100.0%</u>	<u>\$ 4,741,625</u>	<u>100.0%</u>

Investments Available for Sale by Credit Rating

Rating (1) (\$ in thousands)	March 31, 2023		December 31, 2022	
	Fair Value	Percent	Fair Value	Percent
Aaa	\$ 2,152,791	46.1%	\$ 2,122,599	46.2%
Aa1	106,131	2.3	111,262	2.4
Aa2	329,046	7.1	325,241	7.1
Aa3	233,021	5.0	232,500	5.0
A1	407,348	8.7	396,095	8.6
A2	388,296	8.3	410,163	8.9
A3	281,073	6.0	268,928	5.8
Baa1	246,921	5.3	236,793	5.1
Baa2	245,523	5.3	221,308	4.8
Baa3	175,828	3.8	187,117	4.1
Below Baa3	97,366	2.1	93,028	2.0
Total (2)	<u>\$ 4,663,344</u>	<u>100.0%</u>	<u>\$ 4,605,034</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.

(2) Excludes \$286,692 and \$136,591 of money market funds at March 31, 2023 and December 31, 2022, respectively.

Investments Available for Sale by Duration and Book Yield

Effective Duration (\$ in thousands)	March 31, 2023		December 31, 2022	
	Fair Value	Percent	Fair Value	Percent
< 1 Year	\$ 1,297,860	26.2%	\$ 1,245,839	26.3%
1 to < 2 Years	517,407	10.5	534,038	11.3
2 to < 3 Years	416,003	8.4	511,701	10.8
3 to < 4 Years	586,055	11.8	525,683	11.1
4 to < 5 Years	438,784	8.9	400,540	8.4
5 or more Years	1,693,927	34.2	1,523,824	32.1
Total investments available for sale	<u>\$ 4,950,036</u>	<u>100.0%</u>	<u>\$ 4,741,625</u>	<u>100.0%</u>

Pre-tax investment income yield:

Three months ended	3.40%	3.03 %
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Holding company net cash and investments available for sale:

(\$ in thousands)	
As of March 31, 2023	\$ 723,050
As of December 31, 2022	\$ 685,178

Essent Group Ltd. and Subsidiaries
Supplemental Information
Insurance Company Capital

	2023	2022			
	March 31	December 31	September 30	June 30	March 31
(\$ in thousands)					
U.S. Mortgage Insurance Subsidiaries:					
Combined statutory capital (1)	\$ 3,207,102	\$ 3,178,151	\$ 3,128,681	\$ 3,062,438	\$ 3,058,880
Combined net risk in force (2)	\$ 33,038,825	\$ 32,265,701	\$ 31,736,095	\$ 31,221,406	\$ 30,331,197
Risk-to-capital ratios: (3)					
Essent Guaranty, Inc.	10.6:1	10.5:1	10.5:1	10.6:1	10.3:1
Essent Guaranty of PA, Inc.	0.5:1	0.6:1	0.6:1	0.6:1	0.7:1
Combined (4)	10.3:1	10.2:1	10.1:1	10.2:1	9.9:1
Essent Guaranty, Inc. PMIERS Data (5):					
Available Assets	\$ 3,226,436	\$ 3,191,047	\$ 3,147,545	\$ 3,120,098	\$ 3,194,939
Minimum Required Assets	1,917,769	1,832,363	1,759,182	1,869,524	1,840,069
PMIERS excess Available Assets	\$ 1,308,667	\$ 1,358,684	\$ 1,388,363	\$ 1,250,574	\$ 1,354,870
PMIERS sufficiency ratio (6)	168%	174%	179%	167%	174%
Essent Reinsurance Ltd.:					
Stockholder's equity (GAAP basis)	\$ 1,573,013	\$ 1,478,772	\$ 1,397,287	\$ 1,380,067	\$ 1,330,840
Net risk in force (2)	\$ 20,305,111	\$ 19,454,046	\$ 18,694,500	\$ 17,758,801	\$ 16,527,587

(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.

(6) PMIERS sufficiency ratio is calculated by dividing Available Assets by Minimum Required Assets.