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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the period ended June 30, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-36157

ESSENT GROUP LTD.
(Exact name of registrant as specified in its charter)

Bermuda	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Clarendon House
2 Church Street
Hamilton HM11, Bermuda
(Address of principal executive offices and zip code)
(441) 297-9901
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.015 par value	ESNT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232-405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of the registrant's common shares outstanding as of July 31, 2025 was 98,533,757.

Essent Group Ltd. and Subsidiaries

Form 10-Q

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Unless the context otherwise indicates or requires, the terms "we," "our," "us," "Essent," and the "Company," as used in this Quarterly Report on Form 10-Q, refer to Essent Group Ltd. and its directly and indirectly owned subsidiaries, including our primary operating subsidiaries, Essent Guaranty, Inc. and Essent Reinsurance Ltd., as a combined entity, except where otherwise stated or where it is clear that the terms mean only Essent Group Ltd. exclusive of its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, or Quarterly Report, includes forward-looking statements pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts or present facts or conditions, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the introduction of new products and services, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this Quarterly Report reflect our views as of the date of this Quarterly Report about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described below, in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report, and in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission. These factors include, without limitation, the following:

- changes in or to Fannie Mae and Freddie Mac, which we refer to collectively as the GSEs, whether through Federal legislation, restructurings or a shift in business practices;
- failure to continue to meet the mortgage insurer eligibility requirements of the GSEs;
- competition for our customers or the loss of a significant customer;
- lenders or investors seeking alternatives to private mortgage insurance;
- increase in the number of loans insured through Federal government mortgage insurance programs, including those offered by the Federal Housing Administration;
- decline in the volume of low down payment mortgage originations;
- uncertainty of loss reserve estimates;
- decrease in the length of time our insurance policies are in force;
- deteriorating economic conditions;
- recently enacted U.S. Federal tax reform and its impact on us, our shareholders and our operations;
- the definition of "Qualified Mortgage" reducing the size of the mortgage origination market or creating incentives to use government mortgage insurance programs;
- the definition of "Qualified Residential Mortgage" reducing the number of low down payment loans or lenders and investors seeking alternatives to private mortgage insurance;
- the implementation of the Basel III Capital Accord, which may discourage the use of private mortgage insurance;
- management of risk in our investment portfolio;
- fluctuations in interest rates;

- inadequacy of the premiums we charge to compensate for our losses incurred;
- dependence on management team and qualified personnel;
- disturbance to our information technology systems;
- change in our customers' capital requirements discouraging the use of mortgage insurance;
- declines in the value of borrowers' homes;
- limited availability of capital or reinsurance;
- unanticipated claims arise under and risks associated with our contract underwriting program;
- industry practice that loss reserves are established only upon a loan default;
- disruption in mortgage loan servicing;
- risk of future legal proceedings;
- customers' technological demands;
- our non-U.S. operations becoming subject to U.S. Federal income taxation;
- becoming considered a passive foreign investment company for U.S. Federal income tax purposes; and
- potential restrictions on the ability of our insurance subsidiaries to pay dividends.

Readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements. All of the forward-looking statements we have included in this Quarterly Report are based on information available to us on the date of this Quarterly Report. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

We intend to use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included on our website in the "Events & Presentations" section. Accordingly, investors should monitor such portion of our website, in addition to following our press releases, SEC filings and public conference calls and webcasts.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Essent Group Ltd. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except per share amounts)	June 30, 2025	December 31, 2024
Assets		
Investments		
Fixed maturities available for sale, at fair value (amortized cost: 2025 — $5,636,118; 2024 — $5,467,238)	$ 5,383,504	$ 5,112,697
Short-term investments available for sale, at fair value (amortized cost: 2025 — $583,033; 2024 — $763,780)	583,033	764,024
Total investments available for sale	5,966,537	5,876,721
Other invested assets	359,823	303,900
Total investments	6,326,360	6,180,621
Cash	92,116	131,480
Accrued investment income	45,940	43,732
Accounts receivable	52,340	55,564
Deferred policy acquisition costs	9,237	9,653
Property and equipment (at cost, less accumulated depreciation of $74,283 in 2025 and $72,270 in 2024)	42,434	41,871
Prepaid federal income tax	497,356	489,600
Goodwill and acquired intangible assets, net	78,855	79,556
Other assets	75,923	79,572
Total assets	$ 7,220,561	$ 7,111,649
Liabilities and Stockholders' Equity		
Liabilities		
Reserve for losses and LAE	$ 364,749	$ 328,866
Unearned premium reserve	102,382	115,983
Net deferred tax liability	427,202	392,428
Senior Notes due 2029, net	494,630	493,959
Other liabilities	158,750	176,755
Total liabilities	1,547,713	1,507,991
Commitments and contingencies (see Note 7)		
Stockholders' Equity		
Common shares, $0.015 par value:		
Authorized - 233,333; issued and outstanding - 99,556 shares in 2025 and 105,015 shares in 2024	1,493	1,575
Additional paid-in capital	888,337	1,214,956
Accumulated other comprehensive loss	(215,666)	(303,984)
Retained earnings	4,998,684	4,691,111
Total stockholders' equity	5,672,848	5,603,658
Total liabilities and stockholders' equity	$ 7,220,561	$ 7,111,649

See accompanying notes to condensed consolidated financial statements.

Essent Group Ltd. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues:				
Net premiums written	$ 241,488	$ 245,566	$ 479,759	$ 484,106
Decrease in unearned premiums	7,321	6,325	14,898	13,375
Net premiums earned	248,809	251,891	494,657	497,481
Net investment income	59,289	56,086	117,499	108,171
Realized investment losses, net	(129)	(1,164)	(310)	(2,304)
Income (loss) from other invested assets	4,466	(419)	11,874	(2,334)
Other income	6,708	6,548	12,981	10,285
Total revenues	319,143	312,942	636,701	611,299
Losses and expenses:				
Provision (benefit) for losses and LAE	17,055	(334)	48,342	9,579
Other underwriting and operating expenses	62,765	66,202	133,889	133,042
Interest expense	8,148	7,849	16,296	15,711
Total losses and expenses	87,968	73,717	198,527	158,332
Income before income taxes	231,175	239,225	438,174	452,967
Income tax expense	35,836	35,616	67,402	67,639
Net income	$ 195,339	$ 203,609	$ 370,772	$ 385,328
Earnings per share:				
Basic	$ 1.95	$ 1.93	$ 3.65	$ 3.65
Diluted	1.93	1.91	3.62	3.61
Weighted average shares outstanding:				
Basic	100,037	105,657	101,451	105,677
Diluted	101,059	106,778	102,495	106,774
Net income	$ 195,339	$ 203,609	$ 370,772	$ 385,328
Other comprehensive income (loss):				
Change in unrealized appreciation (depreciation) of investments, net of tax expense (benefit) of $2,070 and ($1,592) in the three months ended June 30, 2025 and 2024, and $13,365 and ($4,714) in the six months ended June 30, 2025 and 2024, respectively.	16,580	(5,375)	88,318	(27,141)
Total other comprehensive income (loss)	16,580	(5,375)	88,318	(27,141)
Comprehensive income	$ 211,919	$ 198,234	$ 459,090	$ 358,187

See accompanying notes to condensed consolidated financial statements.

Essent Group Ltd. and Subsidiaries

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Common Shares				
Balance, beginning of period	$ 1,537	$ 1,601	$ 1,575	$ 1,599
Issuance of management incentive shares	—	1	8	8
Forfeiture of management incentive shares	—	—	(1)	(1)
Cancellation of treasury stock	(44)	(6)	(89)	(10)
Balance, end of period	1,493	1,596	1,493	1,596
Additional Paid-In Capital				
Balance, beginning of period	1,055,340	1,293,424	1,214,956	1,299,869
Dividends and dividend equivalents declared	464	514	669	803
Issuance of management incentive shares	—	(1)	(8)	(8)
Forfeiture of management incentive shares	—	—	1	1
Stock-based compensation expense	3,950	6,972	12,942	13,792
Cancellation of treasury stock	(171,417)	(21,991)	(340,223)	(35,539)
Balance, end of period	888,337	1,278,918	888,337	1,278,918
Accumulated Other Comprehensive Loss				
Balance, beginning of period	(232,246)	(302,262)	(303,984)	(280,496)
Other comprehensive income (loss)	16,580	(5,375)	88,318	(27,141)
Balance, end of period	(215,666)	(307,637)	(215,666)	(307,637)
Retained Earnings				
Balance, beginning of period	4,834,675	4,233,391	4,691,111	4,081,578
Net income	195,339	203,609	370,772	385,328
Dividends and dividend equivalents declared	(31,330)	(30,087)	(63,199)	(59,993)
Balance, end of period	4,998,684	4,406,913	4,998,684	4,406,913
Treasury Stock				
Balance, beginning of period	—	—	—	—
Treasury stock acquired	(171,461)	(21,997)	(340,312)	(35,549)
Cancellation of treasury stock	171,461	21,997	340,312	35,549
Balance, end of period	—	—	—	—
Total Stockholders' Equity	$ 5,672,848	$ 5,379,790	$ 5,672,848	$ 5,379,790

See accompanying notes to condensed consolidated financial statements.

Essent Group Ltd. and Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
(In thousands)	**2025**	**2024**
Operating Activities		
Net income	$ 370,772	$ 385,328
Adjustments to reconcile net income to net cash provided by operating activities:		
Realized investment losses, net	310	2,304
(Income) loss from other invested assets	(11,874)	2,334
Distribution of income from other invested assets	3,327	3,124
Depreciation and amortization	2,714	2,859
Stock-based compensation expense	12,942	13,792
Amortization of premium on investment securities	7,007	9,675
Deferred income tax provision	21,409	20,623
Change in:		
Accrued investment income	(2,208)	155
Accounts receivable	3,786	9,992
Deferred policy acquisition costs	416	(60)
Prepaid federal income tax	(7,756)	(16,810)
Other assets	(2,147)	1,513
Reserve for losses and LAE	35,883	593
Unearned premium reserve	(13,601)	(13,347)
Other accrued liabilities	(9,876)	(16,449)
Net cash provided by operating activities	411,104	405,626
Investing Activities		
Net change in short-term investments	180,990	(594,781)
Purchase of investments available for sale	(602,313)	(63,548)
Proceeds from maturity and paydowns of investments available for sale	414,860	245,491
Proceeds from sales of investments available for sale	6,226	174,121
Purchase of other invested assets	(48,617)	(12,816)
Return of investment from other invested assets	1,241	1,803
Purchase of property and equipment	(963)	(5,542)
Net cash used in investing activities	(48,576)	(255,272)
Financing Activities		
Treasury stock acquired	(339,362)	(35,549)
Dividends paid	(62,530)	(59,190)
Net cash used in financing activities	(401,892)	(94,739)
Net (decrease) increase in cash	(39,364)	55,615
Cash at beginning of year	131,480	141,787
Cash at end of period	$ 92,116	$ 197,402
Supplemental Disclosure of Cash Flow Information		
Income tax payments	$ (53,737)	$ (51,526)
Interest payments	(15,625)	(15,444)
Noncash Transactions		
Excise taxes payable for share repurchases	$ 950	$ —
Lease liabilities arising from obtaining right-of-use assets	4,294	—

See accompanying notes to condensed consolidated financial statements.

In these notes to condensed consolidated financial statements, “Essent”, “Company”, “we”, “us”, and “our” refer to Essent Group Ltd. and its subsidiaries, unless the context otherwise requires.

Note 1. Nature of Operations and Basis of Presentation

Essent Group Ltd. (“Essent Group”) is a Bermuda-based holding company, which, through its wholly-owned subsidiaries, offers private mortgage insurance and reinsurance for mortgages secured by residential properties located in the United States. Mortgage insurance facilitates the sale of low down payment (generally less than 20%) mortgage loans into the secondary mortgage market, primarily to two government-sponsored enterprises (“GSEs”), Fannie Mae and Freddie Mac.

The primary mortgage insurance operations are conducted through Essent Guaranty, Inc. (“Essent Guaranty”), which is domiciled in the state of Pennsylvania. Essent Guaranty is headquartered in Radnor, Pennsylvania and maintains an operations center in Winston-Salem, North Carolina. Essent Guaranty is approved as a qualified mortgage insurer by the GSEs and is licensed to write mortgage insurance in all 50 states and the District of Columbia.

Essent Guaranty reinsures new insurance written ("NIW") to Essent Reinsurance Ltd. (“Essent Re”), an affiliated Bermuda domiciled Class 3B Insurer licensed pursuant to Section 4 of the Bermuda Insurance Act 1978 that provides insurance and reinsurance coverage of mortgage credit risk. Essent Re also provides insurance and reinsurance to Freddie Mac and Fannie Mae. The following table summarizes the quota share reinsurance coverage that Essent Re has provided to Essent Guaranty for the respective NIW periods:

NIW Period	Ceding Percentage
January 1, 2025 to Present	50%
January 1, 2021 to December 31, 2024	35%
Prior to January 1, 2021	25%

In 2016, Essent Re formed Essent Agency (Bermuda) Ltd., a wholly-owned subsidiary, which provides underwriting consulting services to third-party reinsurers.

Prior to December 31, 2024, Essent Guaranty also reinsured that portion of the risk that is in excess of 25% of the mortgage balance with respect to any loan insured prior to April 1, 2019, after consideration of other reinsurance, to Essent Guaranty of PA, Inc. (“Essent PA”), an affiliate domiciled in the state of Pennsylvania. On December 31, 2024, Essent Guaranty and Essent PA entered into a commutation and release agreement in which all outstanding risk in force assumed by Essent PA was commuted back to Essent Guaranty in exchange for cash. Upon the commutation and release, Essent PA surrendered its insurance license and is no longer an insurance subsidiary of Essent Group Ltd. as of December 31, 2024.

In addition to offering mortgage insurance, we provide contract underwriting services on a limited basis through CUW Solutions, LLC ("CUW Solutions"), a Delaware limited liability company, that provides, among other things, mortgage contract underwriting services to lenders and mortgage insurance underwriting services to affiliates. CUW Solutions is headquartered in Radnor, Pennsylvania and it maintains an operations center in Winston-Salem, North Carolina that is subleased from Essent Guaranty.

As a result of our acquisitions of Agents National Title Insurance Company (renamed Essent Title Insurance, Inc. effective January 1, 2025) and Boston National Holdings LLC on July 1, 2023, we now offer title insurance products and title and settlement services. Our title insurance operations are headquartered in Radnor, Pennsylvania, with additional locations in Charlotte, North Carolina, Columbia, Missouri and Pittsburgh, Pennsylvania.

We have one reportable business segment: Mortgage Insurance. Our Mortgage Insurance segment offers private mortgage insurance and reinsurance for mortgages secured by residential properties located in the United States. We provide private mortgage insurance on residential first-lien mortgage loans ("U.S. mortgage insurance") through our U.S. mortgage insurance subsidiary, Essent Guaranty, and also offer other credit risk management solutions, including contract underwriting, to our customers. Through our Bermuda-based reinsurance subsidiary, Essent Re, we reinsure U.S. mortgage risk primarily through the GSE credit risk transfer market ("GSE and other risk share") and provide underwriting consulting services to third-party reinsurers.

We have prepared the condensed consolidated financial statements included herein pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). We have condensed or omitted certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") pursuant to such rules and regulations. In the opinion of management, the statements include all adjustments (which include normal recurring adjustments) required for a fair statement of financial position, results of operations and cash flows for the interim periods presented. These statements should be read in conjunction with the consolidated financial statements and notes thereto, including Note 1 and Note 2 to the consolidated financial statements, included in our Annual Report on Form 10-K for the year ended December 31, 2024, which discloses the principles of consolidation and a summary of significant accounting policies. The results of operations for the interim periods are not necessarily indicative of the results for the full year. We evaluated the need to recognize or disclose events that occurred subsequent to June 30, 2025 prior to the issuance of these condensed consolidated financial statements.

Certain amounts in prior years have been reclassified to conform to the current year presentation.

Note 2. Recently Issued Accounting Standards

Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid, including taxes paid by jurisdiction. The ASU will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively, with early adoption permitted. The Company is currently evaluating the impact that the ASU will have on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03") and in January 2025, the FASB issued ASU No. 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. The ASU is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact that the ASU will have on our consolidated financial statements.

Note 3. Investments

Investments available for sale consist of the following:

June 30, 2025 (In thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury securities	$ 398,591	$ 1,707	$ (8,837)	$ 391,461
U.S. agency mortgage-backed securities	1,265,904	2,646	(95,835)	1,172,715
Municipal debt securities(1)	645,877	1,734	(46,993)	600,618
Non-U.S. government securities	72,261	—	(10,095)	62,166
Corporate debt securities	1,968,972	8,497	(69,302)	1,908,167
Residential and commercial mortgage securities	484,715	646	(30,980)	454,381
Asset-backed securities	801,867	2,362	(8,164)	796,065
Money market funds	580,964	—	—	580,964
Total investments available for sale	$ 6,219,151	$ 17,592	$ (270,206)	$ 5,966,537

December 31, 2024 (In thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury securities	$ 561,853	$ 325	$ (14,888)	$ 547,290
U.S. agency mortgage-backed securities	1,249,259	42	(123,865)	1,125,436
Municipal debt securities (1)	631,015	1,596	(49,110)	583,501
Non-U.S. government securities	81,631	—	(11,833)	69,798
Corporate debt securities (2)	1,887,647	1,064	(105,665)	1,783,046
Residential and commercial mortgage securities	519,613	527	(42,054)	478,086
Asset-backed securities	642,395	601	(11,037)	631,959
Money market funds	657,605	—	—	657,605
Total investments available for sale	$ 6,231,018	$ 4,155	$ (358,452)	$ 5,876,721

(1) The following table summarizes municipal debt securities as of :	June 30, 2025	December 31, 2024
Special revenue bonds	82.6%	83.3%
General obligation bonds	17.4	16.7
Total	100.0%	100.0%

(2) The following table summarizes corporate debt securities as of :	June 30, 2025	December 31, 2024
Financial	41.5%	41.8%
Consumer, non-cyclical	16.1	15.1
Utilities	8.7	8.7
Industrial	8.2	8.2
Technology	6.4	6.4
Consumer, cyclical	6.2	6.3
Communications	5.2	5.7
Energy	5.0	5.1
Basic Materials	2.7	2.7
Total	100.0%	100.0%

Essent Group Ltd. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

The amortized cost and fair value of investments available for sale at June 30, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Because most U.S. agency mortgage-backed securities, residential and commercial mortgage securities and asset-backed securities provide for periodic payments throughout their lives, they are listed below in separate categories.

(In thousands)	Amortized Cost	Fair Value
U.S. Treasury securities:		
Due in 1 year	$ 94,020	$ 92,725
Due after 1 but within 5 years	268,372	265,801
Due after 5 but within 10 years	21,709	20,340
Due after 10 years	14,490	12,595
Subtotal	398,591	391,461
Municipal debt securities:		
Due in 1 year	20,710	20,575
Due after 1 but within 5 years	91,433	89,634
Due after 5 but within 10 years	147,229	140,145
Due after 10 years	386,505	350,264
Subtotal	645,877	600,618
Non-U.S. government securities:		
Due in 1 year	6,529	6,455
Due after 1 but within 5 years	25,938	25,340
Due after 5 but within 10 years	7,696	6,545
Due after 10 years	32,098	23,826
Subtotal	72,261	62,166
Corporate debt securities:		
Due in 1 year	165,479	164,573
Due after 1 but within 5 years	612,577	597,076
Due after 5 but within 10 years	990,216	973,327
Due after 10 years	200,700	173,191
Subtotal	1,968,972	1,908,167
U.S. agency mortgage-backed securities	1,265,904	1,172,715
Residential and commercial mortgage securities	484,715	454,381
Asset-backed securities	801,867	796,065
Money market funds	580,964	580,964
Total investments available for sale	$ 6,219,151	$ 5,966,537

The components of realized investment (losses) gains, net on the condensed consolidated statements of comprehensive income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Realized gross gains	$ 19	$ 51	$ 19	$ 55
Realized gross losses	(148)	(692)	(329)	(1,836)
Impairment loss	—	(523)	—	(523)

The fair value of investments available for sale in an unrealized loss position and the related unrealized losses for which no allowance for credit loss has been recorded were as follows:

	Less than 12 months		12 months or more		Total	
June 30, 2025 (In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury securities	$ 33,700	$ (201)	$ 205,869	$ (8,636)	$ 239,569	$ (8,837)
U.S. agency mortgage-backed securities	321,777	(5,139)	606,917	(90,696)	928,694	(95,835)
Municipal debt securities	203,037	(7,028)	281,737	(39,965)	484,774	(46,993)
Non-U.S. government securities	15,049	(4,027)	47,117	(6,068)	62,166	(10,095)
Corporate debt securities	524,650	(8,344)	645,501	(60,958)	1,170,151	(69,302)
Residential and commercial mortgage securities	25,314	(327)	395,500	(30,653)	420,814	(30,980)
Asset-backed securities	230,813	(2,830)	119,064	(5,334)	349,877	(8,164)
Total	$ 1,354,340	$ (27,896)	$ 2,301,705	$ (242,310)	$ 3,656,045	$ (270,206)

	Less than 12 months		12 months or more		Total	
December 31, 2024 (In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury securities	$ 141,789	$ (1,620)	$ 279,143	$ (13,268)	$ 420,932	$ (14,888)
U.S. agency mortgage-backed securities	476,695	(13,028)	629,036	(110,837)	1,105,731	(123,865)
Municipal debt securities	204,810	(5,688)	282,312	(43,422)	487,122	(49,110)
Non-U.S. government securities	4,146	(262)	65,652	(11,571)	69,798	(11,833)
Corporate debt securities	898,449	(25,547)	725,148	(80,118)	1,623,597	(105,665)
Residential and commercial mortgage securities	39,931	(1,168)	421,891	(40,886)	461,822	(42,054)
Asset-backed securities	188,475	(2,701)	164,683	(8,336)	353,158	(11,037)
Total	$ 1,954,295	$ (50,014)	$ 2,567,865	$ (308,438)	$ 4,522,160	$ (358,452)

At June 30, 2025 and December 31, 2024, we held 2,178 and 2,481 individual investment securities, respectively, that were in an unrealized loss position. We assess our intent to sell these securities and whether we will be required to sell these securities before the recovery of their amortized cost basis when determining whether to record an impairment on the securities in an unrealized loss position. In assessing whether the decline in the fair value at June 30, 2025 of any of these securities resulted from a credit loss or other factors, we made inquiries of our investment managers to determine that each issuer was current on its scheduled interest and principal payments. We reviewed the credit rating of these securities noting that approximately 99% of the securities at June 30, 2025 had investment-grade ratings. We concluded that gross unrealized losses noted above were primarily associated with the changes in interest rates subsequent to purchase rather than due to credit impairment. There were no impairments recorded in the three and six months ended June 30, 2025. We recorded impairments of $0.5 million during the three and six months ended June 30, 2024 due to our intent to sell securities in an unrealized loss position.

The Company's other invested assets at June 30, 2025 and December 31, 2024 totaled $359.8 million and $303.9 million, respectively. Other invested assets are principally comprised of limited partnership interests which are generally accounted for under the equity method or fair value using net asset value (or its equivalent) as a practical expedient. Our proportionate share of earnings or losses or changes in fair value are reported in income from other invested assets on the condensed consolidated statements of comprehensive income. For entities accounted for under the equity method that follow industry-specific guidance for investment companies, our proportionate share of earnings or losses includes changes in the fair value of the underlying assets of these entities. Due to the timing of receiving financial information from these partnerships, the results are generally reported on a one month or quarter lag.

Other invested assets that are accounted for at fair value using the net asset value (or its equivalent) as a practical expedient totaled $179.7 million as of June 30, 2025 and $171.7 million as of December 31, 2024. The majority of these investments were in limited partnerships invested in real estate or consumer credit. At June 30, 2025, maximum future funding commitments were $44 million. For limited partnership investments that have a contractual expiration date, we expect the liquidation of the underlying assets to occur over the next one to nine years. For certain of these investments, the Company does not have the contractual option to redeem but receives distributions based on the liquidation of the underlying assets. In addition, the Company generally does not have the ability to sell or transfer these investments without the consent from the general partner of individual limited partnerships.

The fair value of investments deposited with insurance regulatory authorities to meet statutory requirements was $8.7 million at June 30, 2025 and $9.3 million at December 31, 2024. In connection with its insurance and reinsurance activities, Essent Re is required to maintain assets in trusts for the benefit of its contractual counterparties. The fair value of the investments on deposit in these trusts was $1.0 billion at June 30, 2025 and $983.5 million at December 31, 2024. Essent Guaranty is also required to maintain assets on deposit for the benefit of the sponsor of a fixed income investment commitment. The fair value of the assets on deposit was $5.1 million at June 30, 2025 and $9.3 million at December 31, 2024.

Net investment income consists of:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Fixed maturities	$ 54,946	$ 45,368	$ 107,432	$ 91,656
Short-term investments	6,073	11,831	13,548	18,974
Gross investment income	61,019	57,199	120,980	110,630
Investment expenses	(1,730)	(1,113)	(3,481)	(2,459)
Net investment income	$ 59,289	$ 56,086	$ 117,499	$ 108,171

Note 4. Reinsurance

In the ordinary course of business, our insurance subsidiaries may use reinsurance to provide protection against adverse loss experience and to expand our capital sources. Reinsurance recoverables are recorded as assets and included in other assets on our condensed consolidated balance sheets, predicated on a reinsurer's ability to meet their obligations under the reinsurance agreements. If the reinsurers are unable to satisfy their obligations under the agreements, our insurance subsidiaries would be liable for such defaulted amounts.

The effect of reinsurance on net premiums written and earned is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Net premiums written:				
Direct	$ 274,872	$ 272,910	$ 547,266	$ 541,841
Ceded (1)	(33,384)	(27,344)	(67,507)	(57,735)
Net premiums written	$ 241,488	$ 245,566	$ 479,759	$ 484,106
Net premiums earned:				
Direct	$ 282,193	$ 279,235	$ 562,164	$ 555,216
Ceded (1)	(33,384)	(27,344)	(67,507)	(57,735)
Net premiums earned	$ 248,809	$ 251,891	$ 494,657	$ 497,481

(1) Net of profit commission.

Quota Share Reinsurance

Essent Guaranty has entered into quota share reinsurance agreements with panels of third-party reinsurers ("QSR" agreements). Each of the third-party reinsurers has an insurer financial strength rating of A- or better by S&P Global Ratings, A.M. Best Ratings Services, Inc. or both. Under each QSR agreement, Essent Guaranty will cede premiums earned on all eligible policies written during a specified period, in exchange for reimbursement of ceded claims and claims expenses on covered policies, a specified ceding commission, and a profit commission that varies directly and inversely with ceded claims. Essent Guaranty has certain termination rights under each QSR agreement, including the option to terminate each QSR agreement subject to a termination fee.

The following table summarizes Essent Guaranty's quota share reinsurance agreements as of June 30, 2025:

QSR Agreement	Coverage Period	Ceding Percentage
QSR-2019	September 1, 2019 - December 31, 2020	**(1)**
QSR-2022	January 1, 2022 - December 31, 2022	20%
QSR-2023	January 1, 2023 - December 31, 2023	17.5%
QSR-2024	January 1, 2024 - December 31, 2024	15%
QSR-2025	January 1, 2025 - December 31, 2025	25%

(1) Under QSR-2019, Essent Guaranty cedes 40% of premiums on singles policies and 20% on all other policies.

Total risk in force (RIF) ceded under the QSR agreements was $9.5 billion as of June 30, 2025. During the first quarter of 2025, Essent also entered into a forward quota share transaction covering 25% of the risk of all eligible policies written by Essent Guaranty, Inc. in calendar year 2026.

Excess of Loss Reinsurance

Essent Guaranty has entered into fully collateralized reinsurance agreements ("Radnor Re Transactions") with unaffiliated special purpose insurers domiciled in Bermuda. For the reinsurance coverage periods, Essent Guaranty and its affiliates retain the first layer of the respective aggregate losses, and a Radnor Re special purpose insurer will then provide second layer coverage up to the outstanding reinsurance coverage amount. Essent Guaranty and its affiliates retain losses in excess of the outstanding reinsurance coverage amount. The reinsurance premium due to each Radnor Re special purpose insurer is calculated by multiplying the outstanding reinsurance coverage amount at the beginning of a period by a coupon rate, which is the sum of one-month SOFR plus a risk margin, and then subtracting actual investment income collected on the assets in the related reinsurance trust during that period. The aggregate excess of loss reinsurance coverage decreases over a ten-year period as the underlying covered mortgages amortize. Essent Guaranty has rights to terminate the Radnor Re Transactions. The Radnor Re entities collateralized the coverage by issuing mortgage insurance-linked notes ("ILNs") in an aggregate amount equal to the initial coverage to unaffiliated investors. The notes have ten-year legal maturities and are non-recourse to any assets of Essent Guaranty or its affiliates. The proceeds of the notes were deposited into reinsurance trusts for the benefit of Essent Guaranty and will be the source of reinsurance claim payments to Essent Guaranty and principal repayments on the ILNs.

Essent Guaranty has also entered into reinsurance agreements with panels of reinsurers that provide excess of loss coverage on new insurance written from January 1, 2018 through August 31, 2019 and from October 1, 2021 through December 31, 2024. For the reinsurance coverage periods, Essent Guaranty and its affiliates retain the first layer of the respective aggregate losses, and the reinsurance panels will then provide second layer coverage up to the outstanding reinsurance coverage amounts. Essent Guaranty and its affiliates retain losses in excess of the outstanding reinsurance coverage amounts. Essent Guaranty has rights to terminate these reinsurance agreements.

The following table summarizes Essent Guaranty's excess of loss coverages and retentions provided by insurance linked notes as of June 30, 2025:

(In thousands)

Deal Name	Vintage	Remaining Insurance in Force	Remaining Risk in Force	Remaining Reinsurance in Force	Remaining First Layer Retention	Optional Termination Date
Radnor Re 2021-1	Aug. 2020 - Mar. 2021	$ 21,095,901	$ 5,826,753	$ 139,755	$ 277,158	June 26, 2028
Radnor Re 2021-2	Apr. 2021 - Sep. 2021	26,864,364	7,566,871	228,819	273,926	November 25, 2027
Radnor Re 2022-1	Oct. 2021 - Jul. 2022	26,046,456	7,171,205	146,841	297,208	September 25, 2028
Radnor Re 2023-1	Aug. 2022 - Jun. 2023	26,469,770	7,268,636	235,647	278,466	July 25, 2028
Radnor Re 2024-1	Jul. 2023 - Jul. 2024	27,346,263	7,567,326	297,147	256,437	September 25, 2029
Total		$ 127,822,754	$ 35,400,791	$ 1,048,209	$ 1,383,195	

The following table summarizes Essent Guaranty's excess of loss reinsurance coverages and retentions provided by panels of reinsurers as of June 30, 2025:

(In thousands)

Deal Name	Vintage	Remaining Insurance in Force	Remaining Risk in Force	Remaining Reinsurance in Force	Remaining First Layer Retention	Optional Termination Date
XOL 2019-1	Jan. 2018 - Dec. 2018	$ 4,124,729	$ 1,088,405	$ 76,144	$ 242,687	February 25, 2026
XOL 2020-1	Jan. 2019 - Aug. 2019	5,279,113	1,397,295	29,152	211,235	January 25, 2027
XOL 2022-1	Oct. 2021 - Dec. 2022	59,046,810	16,186,034	141,992	489,255	January 1, 2030
XOL 2023-1	Jan. 2023 - Dec. 2023	34,703,053	9,630,585	36,627	364,437	January 1, 2028
XOL 2024-1	Jan. 2024 - Dec. 2024	38,318,310	10,531,084	58,005	331,178	January 1, 2030
Total		$ 141,472,015	$ 38,833,403	$ 341,920	$ 1,638,792	

In April 2025, Essent entered into two excess of loss transactions, effective July 1 of each year, with panels of highly rated third-party reinsurers covering 20% of all eligible policies written by Essent Guaranty, Inc. in calendar years 2025 and 2026.

The amount of monthly reinsurance premiums ceded to the Radnor Re entities will fluctuate due to changes in one-month SOFR and changes in money market rates that affect investment income collected on the assets in the reinsurance trusts. As the reinsurance premium will vary based on changes in these rates, we concluded that the Radnor Re Transactions contain embedded derivatives that will be accounted for separately like freestanding derivatives. The change in the fair value of the embedded derivatives is reported in earnings and included in other income.

In connection with the Radnor Re Transactions, we concluded that the risk transfer requirements for reinsurance accounting were met as each Radnor Re entity is assuming significant insurance risk and a reasonable possibility of a significant loss. In addition, we assessed whether each Radnor Re entity was a variable interest entity ("VIE") and the appropriate accounting for the Radnor Re entities if they were VIEs. A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains and losses of the entity. A VIE is consolidated by its primary beneficiary. The primary beneficiary is the entity that has both (1) the power to direct the activities of the VIE that most significantly affect the entity's economic performance and (2) the obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE. While also considering these factors, the consolidation conclusion depends on the breadth of the decision-making ability and ability to influence activities that significantly affect the economic performance of the VIE. We concluded that the Radnor Re entities are VIEs. However, given that Essent Guaranty (1) does not have the unilateral power to direct the activities that most significantly affect their economic performance and (2) does not have the obligation to absorb losses or the right to receive benefits that could be potentially significant to these entities, the Radnor Re entities are not consolidated in these financial statements.

The following table presents total assets of each Radnor Re special purpose insurer as well as our maximum exposure to loss associated with each Radnor Re entity, representing the fair value of the embedded derivatives, using observable inputs in active markets (Level 2), included in other assets (other accrued liabilities) on our condensed consolidated balance sheet and the estimated net present value of investment earnings on the assets in the reinsurance trusts, each as of June 30, 2025:

		Maximum Exposure to Loss		
(In thousands)	**Total VIE Assets**	**On - Balance Sheet**	**Off - Balance Sheet**	**Total**
Radnor Re 2021-1 Ltd.	$ 139,755	$ (5,548)	$ 11	$ (5,537)
Radnor Re 2021-2 Ltd.	228,819	(6,064)	37	(6,027)
Radnor Re 2022-1 Ltd.	146,841	(268)	25	(243)
Radnor Re 2023-1 Ltd.	235,647	217	44	261
Radnor Re 2024-1 Ltd.	297,147	271	66	337
Total	$ 1,048,209	$ (11,392)	$ 183	$ (11,209)

The assets of the Radnor Re entities are the source of reinsurance claim payments to Essent Guaranty and provide capital relief under the PMIERs financial strength requirements (see Note 14). A decline in the assets available to pay claims would reduce the capital relief available to Essent Guaranty.

Note 5. Reserve for Losses and Loss Adjustment Expenses

The following table provides a reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses (“LAE”) for the six months ended June 30:

(In thousands)	**2025**	**2024**
Reserve for losses and LAE at beginning of period	$ 328,866	$ 260,095
Less: Reinsurance recoverables	36,754	24,104
Net reserve for losses and LAE at beginning of period	292,112	235,991
Add provision for losses and LAE, net of reinsurance, occurring in:		
Current period	96,403	70,584
Prior years	(48,061)	(61,005)
Net incurred losses and LAE during the current period	48,342	9,579
Deduct payments for losses and LAE, net of reinsurance, occurring in:		
Current period	367	885
Prior years	17,403	10,118
Net loss and LAE payments during the current period	17,770	11,003
Net reserve for losses and LAE at end of period	322,684	234,567
Plus: Reinsurance recoverables	42,065	26,121
Reserve for losses and LAE at end of period	$ 364,749	$ 260,668

For the six months ended June 30, 2025, $17.4 million was paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. There has been $48.1 million of favorable prior year development during the six months ended June 30, 2025. Net reserves remaining as of June 30, 2025 for prior years are $226.6 million as a result of re-estimation of unpaid losses and loss adjustment expenses. For the six months ended June 30, 2024, $10.1 million was paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. There was $61.0 million of favorable prior year development during the six months ended June 30, 2024. Reserves remaining as of June 30, 2024 for prior years were $164.9 million as a result of re-estimation of unpaid losses and loss adjustment expenses. In both periods, the favorable prior years' loss development was the result of a re-estimation of amounts ultimately to be paid on prior year defaults in the default inventory, including the impact of previously identified defaults that cured. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

On September 26, 2024, Hurricane Helene made landfall and caused property damage in certain counties in Florida, Georgia, South Carolina, North Carolina, Tennessee and Virginia. On October 9, 2024, Hurricane Milton made landfall, causing damage in certain counties in Florida. Loans in default at December 31, 2024 included 2,119 defaults that we identified as hurricane-related defaults. Based on prior industry experience, we expect the ultimate number of hurricane-related defaults that result in claims will be less than the default-to-claim experience of non-hurricane-related defaults. In addition, under our master policy, our exposure may be limited on hurricane-related claims. For example, we are permitted to exclude a claim entirely where damage to the property underlying a mortgage was the proximate cause of the default and adjust a claim where the property underlying a mortgage in default is subject to unrestored physical damage. Accordingly, when establishing our loss reserves as of December 31, 2024, we applied a lower estimated claim rate to new default notices received in the fourth quarter of 2024 from the affected areas than the claim rate we apply to other notices in our default inventory. The impact on our reserves in future periods will be dependent upon the performance of the hurricane-related defaults and our expectations for the amount of ultimate losses on these delinquencies. As of June 30, 2025, the reserves established for the Hurricane Milton and Helene defaults are materially unchanged from December 31, 2024 as this amount continues to be our best estimate of the ultimate losses to be incurred for claims associated with those defaults.

In January 2025, several wildfires caused property damage in Southern California. As of June 30, 2025, our insurance in force in areas with Federal Emergency Management Agency ("FEMA") disaster declarations due to these wildfires was less than 0.1% of our total insurance in force. These wildfires have not materially affected our reserves as of June 30, 2025.

The Federal Reserve increased the target federal funds rate several times during 2022 and 2023 in an effort to reduce consumer price inflation. As a result of progress on inflation, the Federal Reserve reduced the target federal funds rate by 100 basis points since September 2024. Mortgage interest rates remain elevated which has reduced home sale activity and may affect the options available to delinquent borrowers. It is reasonably possible that our estimate of losses could change in the near term as a result of changes in the economic environment, the impact of elevated mortgage interest rates on home sale activity, housing inventory and home prices.

Note 6. Debt Obligations

Credit Facility

Through June 30, 2024, Essent Group and its subsidiaries, Essent Irish Intermediate Holdings Limited and Essent US Holdings, Inc. (collectively, the "Borrowers"), were parties to a five-year secured credit facility with a committed capacity of $825 million (the "Existing Credit Facility"). The Existing Credit Facility also provided for up to $175 million aggregate principal amount of uncommitted incremental term loan and/or revolving credit facilities that may be exercised at the Borrowers' option so long as the Borrowers receive commitments from the lenders. Borrowings under the Existing Credit Facility may have been used for working capital and general corporate purposes, including, without limitation, capital contributions to Essent's insurance and reinsurance subsidiaries. Borrowings accrued interest at a floating rate tied to a standard short-term borrowing index, selected at the Company's option, plus an applicable margin. A commitment fee was due quarterly on the average daily amount of the undrawn revolving commitment. The applicable margin and the commitment fee were based on the senior unsecured debt rating or long-term issuer rating of Essent Group to the extent available, or the insurer financial strength rating of Essent Guaranty. The obligations under the Existing Credit Facility were secured by certain assets of the Borrowers, excluding the stock and assets of its insurance and reinsurance subsidiaries. The Credit Facility contained several covenants, including financial covenants relating to minimum net worth, capital and liquidity levels, maximum debt to capitalization level and Essent Guaranty's compliance with the PMIERs (see Note 14). As of June 30, 2024, the Company was in compliance with the covenants and $425 million had been borrowed under the term loan portion of the Existing Credit Facility with a weighted average interest rate of 7.07%.

On July 1, 2024, Essent Group completed an underwritten public offering of $500 million principal amount of 6.25% Senior Notes due 2029 (the "Senior Notes"). Interest on the Senior Notes will be payable semi-annually in arrears on January 1 and July 1 of each year, beginning on January 1, 2025. The Senior Notes will mature on July 1, 2029. At any time prior to June 1, 2029 (one month prior to the maturity date), the Company may redeem the Senior Notes, at its option, in whole or in part, at any time and from time to time, at a redemption price described in the Supplemental Indenture plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time and from time to time on or after June 1, 2029, the Company may redeem, at its option, in whole or in part, the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The net proceeds from the sale of the Senior Notes, after deducting the underwriting discounts and commissions and estimated offering expenses, were approximately $495.3 million. The Company used the net proceeds from the sale of the Senior Notes to repay all of the borrowings outstanding under the term loan portion of the Existing Credit Facility described above, and intends to use the remaining net proceeds for general corporate purposes.

On July 1, 2024, concurrently with the closing of the Offering of the Senior Notes and the repayment of all of the borrowings outstanding under the term loan portion of its Existing Credit Agreement, the Fourth Amended and Restated Credit Agreement (the “Revolving Credit Agreement”) became effective and amends and restates the Existing Credit Facility. Under the Revolving Credit Agreement, the Refinancing Agreement Revolving Lenders (as defined therein) agreed to provide the Company with a five-year unsecured revolving credit facility of up to $500 million of senior unsecured revolving loans (the “Revolving Credit Facility”). A commitment fee is due quarterly on the average daily amount of the undrawn revolving commitment. The annual commitment fee rate at June 30, 2025 was 0.225%. The Revolving Credit Facility also provides for an aggregate principal amount of up to $250 million in uncommitted incremental revolving credit facilities that may be exercised at the Company’s option, so long as the Company receives sufficient commitments from the bank lenders.

The Senior Notes are presented on the consolidated balance sheets net of an unamortized issuance discount of $1.5 million and $1.7 million and deferred issuance costs of $3.9 million and $4.4 million as of June 30, 2025 and December 31, 2024, respectively.

Note 7. Commitments and Contingencies

Obligations under Guarantees

Under the terms of CUW Solutions' contract underwriting agreements with lenders and subject to contractual limitations on liability, we agree to indemnify certain lenders against losses incurred in the event that we make an error in determining whether loans processed meet specified underwriting criteria, to the extent that such error materially restricts or impairs the salability of such loan, results in a material reduction in the value of such loan or results in the lender repurchasing the loan. The indemnification may be in the form of monetary or other remedies. We paid less than $0.1 million in the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, management believes any potential claims for indemnification related to contract underwriting services through June 30, 2025 are not material to our consolidated financial position or results of operations.

In addition to the indemnifications discussed above, in the normal course of business, we enter into agreements or other relationships with third parties pursuant to which we may be obligated under specified circumstances to indemnify the counterparties with respect to certain matters. Our contractual indemnification obligations typically arise in the context of agreements entered into by us to, among other things, purchase or sell services, finance our business and business transactions, lease real property and license intellectual property. The agreements we enter into in the normal course of business generally require us to pay certain amounts to the other party associated with claims or losses if they result from our breach of the agreement, including the inaccuracy of representations or warranties. The agreements we enter into may also contain other indemnification provisions that obligate us to pay amounts upon the occurrence of certain events, such as the negligence or willful misconduct of our employees, infringement of third-party intellectual property rights or claims that performance of the agreement constitutes a violation of law. Generally, payment by us under an indemnification provision is conditioned upon the other party making a claim, and typically we can challenge the other party’s claims. Further, our indemnification obligations may be limited in time and/or amount, and in some instances, we may have recourse against third parties for certain payments made by us under an indemnification agreement or obligation. As of June 30, 2025, contingencies triggering material indemnification obligations or payments have not occurred historically and are not expected to occur. The nature of the indemnification provisions in the various types of agreements and relationships described above are believed to be low risk and pervasive, and we consider them to have a remote risk of loss or payment. We have not recorded any provisions on the condensed consolidated balance sheets related to indemnifications.

Note 8. Capital Stock

Our authorized share capital consists of 233.3 million shares of a single class of common shares. The common shares have no preemptive rights or other rights to subscribe for additional shares, and no rights of redemption, conversion or exchange. Under certain circumstances and subject to the provisions of Bermuda law and our bye-laws, we may be required to make an offer to repurchase shares held by members. The common shares rank pari passu with one another in all respects as to rights of payment and distribution. In general, holders of common shares will have one vote for each common share held by them and will be entitled to vote, on a non-cumulative basis, at all meetings of shareholders. In the event that a shareholder is considered a 9.5% Shareholder under our bye-laws, such shareholder's votes will be reduced by whatever amount is necessary so that after any such reduction the votes of such shareholder will not result in any other person being treated as a 9.5% Shareholder with respect to the vote on such matter. Under these provisions certain shareholders may have their voting rights limited to less than one vote per share, while other shareholders may have voting rights in excess of one vote per share.

Dividends

The following table presents the amounts declared and paid per common share each quarter:

Quarter Ended	2025	2024
March 31	$ 0.31	$ 0.28
June 30	0.31	0.28
September 30	—	0.28
December 31	—	0.28
Total dividends per common share declared and paid	$ 0.62	$ 1.12

In August 2025, the Board of Directors declared a quarterly cash dividend of $0.31 per common share payable on September 10, 2025 to shareholders of record on August 29, 2025.

Share Repurchase Plan

In October 2023, the Board of Directors approved a share repurchase plan that authorized the Company to repurchase $250 million of common shares in the open market between January 1, 2024 and December 31, 2025. Through the year ended December 31, 2024, the Company repurchased 1,859,695 common shares at a cost of $102.7 million. In February 2025, the Board of Directors approved a share repurchase plan that authorizes the Company to repurchase an additional $500 million of common shares in the open market through December 31, 2026. From January 1, 2025 through June 30, 2025 the Company purchased 5,755,400 common shares at a cost of $328.5 million. The shares repurchased were recorded at cost and included in treasury stock. All treasury stock has been cancelled as of June 30, 2025.

Note 9. Stock-Based Compensation

In 2013, Essent Group's Board of Directors adopted, and Essent Group's shareholders approved, the Essent Group Ltd. 2013 Long-Term Incentive Plan (the "2013 Plan"), which was effective upon completion of the initial public offering. The 2013 Plan was most recently amended effective upon shareholder approval in May 2023 to increase the number of shares available for issuance under the 2013 Plan by 2 million shares. The types of awards available under the 2013 Plan include nonvested shares, nonvested share units, non-qualified share options, incentive stock options, share appreciation rights, and other share-based or cash-based awards. Nonvested shares and nonvested share units granted under the 2013 Plan have rights to dividends, which entitle holders to the same dividend value per share as holders of common shares in the form of dividend equivalent units ("DEUs"). DEUs are subject to the same vesting and other terms and conditions as the corresponding nonvested shares and nonvested share units. DEUs vest when the underlying shares or share units vest and are forfeited if the underlying share or share units forfeit prior to vesting. The maximum number of shares and share units available for issuance is 7.5 million under the 2013 Plan, as amended. As of June 30, 2025, there were 3.0 million common shares available for future grant under the 2013 Plan.

The following table summarizes nonvested common share, nonvested common share unit and DEU activity for the six months ended June 30, 2025:

	2025									
	Time and Performance-Based Share Awards		Time-Based Share Awards		Time and Performance-Based Share Units		Time-Based Share Units		DEUs	
(Shares in thousands)	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value	Number of Share Units	Weighted Average Grant Date Fair Value	Number of Share Units	Weighted Average Grant Date Fair Value	Dividend Equivalent Units	Weighted Average Grant Date Fair Value
Outstanding at beginning of year	837	$ 16.09	127	$ 48.27	67	$ 19.15	763	$ 46.88	67	$ 51.25
Granted	236	23.00	53	57.11	44	23.00	123	57.65	18	57.32
Vested	(246)	14.83	(67)	47.13	(4)	15.35	(229)	44.97	(27)	49.18
Forfeited	(47)	14.83	—	—	(4)	20.38	(104)	49.78	(6)	50.84
Outstanding at end of period	780	$ 18.66	113	$ 53.07	103	$ 20.92	553	$ 49.53	52	$ 54.45

In February 2025, certain members of senior management were granted nonvested common shares under the 2013 Plan that are subject to time-based and performance-based vesting. The time-based share awards granted in February 2025 vest annually in three equal installments commencing on March 1 of the year following the grant year. The performance-based share awards granted in February 2025 vest based upon our compounded annual book value per share growth percentage and relative total shareholder return during a three-year performance period that commenced on January 1, 2025, and they vest on March 1, 2028. Shares were issued at the maximum 200% of target. The portion of these nonvested performance-based share awards that will be earned is as follows:

		Relative Total Shareholder Return vs. S&P 1500 Financial Services Index		
		≤25th percentile	50th percentile	≥75th percentile
Three-Year Book Value Per Share CAGR	**11%**	100%	150%	200%
	10%	75%	125%	175%
	9%	50%	100%	150%
	7%	25%	75%	125%
	6%	0%	50%	100%

Certain time-and-performance based share awards and units granted in 2022 and subsequent periods include retirement provisions under which the service requirements are considered satisfied when the employee with a required minimum years of continuous service reaches the eligible retirement age. Under these provisions, stock-based compensation is expensed from the grant date through the date that the employee will satisfy these conditions.

In the event that the compounded annual book value per share growth or the relative total shareholder return falls between the performance levels shown above, the nonvested common shares earned will be determined on a straight-line basis between the respective levels shown.

In connection with our incentive program covering bonus awards for performance year 2024, in February 2025, time-based share units were issued to certain employees that vest in three equal installments on March 1, 2026, 2027 and 2028.

Quoted market prices are used for the valuation of common shares granted that do not contain a market condition under ASC 718. The performance-based share awards granted in February 2023, 2024 and 2025 contain a market condition and were valued based on analysis provided by a third-party valuation firm using a risk-neutral simulation taking into effect the vesting conditions of the grant.

The total fair value on the vesting date of nonvested shares, share units or DEUs that vested was $32.8 million and $24.3 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, there was $24.6 million of total unrecognized compensation expense related to nonvested shares or share units outstanding at June 30, 2025 and we expect to recognize the expense over a weighted average period of 2.2 years.

Employees have the option to tender shares to Essent Group to pay the minimum employee statutory withholding taxes associated with shares upon vesting. Common shares tendered by employees to pay employee withholding taxes totaled 206,984 in the six months ended June 30, 2025. The tendered shares were recorded at cost and included in treasury stock. All treasury stock has been cancelled as of June 30, 2025.

Compensation expense, net of forfeitures, and related tax effects recognized in connection with nonvested shares and share units was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Compensation expense	$ 3,950	$ 6,972	$ 12,942	$ 13,792
Income tax benefit	752	1,400	2,569	2,778

Note 10. Dividends Restrictions

Our U.S. insurance subsidiaries are subject to certain capital and dividend rules and regulations as prescribed by jurisdictions in which they are authorized to operate. Under the insurance laws of the Commonwealth of Pennsylvania, an insurance company may pay dividends during any 12-month period in an amount equal to the greater of (i) 10% of the preceding year-end statutory policyholders' surplus or (ii) the preceding year's statutory net income. The Pennsylvania statute also specifies that dividends and other distributions can be paid out of positive unassigned surplus without prior approval. At June 30, 2025, Essent Guaranty had unassigned surplus of approximately $444.8 million. As of June 30, 2025, Essent Guaranty could pay additional ordinary dividends in 2025 of $365.5 million. In three and six months ended June 30, 2025, Essent Guaranty paid dividends of $65 million and $130 million, respectively, to its parent, Essent US Holdings, Inc. In three and six months ended June 30, 2024, Essent Guaranty paid dividends of $62.5 million and $107.5 million, respectively, to its parent, Essent US Holdings, Inc.

Essent Re is subject to certain dividend restrictions as prescribed by the Bermuda Monetary Authority and under certain agreements with counterparties. In connection with the quota share reinsurance agreement with Essent Guaranty, Essent Re has agreed to maintain a minimum total equity of $100 million. As of June 30, 2025, Essent Re had total equity of $1.8 billion. In the three and six months ended June 30, 2025, Essent Re paid dividends of $120.0 million and $220.0 million, respectively, to its parent, Essent Group Ltd. In the three and six months ended June 30, 2024, Essent Re paid dividends of $87.5 million and $125.0 million, respectively, to its parent, Essent Group Ltd.

At June 30, 2025, our insurance subsidiaries were in compliance with these rules, regulations and agreements.

Note 11. Earnings per Share (EPS)

The following table reconciles the net income and the weighted average common shares outstanding used in the computations of basic and diluted earnings per common share:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share amounts)	**2025**	**2024**	**2025**	**2024**
Net income	$ 195,339	$ 203,609	$ 370,772	$ 385,328
Basic weighted average shares outstanding	100,037	105,657	101,451	105,677
Dilutive effect of nonvested shares	1,022	1,121	1,044	1,097
Diluted weighted average shares outstanding	101,059	106,778	102,495	106,774
Basic earnings per share	$ 1.95	$ 1.93	$ 3.65	$ 3.65
Diluted earnings per share	$ 1.93	$ 1.91	$ 3.62	$ 3.61

There were 24,270 and 37,219 antidilutive shares for the three months ended June 30, 2025 and 2024, respectively, and 68,254 and 102,475 antidilutive shares for the six months ended June 30, 2025 and 2024, respectively

Nonvested performance-based share awards are considered contingently issuable for purposes of the EPS calculation. The 2025, 2024 and 2023 performance-based share awards vest based upon our compounded annual book value per share growth percentage and relative total shareholder return during a three-year performance period. The following table summarizes the performance-based shares issuable if the reporting date was the end of the contingency period:

	2025 Performance-Based Grants		2024 Performance-Based Grants		2023 Performance-Based Grants		2022 Performance-Based Grants	
Reporting Date	**Percent Issuable Relative to Target**	**As a Percent of Shares Issued**	**Percent Issuable Relative to Target**	**As a Percent of Shares Issued**	**Percent Issuable Relative to Target**	**As a Percent of Shares Issued**	**Percent Issuable Relative to Target**	**As a Percent of Shares Issued**
June 30, 2025	200%	100%	128%	64%	195%	97.5%	(1)	(1)
June 30, 2024			190%	95%	200%	100%	200%	100%

(1) The 2022 performance based awards vested at 168% relative to target on March 1, 2025.

Note 12. Accumulated Other Comprehensive Income (Loss)

The following table presents the rollforward of accumulated other comprehensive loss for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,					
	2025			2024		
(In thousands)	**Before Tax**	**Tax Effect**	**Net of Tax**	**Before Tax**	**Tax Effect**	**Net of Tax**
Balance at beginning of period	$ (271,265)	$ 39,019	$ (232,246)	$ (347,880)	$ 45,618	$ (302,262)
Other comprehensive income (loss):						
Unrealized holding gains (losses) on investments:						
Unrealized holding gains (losses) arising during the period	18,521	(2,043)	16,478	(8,131)	1,773	(6,358)
Less: Reclassification adjustment for (gains) losses included in net income (1)	129	(27)	102	1,164	(181)	983
Net unrealized gains (losses) on investments	18,650	(2,070)	16,580	(6,967)	1,592	(5,375)
Other comprehensive income (loss)	18,650	(2,070)	16,580	(6,967)	1,592	(5,375)
Balance at end of period	$ (252,615)	$ 36,949	$ (215,666)	$ (354,847)	$ 47,210	$ (307,637)

	Six Months Ended June 30,					
	2025			2024		
(In thousands)	**Before Tax**	**Tax Effect**	**Net of Tax**	**Before Tax**	**Tax Effect**	**Net of Tax**
Balance at beginning of period	$ (354,298)	$ 50,314	$ (303,984)	$ (322,992)	$ 42,496	$ (280,496)
Other comprehensive income (loss):						
Unrealized holding gains (losses) on investments:						
Unrealized holding gains (losses) arising during the period	101,373	(13,303)	88,070	(34,159)	5,142	(29,017)
Less: Reclassification adjustment for (gains) losses included in net income (1)	310	(62)	248	2,304	(428)	1,876
Net unrealized gains (losses) on investments	101,683	(13,365)	88,318	(31,855)	4,714	(27,141)
Other comprehensive income (loss)	101,683	(13,365)	88,318	(31,855)	4,714	(27,141)
Balance at end of period	$ (252,615)	$ 36,949	$ (215,666)	$ (354,847)	$ 47,210	$ (307,637)

(1) Included in net realized investment losses on our condensed consolidated statements of comprehensive income.

Note 13. Fair Value of Financial Instruments

We carry certain of our financial instruments at fair value. We define fair value as the current amount that would be exchanged to sell an asset or transfer a liability, other than in a forced liquidation.

Fair Value Hierarchy

ASC No. 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The level within the fair value hierarchy to measure the financial instrument shall be determined based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 — Quoted prices for identical instruments in active markets accessible at the measurement date.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and valuations in which all significant inputs are observable in active markets. Inputs are observable for substantially the full term of the financial instrument.
- Level 3 — Valuations derived from one or more significant inputs that are unobservable.

Determination of Fair Value

When available, we generally use quoted market prices to determine fair value and classify the financial instrument in Level 1. In cases where quoted market prices for similar financial instruments are available, we utilize these inputs for valuation techniques and classify the financial instrument in Level 2. In cases where quoted market prices are not available, fair values are based on estimates using discounted cash flows, present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rates and estimates of future cash flows and we classify the financial instrument in Level 3. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

We used the following methods and assumptions in estimating fair values of financial instruments:

- Investments available for sale — Investments available for sale are valued using quoted market prices in active markets, when available, and those investments are classified as Level 1 of the fair value hierarchy. Level 1 investments available for sale include investments such as U.S. Treasury securities and money market funds. Investments available for sale are classified as Level 2 of the fair value hierarchy if quoted market prices are not available and fair values are estimated using quoted prices of similar securities or recently executed transactions for the securities. U.S. agency securities, U.S. agency mortgage-backed securities, municipal debt securities, non-U.S. government securities, corporate debt securities, residential and commercial mortgage securities and asset-backed securities are classified as Level 2 investments.

  We use independent pricing sources to determine the fair value of securities available for sale in Level 1 and Level 2 of the fair value hierarchy. We use one primary pricing service to provide individual security pricing based on observable market data and receive one quote per security. To ensure securities are appropriately classified in the fair value hierarchy, we review the pricing techniques and methodologies of the independent pricing service and believe that their policies adequately consider market activity, either based on specific transactions for the issue valued or based on modeling of securities with similar credit quality, duration, yield and structure that were recently traded. U.S. agency securities, U.S. agency mortgage-backed securities, municipal debt securities, non-U.S. government securities and corporate debt securities are valued by our primary vendor using recently executed transactions and proprietary models based on observable inputs, such as interest rate spreads, yield curves and credit risk. Residential and commercial mortgage securities and asset-backed securities are valued by our primary vendor using proprietary models based on observable inputs, such as interest rate spreads, prepayment speeds and credit risk. As part of our evaluation of investment prices provided by our primary pricing service, we obtained and reviewed their pricing methodologies which include a description of how each security type is evaluated and priced. We review the reasonableness of prices received from our primary pricing service by comparison to prices obtained from additional pricing sources. We have not made any adjustments to the prices obtained from our primary pricing service.

Assets and Liabilities Measured at Fair Value

All assets measured at fair value are categorized in the table below based upon the lowest level of significant input to the valuations. All fair value measurements at the reporting date were on a recurring basis.

June 30, 2025 (In thousands)	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring fair value measurements				
Financial Assets:				
U.S. Treasury securities	$ 391,461	$ —	$ —	$ 391,461
U.S. agency mortgage-backed securities	—	1,172,715	—	1,172,715
Municipal debt securities	—	600,618	—	600,618
Non-U.S. government securities	—	62,166	—	62,166
Corporate debt securities	—	1,908,167	—	1,908,167
Residential and commercial mortgage securities	—	454,381	—	454,381
Asset-backed securities	—	796,065	—	796,065
Money market funds	580,964	—	—	580,964
Total assets at fair value (1) (2)	$ 972,425	$ 4,994,112	$ —	$ 5,966,537

December 31, 2024 (In thousands)	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring fair value measurements				
Financial Assets:				
U.S. Treasury securities	$ 547,290	$ —	$ —	$ 547,290
U.S. agency mortgage-backed securities	—	1,125,436	—	1,125,436
Municipal debt securities	—	583,501	—	583,501
Non-U.S. government securities	—	69,798	—	69,798
Corporate debt securities	—	1,783,046	—	1,783,046
Residential and commercial mortgage securities	—	478,086	—	478,086
Asset-backed securities	—	631,959	—	631,959
Money market funds	657,605	—	—	657,605
Total assets at fair value (1) (2)	$ 1,204,895	$ 4,671,826	$ —	$ 5,876,721

(1) Does not include the fair value of embedded derivatives, which we have accounted for separately as freestanding derivatives and included in other assets or other accrued liabilities in our condensed consolidated balance sheet. See Note 4 for more information.

(2) Does not include certain other invested assets that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient, as applicable accounting standards do not provide for classification within the fair value hierarchy.

Assets and Liabilities Not Carried at Fair Value

Our senior notes are carried at amortized cost, net of issuance costs, on our condensed consolidated balance sheets. The carrying amount and estimated fair value of our senior notes was $494.3 million and $518.1 million, respectively, as of June 30, 2025. The carrying amount and estimated fair value of our senior notes was $494.0 million and $510.8 million, respectively, as of December 31, 2024. The fair value of our senior notes is estimated based on quoted market prices.

Note 14. Statutory Accounting

Our U.S. insurance subsidiaries prepare statutory-basis financial statements in accordance with the accounting practices prescribed or permitted by their respective state's department of insurance, which is a comprehensive basis of accounting other than GAAP. We did not use any prescribed or permitted statutory accounting practices (individually or in the aggregate) that resulted in reported statutory surplus or capital that was significantly different from the statutory surplus or capital that would have been reported had National Association of Insurance Commissioners' statutory accounting practices been followed. The following tables present Essent Guaranty's statutory net income for the six months ended June 30, 2025 and 2024 as well as statutory surplus and contingency reserve liability at June 30, 2025 and December 31, 2024:

	Six Months Ended June 30,	
(In thousands)	**2025**	**2024**
Essent Guaranty		
Statutory net income	$ 248,689	$ 261,082

(In thousands)	**June 30, 2025**	**December 31, 2024**
Essent Guaranty		
Statutory surplus	$ 1,150,106	$ 1,101,894
Contingency reserve liability	2,564,039	2,492,487

Prior to December 31, 2024, Essent Guaranty reinsured that portion of the risk that is in excess of 25% of the mortgage balance with respect to any loan insured prior to April 1, 2019, after consideration of other reinsurance, to Essent Guaranty of PA, Inc. On December 31, 2024, Essent Guaranty and Essent PA entered into a commutation and release agreement in which all outstanding risk in force assumed by Essent PA was commuted back to Essent Guaranty in exchange for cash. Upon the commutation and release, Essent PA surrendered its insurance license and was no longer an insurance subsidiary of Essent Group Ltd. as of December 31, 2024.

Net income determined in accordance with statutory accounting practices differs from GAAP. In 2025 and 2024, the more significant differences between net income determined under statutory accounting practices and GAAP for Essent Guaranty relate to policy acquisition costs and income taxes. Under statutory accounting practices, policy acquisition costs are expensed as incurred while such costs are capitalized and amortized to expense over the life of the policy under GAAP. We are eligible for a tax deduction, subject to certain limitations for amounts required by state law or regulation to be set aside in statutory contingency reserves when we purchase non-interest-bearing United States Mortgage Guaranty Tax and Loss Bonds ("T&L Bonds") issued by the Treasury Department. Under statutory accounting practices, this deduction reduces the tax provision recorded by Essent Guaranty and, as a result, increases statutory net income and surplus as compared to net income and equity determined in accordance with GAAP.

At June 30, 2025 and December 31, 2024, the statutory capital of Essent Guaranty, which is defined as the total of statutory surplus and contingency reserves, was in excess of the statutory capital necessary to satisfy its regulatory requirements.

Fannie Mae and Freddie Mac, at the direction of the Federal Housing Finance Agency, maintain coordinated Private Mortgage Insurer Eligibility Requirements, which we refer to as the "PMIERs." The PMIERs represent the standards by which private mortgage insurers are eligible to provide mortgage insurance on loans owned or guaranteed by Fannie Mae and Freddie Mac. The PMIERs include financial strength requirements incorporating a risk-based framework that require approved insurers to have a sufficient level of liquid assets from which to pay claims. The PMIERs also include enhanced operational performance expectations and define remedial actions that apply should an approved insurer fail to comply with these requirements. In August 2024, the GSEs issued updates to the PMIERs calculation of Available Assets. The updated PMIERs Available Asset requirements are subject to a phased-in implementation beginning with the quarter ending March 31, 2025, and will become fully effective on September 30, 2026. As of June 30, 2025, Essent Guaranty, our GSE-approved mortgage insurance company, was in compliance with the PMIERs.

Statement of Statutory Accounting Principles No. 58, *Mortgage Guaranty Insurance,* requires mortgage insurers to establish a special contingency reserve for statutory accounting purposes included in total liabilities equal to 50% of earned premium for that year. This reserve is required to be maintained for a period of 120 months to protect against the effects of adverse economic cycles. After 120 months, the reserve is released to unassigned funds. In the event an insurer’s loss ratio in any calendar year exceeds 35%, however, the insurer may, after regulatory approval, release from its contingency reserves an amount equal to the excess portion of such losses. During the six months ended June 30, 2025, Essent Guaranty increased its contingency reserve by $71.6 million. During the six months ended June 30, 2025 and 2024, Essent Guaranty released contingency reserves of $70.7 million and $43.2 million, respectively, to unassigned funds upon completion of the 120 month holding period.

Under The Insurance Act 1978, as amended, and related regulations of Bermuda (the "Insurance Act"), Essent Re is required to annually prepare statutory financial statements and a statutory financial return in accordance with the financial reporting provisions of the Insurance Act, which is a basis other than GAAP. The Insurance Act also requires that Essent Re maintain minimum share capital of $1 million and must ensure that the value of its general business assets exceeds the amount of its general business liabilities by an amount greater than the prescribed minimum solvency margins and enhanced capital requirement pertaining to its general business. At June 30, 2025, all such requirements were met.

Essent Re's statutory capital and surplus was $1.7 billion as of June 30, 2025 and $1.8 billion as of December 31, 2024. Essent Re's statutory net income was $161.7 million and $170.5 million for the six months ended June 30, 2025 and 2024, respectively. Statutory capital and surplus as of June 30, 2025 and December 31, 2024 and statutory net income in the six months ended June 30, 2025 and 2024 determined in accordance with statutory accounting practices were not significantly different than the amounts determined under GAAP.

Note 15. Segment Reporting

We have one reportable business segment: Mortgage Insurance. Our Mortgage Insurance segment offers private mortgage insurance and reinsurance for mortgages secured by residential properties located in the United States. We provide private mortgage insurance on residential first-lien mortgage loans ("U.S. mortgage insurance") through our U.S. mortgage insurance subsidiary, Essent Guaranty, and also offer other credit risk management solutions, including contract underwriting, to our customers. Through our Bermuda-based reinsurance subsidiary, Essent Re, we reinsure U.S. mortgage risk primarily through the GSE credit risk transfer market ("GSE and other risk share") and provide underwriting consulting services to third-party reinsurers. Our U.S. mortgage insurance business and GSE and other risk share business each represent operating segments that we have aggregated as one reportable segment based on their shared economic characteristics and the similarities between the two operating segments.

In addition, our "Corporate & Other" category is used to reconcile our reportable segment to consolidated results and includes business activities associated with our title insurance operations, income and losses from holding company treasury operations and general corporate operating expenses not attributable to our operating segments. Our title insurance operations are an operating segment that does not meet the quantitative thresholds of a separate reportable segment.

We allocate corporate management and support expenses to operating segments based on their percentage of total operating segment revenues, which approximates the estimated percentage of management time and resources spent on each operating segment. We view our borrowings as holding company capital and liquidity and as such, all interest expense is included in Corporate & Other.

Our senior management team, including our President & Chief Executive Officer (Essent's chief operating decision maker or "CODM"), uses income (loss) before income taxes as the primary measure to evaluate the financial performance of the operating segments and to allocate resources to those segments, including capital allocations and assessing headcount. The CODM also assesses the profitability of our Mortgage Insurance segment through analysis of the loss ratio, expense ratio and combined ratio. We do not manage our segments by assets.

As of June 30, 2025 and December 31, 2024, all goodwill is assigned to our Title operating segment, which is included in our Corporate & Other category. Goodwill was $48.8 million at both June 30, 2025 and December 31, 2024. Goodwill decreased by $1.1 million and $1.2 million during the three and six months ended June 30, 2024, respectively, as a result of measurement period adjustments.

Segment Information: Profit & Loss

The following table reconciles the components of reportable segment profit and loss to consolidated profit and loss for the periods presented. Within the tables, we have disclosed significant segment expenses at a level of disaggregation that coincides with what is regularly provided to the CODM. Other underwriting and operating expenses in the Mortgage Insurance segment include software, professional fees, travel, and occupancy costs. The accounting policies of our operating segments are the same as those described in the summary of significant accounting policies in our Form 10-K. We do not have inter-segment transactions.

Essent Group Ltd. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

(In thousands)	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	Mortgage Insurance	Corporate & Other	Consolidated	Mortgage Insurance	Corporate & Other	Consolidated
Revenues:						
Net premiums earned	$ 233,907	$ 14,902	$ 248,809	$ 235,258	$ 16,633	$ 251,891
Net investment income	48,892	10,397	59,289	46,708	9,378	56,086
Realized investment losses, net	(124)	(5)	(129)	(1,156)	(8)	(1,164)
Income (loss) from other invested assets	3,619	847	4,466	1,633	(2,052)	(419)
Other income	3,523	3,185	6,708	4,662	1,886	6,548
Total revenues	289,817	29,326	319,143	287,105	25,837	312,942
Losses and expenses:						
Provision (benefit) for losses and LAE	15,359	1,696	17,055	(1,225)	891	(334)
Compensation and benefits	16,793	13,926	30,719	17,756	15,608	33,364
Premium and other taxes	6,000	495	6,495	5,568	370	5,938
Ceding commission	(6,910)	—	(6,910)	(5,715)	—	(5,715)
Other underwriting and operating expenses	11,128	21,333	32,461	10,787	21,828	32,615
Net operating expenses before allocations	27,011	35,754	62,765	28,396	37,806	66,202
Corporate expense allocations	9,241	(9,241)	—	10,840	(10,840)	—
Operating expenses after allocations	36,252	26,513	62,765	39,236	26,966	66,202
Interest expense	—	8,148	8,148	—	7,849	7,849
Income (loss) before income taxes	**$ 238,206**	**$ (7,031)**	**$ 231,175**	**$ 249,094**	**$ (9,869)**	**$ 239,225**
Loss ratio (1)	6.6 %			(0.5)%		
Expense ratio (2)	15.5 %			16.7 %		
Combined ratio	22.1 %			16.2 %		

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

(2) Expense ratio is calculated by dividing operating expenses after allocations by net premiums earned.

	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024		
(In thousands)	**Mortgage Insurance**	**Corporate & Other**	**Consolidated**	**Mortgage Insurance**	**Corporate & Other**	**Consolidated**
Revenues:						
Net premiums earned	$ 467,537	$ 27,120	$ 494,657	$ 465,564	$ 31,917	$ 497,481
Net investment income	96,522	20,977	117,499	90,909	17,262	108,171
Realized investment losses, net	(225)	(85)	(310)	(2,296)	(8)	(2,304)
Income (loss) from other invested assets	6,828	5,046	11,874	1,114	(3,448)	(2,334)
Other income	8,024	4,957	12,981	6,562	3,723	10,285
Total revenues	578,686	58,015	636,701	561,853	49,446	611,299
Losses and expenses:						
Provision (benefit) for losses and LAE	46,081	2,261	48,342	8,112	1,467	9,579
Compensation and benefits	36,683	33,728	70,411	36,463	31,610	68,073
Premium and other taxes	11,574	1,824	13,398	11,176	496	11,672
Ceding commission	(13,418)	—	(13,418)	(11,268)	—	(11,268)
Other underwriting and operating expenses	22,765	40,733	63,498	22,252	42,313	64,565
Net operating expenses before allocations	57,604	76,285	133,889	58,623	74,419	133,042
Corporate expense allocations	22,255	(22,255)	—	22,458	(22,458)	—
Operating expenses after allocations	79,859	54,030	133,889	81,081	51,961	133,042
Interest expense	—	16,296	16,296	—	15,711	15,711
Income (loss) before income taxes	**$ 452,746**	**$ (14,572)**	**$ 438,174**	**$ 472,660**	**$ (19,693)**	**$ 452,967**
Loss ratio (1)	9.9 %			1.7 %		
Expense ratio (2)	17.1 %			17.4 %		
Combined ratio	26.9 %			19.2 %		

(1) Loss ratio is calculated by dividing the provision (benefit) for losses and LAE by net premiums earned.
(2) Expense ratio is calculated by dividing operating expenses after allocations by net premiums earned.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read together with the "Selected Financial Data" and our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K as of and for the year ended December 31, 2024 as filed with the Securities and Exchange Commission and referred to herein as the "Annual Report," and our condensed consolidated financial statements and related notes as of and for the three and six months ended June 30, 2025 included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which we refer to as the "Quarterly Report." In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections entitled "Special Note Regarding Forward-Looking Statements" in this Quarterly Report and Part I, Item 1A "Risk Factors" in our Annual Report and Part II, Item 1A "Risk Factors" in this Quarterly Report. We are not undertaking any obligation to update any forward-looking statements or other statements we may make in the following discussion or elsewhere in this document even though these statements may be affected by events or circumstances occurring after the forward-looking statements or other statements were made.

Overview

Essent Group Ltd. (collectively with its subsidiaries, "Essent") serves the housing finance industry by offering private mortgage insurance and reinsurance, title insurance and settlement services to mortgage lenders, borrowers and investors to support homeownership. We have one reportable segment: Mortgage Insurance.

Essent Guaranty, Inc., our wholly-owned mortgage insurance subsidiary which we refer to as "Essent Guaranty," is approved by Fannie Mae and Freddie Mac and licensed to write coverage in all 50 states and the District of Columbia. Our mortgage insurance operations generated new insurance written, or NIW, of approximately $12.5 billion and $22.5 billion for the three and six months ended June 30, 2025, respectively, compared to approximately $12.5 billion and $20.8 billion for the three and six months ended June 30, 2024, respectively. The financial strength ratings of Essent Guaranty are A2 with a stable outlook by Moody's Investors Service ("Moody's") (up from A3 with a positive outlook as a result of an upgrade by Moody's announced on August 6, 2025), A- with a stable outlook by S&P Global Ratings ("S&P") and A (Excellent) with a stable outlook by A.M. Best Ratings Services, Inc. ("AM Best").

Through our wholly-owned Bermuda-based subsidiary, Essent Reinsurance Ltd., which we refer to as "Essent Re", we reinsure U.S. mortgage risk in the GSE credit risk transfer market and provide underwriting consulting services to third-party reinsurers. As of June 30, 2025, Essent Re provided insurance or reinsurance relating to GSE risk share and other reinsurance transactions covering approximately $2.3 billion of risk. Essent Re also reinsures Essent Guaranty's NIW under a quota share reinsurance agreement. The insurer financial strength ratings of Essent Re are A- with a stable outlook by S&P and A (Excellent) with a stable outlook by AM Best.

We also offer title insurance products both directly and through a network of title insurance agents, as well as title and settlement services. This operating segment was established upon our acquisitions of Agents National Title Insurance Company (renamed Essent Title Insurance, Inc. effective January 1, 2025), a title insurance underwriter, and Boston National Title, a national title agency, which was effective July 1, 2023. Title insurance operations are included in the Corporate & Other category.

We have a highly experienced, talented team with 521 employees as of June 30, 2025. Our holding company and reinsurance business are domiciled in Bermuda. Our U.S. mortgage insurance and title insurance operations are headquartered in Radnor, Pennsylvania.

Current Developments

The Federal Reserve increased the target federal funds rate several times during 2022 and 2023 in an effort to reduce consumer price inflation. As a result of progress on inflation, the Federal Reserve has reduced the target federal funds rate by 100 basis points since September 2024. Mortgage interest rates, however, remain elevated, which has reduced home buying and mortgage refinance activity resulting in lower volumes of mortgage originations, NIW and title insurance and settlement service transactions. Higher interest rates have also resulted in increases in our net investment income generated by our investment portfolio and the persistency of our mortgage insurance in force.

On September 26, 2024, Hurricane Helene made landfall and caused property damage in certain counties in Florida, Georgia, South Carolina, North Carolina, Tennessee and Virginia. On October 9, 2024, Hurricane Milton made landfall, causing damage in certain counties in Florida. Based on prior industry experience, we expect the ultimate number of hurricane-related defaults that result in claims will be less than the default-to-claim experience of non-hurricane-related defaults. The impact on our reserves in future periods will be dependent upon the performance of the hurricane-related defaults and our expectations for the amount of ultimate losses on these delinquencies.

In January 2025, several wildfires caused property damage in Southern California. As of June 30, 2025 our insurance in force in areas with Federal Emergency Management Agency (FEMA) disaster declarations due to these wildfires was less than 0.1% of our total insurance in force. These wildfires are not expected to have a material impact our reserves.

Legislative and Regulatory Developments

Our results are significantly impacted by, and our future success may be affected by, legislative and regulatory developments affecting the housing finance industry. See Part I, Item 1 "Business—Regulation" and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Legislative and Regulatory Developments" in our Annual Report for a discussion of the laws and regulations to which we are subject as well as legislative and regulatory developments affecting the housing finance industry.

U.S. Tax Reform

On August 16, 2022, the "Inflation Reduction Act of 2022" ("IRA"), was enacted, which, among other things, provides for a corporate alternative minimum tax and an excise tax on corporate stock repurchases. Based on our current analysis of the provisions, we do not expect the IRA to have a material impact on our financial position or results of operations. As the IRS issues additional guidance related to the IRA, we will evaluate any potential impact to our consolidated financial statements.

On July 4, 2025, a budget reconciliation package known as the One Big Beautiful Bill Act of 2025 ("OBBBA") was enacted which includes both tax and non-tax provisions. Based on our current analysis of the provisions, we do not expect the OBBBA to have a material impact on our financial position or results of operations.

Bermuda Corporate Income Tax

On December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act 2023 (CIT). Starting January 1, 2025, the CIT will result in a new 15% corporate income tax on in-scope entities that are resident in Bermuda or that have a Bermuda permanent establishment, without regard to any assurances that had previously been given pursuant to the Exempted Undertakings Tax Protection Act 1966.

The CIT also includes various transitional provisions and elections that we are in the process of evaluating. In particular, we believe that, based on their current structure and operations, our Bermuda companies will be eligible to elect a five-year "limited international presence" exemption under the CIT. We intend to make this election within the timeframe required under Bermuda law, and therefore do not expect the CIT to have a material impact upon our effective tax rate until we no longer meet the exemption criteria, or January 1, 2030, the fifth anniversary of the inception date of the tax, whichever may occur sooner. The exemption criteria are subject to interpretation of existing Bermuda law, as well as any related new regulations that may be issued by the Government of Bermuda. No assurances can be made that we will continue meeting such criteria for the entire five-year period.

Factors Affecting Our Results of Operations

Net Premiums Written and Earned

Premiums associated with our U.S. mortgage insurance business are based on mortgage insurance in force, or IIF, during all or a portion of a period. A change in the average IIF during a period causes premiums to increase or decrease as compared to prior periods. Average net premium rates in effect during a given period will also cause premiums to differ when compared to earlier periods. IIF at the end of a reporting period is a function of the IIF at the beginning of such reporting period plus NIW less policy cancellations (including claims paid) during the period. As a result, premiums are generally influenced by:

- NIW, which is the aggregate principal amount of the new mortgages that are insured during a period. Many factors affect NIW, including, among others, the volume of low down payment home mortgage originations, the competition to provide credit enhancement on those mortgages, the number of customers who have approved us to provide mortgage insurance and changes in our NIW from certain customers;

- Cancellations of our insurance policies, which are impacted by payments on mortgages, home price appreciation, or refinancings, which in turn are affected by mortgage interest rates. Cancellations are also impacted by the levels of claim payments and rescissions;

- Premium rates, which represent the amount of the premium due as a percentage of IIF. Premium rates are based on the risk characteristics of the loans insured, the percentage of coverage on the loans, competition from other mortgage insurers and general industry conditions; and

- Premiums ceded or assumed under reinsurance arrangements. See Note 4 to our condensed consolidated financial statements.

Mortgage insurance premiums are paid either on a monthly installment basis (“monthly premiums”), in a single payment at origination (“single premiums”), or in some cases as an annual premium. For monthly premiums, we receive a monthly premium payment which is recorded as net premiums earned in the month the coverage is provided. Monthly premium payments are based on the original mortgage amount rather than the amortized loan balance. Net premiums written may be in excess of net premiums earned due to single premium policies. For single premiums, we receive a single premium payment at origination, which is recorded as “unearned premium” and earned over the estimated life of the policy, which ranges from 36 to 156 months depending on the term of the underlying mortgage and loan-to-value ratio at date of origination. If single premium policies are cancelled due to repayment of the underlying loan and the premium is non-refundable, the remaining unearned premium balance is immediately recognized as earned premium revenue. Substantially all of our single premium policies in force as of June 30, 2025 were non-refundable. Premiums collected on annual policies are recognized as net premiums earned on a straight-line basis over the year of coverage. For the six months ended June 30, 2025 and 2024, monthly premium policies comprised 99% and 98% of our NIW, respectively.

Premiums associated with our GSE and other risk share transactions are based on the level of risk in force and premium rates on the transactions.

Title insurance premiums are based on the number of title insurance policies issued and generally recognized as income at the transaction closing date which approximates the policy effective date.

Persistency and Business Mix

The percentage of IIF that remains on our books after any 12-month period is defined as our persistency rate. Because our insurance premiums are earned over the life of a policy, higher persistency rates can have a significant impact on our profitability. The persistency rate on our portfolio was 85.8% at June 30, 2025. Generally, higher prepayment speeds lead to lower persistency.

Prepayment speeds and the relative mix of business between single premium policies and monthly premium policies also impact our profitability. Our premium rates include certain assumptions regarding repayment or prepayment speeds of the mortgages. Because premiums are paid at origination on single premium policies, assuming all other factors remain constant, if loans are prepaid earlier than expected, our profitability on these loans is likely to increase and, if loans are repaid slower than expected, our profitability on these loans is likely to decrease. By contrast, if monthly premium loans are repaid earlier than anticipated, our premium earned with respect to those loans and therefore our profitability declines. Currently, the expected return on single premium policies is less than the expected return on monthly policies.

Net Investment Income

Our investment portfolio was predominantly comprised of investment-grade fixed income securities and money market funds as of June 30, 2025. The principal factors that influence investment income are the size of the investment portfolio and the yield on individual securities. As measured by amortized cost (which excludes changes in fair market value, such as from changes in interest rates), the size of our investment portfolio is mainly a function of increases in capital and cash generated from or used in operations which is impacted by net premiums received, investment earnings, net claim payments and expenses. Realized gains and losses are a function of the difference between the amount received on the sale of a security and the security’s amortized cost, as well as any provision for credit losses or impairments recognized in earnings. The amount received on the sale of fixed income securities is affected by the coupon rate of the security compared to the yield of comparable securities at the time of sale.

Income from Other Invested Assets

As part of our overall investment strategy, we also allocate a relatively small percentage of our portfolio to limited partnership investments in real estate, consumer credit and traditional venture capital and private equity investments. The results of these investing activities are reported in income from other invested assets. These investments are generally accounted for under the equity method or fair value using net asset value (or its equivalent) as a practical expedient. For entities accounted for under the equity method that follow industry-specific guidance for investment companies, our proportionate share of earnings or losses includes changes in the fair value of the underlying assets of these entities. Fluctuations in the fair value of these entities may increase the volatility of the Company's reported results of operations.

Other Income

Other income includes revenues associated with underwriting consulting services to third-party reinsurers, title settlement services and contract underwriting services. The level of these revenues are dependent upon the number of customers who have engaged us for these services. Revenue from underwriting consulting services to third-party reinsurers is also dependent upon the level of premiums associated with the transactions underwritten for these customers. Revenue from title settlement services and contract underwriting revenue are also dependent upon the number of loans underwritten for these customers.

In connection with the acquisition of our mortgage insurance platform, we entered into a services agreement with Triad Guaranty Inc. and its wholly-owned subsidiary, Triad Guaranty Insurance Corporation, which we refer to collectively as "Triad," to provide certain information technology maintenance and development and customer support-related services. In return for these services, we receive a flat monthly fee which is recorded in other income. During 2023, Triad entered into a three year renewal and extended the services agreement through November 2026.

As more fully described in Note 4 to our condensed consolidated financial statements, the premiums ceded under certain reinsurance contracts with unaffiliated third parties varies based on changes in market interest rates. Under GAAP, these contracts contain embedded derivatives that are accounted for separately as freestanding derivatives. The change in the fair value of the embedded derivatives is reported in earnings and included in other income.

Provision for Losses and Loss Adjustment Expenses

The provision for losses and loss adjustment expenses reflects the current expense that is recorded within a particular period to reflect actual and estimated loss payments that we believe will ultimately be made as a result of insured loans that are in default.

Losses incurred are generally affected by:

- the overall state of the economy, which broadly affects the likelihood that borrowers may default on their loans and have the ability to cure such defaults;
- changes in housing values, which affect our ability to mitigate our losses through the sale of properties with loans in default as well as borrower willingness to continue to make mortgage payments when the value of the home is below or perceived to be below the mortgage balance;
- the product mix of IIF, with loans having higher risk characteristics generally resulting in higher defaults and claims;
- the size of loans insured, with higher average loan amounts tending to increase losses incurred;
- the loan-to-value ratio, with higher average loan-to-value ratios tending to increase losses incurred;
- the percentage of coverage on insured loans, with deeper average coverage tending to increase losses incurred;
- credit quality of borrowers, including higher debt-to-income ratios and lower FICO scores, which tend to increase incurred losses;
- the level and amount of reinsurance coverage maintained with third parties;

- the rate at which we rescind policies. Because of tighter underwriting standards generally in the mortgage lending industry and terms set forth in our master policy, we expect that our level of rescission activity will be lower than rescission activity seen in the mortgage insurance industry for vintages originated prior to the financial crisis; and

- the distribution of claims over the life of a book. As of June 30, 2025, 41% of our IIF relates to business written since January 1, 2023 and was less than three years old. As a result, based on historical industry performance, we expect the number of defaults and claims we experience, as well as our provision for losses and loss adjustment expenses ("LAE"), to increase as our portfolio seasons. See “— Mortgage Insurance Earnings and Cash Flow Cycle” below.

We establish loss reserves for delinquent loans when we are notified that a borrower has missed at least two consecutive monthly payments (“Case Reserves”), as well as estimated reserves for defaults that may have occurred but not yet been reported to us (“IBNR Reserves”). We also establish reserves for the associated loss adjustment expenses, consisting of the estimated cost of the claims administration process, including legal and other fees. Using both internal and external information, we establish our reserves based on the likelihood that a default will reach claim status and estimated claim severity. See Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies” included in our Annual Report for further information.

Based upon our experience and industry data, claims incidence for mortgage insurance is generally highest in the third through sixth years after loan origination. As of June 30, 2025, 41% of our IIF relates to business written since January 1, 2023 and was less than three years old. Although the claims experience on new insurance written by us to date has been favorable, we expect incurred losses and claims to increase as a greater amount of this book of insurance reaches its anticipated period of highest claim frequency. The actual default rate and the average reserve per default that we experience as our portfolio matures is difficult to predict and is dependent on the specific characteristics of our current in-force book (including the credit score of the borrower, the loan-to-value ratio of the mortgage, geographic concentrations, etc.), as well as the profile of new business we write in the future. In addition, the default rate and the average reserve per default will be affected by future macroeconomic factors such as housing prices, interest rates and employment.

The Federal Reserve increased the target federal funds rate several times during 2022 and 2023 in an effort to reduce consumer price inflation. As a result of subsequent reductions in inflation rates, the Federal Reserve has reduced the target federal funds rate by 100 basis points since September 2024. Mortgage interest rates, however, have remained elevated, which may lower home sale activity and affect the options available to delinquent borrowers. It is reasonably possible that our estimate of losses could change in the near term as a result of changes in the economic environment, the impact of elevated levels of consumer price inflation on home sale activity, housing inventory, and home prices.

On September 26, 2024, Hurricane Helene made landfall and caused property damage in certain counties in Florida, Georgia, South Carolina, North Carolina, Tennessee and Virginia. On October 9, 2024, Hurricane Milton made landfall, causing damage in certain counties in Florida. Loans in default at December 31, 2024 included 2,119 defaults that we identified as hurricane-related defaults. Based on prior industry experience, we expect the ultimate number of hurricane-related defaults that result in claims will be less than the default-to-claim experience of non-hurricane-related defaults. In addition, under our master policy, our exposure may be limited on hurricane-related claims. For example, we are permitted to exclude a claim entirely where damage to the property underlying a mortgage was the proximate cause of the default and adjust a claim where the property underlying a mortgage in default is subject to unrestored physical damage. Accordingly, when establishing our loss reserves as of December 31, 2024, we applied a lower estimated claim rate to new default notices received in the fourth quarter of 2024 from the affected areas than the claim rate we apply to other notices in our default inventory. The impact on our reserves in future periods will be dependent upon the performance of the hurricane-related defaults and our expectations for the amount of ultimate losses on these delinquencies. As of June 30, 2025, the reserves established for the Hurricane Milton and Helene defaults are materially unchanged from December 31, 2024 as this amount continues to be our best estimate of the ultimate losses to be incurred for claims associated with those defaults.

In January 2025, several wildfires caused property damage in Southern California. As of June 30, 2025, our insurance in force in areas with Federal Emergency Management Agency ("FEMA") disaster declarations due to these wildfires was less than 0.1% of our total insurance in force. These wildfires are not expected to have a material impact on our reserves.

As more fully described in Note 4 to our condensed consolidated financial statements, at June 30, 2025, we had approximately $1.4 billion of excess of loss reinsurance covering NIW from January 1, 2018 through August 31, 2019 and August 1, 2020 through December 31, 2024 and quota share reinsurance on portions of our NIW effective September 1, 2019 through December 31, 2020 and January 1, 2022 through December 31, 2025. The impact on our reserves in future periods will be dependent upon the amount of delinquent notices received from loan servicers, the performance of defaults and our expectations for the amount of ultimate losses on these delinquencies.

Title Insurance

Our reserve for title insurance claim losses includes reserves for known claims as well as for losses that have been incurred but not yet reported to us ("IBNR"), net of recoupments. We reserve for each known claim based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for IBNR claims are estimates that are established at the time the premium revenue is recognized and are based upon historical experience and other factors, including industry trends, claim loss history, legal environment, geographic considerations, and the types of policies written. We also reserve for losses arising from closing and disbursement functions due to fraud or operational error.

Although claims against title insurance policies can be reported relatively soon after the policy has been issued, claims may also be reported many years later. By their nature, title claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions, as well as the legal environment existing at the time of settlement of the claims. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are paid, significantly varying dollar amounts of individual claims and other factors.

Reinsurance

We use reinsurance to provide protection against adverse loss experience in our mortgage insurance and title insurance portfolios and to expand our capital sources. When we enter into a reinsurance agreement, the reinsurer receives a premium and, in exchange, agrees to insure an agreed upon portion of incurred losses. These arrangements have the impact of reducing our earned premiums, but also reduce our mortgage insurance risk in force (RIF), which provides capital relief, and may include capital relief under the PMIERs financial strength requirements. Our incurred losses are reduced by any incurred losses ceded in accordance with the reinsurance agreement. For additional information regarding reinsurance, see Note 4 to our condensed consolidated financial statements.

Other Underwriting and Operating Expenses

Our other underwriting and operating expenses include components that are substantially fixed, as well as expenses that generally increase or decrease in line with the level of mortgage insurance NIW, title insurance policies issued and settlement services provided.

Our most significant expense is compensation and benefits for our employees, which represented 49% and 53% of other underwriting and operating expenses for the three and six months ended June 30, 2025, respectively, compared to 50% and 51% of other underwriting and operating expenses for the three and six months ended June 30, 2024, respectively. Compensation and benefits expense includes base and incentive cash compensation, stock compensation expense, benefits and payroll taxes.

Underwriting and other expenses include legal, consulting, other professional fees, premium taxes, travel, entertainment, marketing, licensing, supplies, hardware, software, rent, utilities, depreciation and amortization and other expenses. We anticipate that as we continue to add new customers and increase our mortgage insurance IIF, title insurance policies issued and settlement services provided, our expenses will also continue to increase.

Other underwriting and operating expenses also include premiums retained by agents, which represent the portion of title insurance premiums retained by our third-party agents pursuant to the terms of their respective agency contracts and are recorded as an expense. The percentage of premiums retained by agents vary according to regional differences in real estate closing practices and state regulations.

Interest Expense

Through June 30, 2024, interest expense was incurred as a result of borrowings under our secured credit facility (the "Existing Credit Facility"). Borrowings accrued interest at a floating rate tied to a standard short-term borrowing index, selected at the Company's option, plus an applicable margin. On July 1, 2024, we completed an underwritten public offering of $500 million of 6.25% Senior Notes due in 2029 and used approximately $425 million of the net proceeds to repay all of the borrowings outstanding under the term loan portion of the Existing Credit Facility. Concurrently, on July 1, 2024, the Fourth Amended and Restated Credit Agreement (the "Revolving Credit Agreement") became effective providing for an effective increase in the Company's revolving credit facility borrowing capacity from $400 million to $500 million. See Note 6 to our condensed consolidated financial statements.

Income Taxes

Income taxes are incurred based on the amount of earnings or losses generated in the jurisdictions in which we operate and the applicable tax rates and regulations in those jurisdictions. Our U.S. insurance subsidiaries are generally not subject to income taxes in most states in which we operate; however, our non-insurance subsidiaries are subject to state income taxes. In lieu of state income taxes, our insurance subsidiaries pay premium taxes that are recorded in other underwriting and operating expenses.

Essent Group Ltd. ("Essent Group") and its wholly-owned subsidiary, Essent Re, are domiciled in Bermuda, and their income is currently not subject to a corporate income tax. See "—Legislative and Regulatory Developments—Bermuda Corporate Income Tax" above. Under a quota share reinsurance agreement, Essent Re reinsures 25% of Essent Guaranty's NIW through December 31, 2020 and 35% of Essent Guaranty's NIW after December 31, 2020. In April 2025, Essent Guaranty and Essent Re agreed to increase the quota share reinsurance coverage of Essent Guaranty's NIW provided by Essent Re to 50% effective January 1, 2025. The quota share reinsurance coverage provided by Essent Re for Essent Guaranty's NIW prior to January 1, 2025 will continue at the quota share percentage in effect at the time NIW was first ceded. Essent Re also provides insurance and reinsurance to Freddie Mac and Fannie Mae.

The amount of income tax expense or benefit recorded in future periods will be dependent on the jurisdictions in which we operate and the tax laws and regulations in effect.

Mortgage Insurance Earnings and Cash Flow Cycle

In general, the majority of any underwriting profit (premium revenue minus losses) that a book generates occurs in the early years of the book, with the largest portion of any underwriting profit realized in the first year. Subsequent years of a book generally result in modest underwriting profit or underwriting losses. This pattern generally occurs because relatively few of the claims that a book will ultimately experience typically occur in the first few years of the book, when premium revenue is highest, while subsequent years are affected by declining premium revenues, as the number of insured loans decreases (primarily due to loan prepayments), and by increasing losses.

Key Performance Indicators

Insurance In Force

As discussed above, mortgage insurance premiums we collect and earn are generated based on our IIF, which is a function of our NIW and cancellations. The following table includes a summary of the change in our IIF for the three and six months ended June 30, 2025 and 2024 for our U.S. mortgage insurance portfolio. In addition, this table includes our RIF at the end of each period.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
IIF, beginning of period	$ 244,692,492	$ 239,078,262	$ 243,645,423	$ 239,078,262
NIW - Flow	12,544,731	12,503,125	22,490,067	20,826,669
Cancellations	(10,439,604)	(10,912,222)	(19,337,871)	(19,235,766)
IIF, end of period	$ 246,797,619	$ 240,669,165	$ 246,797,619	$ 240,669,165
Average IIF during the period	$ 245,747,813	$ 239,538,571	$ 244,902,942	$ 239,151,136
RIF, end of period	$ 56,811,096	$ 55,521,538	$ 56,811,096	$ 55,521,538

The following is a summary of our IIF at June 30, 2025 by vintage:

($ in thousands)	$	%
2025 (through June 30)	$ 21,981,050	8.9 %
2024	41,260,566	16.7
2023	38,646,995	15.7
2022	48,421,149	19.6
2021	45,343,252	18.4
2020	31,595,082	12.8
2019 and prior	19,549,525	7.9
	$ 246,797,619	100.0%

Average Net Premium Rate

Our average net premium rate is calculated by dividing net premiums earned for the U.S. mortgage insurance portfolio by average insurance in force for the period and is dependent on a number of factors, including: (1) the risk characteristics and average coverage on the mortgages we insure; (2) the mix of monthly premiums compared to single premiums in our portfolio; (3) cancellations of non-refundable single premiums during the period; (4) changes to our pricing for NIW; and (5) premiums ceded under third-party reinsurance agreements. The following table presents the average net premium rate for our U.S. mortgage insurance portfolio:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Base average premium rate	0.41 %	0.41%	0.41%	0.41%
Single premium cancellations	—	—	—	—
Gross average premium rate	0.41	0.41	0.41	0.41
Ceded premiums	(0.05)	(0.05)	(0.05)	(0.05)
Net average premium rate	0.36%	0.36%	0.36%	0.36%

The continued use of third-party reinsurance along with changes to the level of future cancellations of non-refundable single premium policies and mix of IIF may impact our average net premium rate in future periods.

Persistency Rate

The measure for assessing the impact of policy cancellations on IIF is our persistency rate, defined as the percentage of IIF that remains on our books after any twelve-month period. See additional discussion regarding the impact of the persistency rate on our performance in "— Factors Affecting Our Results of Operations — Persistency and Business Mix."

Risk-to-Capital

The risk-to-capital ratio has historically been used as a measure of capital adequacy in the U.S. mortgage insurance industry and is calculated as a ratio of net risk in force to statutory capital. 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. Statutory capital for our U.S. insurance companies is computed based on accounting practices prescribed or permitted by the Pennsylvania Insurance Department. See additional discussion in "— Liquidity and Capital Resources — Insurance Company Capital."

As of June 30, 2025, the net risk in force for Essent Guaranty was $34.0 billion and its statutory capital was $3.7 billion, resulting in a risk-to-capital ratio of 9.2:1. The amount of capital required varies in each jurisdiction in which we operate; however, generally, the maximum permitted risk-to-capital ratio is 25.0 to 1. State insurance regulators have continued to examine their respective capital rules to determine whether, in light of the 2007-2008 financial crisis, changes are needed to more accurately assess mortgage insurers' ability to withstand stressful economic conditions. As a result, the capital metrics under which they assess and measure capital adequacy may change in the future. Independent of the state regulator and GSE capital requirements, management continually assesses the risk of our insurance portfolio and current market and economic conditions to determine the appropriate levels of capital to support our business.

Results of Operations: Consolidated

The following table sets forth our consolidated results of operations for the periods indicated:

(In thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues:				
Net premiums written	$ 241,488	$ 245,566	$ 479,759	$ 484,106
Decrease in unearned premiums	7,321	6,325	14,898	13,375
Net premiums earned	248,809	251,891	494,657	497,481
Net investment income	59,289	56,086	117,499	108,171
Realized investment gains (losses), net	(129)	(1,164)	(310)	(2,304)
Income (loss) from other invested assets	4,466	(419)	11,874	(2,334)
Other income	6,708	6,548	12,981	10,285
Total revenues	319,143	312,942	636,701	611,299
Losses and expenses:				
Provision (benefit) for losses and LAE	17,055	(334)	48,342	9,579
Other underwriting and operating expenses	62,765	66,202	133,889	133,042
Interest expense	8,148	7,849	16,296	15,711
Total losses and expenses	87,968	73,717	198,527	158,332
Income before income taxes	231,175	239,225	438,174	452,967
Income tax expense	35,836	35,616	67,402	67,639
Net income	**$ 195,339**	**$ 203,609**	**$ 370,772**	**$ 385,328**

Revenues

Net Premiums Earned

Net premiums earned for the three and six months ended June 30, 2025 decreased compared to the three and six months ended June 30, 2024. For more information, see Net Premiums Written and Earned under “Results of Operations: Mortgage Insurance” and Net Premiums Earned under “Results of Operations: Corporate & Other”.

Net Investment Income

Our net investment income was derived from the following sources for the periods indicated:

(In thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Fixed maturities	$ 54,946	$ 45,368	$ 107,432	$ 91,656
Short-term investments	6,073	11,831	13,548	18,974
Gross investment income	61,019	57,199	120,980	110,630
Investment expenses	(1,730)	(1,113)	(3,481)	(2,459)
Net investment income	$ 59,289	$ 56,086	$ 117,499	$ 108,171

The increase in net investment income for the three months ended June 30, 2025 as compared to the same period in 2024 was due to an increase in the weighted average balance of our investment portfolio as well as an increase in the pre-tax investment income yield. The increase in net investment income for the six months ended June 30, 2025 compared to the same period in 2024 was due to an increase in the weighted average balance of the investment portfolio.

The average cash and investment portfolio balance increased to $6.3 billion for the three months ended June 30, 2025 from $6.0 billion for the three months ended June 30, 2024 and increased to $6.4 billion for the six months ended June 30, 2025 from $5.9 billion for the six months ended June 30, 2024. The increase in the average cash and investment portfolio was primarily due to investing cash flows from operations.

The pre-tax investment income yield increased from 3.8% in the three months ended June 30, 2024 to 3.9% for the three months ended June 30, 2025, primarily due to a general increase in investment yields due to rising interest rates. The pre-tax investment income yield was 3.8% for both the six months ended June 30, 2025 and 2024. See "— Liquidity and Capital Resources" for further details of our investment portfolio.

Income (Loss) from Other Invested Assets

Income (loss) from other invested assets for the three months ended June 30, 2025 was income of $4.5 million as compared to a loss of $0.4 million for the three months ended June 30, 2024 and income of $11.9 million for the six months ended June 30, 2025 compared to a loss of $2.3 million for the six months ended June 30, 2024. The increase in income from other invested assets was primarily due to favorable fair value adjustments recorded during the three and six months ended June 30, 2025 as compared to the same periods in 2024.

Other Income

Other income for the three months ended June 30, 2025 was $6.7 million as compared to $6.5 million for the three months ended June 30, 2024 and $13.0 million for the six months ended June 30, 2025 compared to $10.3 million for the six months ended June 30, 2024. The increase in other income for the six months ended June 30, 2025 compared to the same period in 2024 was largely due to fair value adjustments on embedded derivatives contained in certain of our reinsurance agreements. For the six months ended June 30, 2025 we recorded a net unfavorable decrease in the fair value of the embedded derivatives of $0.2 million compared to a net unfavorable decrease of $1.2 million for the six months ended June 30, 2024.

Expenses

Provision for Losses

The increased provision for losses for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024 was primarily due to the aging of defaults remaining within the mortgage insurance portfolio as of June 30, 2025, which resulted in an increase in our reserve per default. See "Results of Operations: Mortgage Insurance" for more information.

Other Underwriting and Operating Expenses

The decrease in underwriting and operating expenses for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 was primarily due to a decrease in compensation expense as a result of a decrease in stock based compensation and a reduction in title operating expenses as a result of fewer title policies issued. Other underwriting and operating expenses for the six months ended June 30, 2025 were largely unchanged compared to the six months ended June 30, 2024. For more information, see "Results of Operations: Mortgage Insurance" and "Results of Operations: Corporate & Other."

Interest Expense

For the three and six months ended June 30, 2025, we incurred interest expense of $8.1 million and $16.3 million as compared to $7.8 million and $15.7 million for the three and six months ended June 30, 2024, respectively. On July 1, 2024, Essent Group completed an underwritten public offering of $500 million principal amount of 6.25% Senior Notes due 2029 (the "Senior Notes"). The Company used the net proceeds from the sale of the Senior Notes to repay all of the borrowings outstanding under the term loan portion of the Existing Credit Facility on July 1, 2024. The increase in interest expense was due to an increase in the average borrowings outstanding during the three and six months ended June 30, 2025 compared to same periods in 2024. For the three and six month periods ended June 30, 2025, the average amount of borrowings outstanding were $500 million compared to $425 million for the three and six months ended June 30, 2024. For the three and six months ended June 30, 2025, our total borrowings had a weighted average interest rate of 6.25% as compared to 7.14% for the three and six months ended June 30, 2024, respectively.

Income Taxes

Our subsidiaries in the United States file a consolidated U.S. Federal income tax return. Our income tax expense was $35.8 million and $35.6 million for the three months ended June 30, 2025 and 2024, respectively and $67.4 million and $67.6 million for the six months ended June 30, 2025 and 2024, respectively. The provision for income taxes for the six months ended June 30, 2025 was calculated using an estimated annual effective tax rate of 15.4% compared to 15.1% for the six months ended June 30, 2024. For the six months ended June 30, 2025, income tax expense includes $2.7 million of discrete tax expense associated with realized and unrealized gains recognized during the period partially offset by $0.8 million excess tax benefits associated with the vesting of common shares and common share units. For the six months ended June 30, 2024, income tax expense includes $1.3 million of discrete tax benefit associated with realized and unrealized losses recognized during the period partially offset by excess tax deficits associated with the vesting of common shares and common share units.

Results of Operations: Mortgage Insurance

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Revenues:				
Net premiums earned	$ 233,907	$ 235,258	$ 467,537	$ 465,564
Net investment income	48,892	46,708	96,522	90,909
Realized investment gains (losses), net	(124)	(1,156)	(225)	(2,296)
Income (loss) from other invested assets	3,619	1,633	6,828	1,114
Other income	3,523	4,662	8,024	6,562
Total revenues	289,817	287,105	578,686	561,853
Losses and expenses:				
Provision (benefit) for losses and LAE	15,359	(1,225)	46,081	8,112
Other underwriting and operating expenses	27,011	28,396	57,604	58,623
Total losses and expenses before allocations	42,370	27,171	103,685	66,735
Corporate expense allocations	9,241	10,840	22,255	22,458
Total losses and expenses after allocations	51,611	38,011	125,940	89,193
Income before income tax expense	$ 238,206	$ 249,094	$ 452,746	$ 472,660
Loss ratio (1)	6.6 %	(0.5)%	9.9 %	1.7 %
Expense ratio (2)	15.5 %	16.7 %	17.1 %	17.4 %
Combined ratio	22.1 %	16.2 %	27.0 %	19.1 %

(1) Loss ratio is calculated by dividing the provision for losses and LAE by net premiums earned.
(2) Expense ratio is calculated by dividing the sum of other underwriting and operating expenses and corporate expense allocations by net premiums earned.

Three and Six Months Ended June 30, 2025 Compared to the Three and Six Months Ended June 30, 2024

For the three months ended June 30, 2025, our Mortgage Insurance segment reported income before income tax expense of $238.2 million, compared to income before income tax expense of $249.1 million for the three months ended June 30, 2024. The decrease in our operating results during the three months ended June 30, 2025 compared to the same period in 2024 was primarily due to an increase in the provision for losses partially offset by increases in net investment income and income from other invested assets and a decrease in other underwriting and operating expenses.

For the six months ended June 30, 2025, our Mortgage Insurance segment reported income before income tax expense of $452.7 million, compared to income before income tax expense of $472.7 million for the six months ended June 30, 2024. The decrease in our operating results during the six months ended June 30, 2025 compared to the same period in 2024 was primarily due to an increase in the provision for losses partially offset by increases in net premiums earned, net investment income and income from other invested assets and a decrease in other underwriting and operating expenses.

Net Premiums Written and Earned

Net premiums earned decreased in the three months ended June 30, 2025 by 0.6% compared to the three months ended June 30, 2024. The decrease in net premiums earned was primarily due to an increase in ceded premiums as a result of higher ceded losses under our third party quota share arrangements, partially offset by an increase in our average IIF from $239.5 billion for the three months ended June 30, 2024 to $245.7 billion for the three months ended and June 30, 2025. The average net premium rate was 0.36% for both the three months ended June 30, 2025 and 2024.

Net premiums earned increased in the six months ended June 30, 2025 by 0.4% compared to the six months ended June 30, 2024. The increase in net premiums earned was due to an increase in our average IIF from $239.2 billion for the six months ended June 30, 2024 to $244.9 billion for the six months ended June 30, 2025, partially offset by an increase in ceded premiums as a result of higher ceded losses under our third party quota share arrangements. The average net premium rate was 0.36% for the six months ended June 30, 2025 and 2024, respectively.

In the three months ended June 30, 2025 and 2024, unearned premiums decreased by $7.3 million and $6.3 million, respectively. The change in unearned premiums was a result of net premiums written on single premium policies of $2.2 million and $1.6 million, respectively, which was offset by $9.5 million and $7.9 million, respectively, of unearned premium that was recognized in earnings during the periods. In the six months ended June 30, 2025 and 2024, unearned premiums decreased by $14.9 million and $13.4 million, respectively. This was a result of net premiums written on single premium policies of $4.1 million and $4.5 million, respectively, which was offset by $19.0 million and $17.9 million, respectively, of unearned premium that was recognized in earnings during the periods.

Provision for Losses and Loss Adjustment Expenses

In the three months ended June 30, 2025 we recorded a provision for losses of $15.4 million compared to a benefit of $1.2 million for the three months ended June 30, 2024. In the six months ended June 30, 2025 we recorded a provision of $46.1 million compared to a provision of $8.1 million for the six months ended June 30, 2024. The increase in the provision for losses in the three and six months ended June 30, 2025 compared to the same periods in 2024 was primarily due to the aging of defaults remaining within the mortgage insurance portfolio as of June 30, 2025, which resulted in an increase in our reserve per default.

The following table presents a rollforward of insured loans in default for our U.S. mortgage insurance portfolio for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Beginning default inventory	17,759	13,992	18,439	14,819
Plus: new defaults	8,810	8,119	18,474	16,379
Less: cures	(9,078)	(7,956)	(19,251)	(16,907)
Less: claims paid	(215)	(183)	(368)	(306)
Less: rescissions and denials, net	(21)	(18)	(39)	(31)
Ending default inventory	17,255	13,954	17,255	13,954

The following table includes additional information about our loans in default as of the dates indicated for our U.S. mortgage insurance portfolio:

	As of June 30,	
	2025	2024
Case reserves (in thousands) **(1)**	$ 319,408	$ 226,976
Total reserves (in thousands) **(1)**	$ 345,952	$ 246,107
Ending default inventory	17,255	13,954
Average case reserve per default (in thousands)	$ 18.5	$ 16.3
Average total reserve per default (in thousands)	$ 20.0	$ 17.6
Default rate	2.12%	1.71%
Claims received included in ending default inventory	214	135

(1) The U.S. mortgage insurance portfolio reserves exclude reserves on GSE and other risk share risk in force at Essent Re of $88 thousand and $33 thousand as of June 30, 2025 and June 30, 2024.

The following table provides a reconciliation of the beginning and ending U.S. mortgage insurance reserve balances for losses and LAE:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2025	2024	2025	2024
Reserve for losses and LAE at beginning of period	$ 338,128	$ 253,565	$ 310,156	$ 245,402
Less: Reinsurance recoverables	40,351	26,570	36,655	24,005
Net reserve for losses and LAE at beginning of period	297,777	226,995	273,501	221,397
Add provision for losses and LAE occurring in:				
Current period	45,119	30,653	94,047	70,049
Prior years	(29,796)	(31,880)	(48,004)	(61,942)
Incurred losses and LAE during the current period	15,323	(1,227)	46,043	8,107
Deduct payments for losses and LAE occurring in:				
Current period	315	478	366	479
Prior years	8,799	5,205	15,192	10,940
Loss and LAE payments during the current period	9,114	5,683	15,558	9,419
Net reserve for losses and LAE at end of period	303,986	220,085	303,986	220,085
Plus: Reinsurance recoverables	41,966	26,022	41,966	26,022
Reserve for losses and LAE at end of period (1)	$ 345,952	$ 246,107	$ 345,952	$ 246,107

(1) The U.S. mortgage insurance portfolio reserves exclude reserves on GSE and other risk share risk in force at Essent Re of $88 thousand and $33 thousand as of June 30, 2025 and June 30, 2024.

The following tables provide a detail of reserves and defaulted RIF by the number of missed payments and pending claims for our U.S. mortgage insurance portfolio:

($ in thousands)	As of June 30, 2025 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
Missed payments:						
Two payments	5,634	33%	$ 29,534	9%	$ 436,738	7%
Three payments	2,375	14	23,028	7	189,938	12
Four to eleven payments	6,644	38	134,497	42	561,051	24
Twelve or more payments	2,388	14	118,154	37	190,189	62
Pending claims	214	1	14,195	5	15,789	90
Total case reserves **(1)**	17,255	100%	$ 319,408	100%	$ 1,393,705	23%
IBNR			23,956			
LAE			2,588			
Total reserves for losses and LAE **(1)**			$ 345,952			

(1) The U.S. mortgage insurance portfolio reserves exclude reserves on GSE and other risk share risk in force at Essent Re of $88 thousand as of June 30, 2025.

($ in thousands)	As of June 30, 2024 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
Missed payments:						
Two payments	4,989	36%	$ 25,458	11%	$ 372,669	7%
Three payments	2,035	14	17,938	9	153,207	12
Four to eleven payments	4,887	35	93,489	41	383,685	24
Twelve or more payments	1,908	14	82,529	36	135,616	61
Pending claims	135	1	7,562	3	8,540	89
Total case reserves **(2)**	13,954	100%	$ 226,976	100%	$ 1,053,717	22%
IBNR			17,023			
LAE			2,108			
Total reserves for losses and LAE **(2)**			$ 246,107			

(2) The U.S. mortgage insurance portfolio reserves exclude reserves on GSE and other risk share risk in force at Essent Re of $33 thousand as of June 30, 2024.

During the three months ended June 30, 2025, the Mortgage Insurance provision for losses and LAE was a provision of $15.3 million, comprised of $45.1 million of current year losses partially offset by $29.8 million of favorable prior years' loss development. During the three months ended June 30, 2024, the benefit for losses and LAE was $1.2 million, comprised of $30.7 million of current year losses offset by $31.9 million of favorable prior years' loss development.

During the six months ended June 30, 2025, the Mortgage Insurance provision for losses and LAE was $46.0 million, comprised of $94.0 million of current year losses partially offset by $48.0 million of favorable prior years' loss development. During the six months ended June 30, 2024, the provision for losses and LAE was $8.1 million, comprised of $70.0 million of current year losses partially offset by $61.9 million of favorable prior years' loss development.

In all periods, the prior years' loss development was the result of a re-estimation of amounts ultimately to be paid on prior year defaults in the default inventory, including the impact of previously identified defaults that cured.

The following table includes additional information about our claims paid and claim severity for our U.S. mortgage insurance portfolio for the periods indicated:

($ in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Number of claims paid	215	183	368	306
Amount of claims paid	$ 9,007	$ 5,566	$ 15,337	$ 9,171
Claim severity	67%	60%	68%	62%

Other Underwriting and Operating Expenses

Following are the components of other underwriting and operating expenses for the Mortgage Insurance segment for the periods indicated:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
($ in thousands)	$	%	$	%	$	%	$	%
Compensation and benefits	$ 16,793	62%	$ 17,756	63%	$ 36,683	64%	$ 36,463	62%
Premium taxes	6,000	22%	5,568	20%	11,574	20%	11,176	19%
Ceding commission	(6,910)	(25%)	(5,715)	(20%)	(13,418)	(24%)	(11,268)	(19%)
Other	11,128	41%	10,787	37%	22,765	40%	22,252	38%
Total other underwriting and operating expenses	$ 27,011	100%	$ 28,396	100%	$ 57,604	100%	$ 58,623	100%
Average number of employees during the period	279		298		288		298	

The significant factors contributing to the change in other underwriting and operating expenses are:

- Compensation and benefits decreased during the three months ended June 30, 2025 compared to the same period in 2024 primarily due to a decrease in average number of employees during the current period. Compensation and benefits during the six months ended June 30, 2025 were largely unchanged compared to the same period in 2024 as the impact of lower average employees in 2025 was offset by the timing of stock-based compensation due to provisions in certain equity grants that reduced the service period resulting in higher expense in early 2025. Compensation and benefits includes salaries, wages and bonus, stock compensation expense, benefits and payroll taxes. The first quarter of each year typically has higher compensation and benefits expense than the subsequent quarters due to payroll taxes on annual bonus payouts and vesting of nonvested stock and stock units, as well as higher stock-based compensation expense.
- The increases in ceding commission during the three and six month periods ended June 30, 2025 compared to the same periods in 2024 results from increases in the amount of reinsured insurance in force under our outstanding quota share arrangements.
- Other expenses include professional fees, travel, marketing, hardware, software, rent, depreciation and amortization and other facilities expenses.

Results of Operations: Corporate & Other

(In thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues:				
Net premiums earned	$ 14,902	$ 16,633	$ 27,120	$ 31,917
Net investment income	10,397	9,378	20,977	17,262
Realized investment gains (losses), net	(5)	(8)	(85)	(8)
Income (loss) from other invested assets	847	(2,052)	5,046	(3,448)
Other income	3,185	1,886	4,957	3,723
Total revenues	29,326	25,837	58,015	49,446
Losses and expenses:				
Provision for losses and LAE	1,696	891	2,261	1,467
Other underwriting and operating expenses	35,754	37,806	76,285	74,419
Interest expense	8,148	7,849	16,296	15,711
Total losses and expenses before allocations	45,598	46,546	94,842	91,597
Corporate expense allocations	(9,241)	(10,840)	(22,255)	(22,458)
Total losses and expenses after allocations	36,357	35,706	54,030	54,030
Loss before income tax expense	$ (7,031)	$ (9,869)	$ (14,572)	$ (19,693)

Three and Six Months Ended June 30, 2025 Compared to the Three and Six Months Ended June 30, 2024

Net Premiums Earned

Net premiums earned reported in Corporate & Other relate to premiums earned by our title insurance operations. The decrease in net premiums earned is primarily due to a decrease in title insurance policies issued in the three and six month periods ended June 30, 2025 compared to the same periods in 2024.

Provision for Losses & LAE

The provision for losses reported in Corporate & Other relates to loss provisions recorded by our title insurance operations. The increase in the provision for losses in the three and six month periods ended June 30, 2025 compared to the same periods in 2024 is primarily due to the impact of recent industry experience and trends on our IBNR reserves. Title insurance reserves were $18.7 million at both June 30, 2025 and December 31, 2024.

Other Underwriting and Operating Expenses

Following are the components of other underwriting and operating expenses for the Corporate & Other category for the periods indicated:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
($ in thousands)	$	%	$	%	$	%	$	%
Compensation and benefits	$ 13,926	39%	$ 15,608	41%	$ 33,728	44%	$ 31,610	42%
Premium taxes	495	1%	370	1%	1,824	2%	496	1%
Other	21,333	60%	21,828	58%	40,733	54%	42,313	57%
Total other underwriting and operating expenses	$ 35,754	100%	$ 37,806	100%	$ 76,285	100%	$ 74,419	100%
Average number of employees during the period	257		228		278		232	

The significant factors contributing to the change in other underwriting and operating expenses are:

- Compensation and benefits decreased in the three months ended June 30, 2025 compared to the same period in 2024 primarily due to decreases in stock based compensation expense as a result of provisions in certain equity grants that reduced the service period, resulting in higher expense in early 2025. Compensation and benefits increased during the six months ended June 30, 2025 compared to the same period in 2024 as a result of an increase in the average number of employees. Compensation and benefits includes salaries, wages and bonus, stock compensation expense, benefits and payroll taxes.

- Premium taxes increased during the six months ended June 30, 2025 compared to the same period in 2024 primarily due to $1.0 million of net expense associated with prior year premium tax returns. Premium taxes were largely unchanged in the three months ended June 30, 2025 compared to the same period in 2024.
- Other expenses include title and settlement services direct cost, professional fees, travel, marketing, hardware, software, rent, depreciation and amortization and other facilities expenses. Other expenses also includes premiums retained by agents which represents the portion of title insurance premiums retained by our third-party agents pursuant to the terms of their respective agency contracts. Other expenses were largely unchanged in the three months ended June 30, 2025 compared to the same period in 2024 and decreased during the six months ended June 30, 2025 compared to the same period in 2024 primarily due to decreases in title and settlement services direct cost and premiums retained by agents due to a decrease in title insurance policies issued 2025, partially offset by an increase in professional fees.

Liquidity and Capital Resources

Overview

Our sources of funds consist primarily of:

- our investment portfolio and interest income on the portfolio;
- net premiums that we will receive from our existing IIF as well as policies that we write in the future;
- borrowings under our Revolving Credit Facility; and
- issuance of capital shares.

Our obligations consist primarily of:

- claim payments under our policies;
- interest payments and repayment of borrowings under our Senior Notes and Revolving Credit Facility;
- the other costs and operating expenses of our business;
- the repurchase of common shares under the share repurchase plan approved by our Board of Directors; and
- the payment of dividends on our common shares.

As of June 30, 2025, we had substantial liquidity with cash of $92.1 million, short-term investments of $583.0 million and fixed maturity investments of $5.4 billion. We also had $500 million available capacity under our Revolving Credit Facility. Cash and investments available for sale at the holding companies totaled $1.0 billion at June 30, 2025. In addition, Essent Guaranty is a member of the Federal Home Loan Bank of Pittsburgh (the “FHLBank”) and has access to secured borrowing capacity with the FHLBank to provide Essent Guaranty with supplemental liquidity. Essent Guaranty had no outstanding borrowings with the FHLBank at June 30, 2025.

On July 1, 2024, we completed an underwritten public offering of $500 million of 6.25% Senior Notes due in 2029. The Company used the net proceeds from the sale of the Senior Notes to repay the $425 million of borrowings outstanding under the term loan portion of the Existing Credit Facility and intends to use the remaining net proceeds for general corporate purposes. On July 1, 2024, concurrently with the closing of the offering of the Senior Notes and the repayment of all of the borrowings outstanding under the term loan portion of the Existing Credit Facility, the Fourth Amended and Restated Credit Agreement (the “Revolving Credit Agreement”) became effective and amends and restates the Existing Credit Facility. The

Revolving Credit Agreement provides for an effective increase in the Company's revolving credit facility borrowing capacity from $400 million to $500 million.

Management believes that the Company has sufficient liquidity available both at its holding companies and in its insurance and other operating subsidiaries to meet its operating cash needs and obligations and committed capital expenditures for the next 12 months.

While the Company and all of its subsidiaries are expected to have sufficient liquidity to meet all their expected obligations, additional capital may be required to meet any new capital requirements that are adopted by regulatory authorities or the GSEs, to respond to changes in the business or economic environment, to provide additional capital related to the growth of our risk in force in our mortgage insurance portfolio, or to fund new business initiatives. We regularly review potential investments and acquisitions, some of which may be material, that, if consummated, would expand our existing business or result in new lines of business, and at any given time we may be in discussions concerning possible transactions. We continually evaluate opportunities based upon market conditions to further increase our financial flexibility through the issuance of equity or debt, or other options including reinsurance or credit risk transfer transactions. There can be no guarantee that any such opportunities will be available on acceptable terms or at all.

At the operating subsidiary level, liquidity could be impacted by any one of the following factors:

- significant decline in the value of our investments;
- inability to sell investment assets to provide cash to fund operating needs;
- decline in expected revenues generated from operations;
- increase in expected claim payments related to our IIF; or
- increase in operating expenses.

Our U.S. insurance subsidiaries are subject to certain capital and dividend rules and regulations prescribed by jurisdictions in which they are authorized to operate and, in the case of Essent Guaranty, the GSEs. Under the insurance laws of the Commonwealth of Pennsylvania, the insurance subsidiaries may pay dividends during any twelve-month period in an amount equal to the greater of (i) 10% of the preceding year-end statutory policyholders' surplus or (ii) the preceding year's statutory net income. The Pennsylvania statute also requires that, without the prior approval of the Pennsylvania Insurance Department, dividends and other distributions may only be paid out of positive unassigned surplus. At June 30, 2025, Essent Guaranty had unassigned surplus of approximately $444.8 million. As of June 30, 2025, Essent Guaranty could pay additional ordinary dividends in 2025 of $365.5 million.

Essent Re is subject to certain dividend restrictions as prescribed by the Bermuda Monetary Authority and under certain agreements with counterparties. Class 3B insurers must obtain the BMA's prior approval for a reduction by 15% or more of total statutory capital or for a reduction by 25% or more of total statutory capital and surplus as set forth in its previous year's statutory financial statements. In connection with a quota share reinsurance agreement with Essent Guaranty, Essent Re has agreed to maintain a minimum total equity of $100 million. As of June 30, 2025, Essent Re had total equity of $1.8 billion. In connection with its insurance and reinsurance activities, Essent Re is required to maintain assets in trusts for the benefit of its contractual counterparties. See Note 3 to our condensed consolidated financial statements. As of June 30, 2025, Essent Re could pay additional dividends in 2025 of $221.9 million without prior approval from the BMA.

At June 30, 2025, our insurance subsidiaries were in compliance with these rules, regulations and agreements.

Cash Flows

The following table summarizes our consolidated cash flows from operating, investing and financing activities:

	Six Months Ended June 30,	
(In thousands)	**2025**	**2024**
Net cash provided by operating activities	$ 411,104	$ 405,626
Net cash used in investing activities	(48,576)	(255,272)
Net cash used in financing activities	(401,892)	(94,739)
Net (decrease) increase in cash	$ (39,364)	$ 55,615

Operating Activities

Cash flow provided by operating activities totaled $411.1 million for the six months ended June 30, 2025, as compared to $405.6 million for the six months ended June 30, 2024. The increase in cash flow provided by operating activities was primarily due to increases in investment income.

Investing Activities

Cash flows used in investing activities totaled $48.6 million for the six months ended June 30, 2025 compared to $255.3 million for the six months ended June 30, 2024. The decrease in cash flows used in investing activities in the six months ended June 30, 2025 compared to six months ended June 30, 2024 were the result of maintaining higher cash balances to fund future financing activities. In the six months ended June 30, 2024 cash flow used in investing activities relates primarily to investing cash flows from operations.

Financing Activities

Cash flow used in financing activities totaled $401.9 million and $94.7 million for the six months ended June 30, 2025 and 2024, respectively, primarily related to the quarterly cash dividends paid, repurchases of common stock under our share repurchase plans and treasury stock acquired from employees to satisfy tax withholding obligations.

Insurance Company Capital

We compute a risk-to-capital ratio for our U.S. mortgage insurance company on a separate company statutory basis. The risk-to-capital ratio is our net risk in force divided by our statutory capital. Our net risk in force represents risk in force net of reinsurance ceded, if any, and net of exposures on policies for which loss reserves have been established. Statutory capital consists primarily of statutory policyholders' surplus (which increases as a result of statutory net income and decreases as a result of statutory net loss and dividends paid), plus the statutory contingency reserve. The statutory contingency reserve is reported as a liability on the statutory balance sheet. A mortgage insurance company is required to make annual contributions to the contingency reserve of 50% of net premiums earned. These contributions must generally be maintained for a period of ten years. However, with regulatory approval, a mortgage insurance company may make early withdrawals from the contingency reserve when incurred losses exceed 35% of net premiums earned in a calendar year.

During the six months ended June 30, 2025 and 2024, no capital contributions were made to our U.S. mortgage insurance subsidiary and Essent Guaranty paid dividends to Essent US Holdings, Inc. of $130 million and $107.5 million, respectively. During the six months ended June 30, 2025, and 2024, no capital contributions were made to Essent Title Insurance.

Prior to December 31, 2024, Essent Guaranty reinsured that portion of the risk that is in excess of 25% of the mortgage balance with respect to any loan insured prior to April 1, 2019, after consideration of other reinsurance, to Essent Guaranty of PA, Inc. On December 31, 2024, Essent Guaranty and Essent PA entered into a commutation and release agreement in which all outstanding risk in force assumed by Essent PA was commuted back to Essent Guaranty in exchange for cash. Upon the commutation and release, Essent PA surrendered its insurance license and is no longer an insurance subsidiary of Essent Group Ltd. as of December 31, 2024.

Essent Guaranty has entered into reinsurance agreements that provide excess of loss reinsurance coverage for new defaults on portfolios of mortgage insurance policies issued from January 1, 2018 through August 31, 2019 and August 1, 2020 through December 31, 2024. The aggregate excess of loss reinsurance coverages decrease over a ten-year period as the underlying covered mortgages amortize. In April 2025, Essent entered into two excess of loss transactions, effective July 1 of each year, with panels of highly rated third-party reinsurers covering 20% of all eligible policies written by Essent Guaranty, Inc. in calendar years 2025 and 2026.

Essent Guaranty has entered into a quota share reinsurance agreement with a panel of third-party reinsurers ("QSR" agreement"). Each of the third-party reinsurers has an insurer minimum financial strength rating of A- or better by S&P Global Ratings, AM Best or both. Under each QSR agreement, Essent Guaranty will cede premiums on a percentage of risk on all eligible policies written during a specified period, in exchange for reimbursement of ceded claims and claims expenses on covered policies, a specific ceding commission, as well as a profit commission that varies directly and inversely with ceded claims. These reinsurance coverages also reduces net risk in force and PMIERs Minimum Required Assets. See Note 4 to our condensed consolidated financial statements.

The following table summarizes Essent Guaranty's quota share reinsurance agreements as of June 30, 2025:

QSR Agreement	Coverage Period	Ceding Percentage
QSR-2019	September 1, 2019 - December 31, 2020	**(1)**
QSR-2022	January 1, 2022 - December 31, 2022	20%
QSR-2023	January 1, 2023 - December 31, 2023	17.5%
QSR-2024	January 1, 2024 - December 31, 2024	15%
QSR-2025	January 1, 2025 - December 31, 2025	25%

(1) Under QSR-2019, Essent Guaranty cedes 40% of premiums on singles policies and 20% on all other policies.

During the first quarter of 2025, Essent also entered into a forward quota share transaction covering 25% of the risk of all eligible policies written by Essent Guaranty, Inc. in calendar year 2026.

Our risk-to-capital calculation for Essent Guaranty as of June 30, 2025 was as follows:

Statutory capital: **($ in thousands)**		
Policyholders' surplus	$	1,150,106
Contingency reserves		2,564,039
Statutory capital	$	3,714,146
Net risk in force	$	33,986,508
Risk-to-capital ratio		9.2:1

For additional information regarding regulatory capital, see Note 14 to our condensed consolidated financial statements. The information above has been derived from the annual and quarterly statements of Essent Guaranty, which have been prepared in conformity with accounting practices prescribed or permitted by the Pennsylvania Insurance Department and the National Association of Insurance Commissioners Accounting Practices and Procedures Manual. Such practices vary from accounting principles generally accepted in the United States.

Essent Re has entered into GSE and other risk share transactions, including insurance and reinsurance transactions with Freddie Mac and Fannie Mae. Under a quota share reinsurance agreement, Essent Re reinsures 25% of Essent Guaranty's NIW through December 31, 2020 and 35% of Essent Guaranty's NIW after December 31, 2020. In April 2025, Essent Guaranty and Essent Re agreed to increase the quota share reinsurance coverage of Essent Guaranty's NIW provided by Essent Re to 50% effective January 1, 2025. The quota share reinsurance coverage provided by Essent Re for Essent Guaranty's NIW prior to January 1, 2025 will continue at the quota share percentage in effect at the time NIW was first ceded. During the six months ended June 30, 2025 and 2024, Essent Re paid $220 million and $125 million in dividends to Essent Group, respectively. Essent Group made no capital contributions to Essent Re during the six months ended June 30, 2025 and 2024. As of June 30, 2025, Essent Re had total stockholders' equity of $1.8 billion and net risk in force of $24.8 billion.

Financial Strength Ratings

The insurer financial strength rating of Essent Guaranty, our principal mortgage insurance subsidiary, is rated A2 with a stable outlook by Moody's Investors Service ("Moody's") (up from A3 with a positive outlook as a result of an upgrade by Moody's announced on August 6, 2025), A- with a stable outlook by S&P and A (Excellent) with stable outlook by AM Best. The insurer financial strength rating of Essent Re is A- with a stable outlook by S&P and A (Excellent) with stable outlook by AM Best.

Private Mortgage Insurer Eligibility Requirements

Fannie Mae and Freddie Mac, maintain coordinated Private Mortgage Insurer Eligibility Requirements, which we refer to as the "PMIERs." The PMIERs represent the standards by which private mortgage insurers are eligible to provide mortgage insurance on loans owned or guaranteed by Fannie Mae and Freddie Mac. The PMIERs include financial strength requirements incorporating a risk-based framework that require approved insurers to have a sufficient level of liquid assets from which to pay claims. This risk-based framework provides that an insurer must hold a substantially higher level of required assets for insured loans that are in default compared to a performing loan. The PMIERs also include enhanced operational performance expectations and define remedial actions that apply should an approved insurer fail to comply with these requirements. As of June 30, 2025, Essent Guaranty, our GSE-approved mortgage insurance company, was in compliance with the PMIERs. As of June 30, 2025, Essent Guaranty's Available Assets were $3.7 billion or 176% of its Minimum Required Assets of $2.1 billion based on our interpretation of the PMIERs.

Under PMIERs guidance issued by the GSEs effective June 30, 2020, Essent will apply a 0.30 multiplier to the risk-based required asset amount factor for each insured loan in default backed by a property located in a FEMA Declared Major Disaster Area eligible for Individual Assistance and that either (1) is subject to a forbearance plan granted in response to a FEMA Declared Major Disaster, the terms of which are materially consistent with terms of forbearance plans, repayment plans or loan modification trial period offered by Fannie Mae or Freddie Mac, or (2) has an initial missed payment occurring up to either (i) 30 days prior to the first day of the incident period specified in the FEMA Major Disaster Declaration or (ii) 90 days following the last day of the incident period specified in the FEMA Major Disaster Declaration, not to exceed 180 days from the first day of the incident period specified in the FEMA Major Disaster Declaration. In the case of the foregoing, the 0.30 multiplier shall be applied to the risk-based required asset amount factor for a non-performing primary mortgage guaranty insurance loan for no longer than three calendar months beginning with the month the loan becomes a non-performing primary mortgage guaranty insurance loan by reaching two missed monthly payments absent a forbearance plan described in 1) above. Further, under temporary provisions provided by the PMIERs guidance, Essent will apply a 0.30 multiplier to the risk-based required asset amount factor for each insured loan in default backed by a property that has an initial missed payment occurring on or after March 1, 2020 and prior to April 1, 2021 (COVID-19 Crisis Period). The 0.30 multiplier will be applicable for insured loans in default (1) subject to a forbearance plan granted in response to a financial hardship related to COVID-19 (which shall be assumed to be the case for any loan that has an initial missed payment occurring during the COVID-19 Crisis Period and is subject to a forbearance plan, repayment plan or loan modification trial period), the terms of which are materially consistent with terms offered by Fannie Mae or Freddie Mac, or (2) for no longer than three calendar months beginning with the month the loan becomes a non-performing primary mortgage guaranty insurance loan by reaching two missed monthly payments.

FHFA and the GSEs announced that effective November 1, 2023, defaulted loans will be no longer eligible for COVID forbearance plans and will follow the GSEs standard forbearance plans going forward. In August 2024, Fannie Mae and Freddie Mac, under the oversight of FHFA, issued an update to the planned sunset of the use of the 0.3x Required Asset multiplier for loans in a COVID forbearance plan. The sunset of the 0.3x Required Asset multiplier for loans in a COVID forbearance plan became effective on March 31, 2025. Also in August 2024, the GSEs issued updates to the PMIERs calculation of Available Assets. The updated PMIERs Available Asset requirements are subject to a phased-in implementation beginning with the quarter ending March 31, 2025, and will become fully effective on September 30, 2026. Essent expects to remain in full compliance with the PMIERs requirements.

Financial Condition

Stockholders' Equity

As of June 30, 2025, stockholders' equity was $5.7 billion, compared to $5.6 billion as of December 31, 2024. Stockholders' equity increased primarily due to net income generated in 2025 and a decrease in accumulated other comprehensive loss related to a decrease in our net unrealized investment losses, partially offset by dividends paid and the repurchase of common shares under our share repurchase plan.

Investments

As of June 30, 2025 and December 31, 2024, investments totaled $6.3 billion and $6.2 billion, respectively. In addition, our total cash was $92.1 million as of June 30, 2025, compared to $131.5 million as of December 31, 2024.

Investments Available for Sale by Asset Class

Asset Class	June 30, 2025		December 31, 2024	
($ in thousands)	Fair Value	Percent	Fair Value	Percent
U.S. Treasury securities	$ 391,461	6.6%	$ 547,290	9.3%
U.S. agency mortgage-backed securities	1,172,715	19.7	1,125,436	19.2
Municipal debt securities(1)	600,618	10.0	583,501	9.9
Non-U.S. government securities	62,166	1.0	69,798	1.2
Corporate debt securities(2)	1,908,167	32.0	1,783,046	30.3
Residential and commercial mortgage securities	454,381	7.6	478,086	8.1
Asset-backed securities	796,065	13.4	631,959	10.8
Money market funds	580,964	9.7	657,605	11.2
Total Investments Available for Sale	**$ 5,966,537**	**100.0%**	**$ 5,876,721**	**100.0%**

(1) The following table summarizes municipal debt securities as of :	June 30, 2025	December 31, 2024
Special revenue bonds	82.6%	83.3%
General obligation bonds	17.4	16.7
Total	100.0%	100.0%

(2) The following table summarizes corporate debt securities as of :	June 30, 2025	December 31, 2024
Financial	41.5%	41.8%
Consumer, non-cyclical	16.1	15.1
Utilities	8.7	8.7
Industrial	8.2	8.2
Technology	6.4	6.4
Consumer, cyclical	6.2	6.3
Communications	5.2	5.7
Energy	5.0	5.1
Basic Materials	2.7	2.7
Total	100.0%	100.0%

Investments Available for Sale by Rating

Rating (1) ($ in thousands)	June 30, 2025 Fair Value	June 30, 2025 Percent	December 31, 2024 Fair Value	December 31, 2024 Percent
Aaa	$ 816,766	15.2%	$ 2,513,014	48.1%
Aa1	1,815,159	33.7	101,809	2.0
Aa2	297,712	5.5	301,080	5.8
Aa3	289,201	5.3	271,069	5.2
A1	559,198	10.4	511,076	9.8
A2	461,980	8.6	411,999	7.9
A3	503,243	9.3	463,616	8.8
Baa1	210,077	3.9	218,454	4.2
Baa2	209,301	3.9	198,193	3.8
Baa3	149,083	2.8	151,729	2.9
Below Baa3	73,853	1.4	77,077	1.5
Total (2)	**$ 5,385,573**	**100.0%**	**$ 5,219,116**	**100.0%**

(1) Based on ratings issued by Moody's, if available. S&P or Fitch Ratings ("Fitch") rating utilized if Moody's not available.
(2) Excludes $580,964 and $657,605 of money market funds at June 30, 2025 and December 31, 2024, respectively.

Investments Available for Sale by Effective Duration

Effective Duration ($ in thousands)	June 30, 2025 Fair Value	June 30, 2025 Percent	December 31, 2024 Fair Value	December 31, 2024 Percent
< 1 Year	$ 1,431,564	24.0%	$ 1,587,022	26.9%
1 to < 2 Years	605,824	10.2	544,630	9.3
2 to < 3 Years	472,256	7.9	473,301	8.1
3 to < 4 Years	526,581	8.8	445,614	7.6
4 to < 5 Years	595,792	10.0	546,414	9.3
5 or more Years	2,334,520	39.1	2,279,740	38.8
Total Investments Available for Sale	**$ 5,966,537**	**100.0%**	**$ 5,876,721**	**100.0%**

Off-Balance Sheet Arrangements

Essent Guaranty has entered into fully collateralized reinsurance agreements ("Radnor Re Transactions") with unaffiliated special purpose insurers domiciled in Bermuda. The Radnor Re special purpose insurers are special purpose variable interest entities that are not consolidated in our condensed consolidated financial statements because we do not have the unilateral power to direct those activities that are significant to their economic performance. As of June 30, 2025, our estimated off-balance sheet maximum exposure to loss from the Radnor Re entities was $0.2 million, representing the estimated net present value of investment earnings on the assets in the reinsurance trusts. See Note 4 to our condensed consolidated financial statements for additional information.

Critical Accounting Policies

As of the filing date of this report, there were no significant changes in our critical accounting policies from those discussed in our 2024 Form 10-K. See Note 2 to our condensed consolidated financial statements for recently issued accounting standards adopted or under evaluation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We own and manage a large investment portfolio of various holdings, types and maturities. Investment income is one of our primary sources of cash flow supporting operations and claim payments. The assets within the investment portfolio are exposed to the same factors that affect overall financial market performance. While our investment portfolio is exposed to factors affecting markets worldwide, it is most sensitive to fluctuations in the drivers of U.S. markets.

We manage market risk via defined investment policy implemented by our treasury function with oversight from our board of directors and our senior management. Important drivers of our market risk exposure monitored and managed by us include but are not limited to:

- *Changes to the level of interest rates.* Increasing interest rates may reduce the value of certain fixed-rate bonds held in the investment portfolio. Higher rates may cause variable-rate assets to generate additional income. Decreasing rates will have the reverse impact. Significant changes in interest rates can also affect persistency and claim rates which may in turn require that the investment portfolio be restructured to better align it with future liabilities and claim payments. Such restructuring may cause investments to be liquidated when market conditions are adverse.

- *Changes to the term structure of interest rates.* Rising or falling rates typically change by different amounts along the yield curve. These changes may have unforeseen impacts on the value of certain assets.

- *Market volatility/changes in the real or perceived credit quality of investments.* Deterioration in the quality of investments, identified through changes to our own or third-party (e.g., rating agency) assessments, will reduce the value and potentially the liquidity of investments.

- *Concentration Risk.* If the investment portfolio is highly concentrated in one asset, or in multiple assets whose values are highly correlated, the value of the total portfolio may be greatly affected by the change in value of just one asset or a group of highly correlated assets.

- *Prepayment Risk.* Bonds may have call provisions that permit debtors to repay prior to maturity when it is to their advantage. This typically occurs when rates fall below the interest rate of the debt.

Market risk is measured for all investment assets at the individual security level. Market risks that are not fully captured by the quantitative analysis are highlighted. In addition, material market risk changes that occur from the last reporting period to the current are discussed. Changes to how risks are managed will also be identified and described.

At June 30, 2025, the effective duration of our investments available for sale was 4.0 years, which means that an instantaneous parallel shift (movement up or down) in the yield curve of 100 basis points would result in a change of 4.0% in fair value of our investments available for sale. Excluding short-term investments, our investments available for sale effective duration was 4.4 years, which means that an instantaneous parallel shift (movement up or down) in the yield curve of 100 basis points would result in a change of 4.4% in fair value of our investments available for sale.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2025, the end of the period covered by this Quarterly Report.

Changes in Internal Control Over Financial Reporting

During our most recent fiscal quarter, there has not been any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings.

Item 1A. Risk Factors

Risk factors that affect our business and financial results are discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes in our risk factors from those previously disclosed in our Annual Report. You should carefully consider the risks described in our Annual Report, which could materially affect our business, financial condition or future results. The risks described in our Annual Report, along with the disclosure below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Repurchases of Securities

The table below sets forth information regarding repurchases of our common shares during the three months ended June 30, 2025.

Period ($ in thousands, except per share amounts)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 1 - April 30, 2025	1,106,146	$ 55.37	1,102,525	
May 1 - May 31, 2025	964,205	$ 58.41	964,205	
June 1 - June 30, 2025	904,049	$ 59.62	904,049	
Total	2,974,400		2,970,779	$ 318,784

(1) During the three months ended June 30, 2025, the Company repurchased 2,970,779 common shares at a total cost of $171.3 million. The remaining $318.8 million in the table represents the amount available to repurchase shares under the February 2025 share repurchase authorization as of June 30, 2025. In July 2025, we repurchased 1,024,539 shares for $58.8 million, leaving approximately $260.0 million remaining for repurchases as of July 31, 2025.

Item 6. Exhibits

(a) Exhibits:

Exhibit No.	Description
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets (Unaudited); (ii) the Condensed Consolidated Statements of Comprehensive Income (Unaudited); (iii) the Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited); (iv) the Condensed Consolidated Statements of Cash Flows (Unaudited); and (v) the Notes to Condensed Consolidated Financial Statements (Unaudited).

* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the date indicated.

	ESSENT GROUP LTD.
Date: August 8, 2025	/s/ MARK A. CASALE
	Mark A. Casale
	President, Chief Executive Officer and Chairman (Principal Executive Officer)
Date: August 8, 2025	/s/ DAVID B. WEINSTOCK
	David B. Weinstock
	Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Mark A. Casale, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Essent Group Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025
/s/ MARK A. CASALE

Mark A. Casale
President, Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, David B. Weinstock, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Essent Group Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025
/s/ DAVID B. WEINSTOCK

David B. Weinstock
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Mark A. Casale, President, Chief Executive Officer and Chairman of Essent Group Ltd. (the "Company"), and David B. Weinstock, Senior Vice President and Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/ MARK A. CASALE

Mark A. Casale
President, Chief Executive Officer and Chairman

/s/ DAVID B. WEINSTOCK

David B. Weinstock
Senior Vice President and Chief Financial Officer