



Creating Value Through the Cycle



Arch Investor Day Presentation

November 14, 2024

Informational Statements

The Private Securities Litigation Reform Act of 1995 (“PSLRA”) provides a “safe harbor” for forward-looking statements. This release or any other written or oral statements made by or on behalf of Arch Capital Group Ltd. and its subsidiaries may include forward-looking statements, which reflect our current views with respect to future events and financial performance. All statements other than statements of historical fact included in or incorporated by reference in this release are forward-looking statements. Forward-looking statements, for purposes of the PSLRA or otherwise, can generally be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” and similar statements of a future or forward-looking nature or their negative or variations or similar terminology. Forward-looking statements involve our current assessment of risks and uncertainties. Actual events and results may differ materially from those expressed or implied in these statements. A nonexclusive list of the important factors that could cause actual results to differ materially from those in such forward-looking statements includes the following: adverse general economic and market conditions; increased competition; pricing and policy term trends; fluctuations in the actions of rating agencies and our ability to maintain and improve our ratings; investment performance; the loss of key personnel; the adequacy of our loss reserves, severity and/or frequency of losses, greater than expected loss ratios and adverse development on claim and/or claim expense liabilities; greater frequency or severity of unpredictable natural and man-made catastrophic events, including the effect of contagious diseases on our business; the impact of acts of terrorism and acts of war; changes in regulations and/or tax laws in the United States or elsewhere; our ability to successfully integrate, establish and maintain operating procedures as well as consummate acquisitions and integrate the businesses the Company has acquired or may acquire into the existing operations; changes in accounting principles or policies; material differences between actual and expected assessments for guaranty funds and mandatory pooling arrangements; availability and cost to us of reinsurance to manage our gross and net exposures; the failure of others to meet their obligations to us; an incident, disruption in operations or other cyber event caused by cyber attacks, the use of artificial intelligence technologies or other technology on the Company’s systems or those of the Company’s business partners and service providers, which could negatively impact our business and/or expose us to litigation; and other factors identified in our filings with the U.S. Securities and Exchange Commission (“SEC”). The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein or elsewhere. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Our forward-looking statements speak only as of the date of this press release or as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This presentation may contain non-GAAP financial measures as defined by Regulation G of the rules of the SEC. Arch Capital Group Ltd. (the “Company”) believes these non-GAAP financial measures provide users of its financial information meaningful and useful insight in evaluating the performance of the Company. Investors should consider non-GAAP financial measures in addition to, and not as a substitute for, or superior to, the comparable GAAP financial measures. The reconciliation to GAAP and information about the specific non-GAAP financial measures used herein can be found within this presentation/video/document. Additional information about non-GAAP financial measures can also be found in the Current Report on Form 8-K furnished to the SEC by the Company in connection with its most recent earnings press release and the Company's website: www.archgroup.com. From time to time, the Company posts additional financial information and presentations to its website, including information with respect to its subsidiaries, and investors and other recipients of this information are encouraged to check the website.

Agenda



Welcome

- Introductory Comments



A Discussion With:

- **Executive Panel** – Nicolas Papadopoulos, François Morin and Don Watson
- **Arch Investment Management Panel** – François Morin, Christine Todd, Nasri Toutoungi and William Bell
- **Insurance Panel** – Nicolas Papadopoulos, Hugh Sturgess, Brian First and Jay Rajendra
- **Reinsurance Panel** – Maamoun Rajeh, Jerome Halgan and Jonathan Schriber
- **Mortgage Panel** – David Gansberg, Michael Schmeiser and Seamus Fearon



Q&A

Closing Remarks



A Discussion with the Executive Team



Nicolas Papadopoulos

Chief Executive Officer
Arch Capital Group Ltd.



François Morin

Chief Financial Officer & Treasurer
Arch Capital Group Ltd.



Don Watson

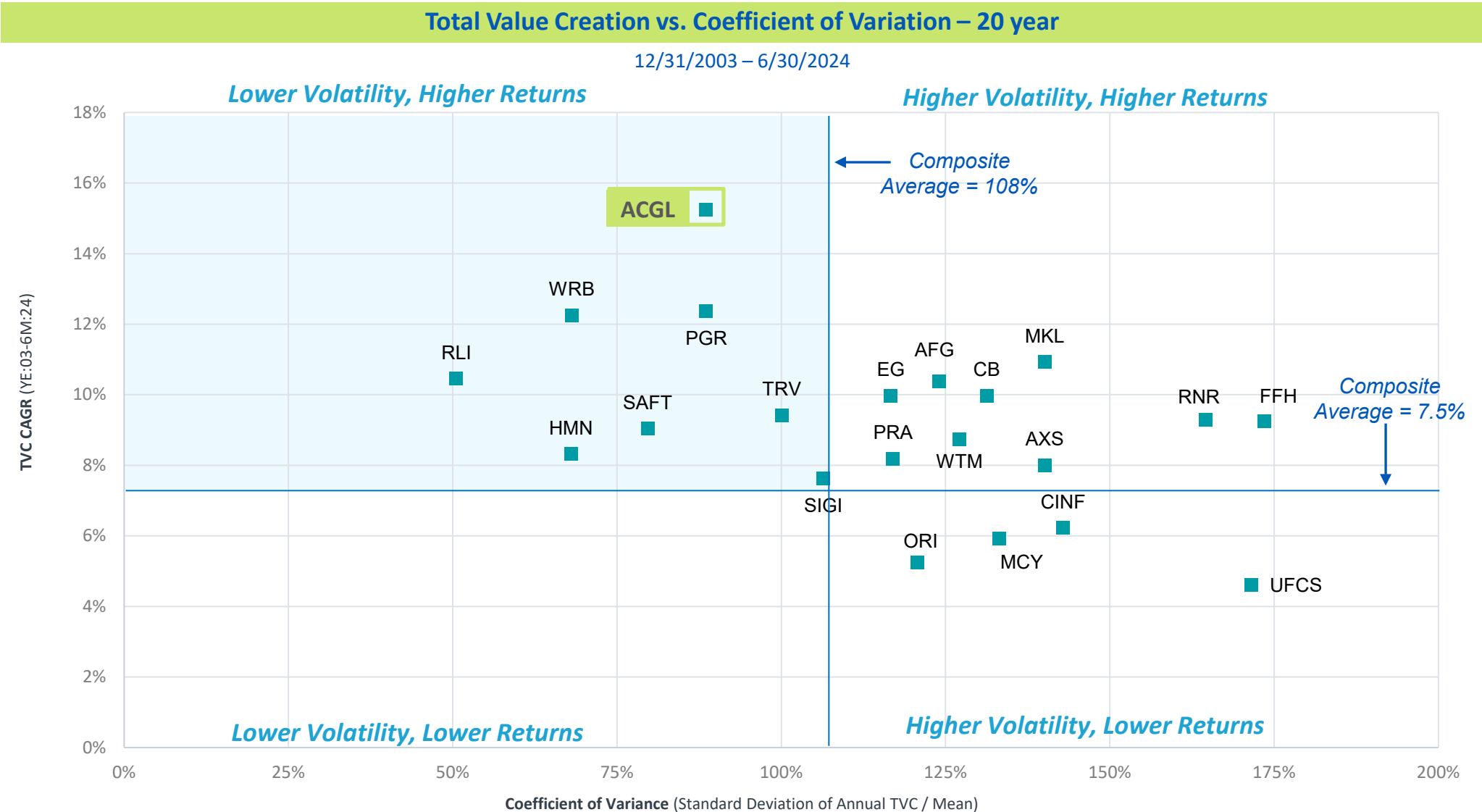
Executive Vice President,
Financial Services
Arch Capital Services LLC

Our Operating Principles



1. We are best in-class cycle managers with a focus on underwriting.
2. We are a diversified, specialty-focused company targeting areas that require specialized underwriting expertise, distribution or customer capabilities.
3. We are trusted stewards of capital who apply prudent risk and capital management.
4. We are an entrepreneurial and collaborative team with high talent density.
5. We are a data and analytics-driven organization.

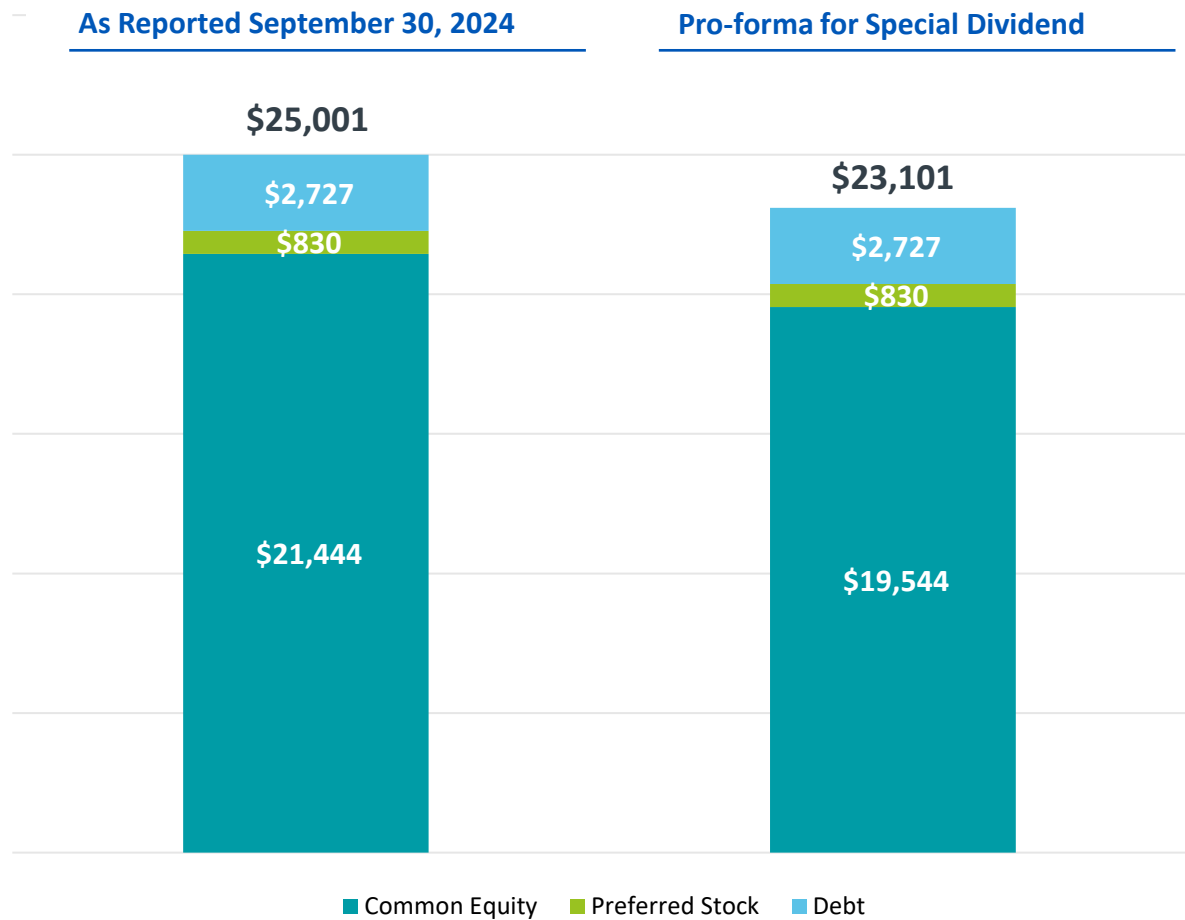
Sustained Outperformance



Excludes ALL (5.5%, 227%), THG (4.6%, 237%), CNA (4.2%, 312%), KMPR (3.4%, 379%), HIG (3.1%, 366%), MTG (-2.3%, 530%), RDN (-0.2%, 559%) = coefficient of variance >200%

Capital and Financial Flexibility

Capital Structure (\$M)

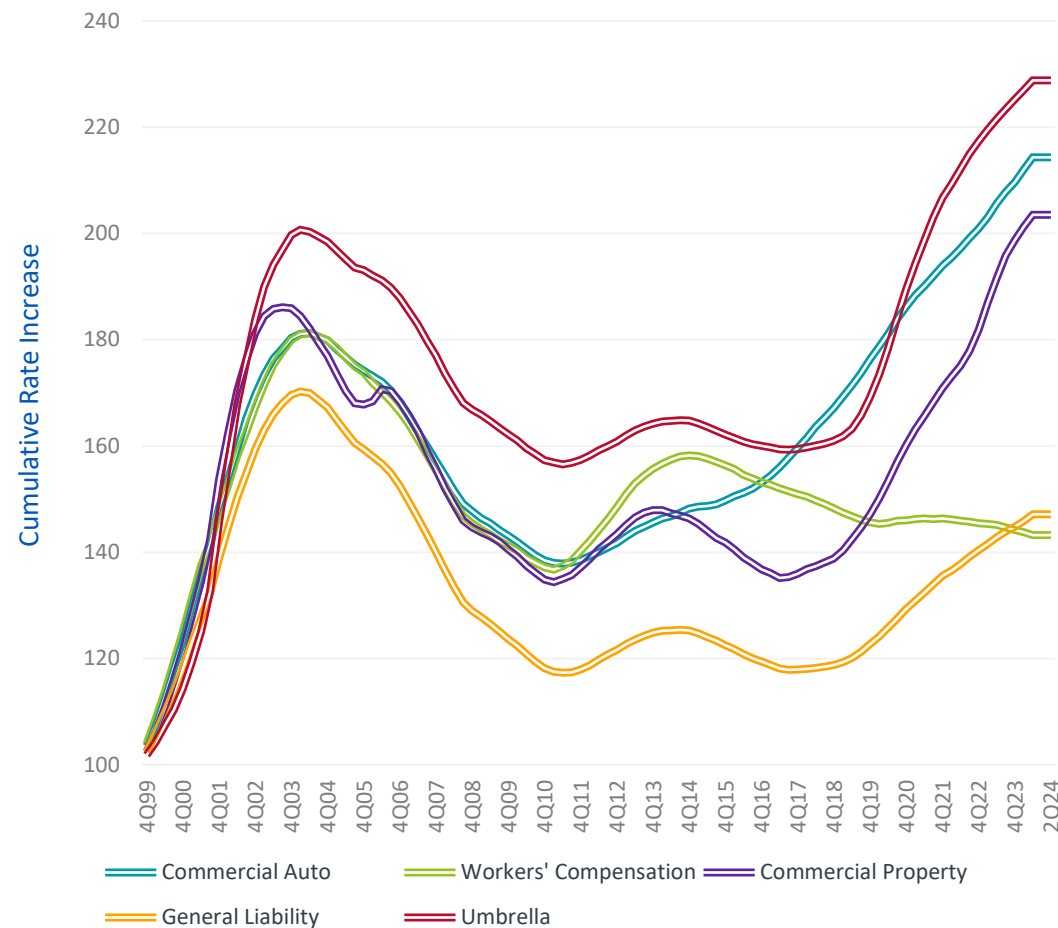


Capital Ratios

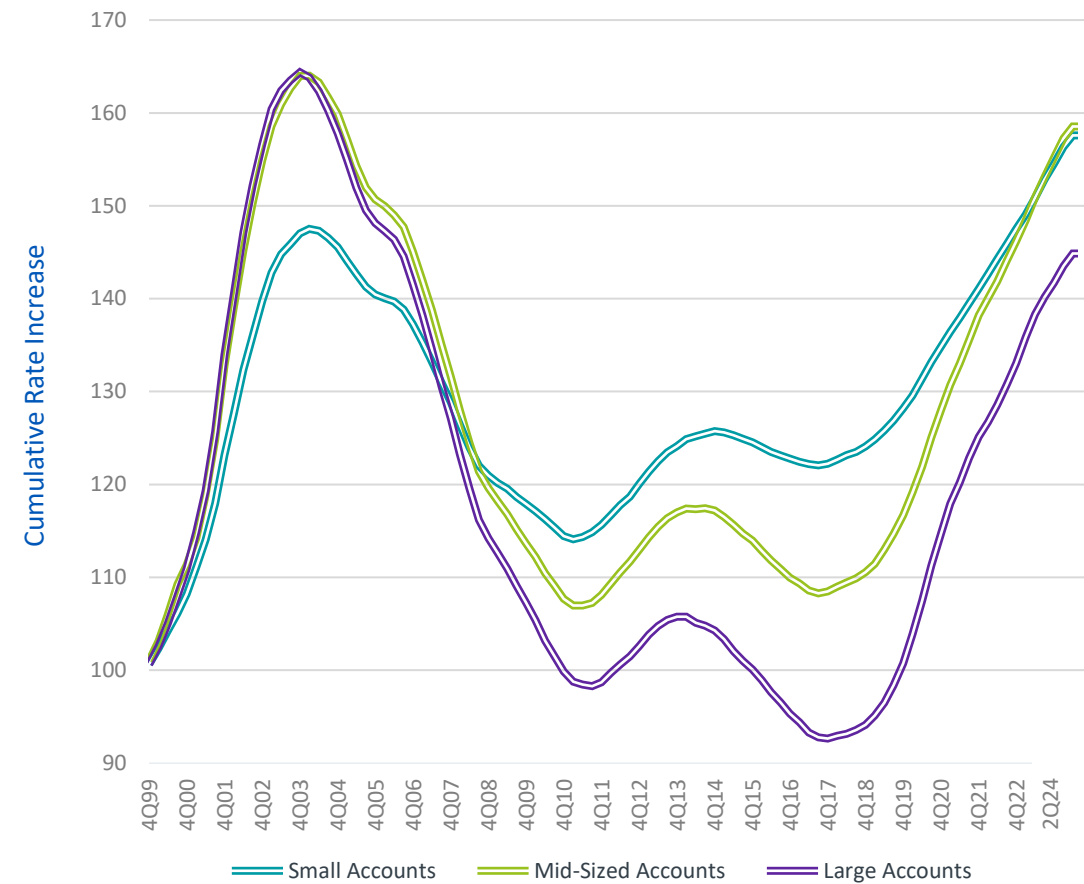
	As Reported September 30, 2024	Pro-forma for Special Dividend
Debt/Total Capital	10.9%	11.8%
Preferred/Total Capital	3.3%	3.6%
Debt and Preferred/ Total Capital	14.2%	15.4%

Commercial Lines Pricing Remains Strong

Cumulative Quarterly Rate Increases by Line of Business



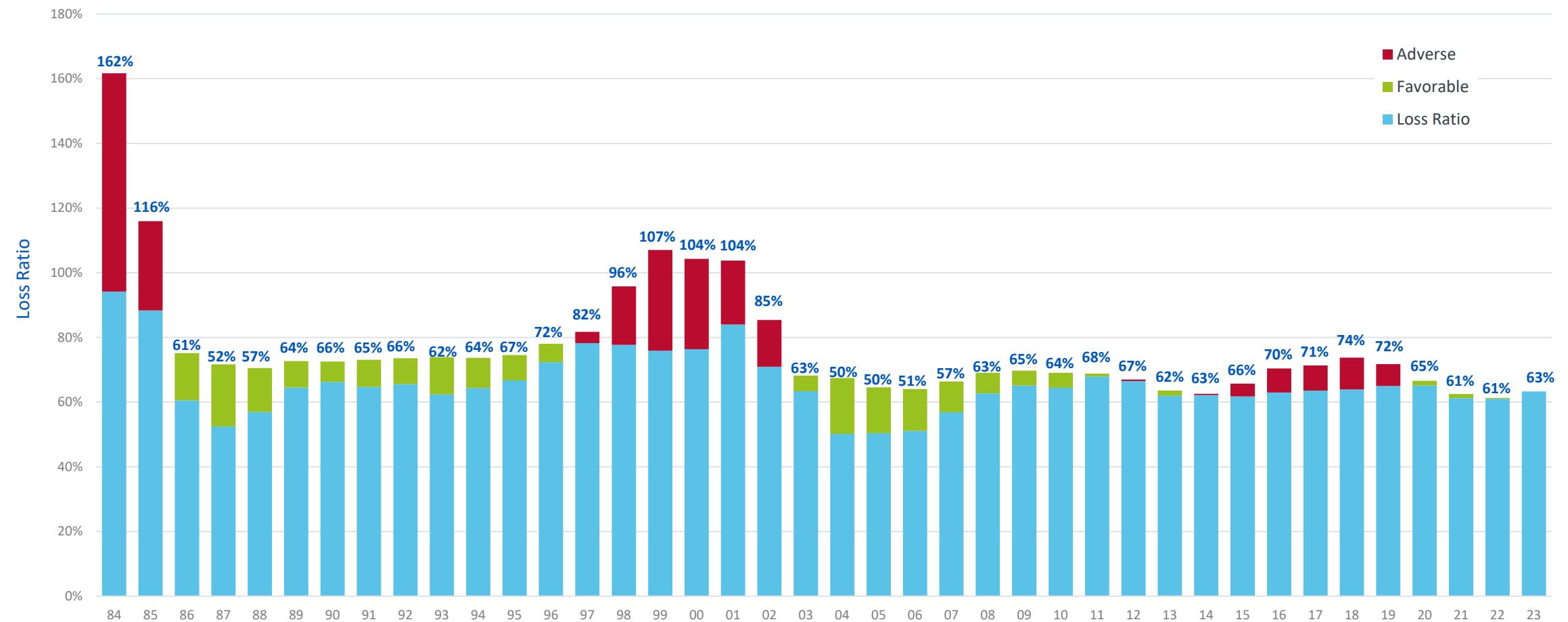
Cumulative Quarterly Rate Increases by Account Size



U.S. Commercial Lines – 4Q99 to 2Q24

U.S. Industry – Other Liability Lines*

Accident Year Loss Ratios – Developed



Accident years 1984-2023 with development through 2023 per Schedule P

A Discussion with the Arch Investment Management Team



François Morin

Chief Financial Officer and Treasurer of Arch Capital Group Ltd.



Christine Todd

Chief Investment Officer of Arch Capital Group Ltd. and President of Arch Investment Management Ltd.



Nasri Toutoungi

Chief Investment Officer, Fixed Income and Equity of Arch Investment Management Ltd.



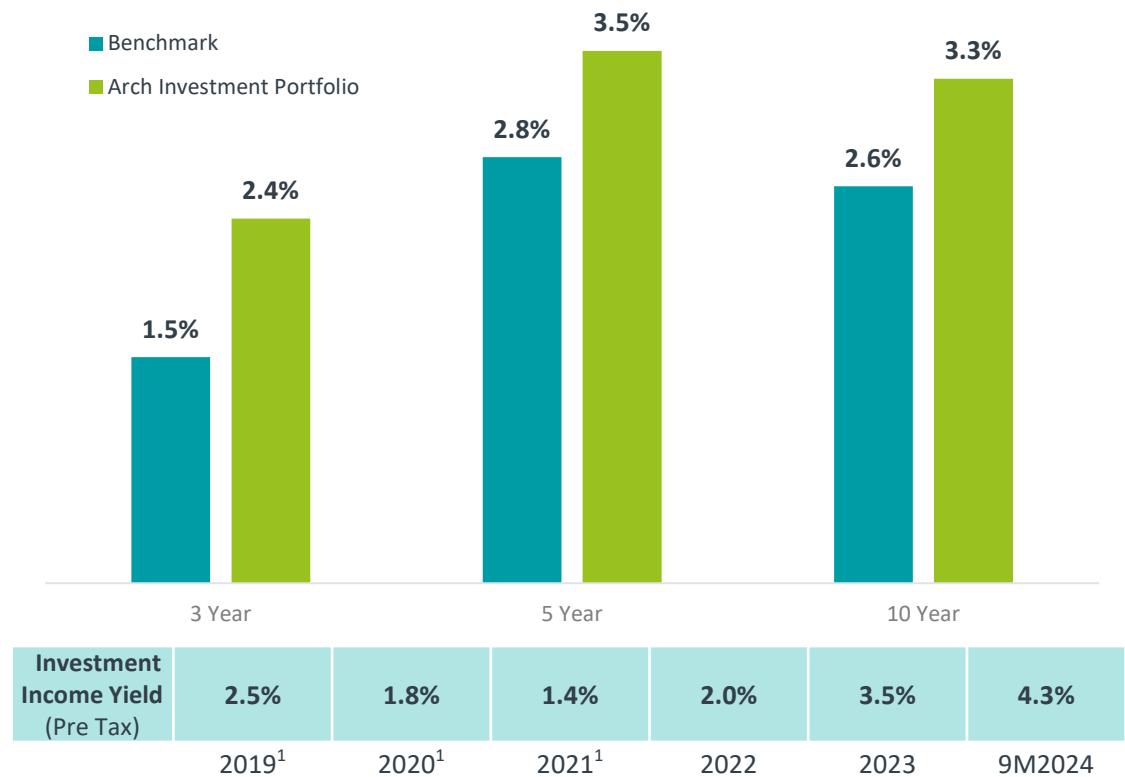
William Bell

Chief Investment Officer of Alternatives of Arch Capital Services LLC

Strong Investment Income

Annualized Total Return*,¹ on Arch's Investment Portfolio vs. Benchmark

As of September 30, 2024



Net Investment Income: Investment income net of investment expenses, included as part of operating income.

Equity Method Investments: Equity in net income (loss) of investment funds accounted for using the equity method. Not included in operating income. Excluding investments in operating affiliates.

Investment Income Yield, at amortized cost: Presented on an annualized basis and excluding the impact of investments for which returns are not included within investment income, such as investments accounted for using the equity method and certain equities.

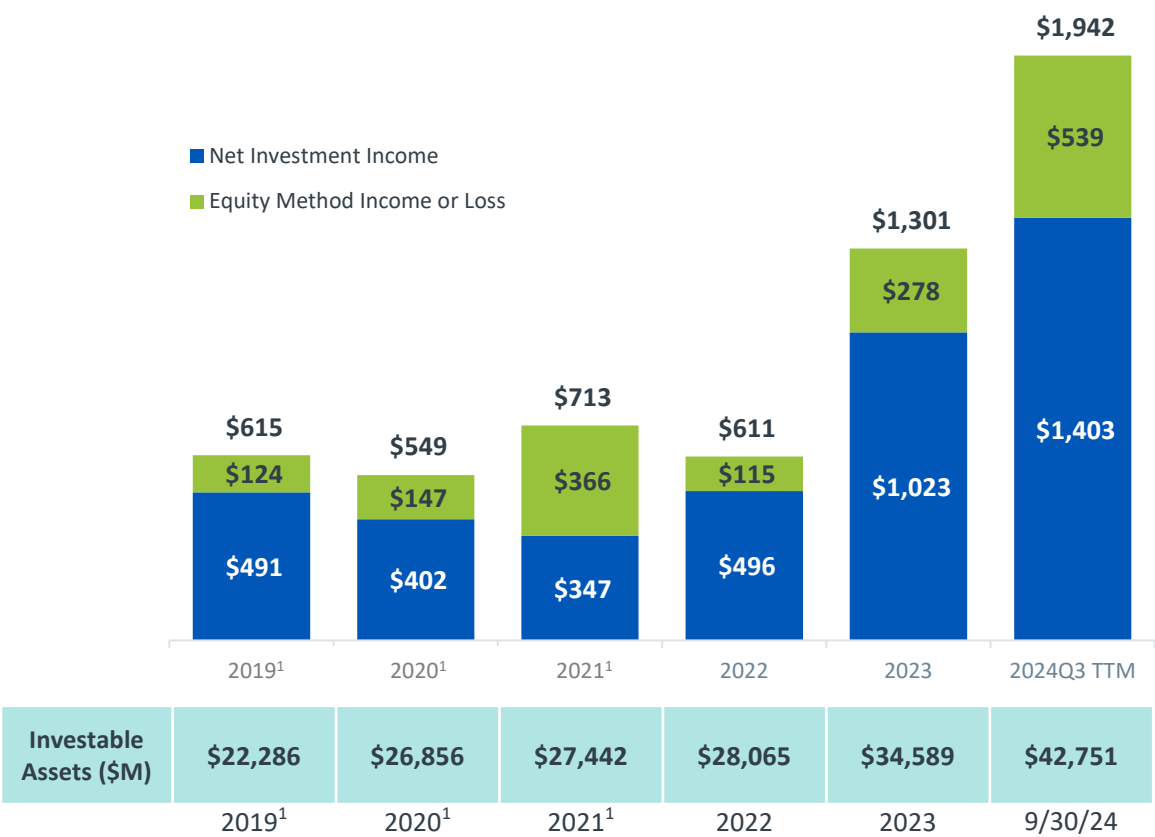
*** Non-GAAP Financial Measures:** Total return on investments, a non-GAAP financial measure, includes investment income,

***Total return** on investments includes investment income, equity in net income or loss of investment funds accounted for using the equity method, net realized gains or losses (excluding changes in the allowance for credit losses on noninvestment related financial assets) and the change in unrealized gains or losses generated by Arch's investment portfolio. Total return is calculated on a pre-tax basis and before investment expenses, and reflects the effect of financial market conditions along with foreign currency fluctuations. In addition, total return incorporates the timing of investment returns during the periods. There is no directly comparable GAAP financial measure for total return. Management uses total return on investments as a key measure of the return generated to Arch common shareholders, and compares the return generated by our investment portfolio against benchmark returns during the periods.

¹ Excludes the results of Somers Group Holdings Ltd. (formerly Watford Holdings Ltd.)

Source: Company Reports

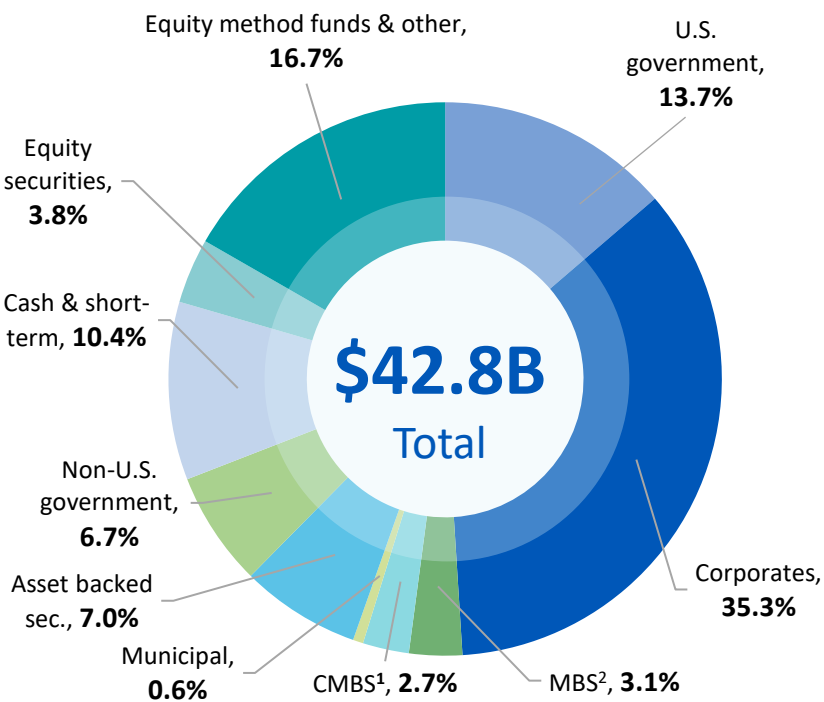
Investment Income (\$M)



Conservative Investment Portfolio Focused on Total Return

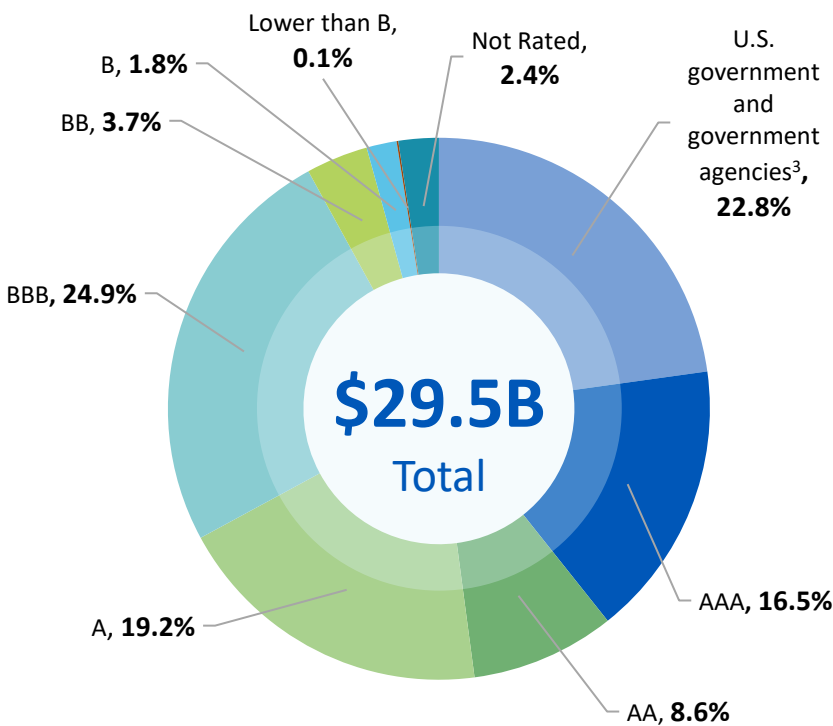
Invested Assets

September 30, 2024



Fixed Maturity by Rating

September 30, 2024



Average Effective Duration (September 30, 2024): 2.68 years

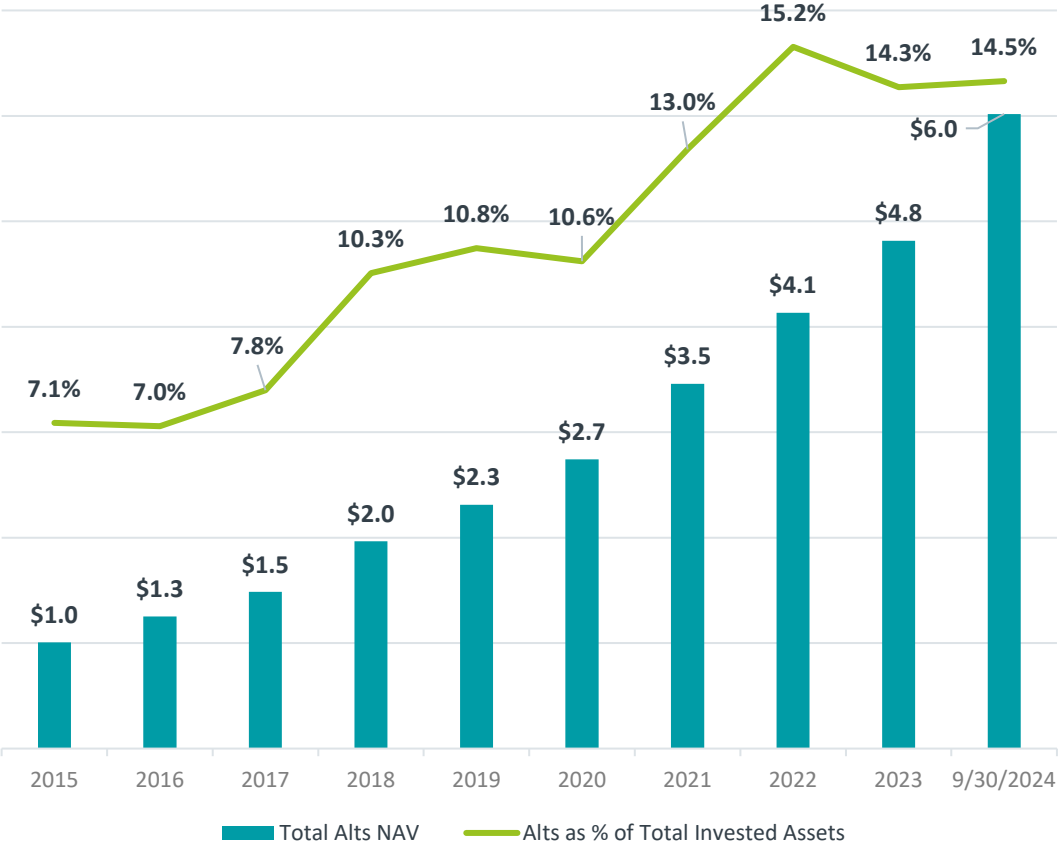
¹ CMBS = Commercial mortgage backed securities.

² MBS = Mortgage backed securities.

³ Includes U.S. government – sponsored agency MBS and agency CMBS.

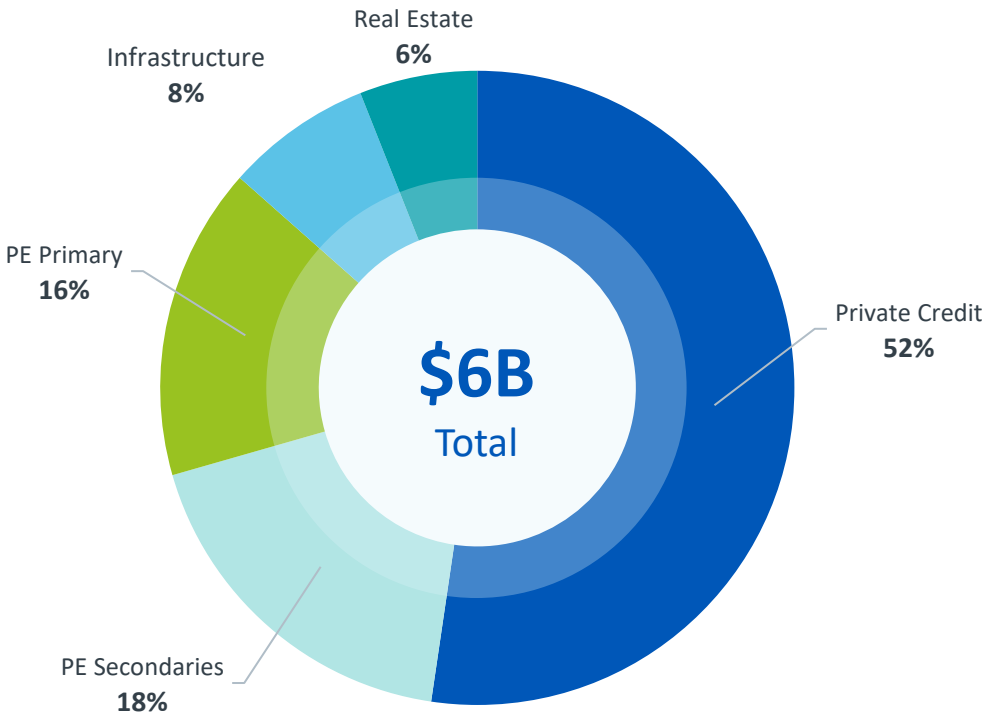
Diverse and Growing Alternatives Portfolio

Alternatives Portfolio Net Asset Value (NAV) by Year (\$B)



Alternatives Portfolio NAV by Strategy

September 30, 2024

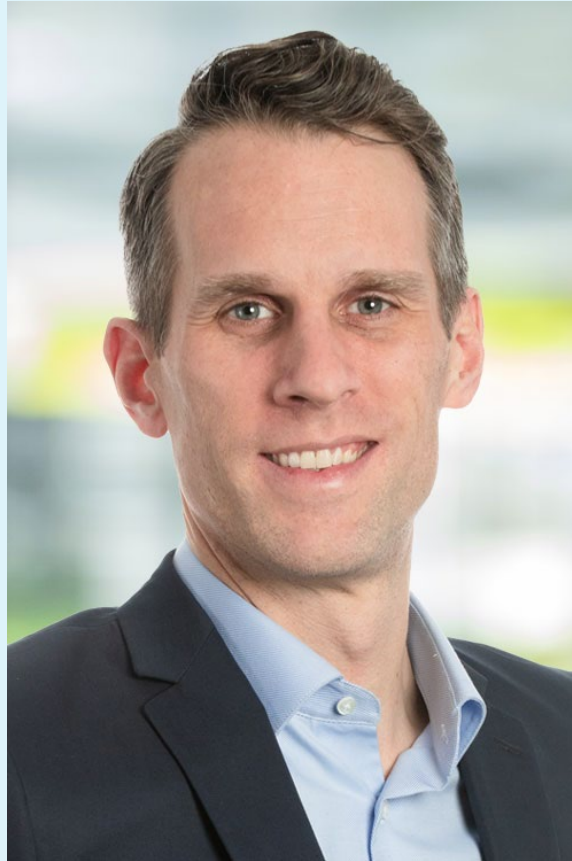


A Discussion with the Insurance Team



Nicolas Papadopoulos

Chief Executive Officer of
Arch Capital Group Ltd.



Hugh Sturgess

Chief Executive Officer of
Arch Insurance International



Brian First

President of
Arch Insurance North America

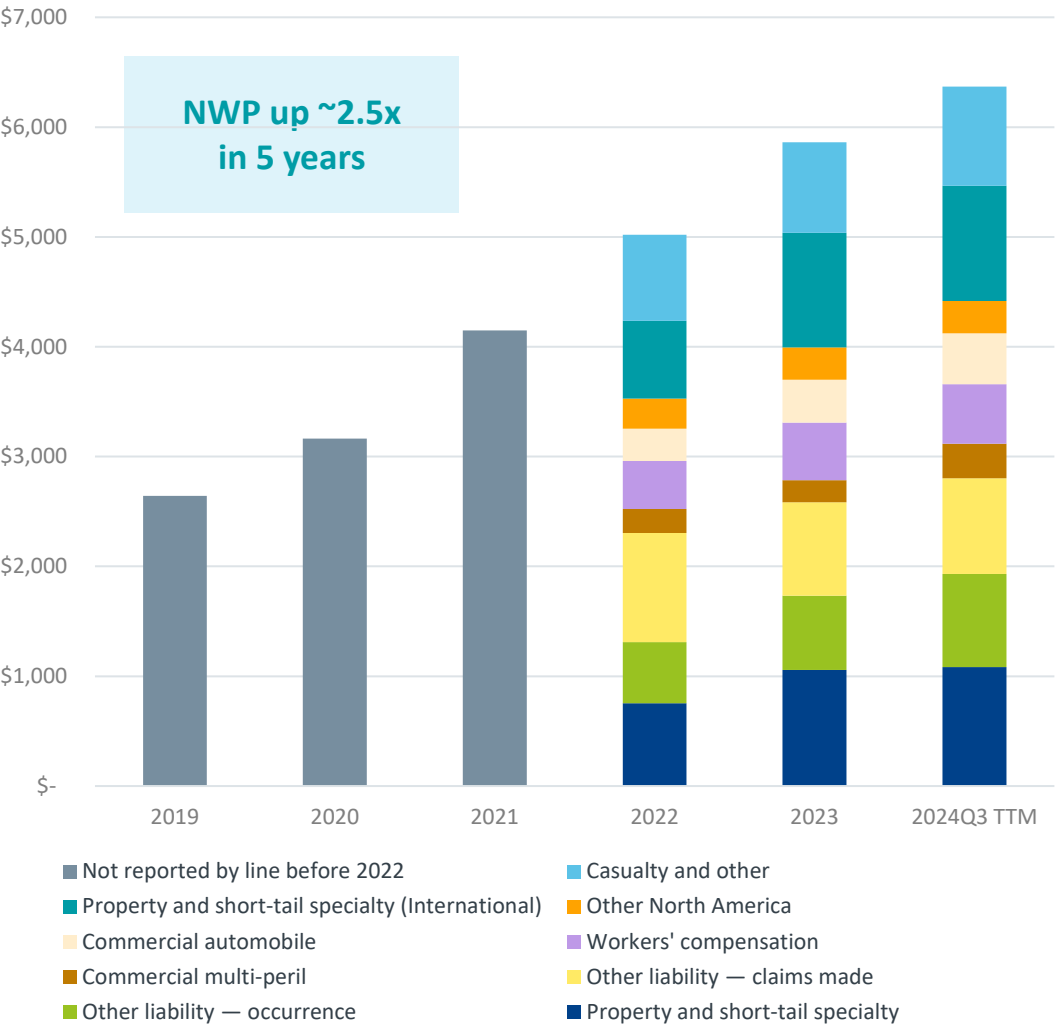


Jay Rajendra

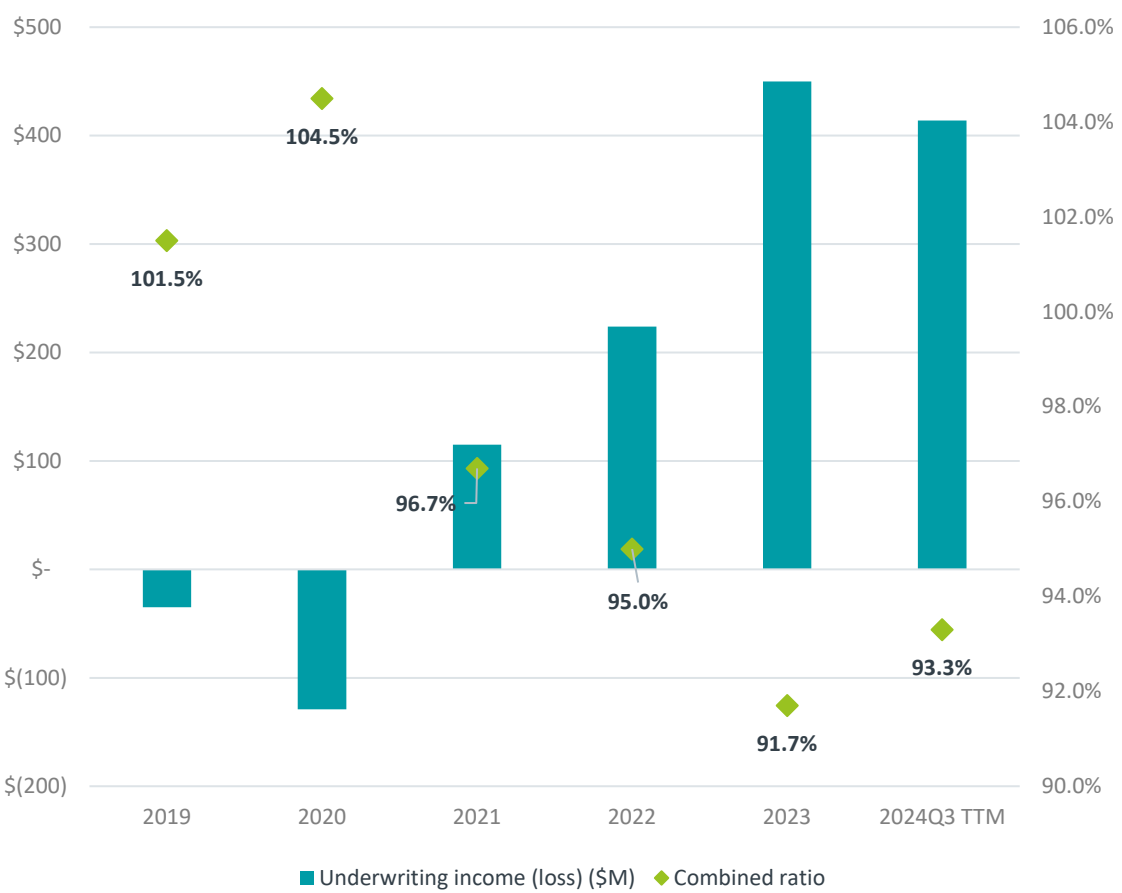
Chief Strategy and Innovation Officer at
Arch Capital Group Ltd.

Scaling Up a Diversified Platform

Calendar Year Net Written Premiums by Line (\$M)



Underwriting Income (\$M) and Combined Ratio



Products offered in North America include: commercial automobile; commercial multi-peril; other liability—claims made, which includes financial and professional lines; other liability—occurrence, which includes admitted and excess and surplus casualty lines; property and short-tail specialty; workers compensation; and other.

Products offered across the Company's International units include: property and short-tail specialty; and casualty and other.

Arch MidCorp & Entertainment – Business Overview

Size of U.S. Middle Market

***\$120 Billion GWP**

(\$50k-\$1.5M GWP size, 50-999 employees, \$10M-\$1B in annual revenues)

Acquired Business Overview

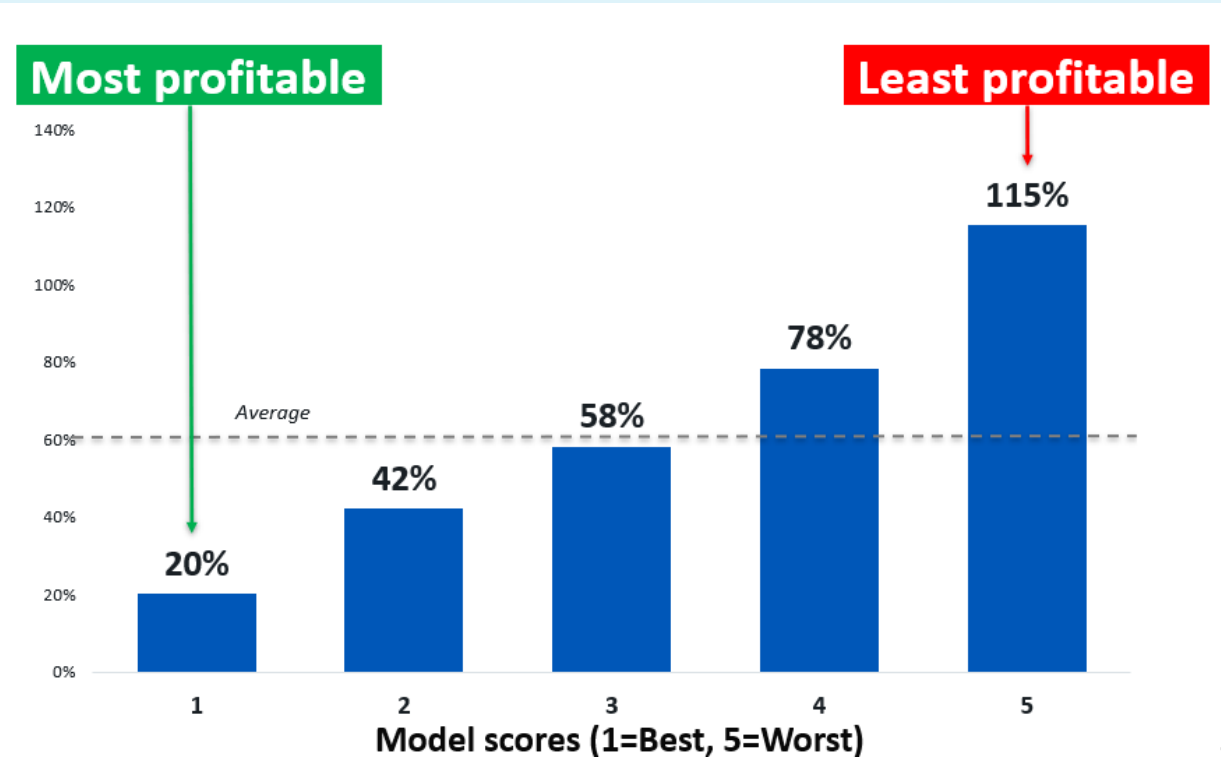
- \$1.7B 2023 Gross Written Premiums.
- Admitted P&C coverages to Middle Market companies and specialized coverages to the Entertainment sector for 30K+ accounts in all 50 states.
- Nearly 500 conveyed employees including Property-led UW expertise, in-house claims management and risk engineering capabilities.
- Scalable platform.
- Arch expects to further enhance performance with best-in-class analytics and expansion in adjacent business lines.

Business Segments

MidCorp	Middle Market including package capabilities	<ul style="list-style-type: none">▪ Provides standard commercial insurance products for mid-sized businesses.▪ Key lines include Commercial Property, General Liability and Commercial Auto, including package capabilities.▪ 3,500+ clients with average account size of \$170k distributed through retail brokers.
	Programs	<ul style="list-style-type: none">▪ MGA distributed commercial insurance for small and mid-sized businesses.▪ Key lines include General Liability, Commercial Property and Inland Marine.▪ 30+ programs run through various MGA partners.
	Umbrella & Excess	<ul style="list-style-type: none">▪ Focused on admitted monoline liability placements for mid-sized businesses.▪ Distributed through regional, national and global retail, as well as wholesale brokers.
Entertainment		<ul style="list-style-type: none">▪ Production coverage (film/TV) for studios and independent productions, and live entertainment coverage (shell and touring, theatre, concerts, festivals, event promoters).

Strategy Powered by Analytics

Strategic Analytics



Dynamic Strategy During Hard Market



Arch Insurance International – Growth Story

Arch Insurance International underwrites across multiple platforms in the **London Market, Lloyd’s, UK Regional Market, Australia, Bermuda and Europe.**

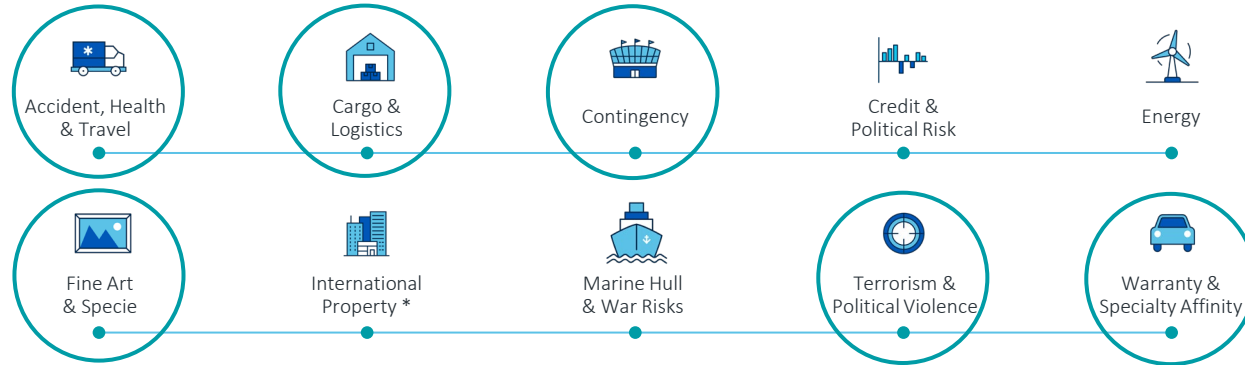


Optimizing London Market and International

London Market

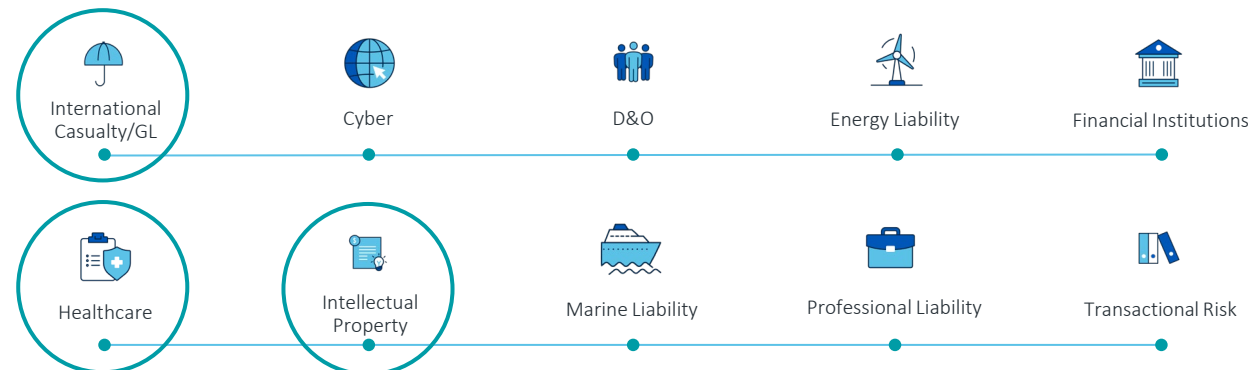
Short Tail Lines:

Core lead lines: Accident & Health, Cargo, Contingency, Fine Art, Terrorism and Warranty & Affinity.



Long Tail Lines:

Core lead lines: Casualty, Healthcare and Intellectual Property.



- London Market ~80% of Arch International's Gross Written Premium.
- Growth in the UK (est. 2019), and EU (est. 2023) provided greater access to market.
- Aggregate growth since 2018 greater than 300%.
- Business continues to flex as market conditions remain positive with growth prospects through 2025-2028 – optimized by access to multiple markets.
- Increased focus on broker distribution and engagement, which has been enhanced by increased market leadership across product lines.



Break

A Discussion with the Reinsurance Team



Maamoun Rajeh

President, Arch Capital Group Ltd.



Jerome Halgan

Chief Executive Officer,
Arch Reinsurance Ltd.

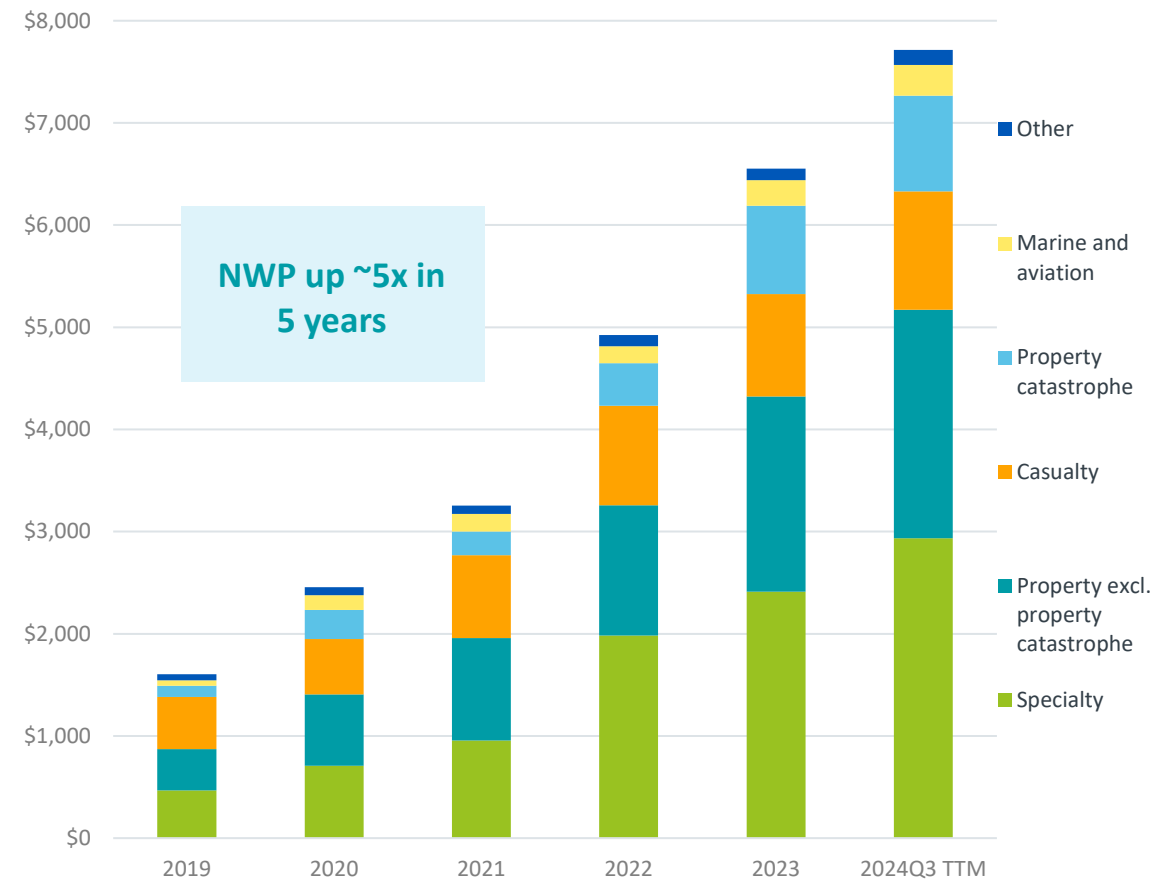


Jonathan Schriber

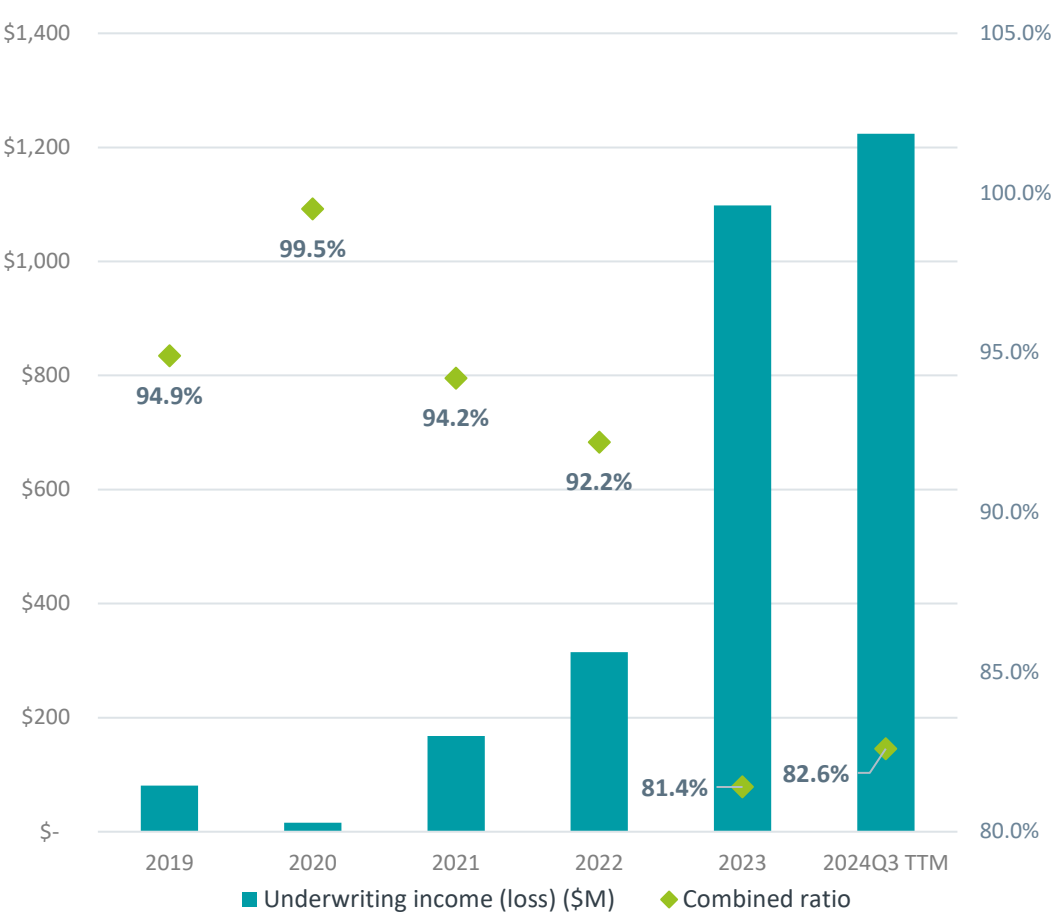
President, Arch Reinsurance Company

Reinsurance – A Diversified Growth Story

Calendar Year Net Written Premiums by Line (\$M)



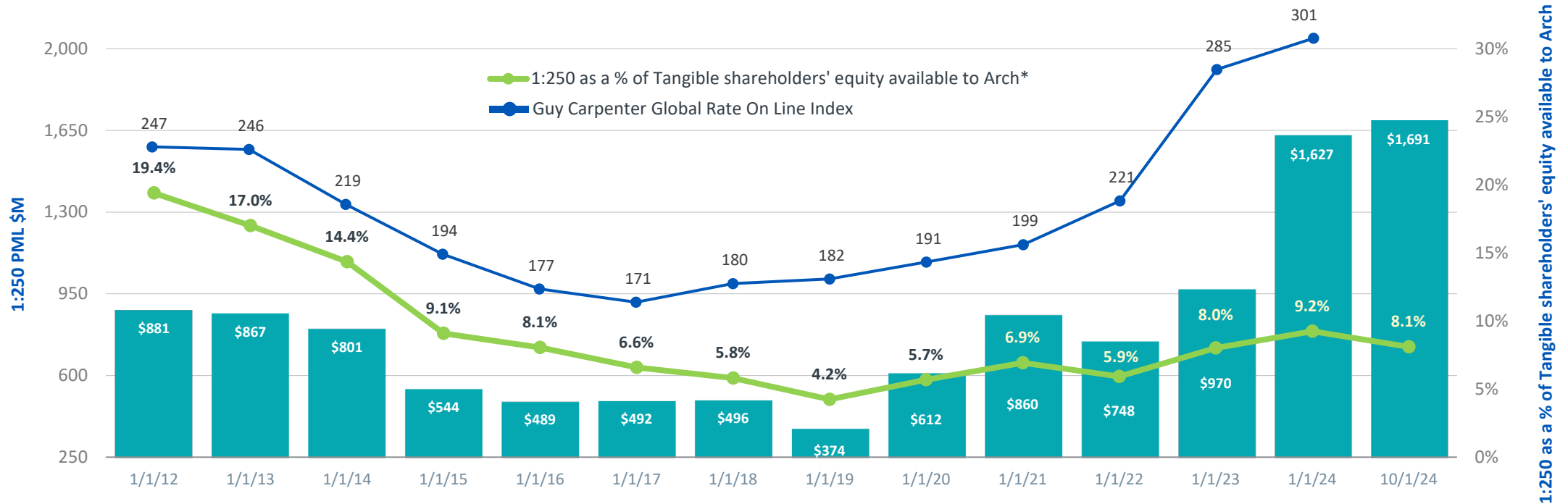
Underwriting Income (\$M) and Combined Ratio



Reinsurance Segment: **Casualty** includes executive assurance, professional liability, workers' compensation, healthcare, Motor XOL and other. **Specialty** includes proportional motor, cyber, trade credit and surety, accident and health, workers' compensation catastrophe, agriculture, and political risk. **Other** includes life.

Disciplined Risk Management and Capital Allocation

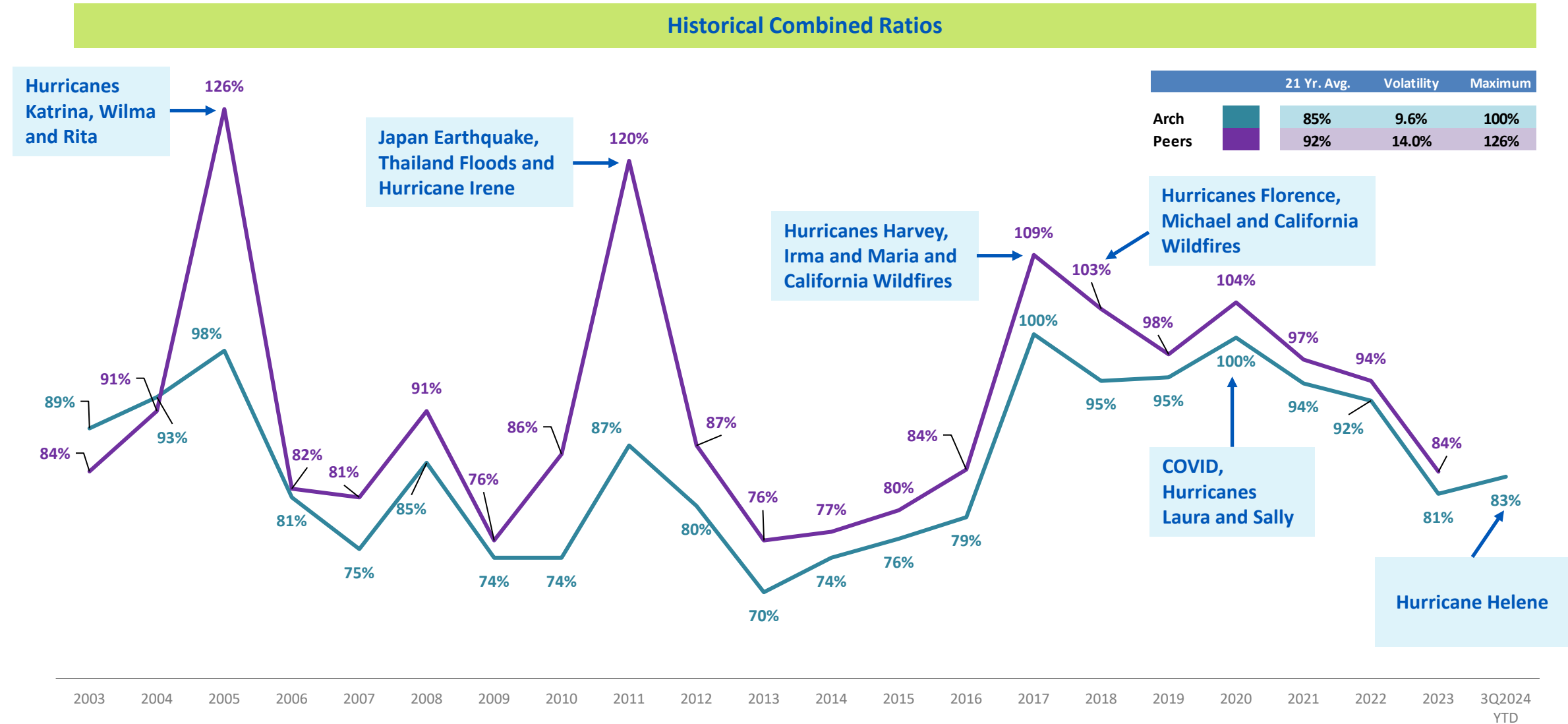
ACGL Peak Zone 1:250 PML



* **Non-GAAP Financial Measures:** Tangible shareholders' equity available to Arch represents total shareholders' equity available to Arch, which includes non-cumulative preferred shares, less goodwill and intangible assets (excluding amounts attributable to non-controlling interests). We believe that tangible shareholders' equity available to Arch is useful to investors because it provides a more accurate measure of the realizable value of shareholders' equity. The following table provides a reconciliation of total shareholders' equity available to Arch to tangible shareholders' equity available to Arch:

(U.S. Dollars in Millions)	December 31													
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Sep-24
Total shareholders' equity available to Arch	\$ 4,563	\$ 5,134	\$ 5,609	\$ 6,092	\$ 6,167	\$ 8,254	\$ 9,197	\$ 9,440	\$ 11,497	\$ 13,106	\$ 13,546	\$ 12,910	\$ 18,353	\$ 22,274
Less: goodwill and intangible assets	22	38	27	110	98	775	646	628	731	682	942	802	730	1,485
Tangible shareholders' equity available to Arch	\$ 4,541	\$ 5,096	\$ 5,582	\$ 5,982	\$ 6,069	\$ 7,479	\$ 8,551	\$ 8,812	\$ 10,766	\$ 12,424	\$ 12,604	\$ 12,108	\$ 17,623	\$ 20,789

Arch Re Outperforms with Less Volatility



Peers include reinsurance segments of: Aspen, Alterra Capital (pre Markel acquisition (2012 and prior)), Allied World (pre Fairfax acquisition (2016 and prior)), AXIS, Endurance (pre Sompo Acquisition (2016 and prior)), Everest Re, Partner Re, Platinum Underwriters (pre Renaissance Re acquisition (2014 and prior)), Renaissance Re, Validus (pre AIG acquisition (2017 and prior)), XL (pre Axa acquisition (2017 and prior)), and Montpelier Re (total company through 2012).

A Discussion with the Mortgage Team



David Gansberg

President, Arch Capital Group Ltd.



Michael Schmeiser

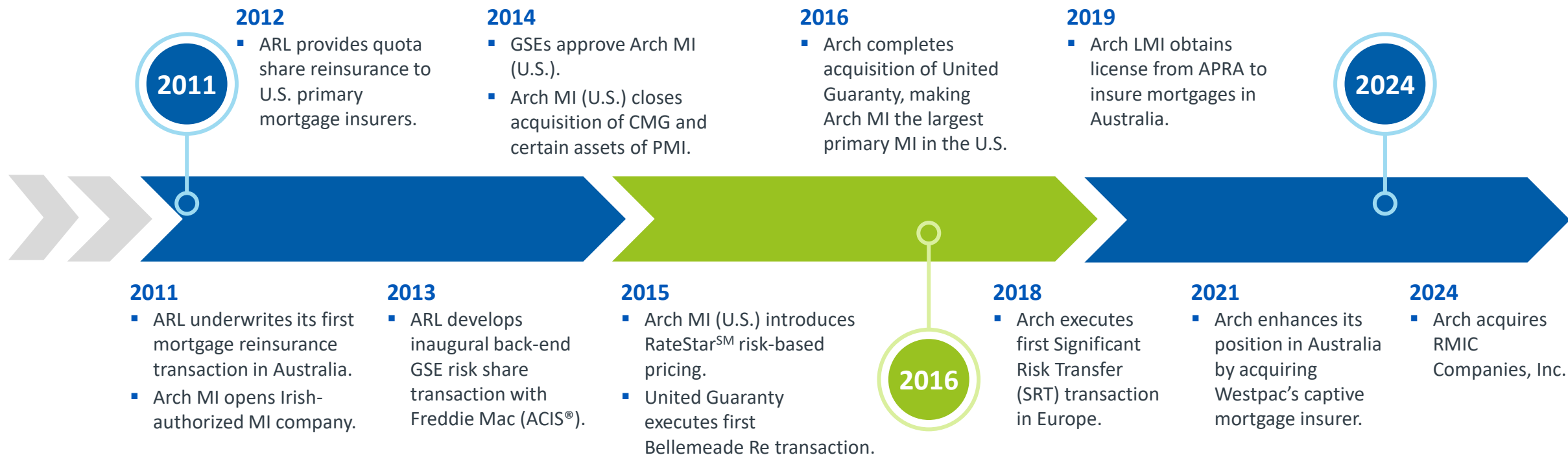
Chief Executive Officer of
Arch Mortgage Insurance Company



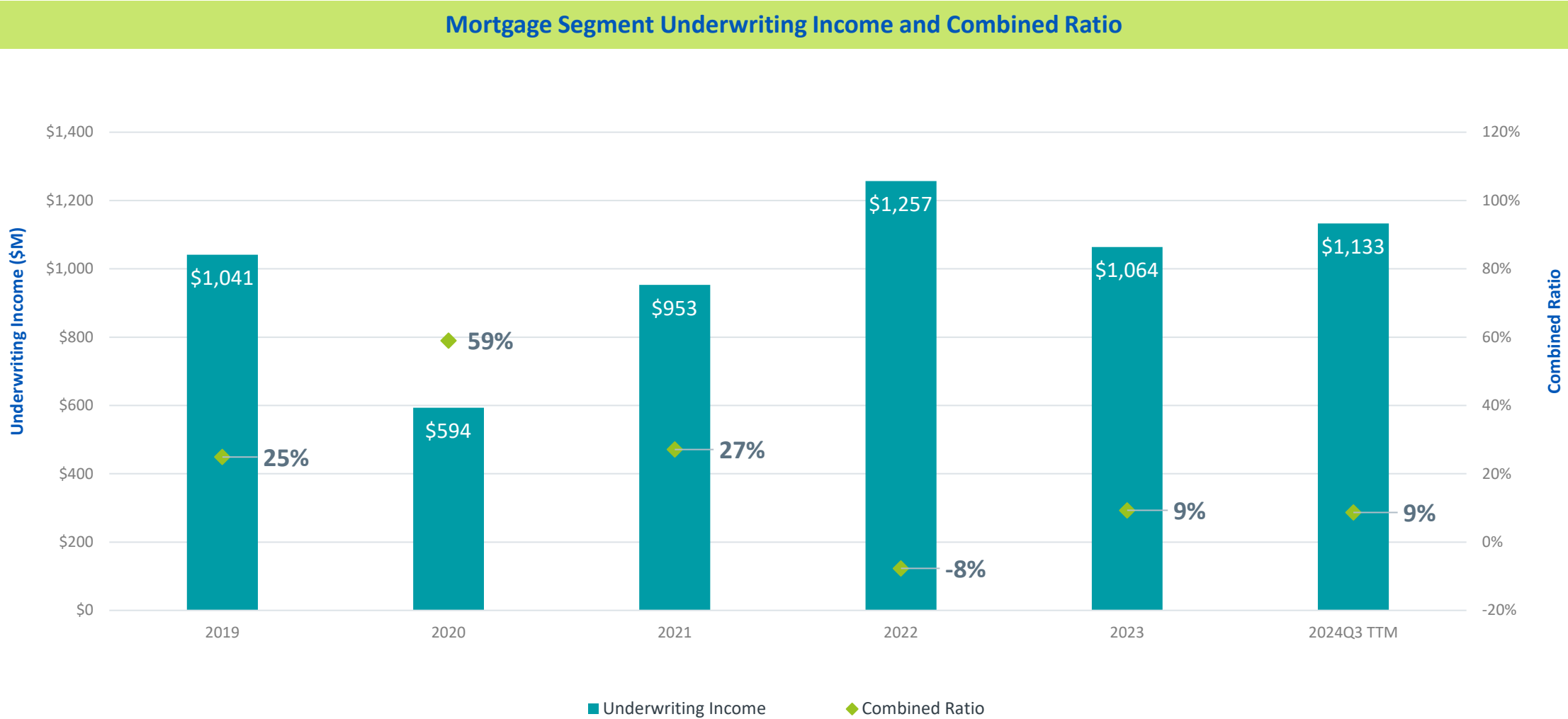
Seamus Fearon

Chief Executive Officer of
International Mortgage Group

Arch's History in Mortgage Guaranty

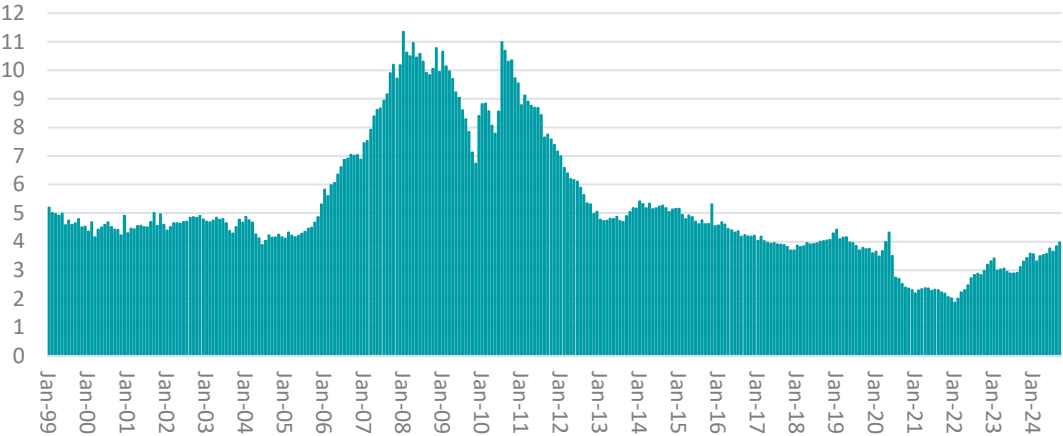


Consistent Source of Strong Earnings

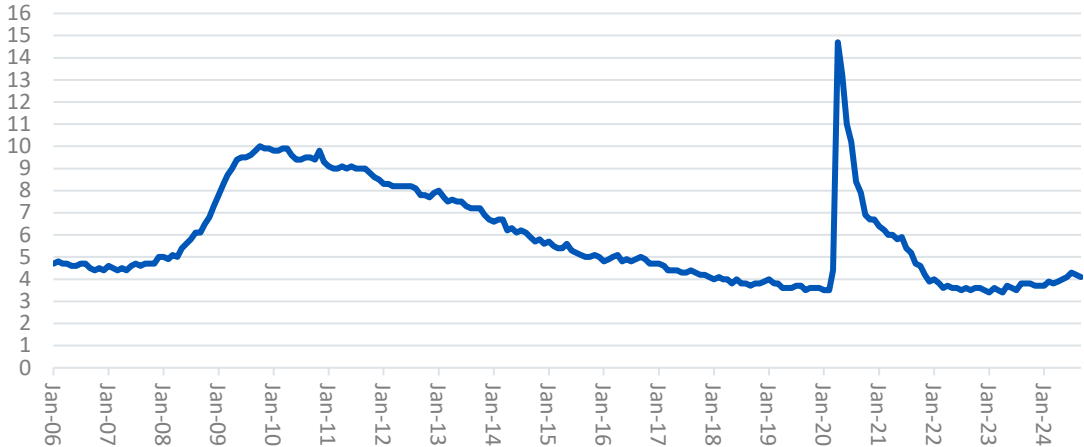


Favorable Conditions for U.S. Mortgage Insurance Industry

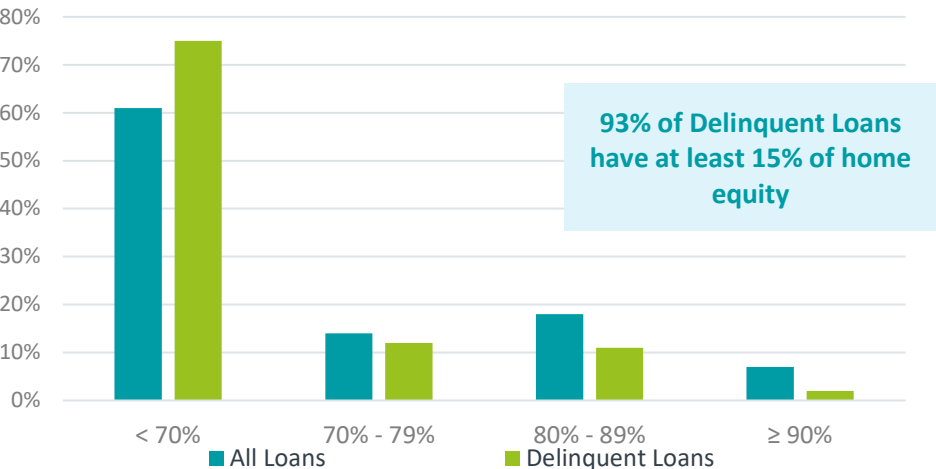
Months of Housing Inventory



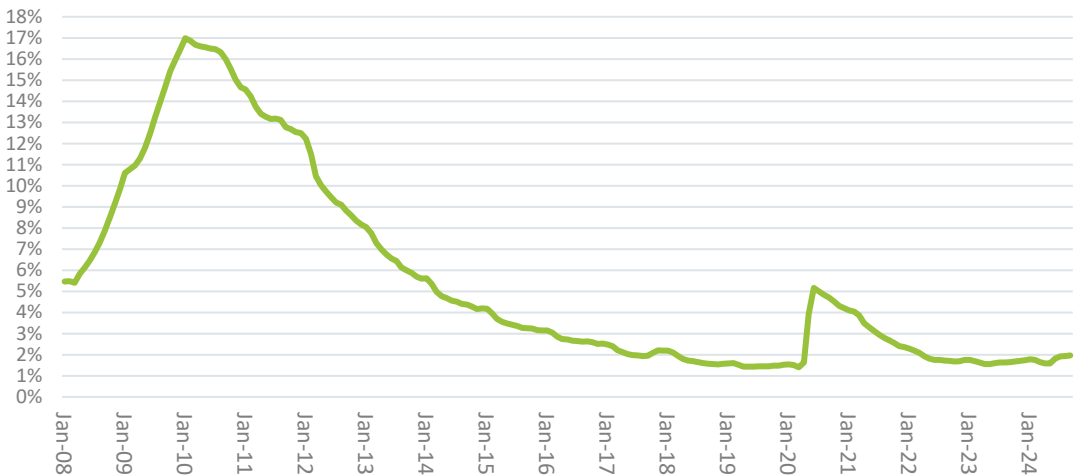
Unemployment Rates



Mark-to-Market Loan-to-Value (LTV)



Arch U.S. MI Historical Delinquency Rate



Sources: Company Reports, Bureau of Labor Statistics, National Association of Realtors

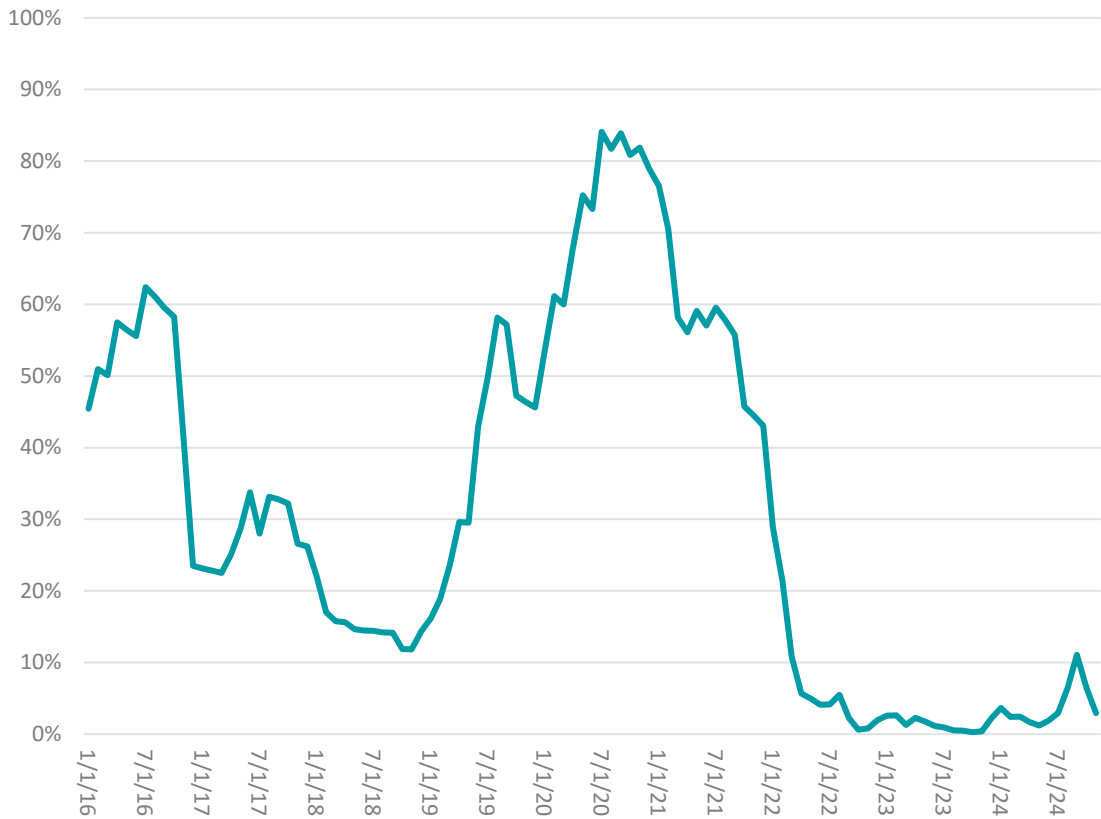
Includes insurance policies for Arch Mortgage Insurance Co. United Guaranty Residential Insurance Co. and Arch Mortgage Guaranty Co. for all periods. Data for March 31, 2023 and prior excludes pool policies and related delinquent loans.

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U.S. Mortgage Insurance Market Attractive Fundamentals

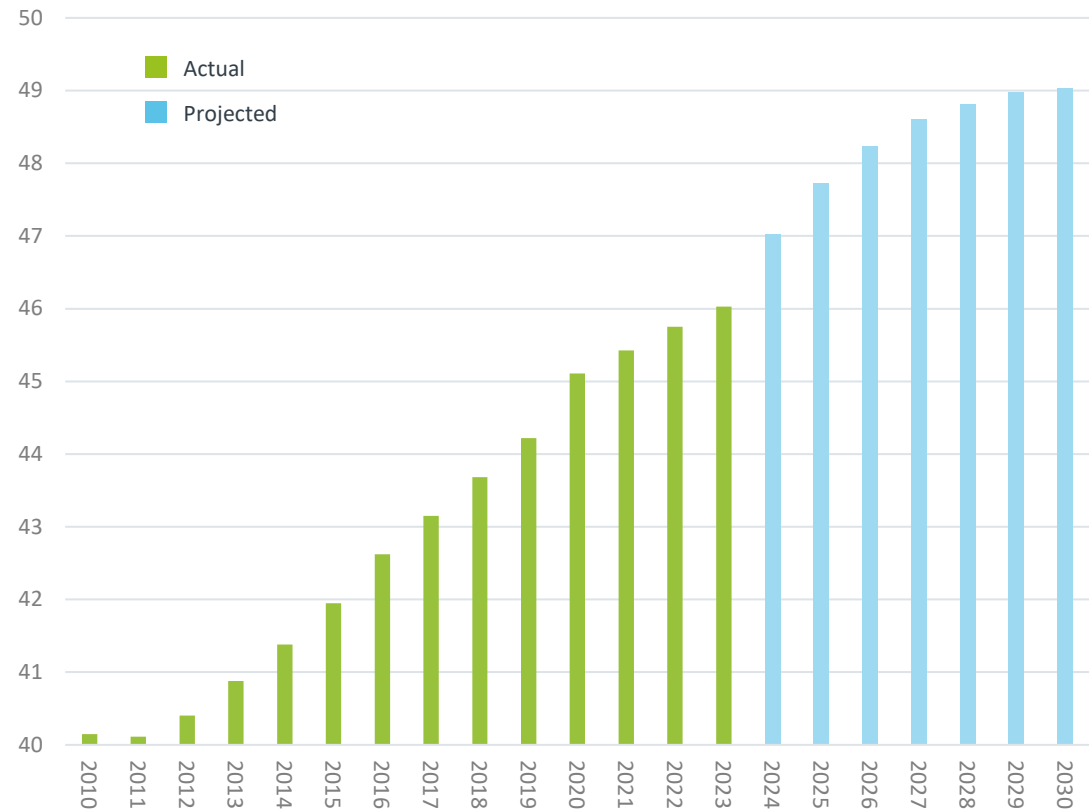
Portfolio less vulnerable to refinancings in short-term, and demographics are favorable in long-term.

Portion of Borrowers “In the Money” to Refinance (%)



Source: Company Reports

U.S. Population Age 29-38 (millions)



Source: Census Bureau

International – A Story of Innovation

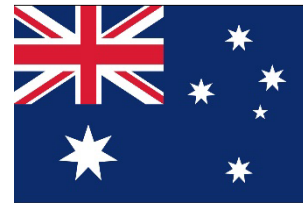
The Components of International Mortgage

Credit Risk Transfer (CRT) and Services



- Uses Arch Re Ltd. (Bermuda flagship) to provide XOL reinsurance to GSEs.
- Covers both low LTV and high LTV (after insuring MI) mortgages as well as some Multifamily.
- Helped launch GSE CRT reinsurance program in 2013.
- Services practice leverages Arch's underwriting and analytical capabilities to earn fees.

Australian LMI



- Arch LMI is one of Australia's three major LMI providers.
- LMI is very similar to primary MI in the U.S.
- Executed exclusive, 10-year supply agreement with one of Australia's four major banks in 2021.
- Potential to expand our client footprint.

Europe



- Transformed business from flow MI to significant risk transfer (SRT) model.
- SRT provides capital relief to bank through XOL structure.
- We are now active in 13 European countries.
- *Structured Credit Investor* named Credit Insurer of the Year in 2019 and 2023.

Arch International MI contributions as a percentage of total MI Underwriting Income increased from 15% to 36% over 5 years.



Q&A



Contact

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