



# INVESTOR PRESENTATION

2024 Third Quarter

# 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 pandemics such as COVID-19; 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.

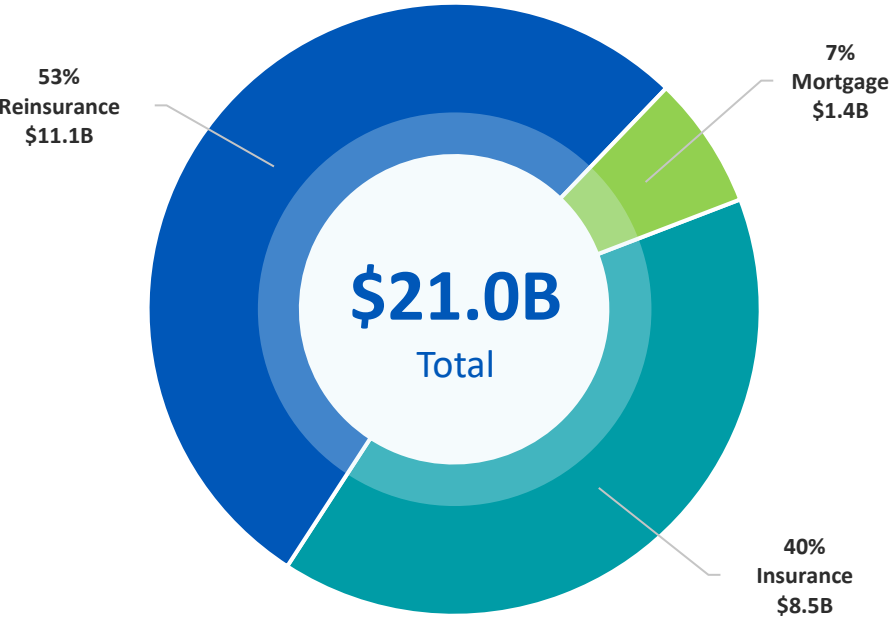
This presentation may contain non-GAAP financial measures as defined by Regulation G of the rules of the SEC. Arch Capital Group Ltd. (the “Company”) believes these non-GAAP financial measures provide users of its financial information meaningful and useful insight in evaluating the performance of the 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](http://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.

# Specialty Insurance Business

## Arch Operates Leading Specialty Insurance Lines Across a Wide Range of Geographies and Products

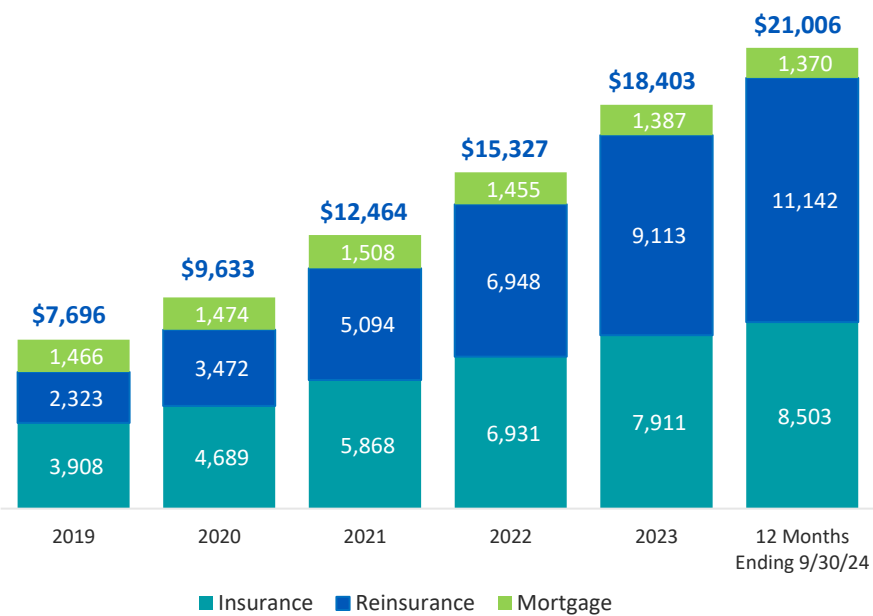
### Gross Premiums Written

12 Months Ending 9/30/24 (\$B)



### Gross Premiums Written by Segment

From 2019 to 12 Months Ending 9/30/24 (\$M)<sup>1</sup>



<sup>1</sup> The sum of gross premiums written for each segment does not agree to the total gross premiums written as shown in the table above due to elimination of intersegment transactions.

# Creating Shareholder Value Throughout the Cycle



## Generate Superior Risk-Adjusted Returns

Thorough risk assessment of underlying exposures

Align executive compensation with long-term performance

Dynamic capital allocation



## Focus on Underwriting

Talent intensive, not people intensive

Specialty lines platforms

Active cycle management



## Conservative Balance Sheet

Minimize investment risk

Cautious reserving philosophy

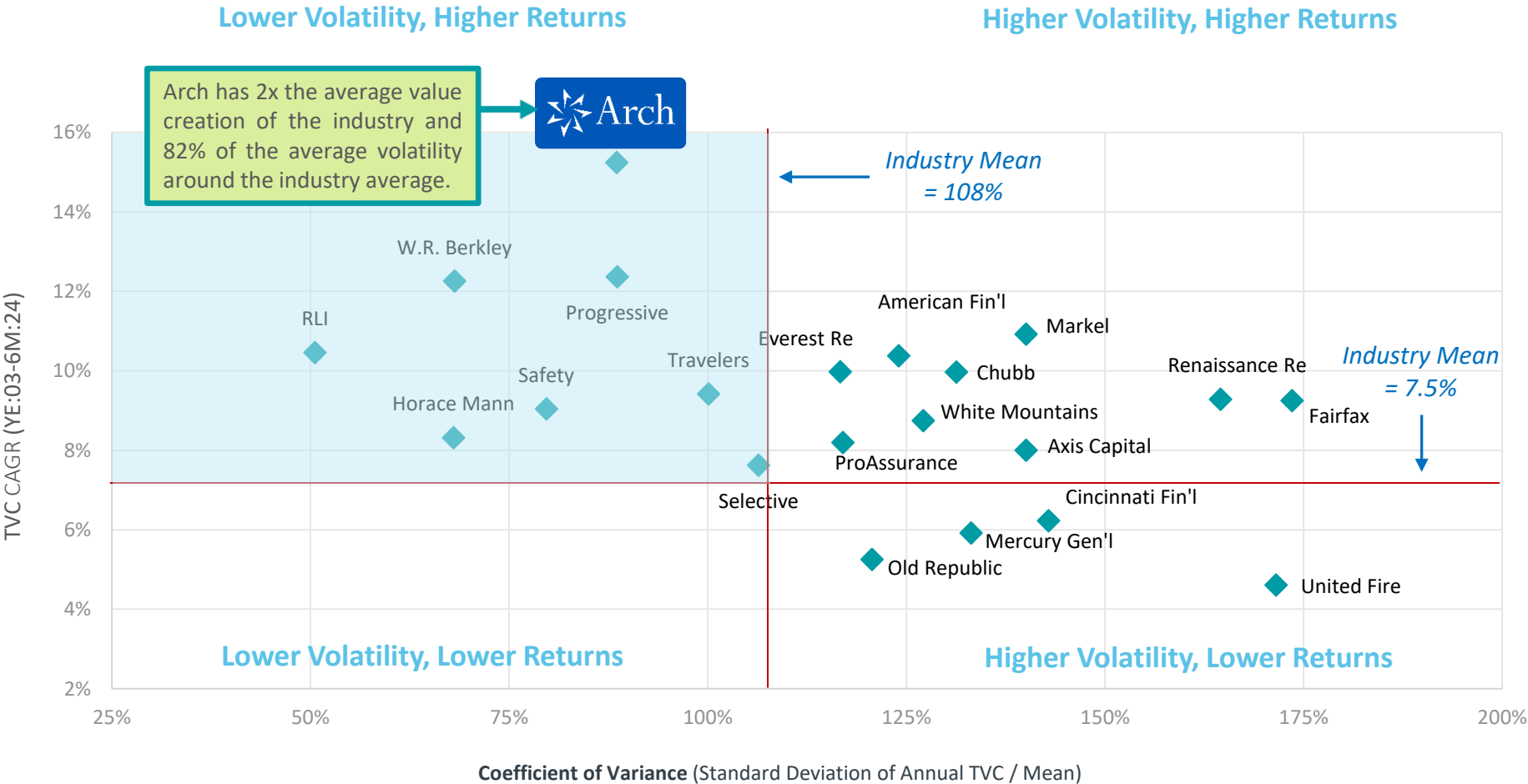
Low financial leverage and strong liquidity

# Consistently Superior Risk-Adjusted Returns

## Strong Track Record of Generating Higher, More Consistent Risk-Adjusted Returns

Total Value Creation vs. Coefficient of Variation

12/31/2003 – 6/30/2024



Source: D&P Analysis. Chart represents Total Value Creation, which includes Tangible book value per share growth plus dividends.

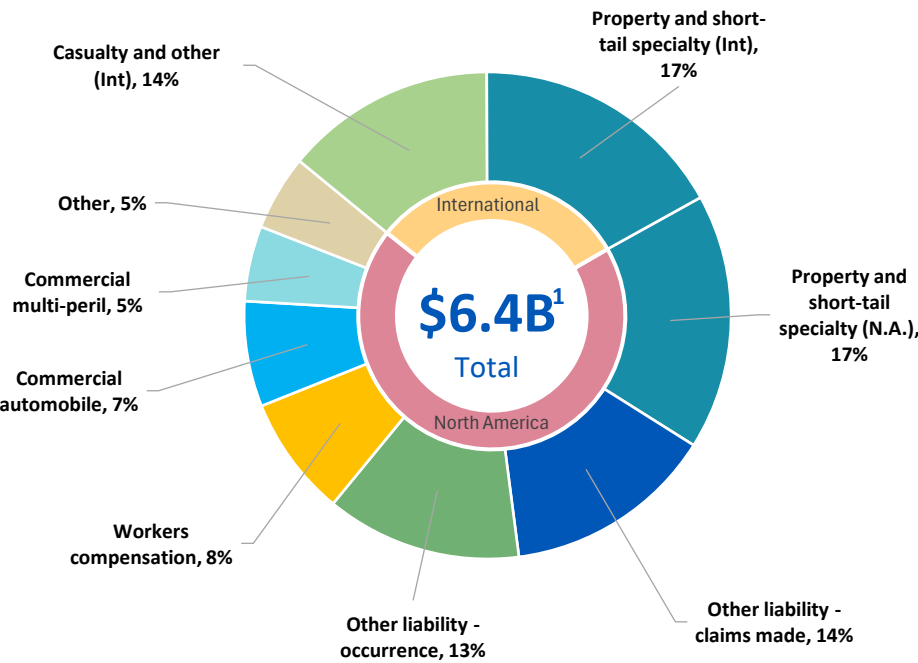
Excludes ALL (5.5%, 227%), MTG (-2.3%, 530%), RDN (-0.2%, 559%), THG (4.6%, 237%), CNA (4.2%, 312%), KMPR (3.4%, 379%), HIG (3.1%, 366%) = coefficient of variance >200%



# Diversification Reduces Earnings Volatility

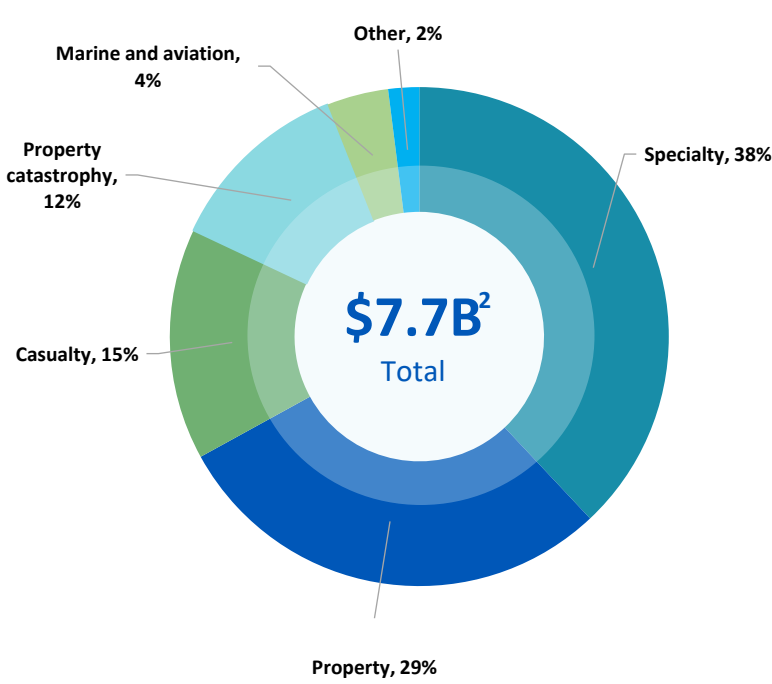
## Insurance Net Premiums Written

12 Months Ending 9/30/24 (\$B)



## Reinsurance Net Premiums Written

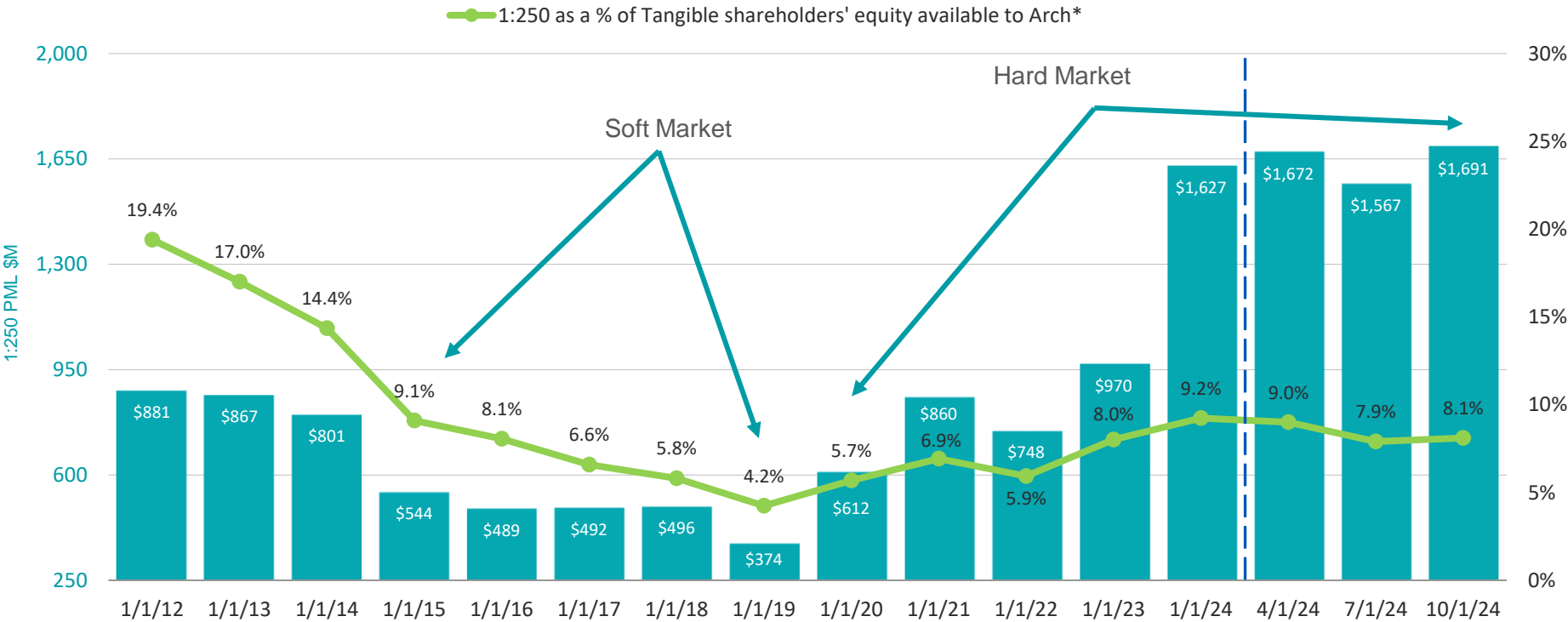
12 Months Ending 9/30/24 (\$B)



<sup>1</sup> **Insurance Segment:** 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.

<sup>2</sup> **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.

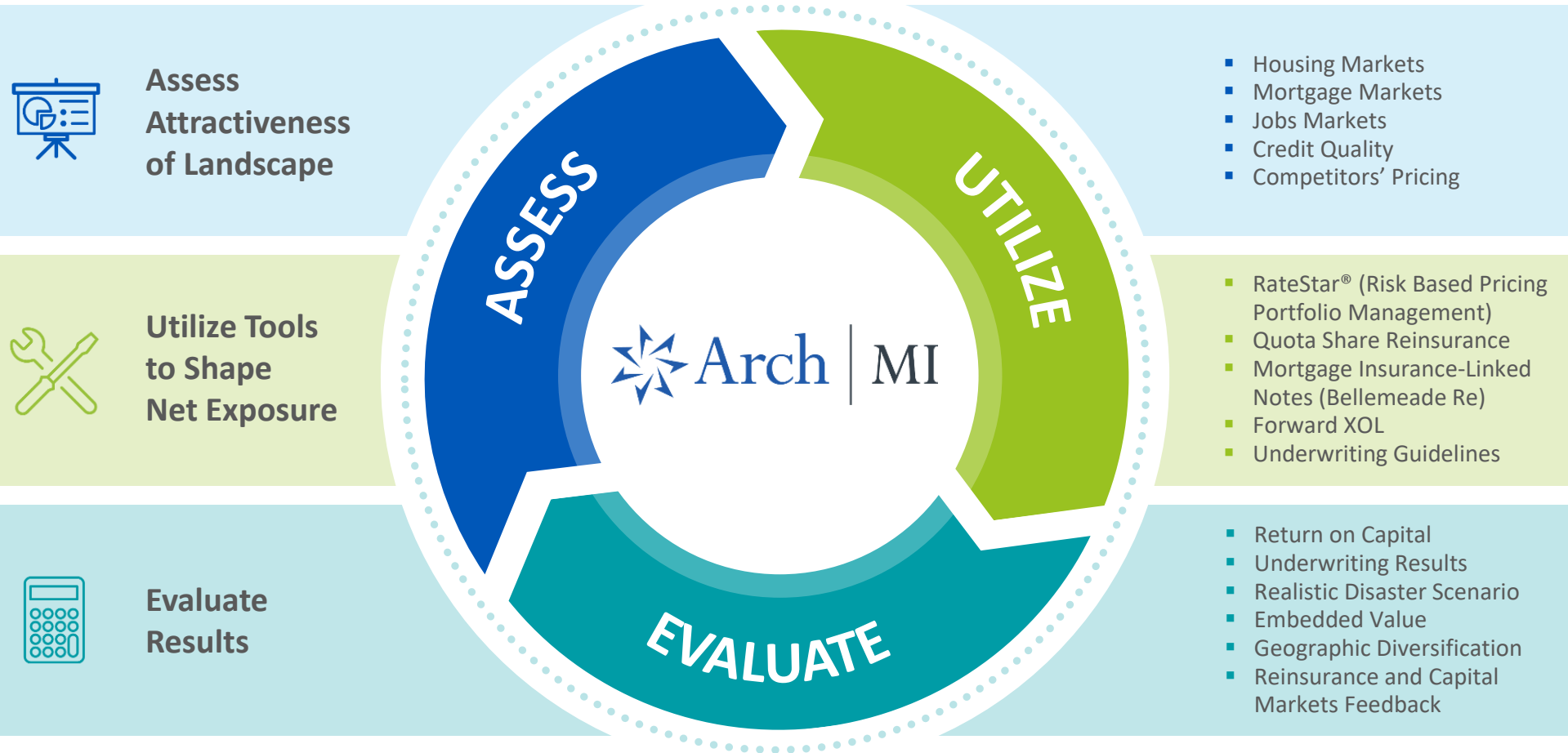
## ACGL Peak Zone 1:250 PML



\* **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:

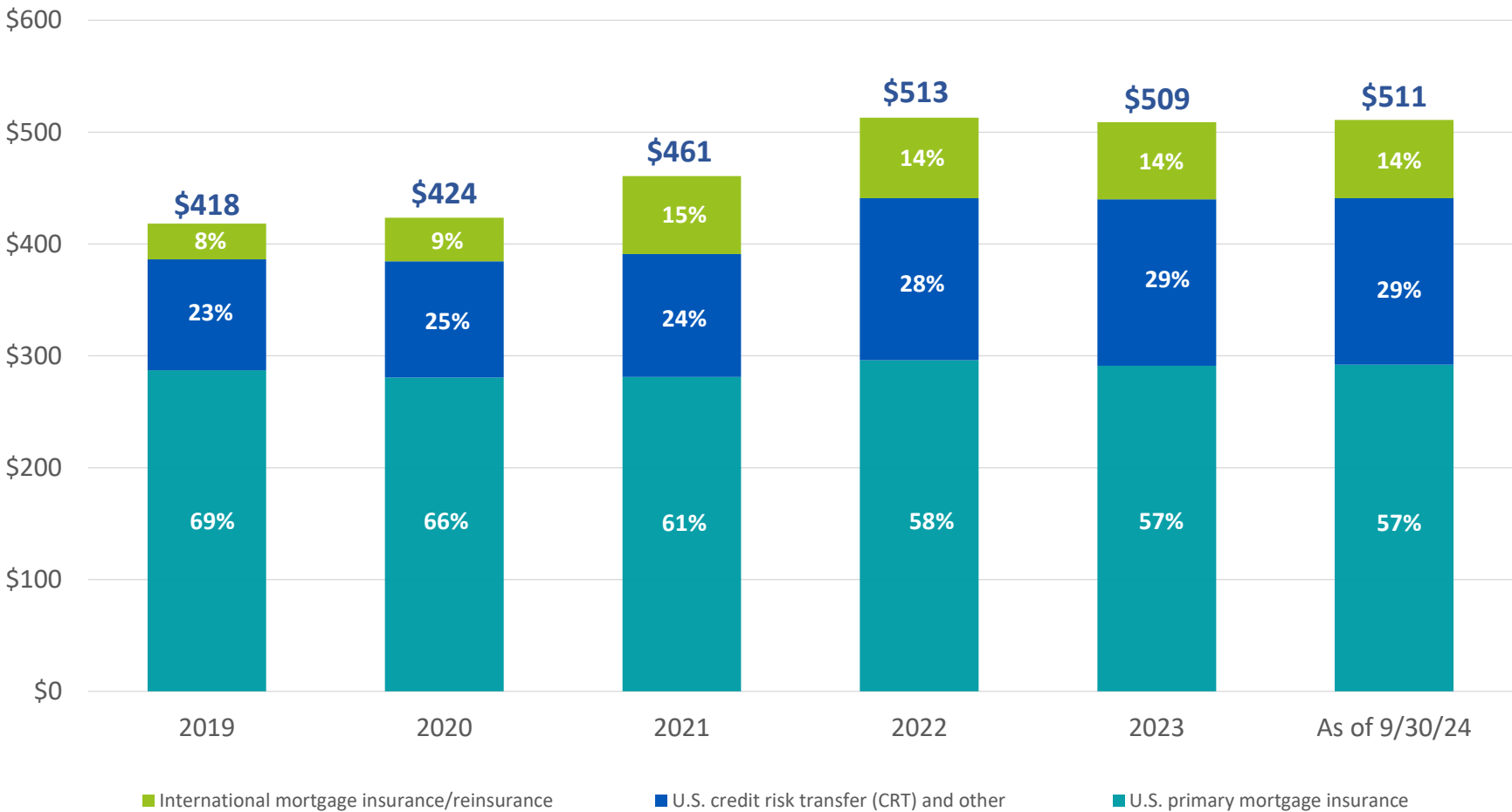
	December 31															
(U.S. Dollars in Millions)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Mar-24	Jun-24	Sep-24
Total shareholders' equity available to Arch	\$ 4,563	\$ 5,134	\$ 5,609	\$ 6,092	\$ 6,167	\$ 8,254	\$ 9,197	\$ 9,440	\$ 11,497	\$ 13,106	\$ 13,546	\$ 12,910	\$ 18,353	\$ 19,355	\$ 20,665	\$ 22,274
Less: goodwill and intangible assets	22	38	27	110	98	775	646	628	731	682	942	802	730	777	724	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	\$ 18,578	\$ 19,941	\$ 20,789

## CYCLE MANAGEMENT PROCESS

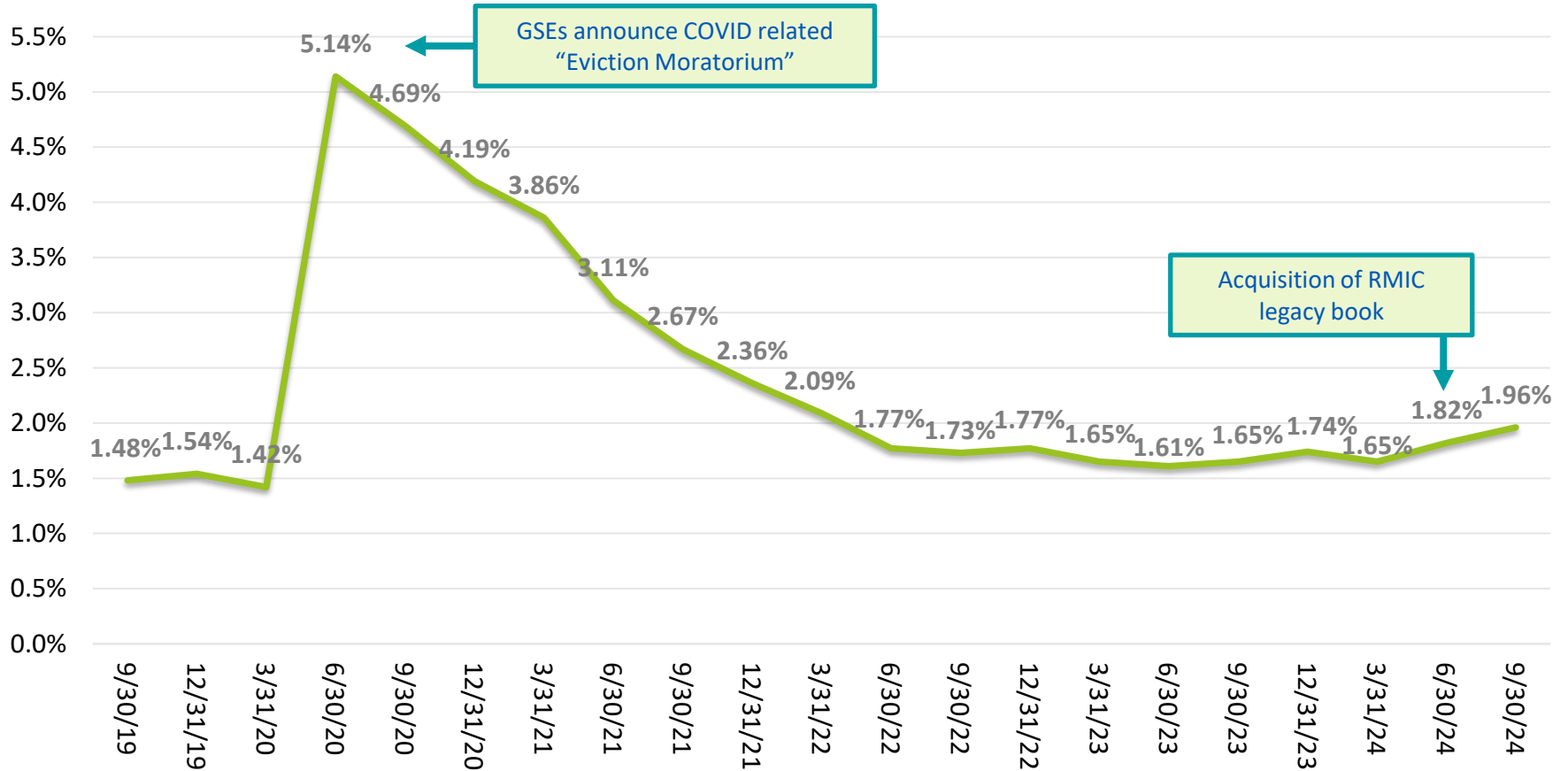




## Insurance In Force (\$B)

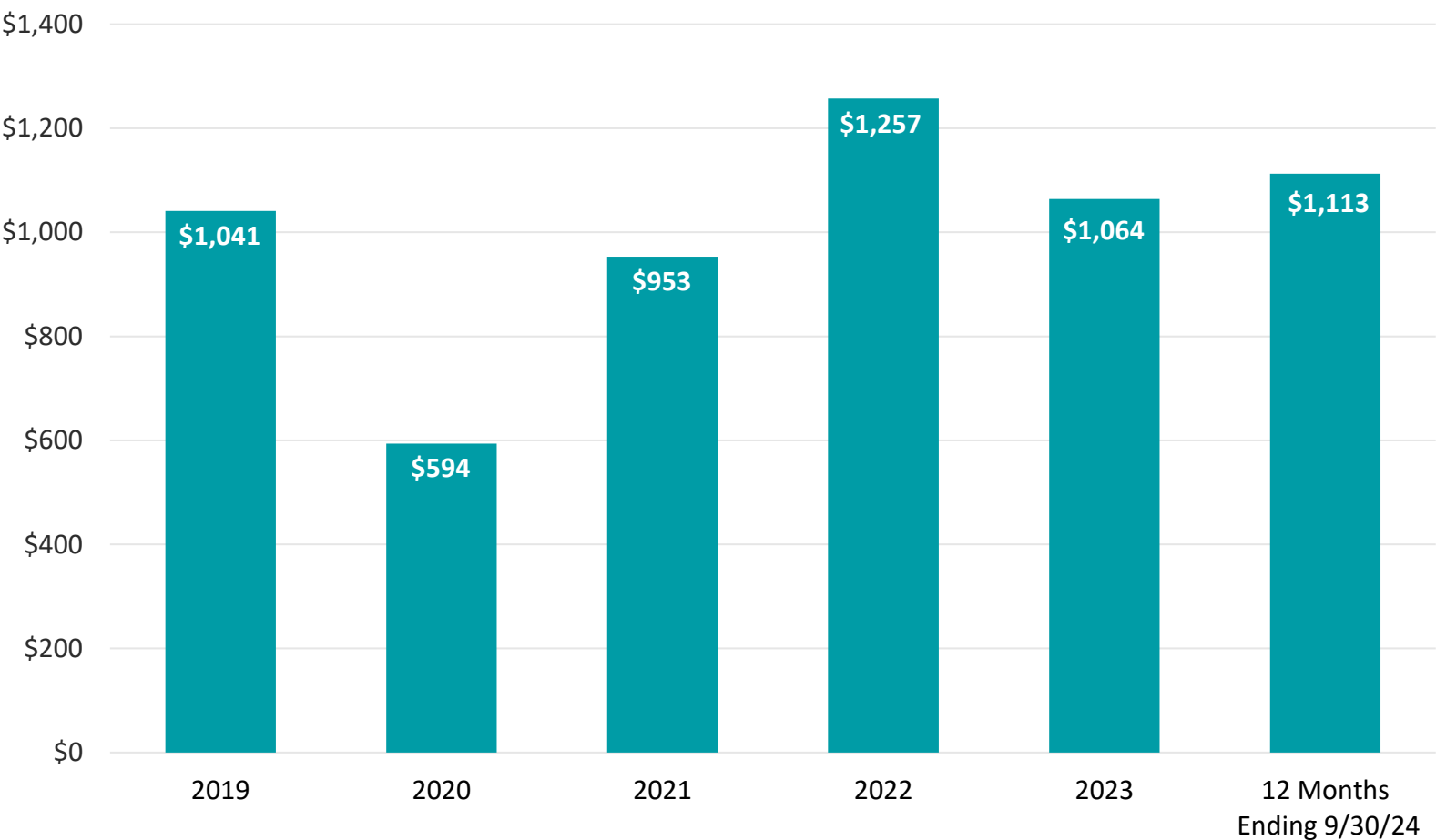


## Arch MI U.S. Delinquency Rate



On August 21, 2024, Fannie Mae and Freddie Mac (collectively the GSEs) each updated their Private Mortgage Insurer Eligibility Requirements (PMIERS) to incorporate new deductions to Available Assets for investment risk. This update will become effective March 31, 2025; but the impact will be phased in through September 30, 2026. If the GSEs had fully implemented this update to PMIERS as of September 30, 2024, the changes would have reduced Available Assets by 16% and resulted in a Pro-forma PMIERS Sufficiency Ratio of 173% compared with a reported PMIERS Sufficiency Ratio of 205%.

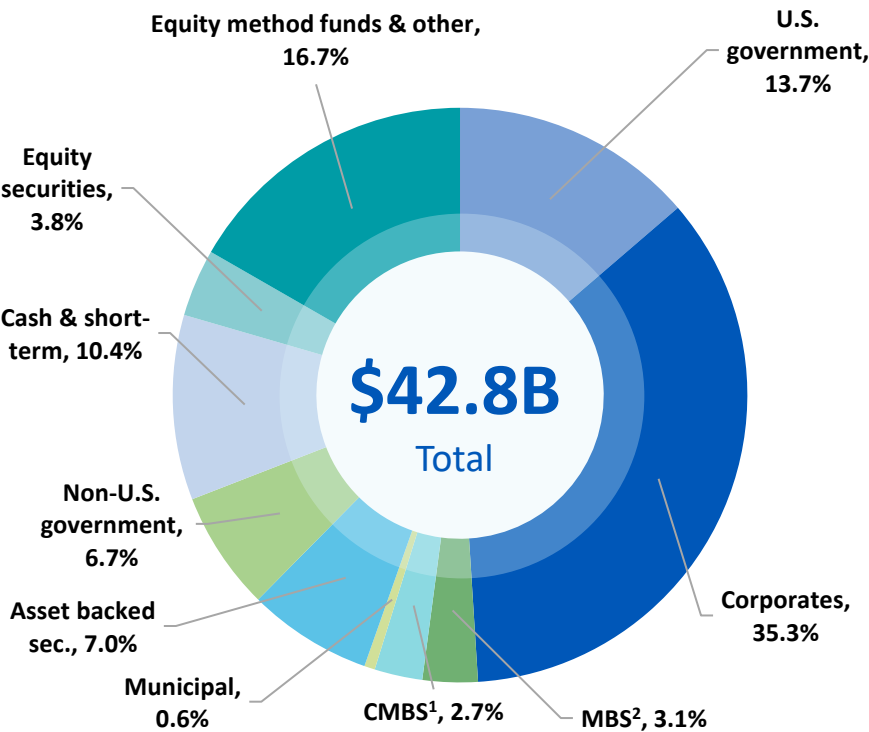
## Underwriting Income (\$M)



## Conservative Portfolio Focused on Total Return

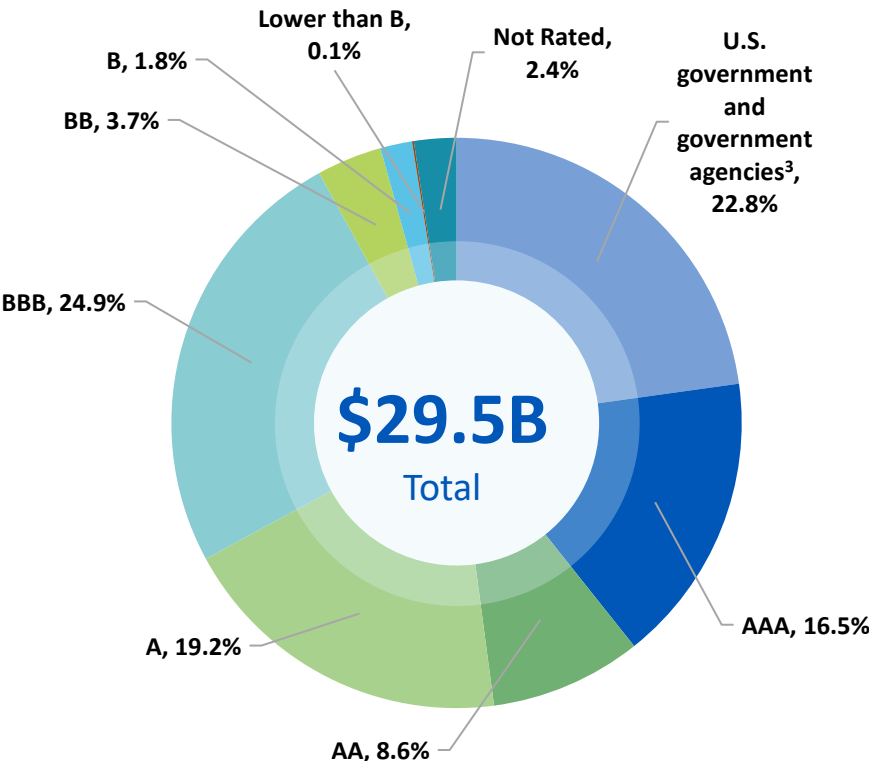
### Invested Assets (\$B)

September 30, 2024



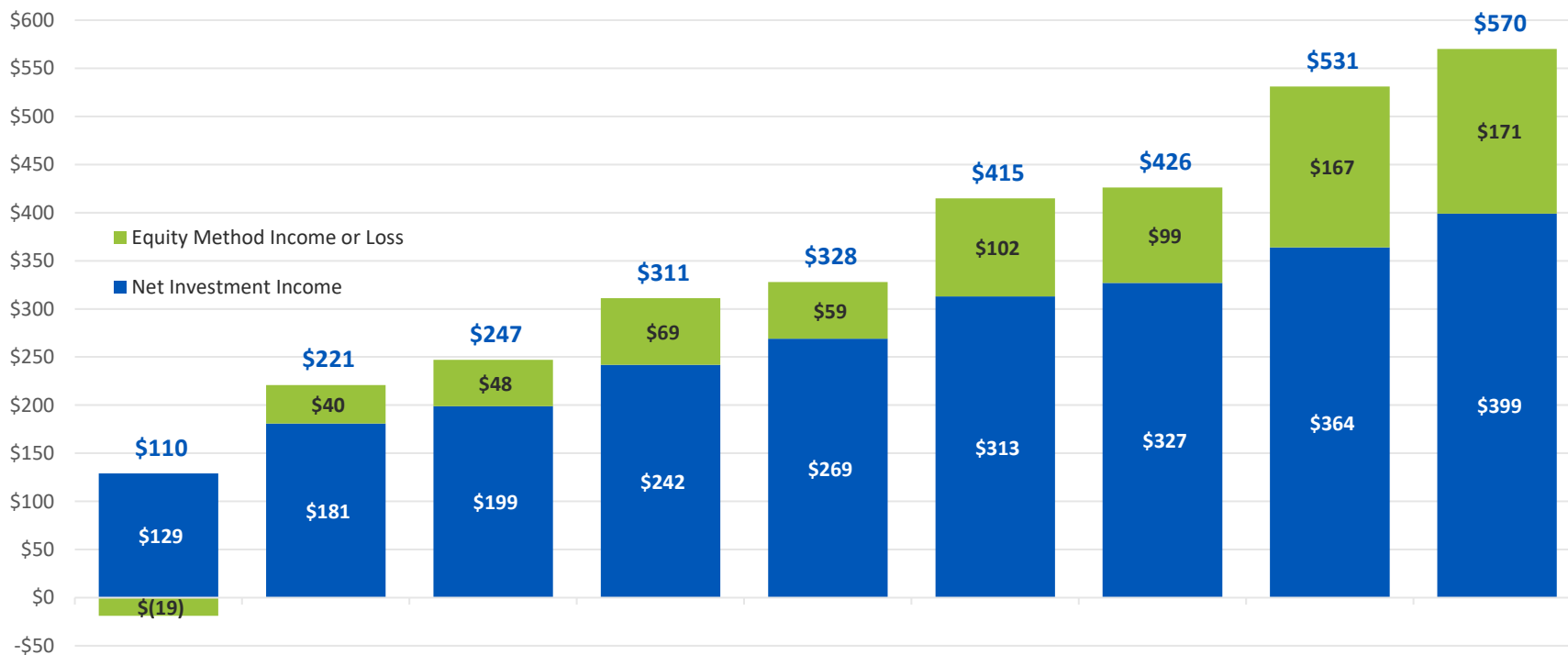
### Fixed Maturity by Rating (\$B)

September 30, 2024



<sup>1</sup> CMBS = Commercial mortgage backed securities.  
<sup>2</sup> MBS = Mortgage backed securities.  
<sup>3</sup> Includes U.S. government – sponsored agency MBS and agency CMBS.

## Net Investment Income + Equity Method Investments (\$M)



Total  
Investable  
Assets in  
(\$M):

\$26,682

\$28,065

\$29,401

\$30,441

\$31,881

\$34,589

\$35,944

\$37,811

\$42,751

9/30/22

12/31/22

3/31/23

6/30/23

9/30/23

12/31/23

3/31/24

6/30/24

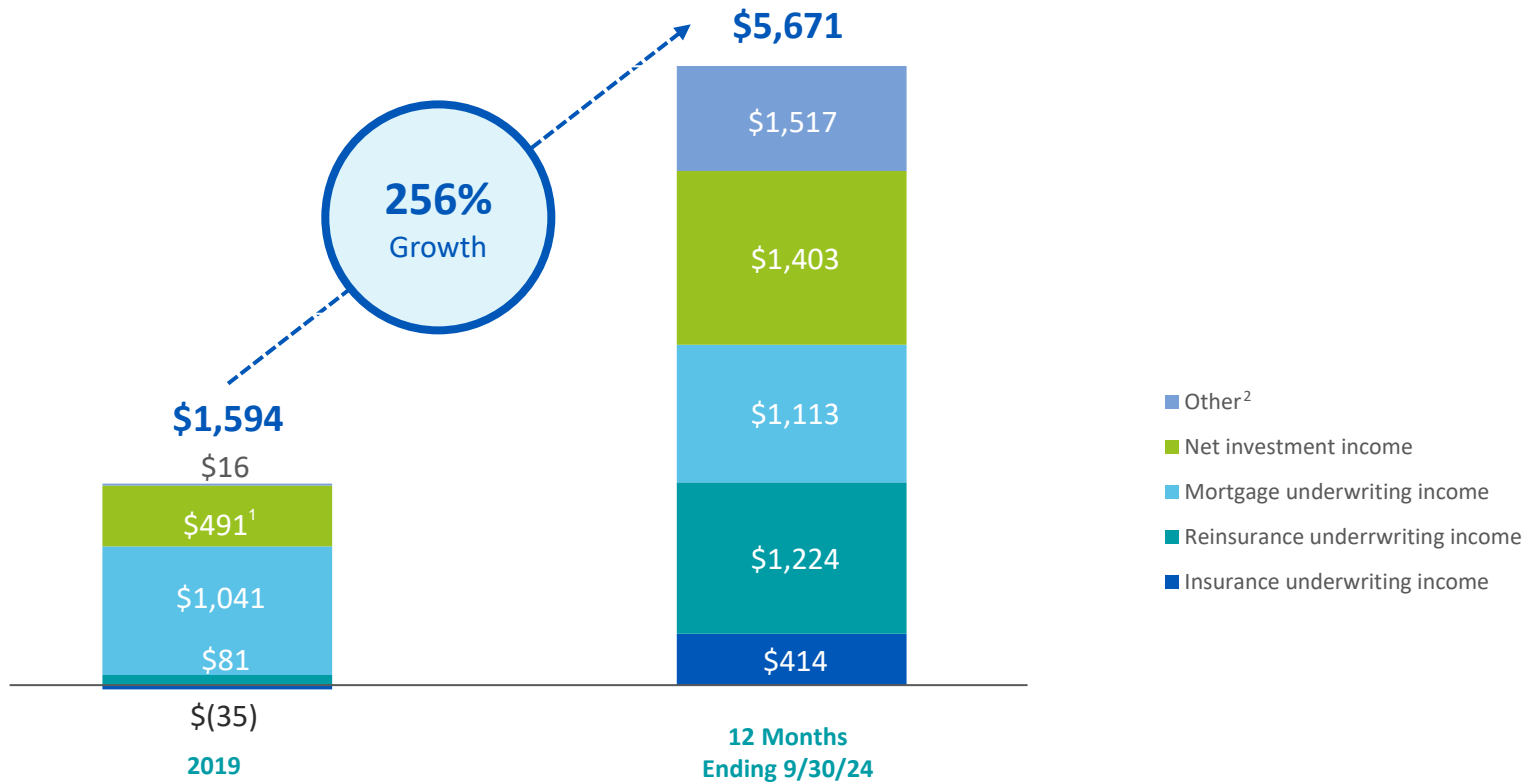
9/30/24

**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.

# Diversified Net Income Growth

## Net Income Available to Arch Common Shareholder (\$M)



<sup>1</sup> Excludes the net investment income from Somers Group Holdings Ltd. "Somers" (formerly Watford Holdings Ltd.)

<sup>2</sup> Includes underwriting result and net investment income from Somers for 2019, net realized gains (losses), net impairment losses recognized in earnings, equity in net income (loss) of investment funds accounted for using the equity method, other income (loss), corporate expenses, transaction costs and other, amortization of intangible assets, interest expense, net foreign exchange gains (losses), income tax (expense) benefit (which for the 2023 fourth quarter includes a one-time deferred tax benefit related to the enactment of Bermuda's new corporate income tax), income (loss) from operating affiliates, amounts attributable to redeemable noncontrolling interests, preferred dividends and loss on redemption of preferred shares.

# Our ESG Focus Areas and 2023 Sustainability Highlights

Our Environmental, Social and Governance (ESG) strategy is structured around five core impact areas that drive our ESG initiatives. By organizing our strategy under these pillars, we seek to encompass Arch’s collective ESG progress and achievements across our operations.



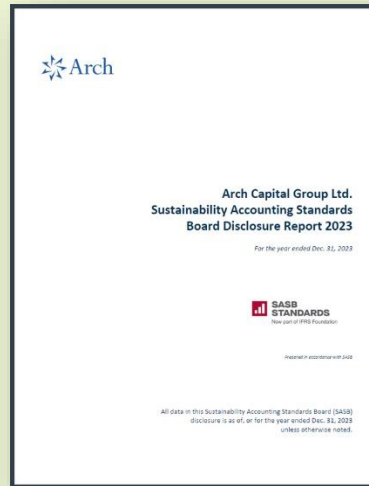
# Links to ESG Documents

We believe in the value of transparency of our ESG initiatives, and we are committed to communicating our progress to interested stakeholders on an annual basis through the following three reports:



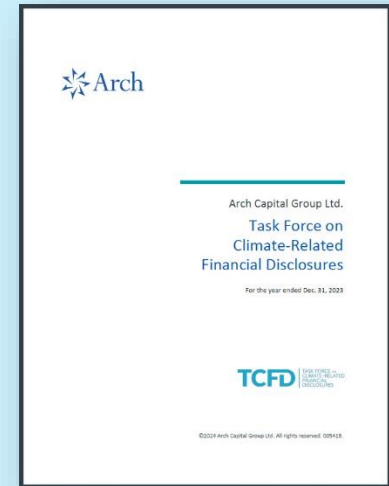
## Annual Sustainability Report Highlights Report

Intended for all stakeholders and the general public. Comprehensive ESG Strategy and priority disclosure areas.



## Sustainability Accounting Standards Board (SASB) Report

Intended for investors. Disclosures around the financial impacts of sustainability.



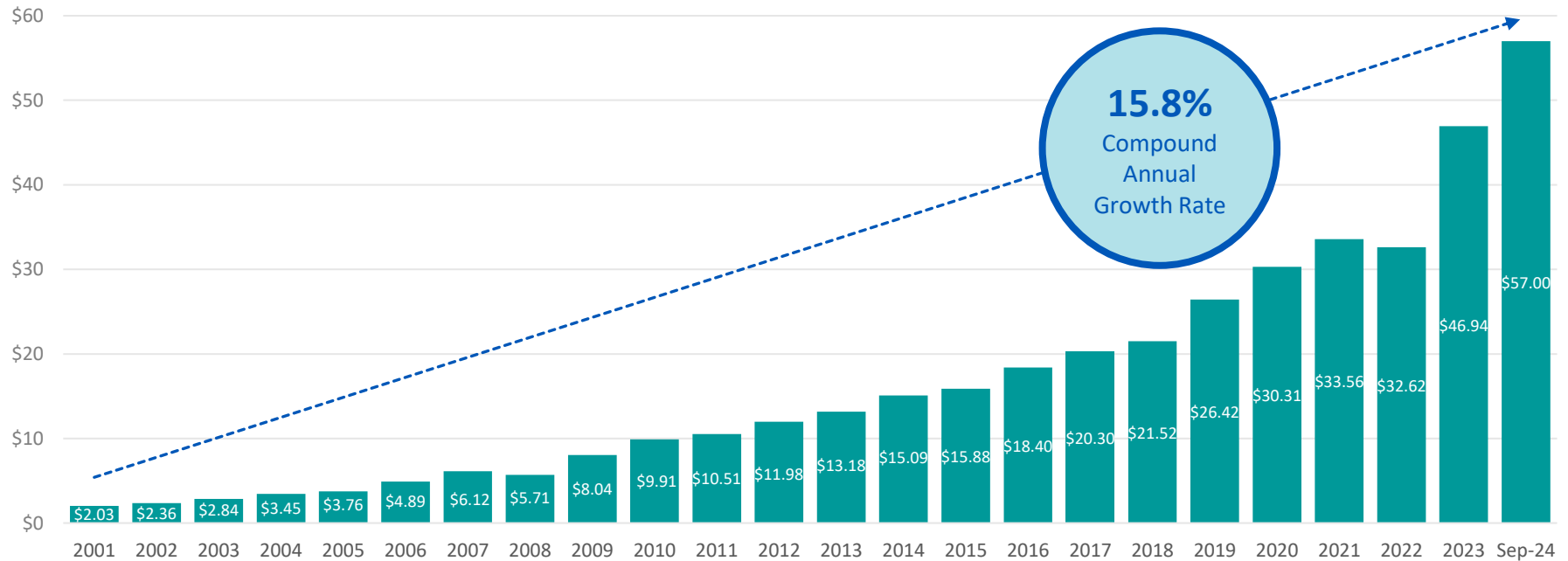
## Task Force on Climate-Related Financial Disclosures (TCFD) Report

Intended for investors and sustainability specialists. Climate-related financial disclosures including governance, strategy, risk management and metrics/targets.



# Superior Value Creation

## Book Value per Common Share<sup>1</sup>



Total Capitalization <sup>2</sup> (\$B):	\$1.0	\$1.4	\$1.9	\$2.5	\$2.8	\$3.9	\$4.3	\$3.8	\$4.7	\$4.9	\$5.0	\$5.6	\$6.5	\$7.0	\$7.1	\$10.5	\$11.3	\$11.2	\$13.2	\$15.8	\$16.3	\$15.6	\$21.1	\$25.0
Debt/Preferred to Total Capitalization <sup>2</sup>	0.0%	0.0%	10.5%	11.8%	10.8%	16.1%	14.4%	18.9%	15.3%	14.9%	14.5%	13.0%	18.7%	17.3%	17.2%	28.7%	26.4%	22.5%	19.0%	22.1%	21.8%	22.7%	16.9%	14.2%

<sup>1</sup> Excluding the effects of stock options and restricted stock units outstanding

<sup>2</sup> Available to Arch, including senior debt, preferred equity, common stock and AOCI.

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- ESG Reports and additional governance documents are available at [archgroup.com/ESG](https://archgroup.com/ESG).
- Previous investor presentations and other financial resources are available at [archgroup.com/investors](https://archgroup.com/investors).