

Arch Capital Group Ltd. (Nasdaq: ACGI), a publicly listed Bermuda exempted and S&P 500 company, provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries. Arch's financial strength — combined with a disciplined approach to underwriting and risk management — lets us provide the innovative solutions and support expected of a leader.

TOTAL ASSETS

\$48.0B

TOTAL GROSS PREMIUMS WRITTEN

\$15.3B

TOTAL CAPITALIZATION

\$15.6B

TOTAL NET RESERVES

\$13.8B

FINANCIAL STRENGTH RATINGS

Standard & Poor's

A+

A.M. Best Company

A+

Fitch

AA-

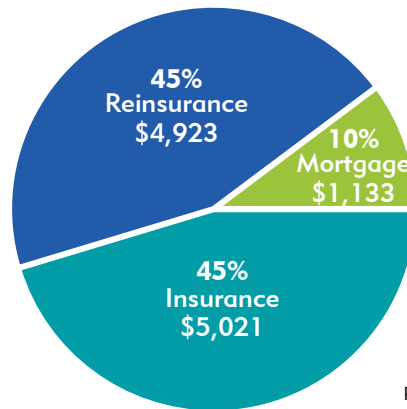
Moody's

A2

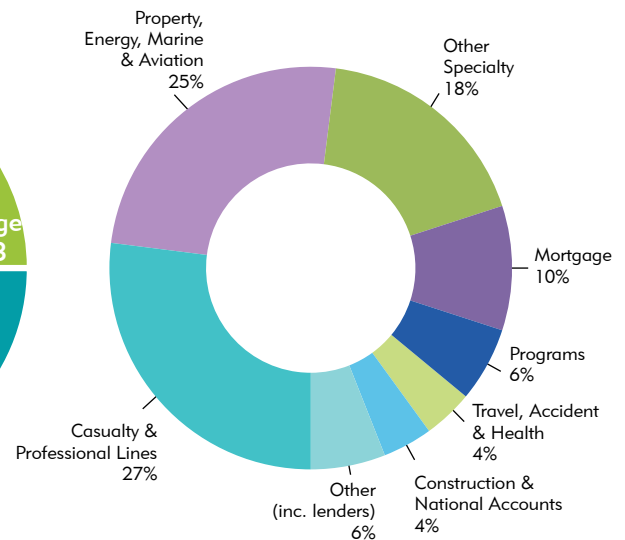
See page three for complete company ratings.

Total Net Premiums Written (\$M)

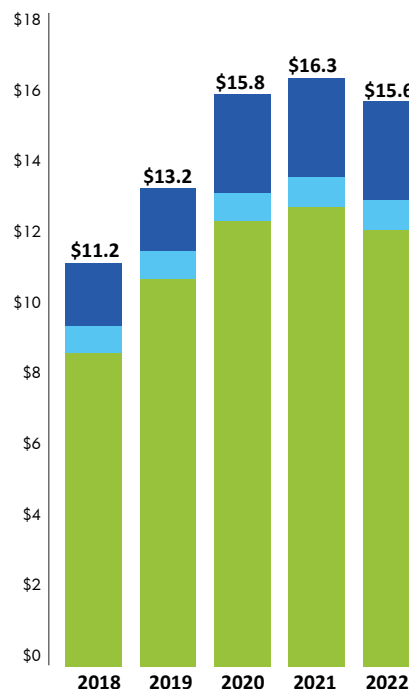
\$11,077



Net Premiums Written by Product Lines

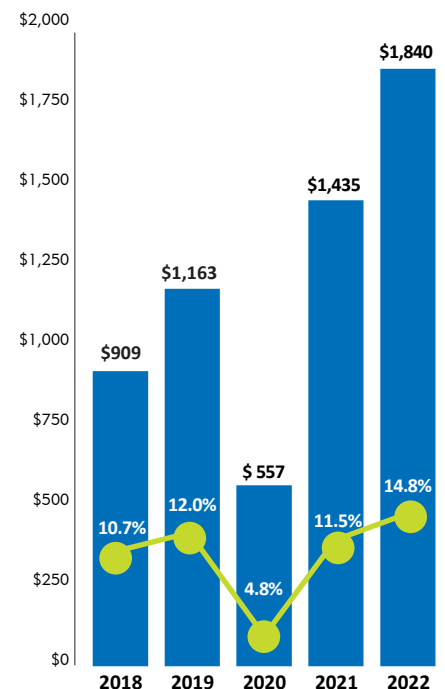


Total Capitalization (\$B)



Common Shareholder Equity
Preferred Shareholder Equity
Debt

Operating Income^{1,2} (\$M)



Operating Income
Return on Average Equity

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

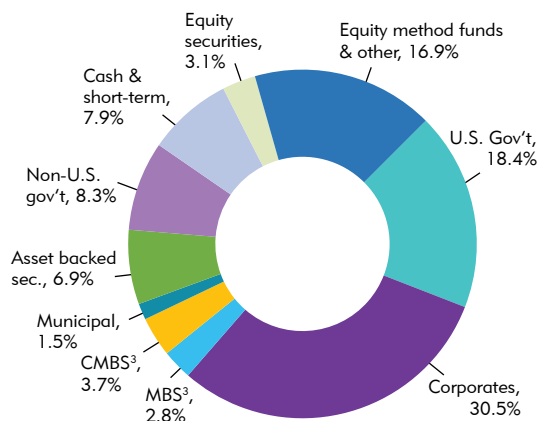
(2) Presentation represents a "non-GAAP" financial measure as defined in Regulation G.

Investment Portfolio

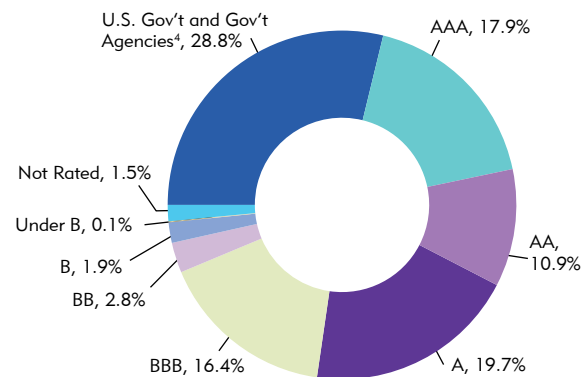
Arch's total return investment approach focuses on improving the Company's Return on Equity through thoughtful target allocation and periodic rebalancing while avoiding undue risk.

- (3) MBS = Mortgage backed securities.
CMBS = Commercial mortgage backed securities.
(4) Includes U.S. government-sponsored agency MBS and agency CMBS.

Investments by Type



Fixed Maturities by Rating



Credit and Financial Strength Ratings

Ratings are as of Feb. 13, 2023.

Credit Ratings			
	S&P	Moody's	Fitch Ratings
Senior Unsecured	A-	Baa1	BBB+
Preferred Stock	BBB	Baa3	BBB

Financial Strength Ratings				
	S&P	Moody's	Fitch Ratings	A.M. Best
Arch Insurance Company	A+	A2	AA-	A+
Arch Specialty Insurance Company	A+	A2	AA-	A+
Arch Indemnity Insurance Company	A+	-	AA-	A+
Arch Property Casualty Insurance Company	A+	A2	AA-	A+
Arch Insurance (UK) Limited	A+	A2	AA-	A+
Arch Insurance Canada Ltd.	A+	-	-	A+
Arch Reinsurance Ltd.	A+	A2	AA-	A+
Arch Reinsurance Company	A+	A2	AA-	A+
Arch Reinsurance Europe Underwriting dac	A+	-	AA-	-
Alwyn Insurance Company Limited	-	-	-	A+
Arch Mortgage Insurance Company	A+	A3		
United Guaranty Residential Insurance Company	A+	A3		
Arch Mortgage Guaranty Company	A+	A3		
Arch LMI Pty Ltd	A	A3		
Arch Insurance (EU) dac	A+	-		
Arch MI Asia Limited	A	-		

For financial information on our [U.S.](#) and [non-U.S.](#) operating subsidiaries, visit ir.archgroup.com and our periodic filings with the SEC.

Non-GAAP Financial Measure

Operating Income refers to “after-tax operating income or loss available to Arch common shareholders,” which is defined as net income available to Arch common shareholders, excluding net realized gains or losses (which includes changes in the allowance for credit losses on financial assets and net impairment losses recognized in earnings), equity in net income or loss of investment funds accounted for using the equity method, net foreign exchange gains or losses, transaction costs and other, loss on redemption of preferred shares, and net of income taxes.

The Company believes that showing net income available to Arch common shareholders exclusive of the items referred to above reflects the underlying fundamentals of the Company’s business since the Company evaluates the performance of and manages its business to produce an underwriting profit. In addition to presenting net income available to Arch common shareholders, the Company believes that this presentation enables investors and other users of the Company’s financial information to analyze the Company’s performance in a manner similar to how the Company’s management analyzes performance. The Company also believes that this measure follows industry practice and, therefore, allows the users of the Company’s financial information to compare the Company’s performance with its industry peer group. The Company believes that the equity analysts and certain rating agencies that follow the Company and the insurance industry as a whole generally exclude these items from their analyses for the same reasons.

The presentation of after-tax operating income available to Arch common shareholders and annualized operating return on average common equity are non-GAAP financial measures as defined in Regulation G. The reconciliation of such measures to net income available to Arch common shareholders and annualized net income return on average common equity (the most directly comparable GAAP financial measures) in accordance with Regulation G is included below:

In 000's except shares	December 31,				
	2018	2019	2020	2021	2022
Net income available to Arch common shareholders	\$ 713,616	\$ 1,594,707	\$ 1,363,909	\$ 2,093,405	\$ 1,436,197
Net realized (gains) losses	300,584	(349,848)	(814,808)	(307,466)	662,734
Equity in net (income) loss of investment funds accounted for using the equity method	(45,641)	(123,672)	(146,693)	(366,402)	(115,856)
Net foreign exchange (gains) losses	(59,890)	10,732	80,591	(42,743)	(100,988)
Transaction costs and other	12,377	14,444	9,964	1,199	1,092
Loss on redemption of preferred shares	2,710	-	-	15,101	-
Income tax expense (benefit)	(14,566)	16,276	64,145	41,836	(42,791)
After-tax operating income available to Arch common shareholders	909,190	1,162,639	557,108	1,434,930	1,840,389
Beginning common shareholders' equity	8,324,047	8,659,827	10,717,371	12,325,886	12,715,896
Ending common shareholders' equity	8,659,827	10,717,371	12,325,886	12,715,896	12,080,073
Average common shareholders' equity	8,491,937	9,688,599	11,521,629	12,520,891	12,397,985
Annualized return on average common equity	8.4%	16.5%	11.8%	16.7%	11.6%
Annualized operating return on average common equity	10.7%	12.0%	4.8%	11.5%	14.8%

This information is qualified in its entirety by reference to reports filed by Arch Capital Group Ltd. (“Arch Capital”) with the SEC, including, without limitation, the risks and other factors set forth therein, and the ratings reports issued by ratings agencies from time to time. Please note that any opinions, estimates or forecasts regarding the performance of Arch Capital and its subsidiaries made by the ratings agencies are their estimates alone and do not represent opinions, forecasts or predictions of, and have not been adopted by, Arch Capital or its subsidiaries. Arch Capital and its subsidiaries undertake no obligation to publicly update or revise any information contained herein. From time to time, Arch Capital posts additional financial information and presentations to its website, archgroup.com, including information with respect to its subsidiaries, and investors and other recipients of this information are encouraged to check the website regularly for additional information regarding Arch Capital.