



Investor Presentation

2019 Second Quarter

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward looking statements. This presentation 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 presentation are forward looking statements.

Forward looking statements can generally be identified by the use of forward looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" 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 non-exclusive 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; 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 integrate the businesses we have 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; and other factors identified in our filings with the U.S. Securities and Exchange Commission.

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. We undertake no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise.

Some non-GAAP measures of financial performance also may be referred to during this presentation. The reconciliation to GAAP and definition of operating income can be found in the Current Report on Form 8-K furnished to the SEC by Arch Capital Group Ltd. (the "Company") in connection with its most recent earnings press release, and is also available on the Company's website: www.archcapgroup.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.

At Arch, we believe that it is our responsibility to do the right thing for our employees, our clients, our shareholders and our communities. We acknowledge this responsibility to our stakeholders in these key areas:

Community Impact

Our people give both their time and their financial resources to charities of all types, and the company promotes corporate citizenship through charitable donations and company-sponsored volunteer activities.

Arch is committed to making a positive impact on the communities where our employees live and work through our matching gift program, corporate giving and employee volunteerism. We help employees amplify their community impact by providing the majority of our employees with a 1:1 match on their donations to recognized charitable organizations.

Environmental Stewardship: Our Environmental Policy

We understand the risks that environmental challenges present to people and communities. As environmental stewards, we take an active role in reducing our environmental impact and look for cost-effective ways to protect and conserve natural resources. We are committed to long-term, sustainable approaches to protecting the environment.

Responsible Investing

We believe that the incorporation of material, non-financial factors into investment selection and risk management has the potential to enhance long-term investment returns. We use ESG factors with respect to our directly managed assets and with respect to assets managed for us by third-party managers. We measure our exposure to ESG risks at both individual asset classes and total portfolio levels.

Employer Responsibility

We create a workplace culture where all employees are treated with dignity and respect, and individual differences are valued, all with the goal of securing trust, empowerment and satisfaction for our employees. We foster this culture through our learning and development programs and our competitive compensation and health and welfare programs.

Diversity and Inclusion

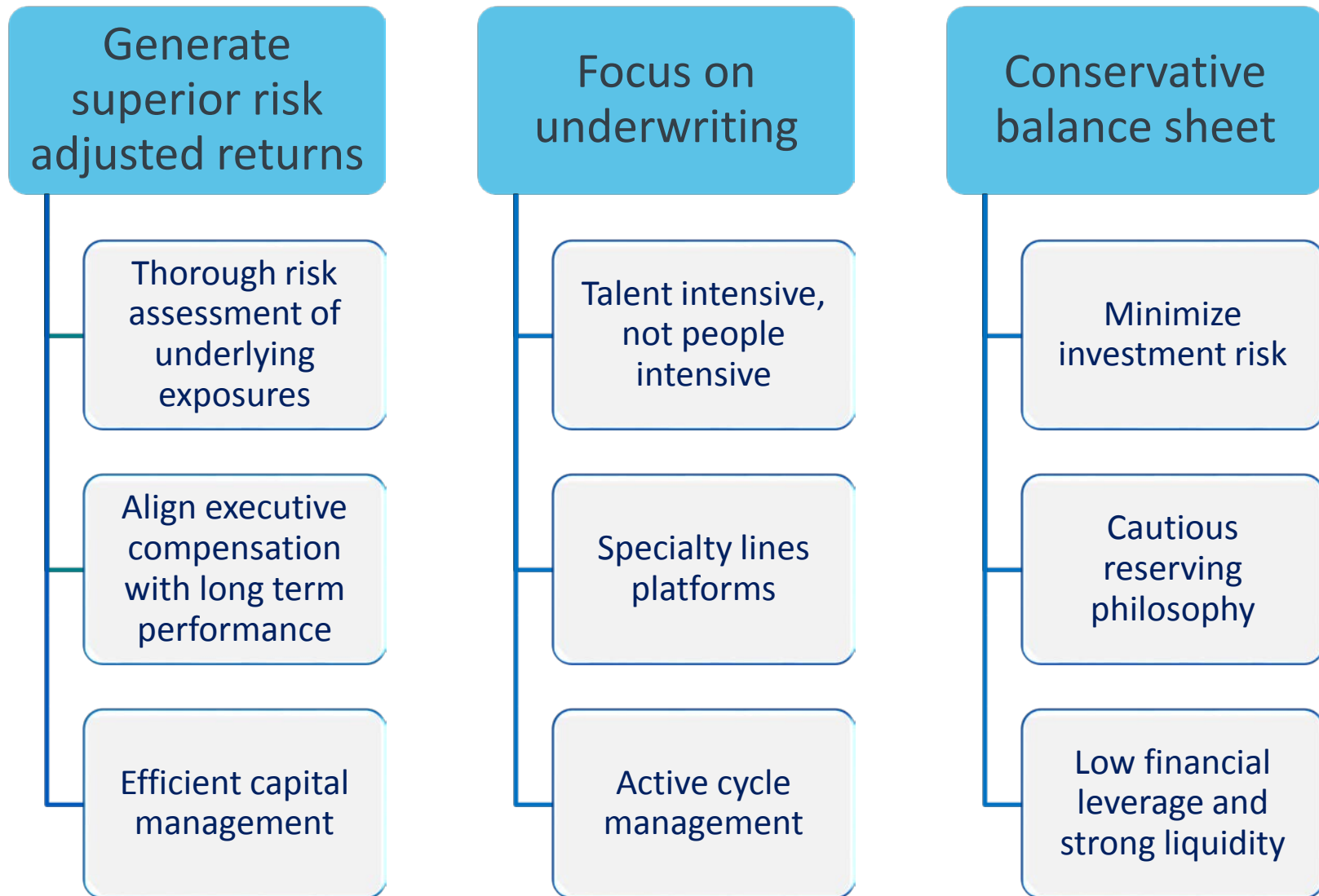
Arch recognizes that bringing together diverse backgrounds and experiences drives innovation and leads to better outcomes for all stakeholders. We seek to foster a culture that embraces diversity and gives all employees the opportunity to succeed. This commitment is embedded in our values and contained in our company policies. Earlier this year, 78% of Arch employees participated in our first global employee engagement survey. The results indicated that our people share a bright outlook for our future, with an 84% engagement score (nine points above the industry norm).

Governance

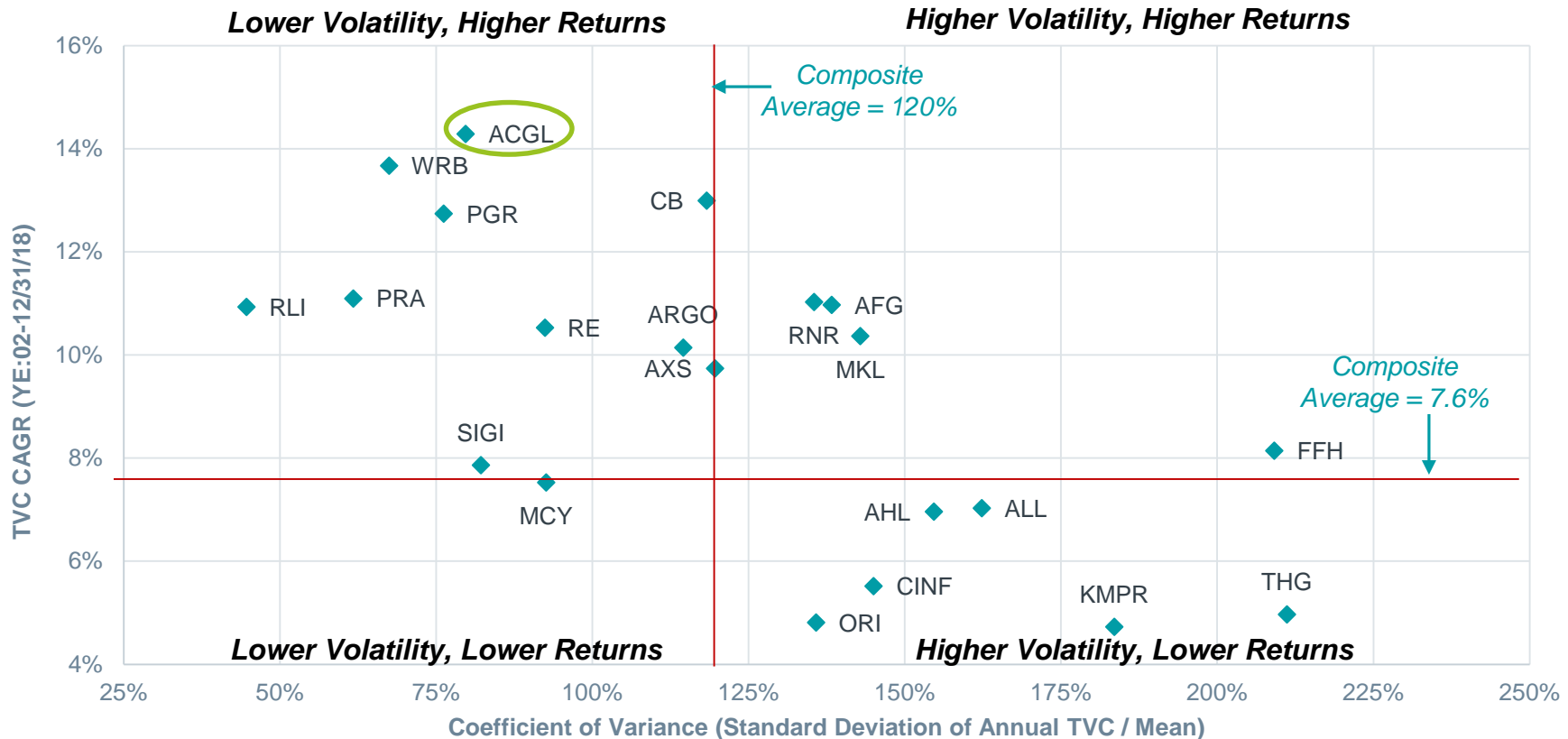
We maintain the highest standards of corporate governance and ethical conduct. Our Board of Directors oversees the company's strategic direction and approach to risk management. In selecting Board members, our Nominating and Governance Committee's objective is to choose individuals with skills and experience who can best represent our shareholders and assist Arch's management in operating the business. The company endeavors to maintain a Board representing a diverse spectrum of expertise, background, perspective, race, gender and experience.

Data Security

Arch is committed to applying high standards of diligence and security when it comes to handling and protecting personal data and observing data protection laws and regulations. Our commitment is documented in our Privacy and Data Protection Policy.



Total Value Creation vs. Coefficient of Variation - Total Composite (12/31/02 - 12/31/18)



Source: Dowling & Partners Analysis

Dowling's P&C Industry Composite of 25 Companies

Excludes CNA (2.7%, 438%), Hartford (1.5%, 560%), MGIC (-5.7%, 713%), Radian (-3.4%, 901%) as coefficient of variance exceeds 250%

TVC is tangible book value per share growth plus accumulated dividends

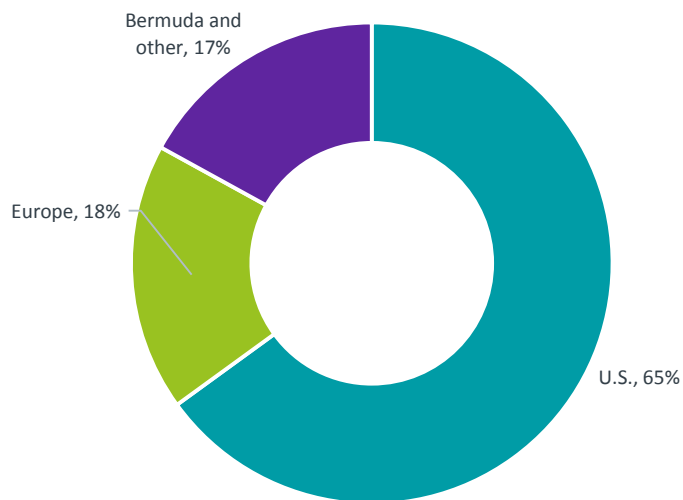
- Arch operates leading Specialty P&C and Mortgage Insurance businesses across a wide range of geographies and products providing meaningful diversification and earnings stability

Trailing Twelve Months Ended June 30, 2019

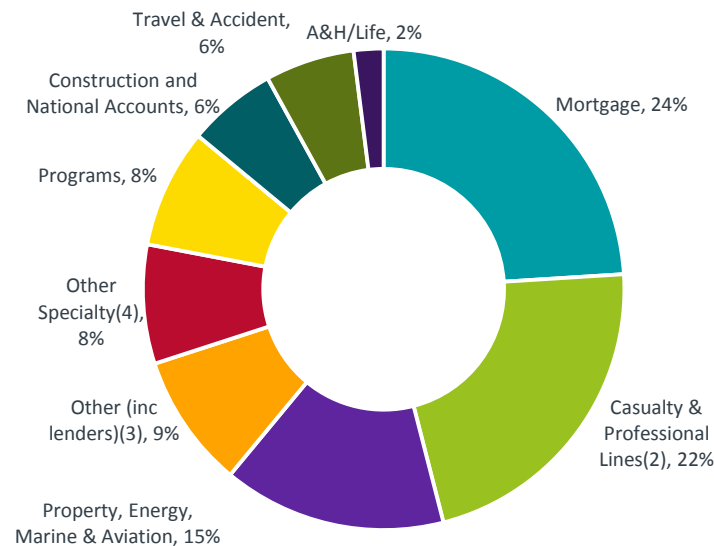
Gross premiums written (\$7.0B) : 50% insurance, 29% reinsurance, 21% mortgage

Net premiums written (\$5.1B) : 47% insurance, 29% reinsurance, 24% mortgage

Underwriting Location¹



Line of Business¹



¹ Based on net premiums written, excluding amounts attributable to the 'other' segment (Watford)

² Includes casualty, professional liability, executive assurance, healthcare, contract binding, and excess motor

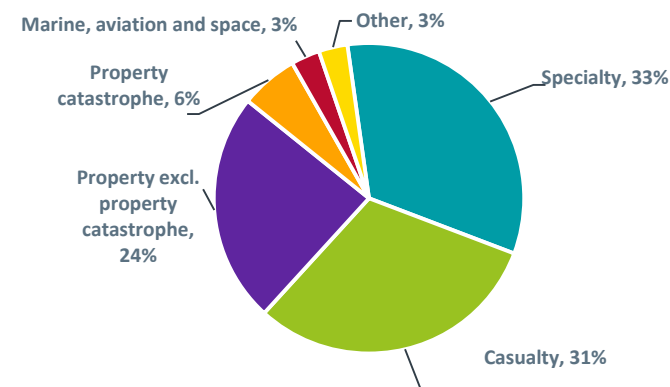
³ Includes insurance for lenders products, alternative markets, and other insurance and reinsurance

⁴ Includes reinsurance for proportional motor, trade credit, surety, workers' compensation catastrophe, and other

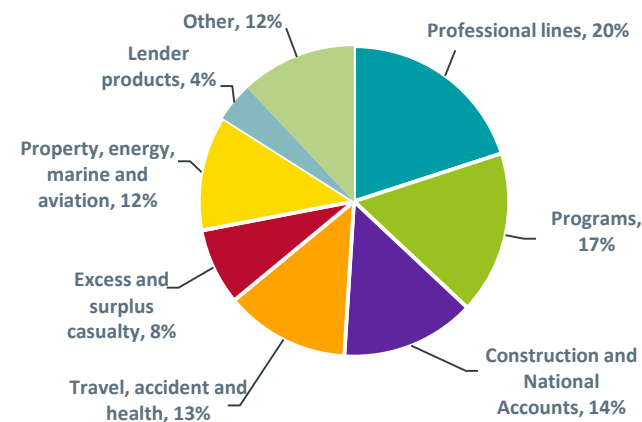
- **Strong Underwriting and Risk Management Culture**
 - Talent intensive platform creates resiliency through market cycle
 - Manage the cycle by allocating capital to those lines with better expected returns
 - Diversified by line of business and geography
 - In primary insurance, focus on smaller risks and low limit business produces more predictable and less volatile results over time

Trailing Twelve Months Ended June 30, 2019

Reinsurance Net Premiums Written \$1.5B

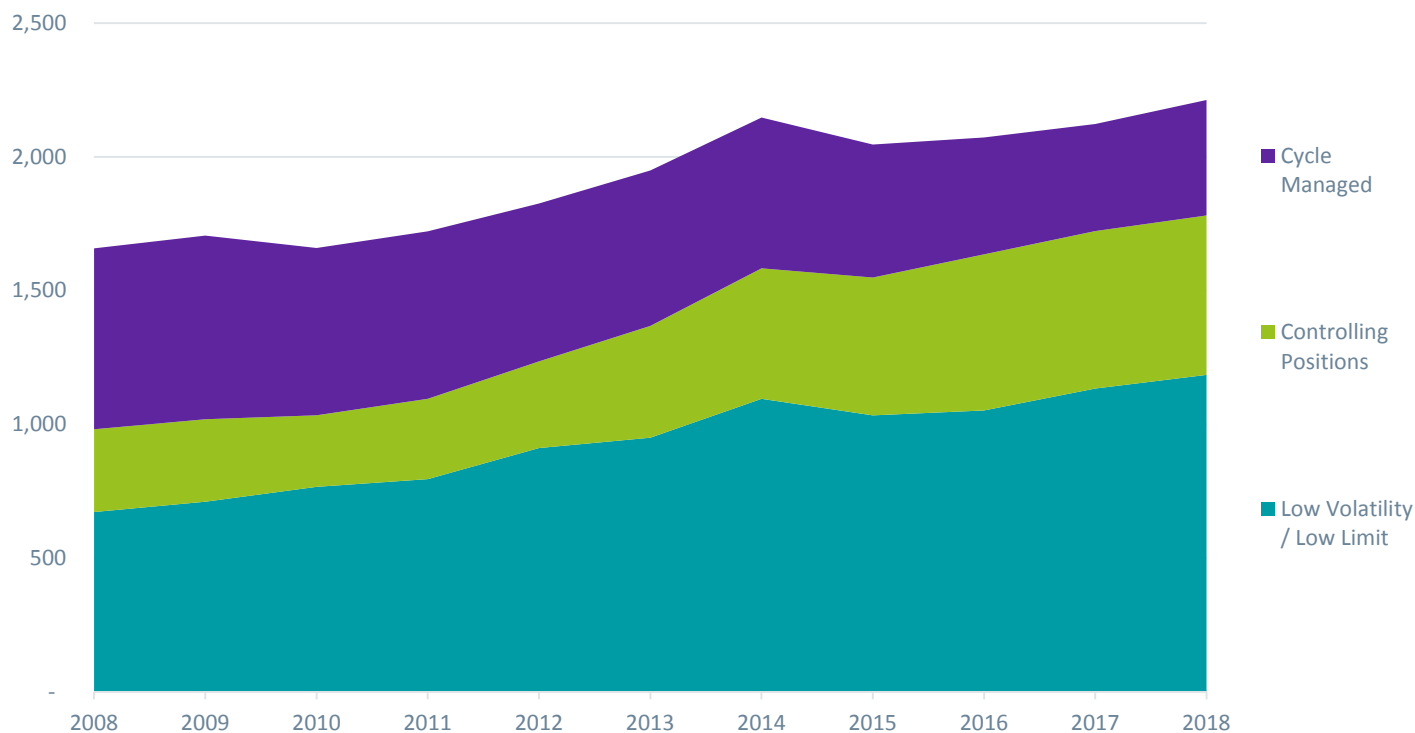


Insurance Net Premiums Written \$2.4B



Insurance Segment

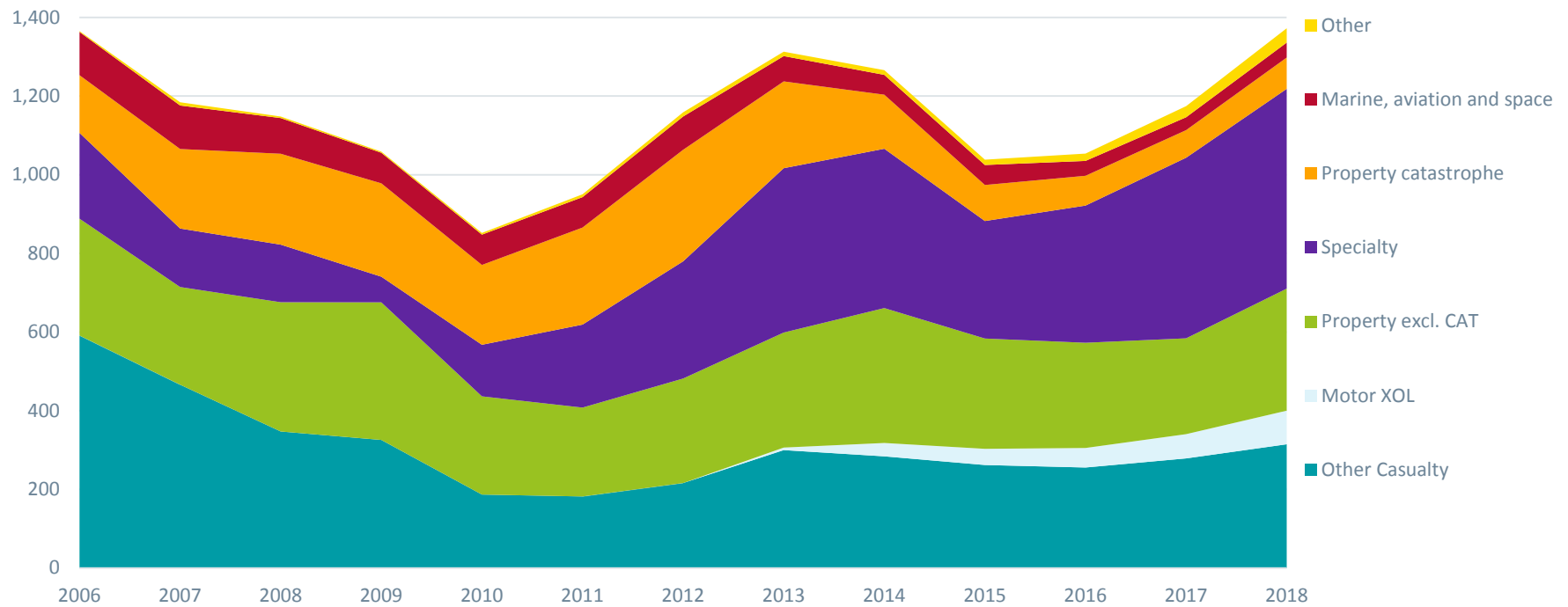
Calendar Year Net Premiums Written (\$M)



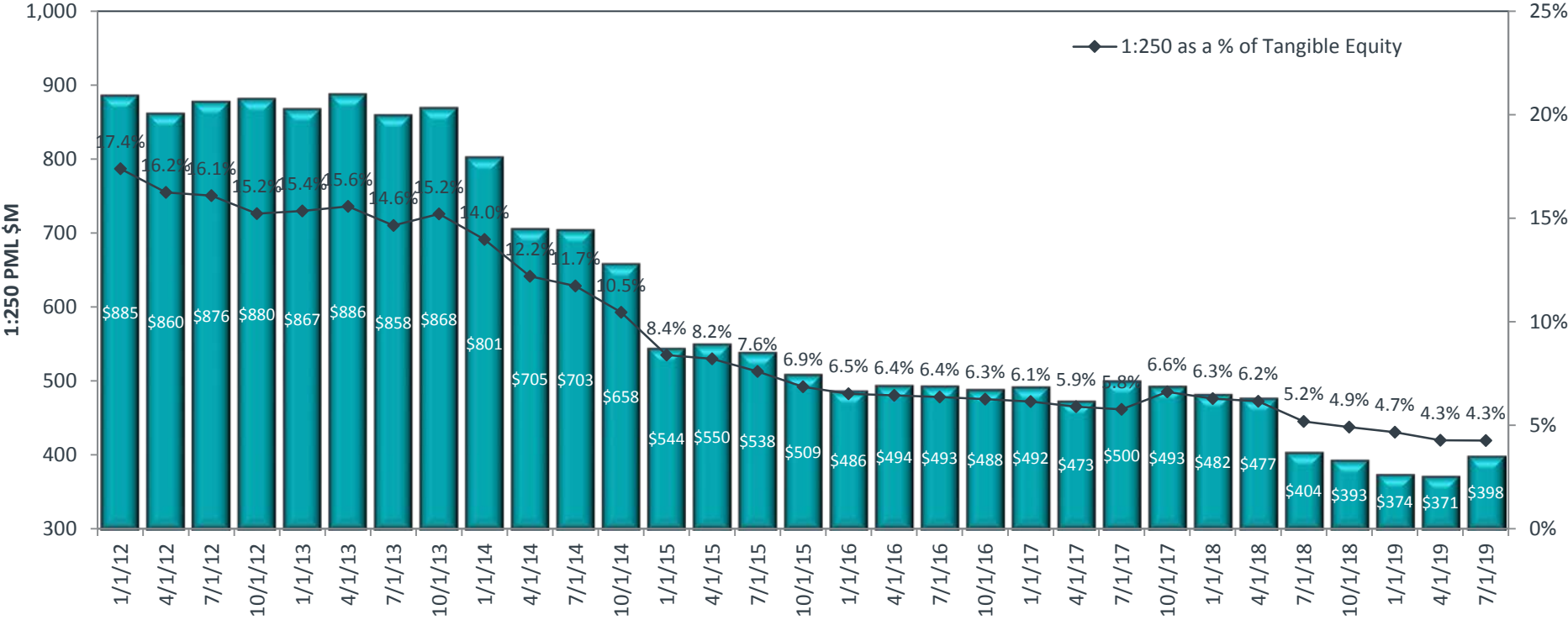
Low Volatility includes Programs, A&H, Travel, Contract Binding. **Controlling Positions** includes Construction, Alt Markets, National Accts, Surety. **Cycle Managed** includes Property, Marine, Offshore, Casualty, High Capacity EA, Onshore Energy, Med Mal.

Reinsurance Segment

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

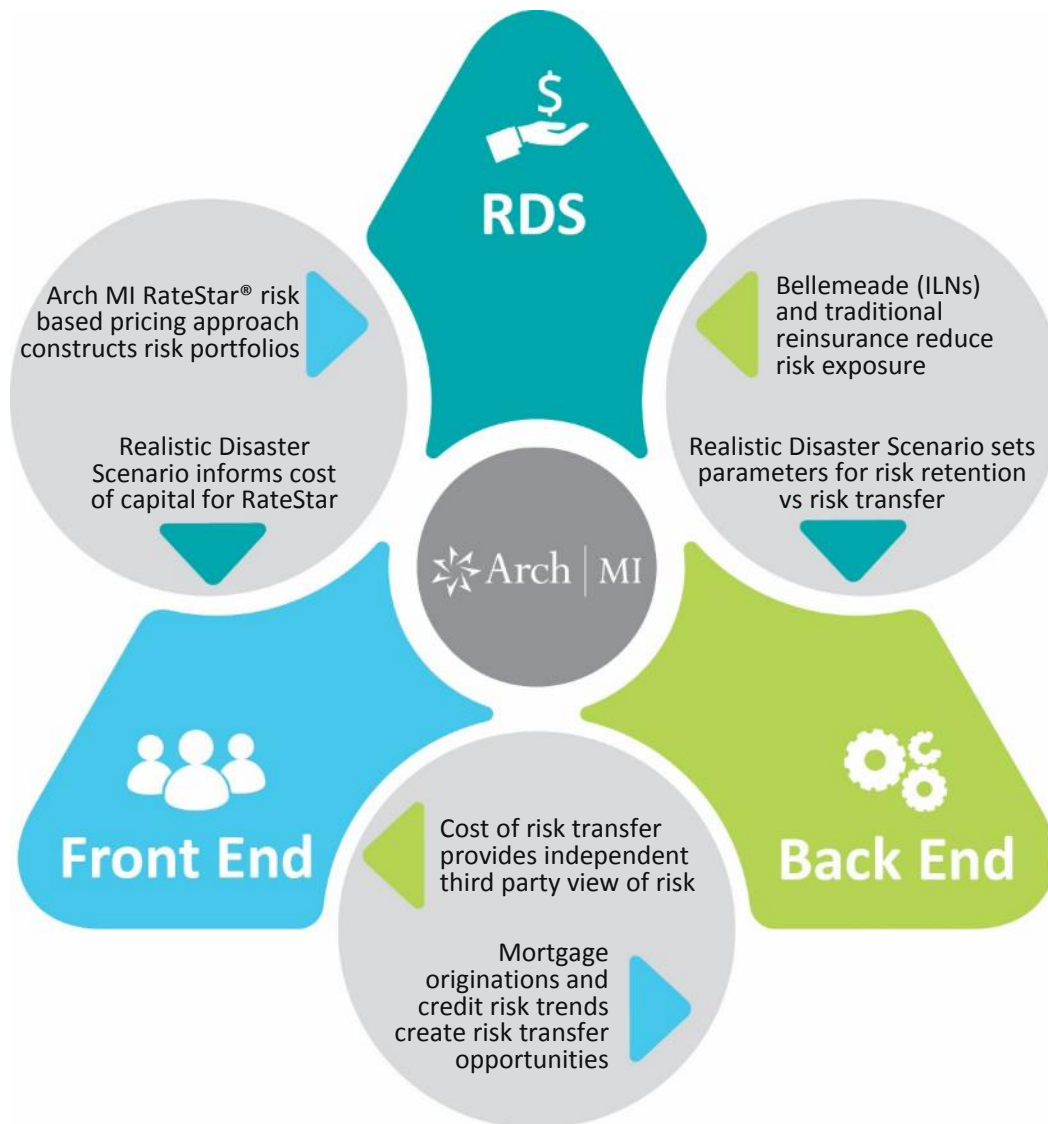


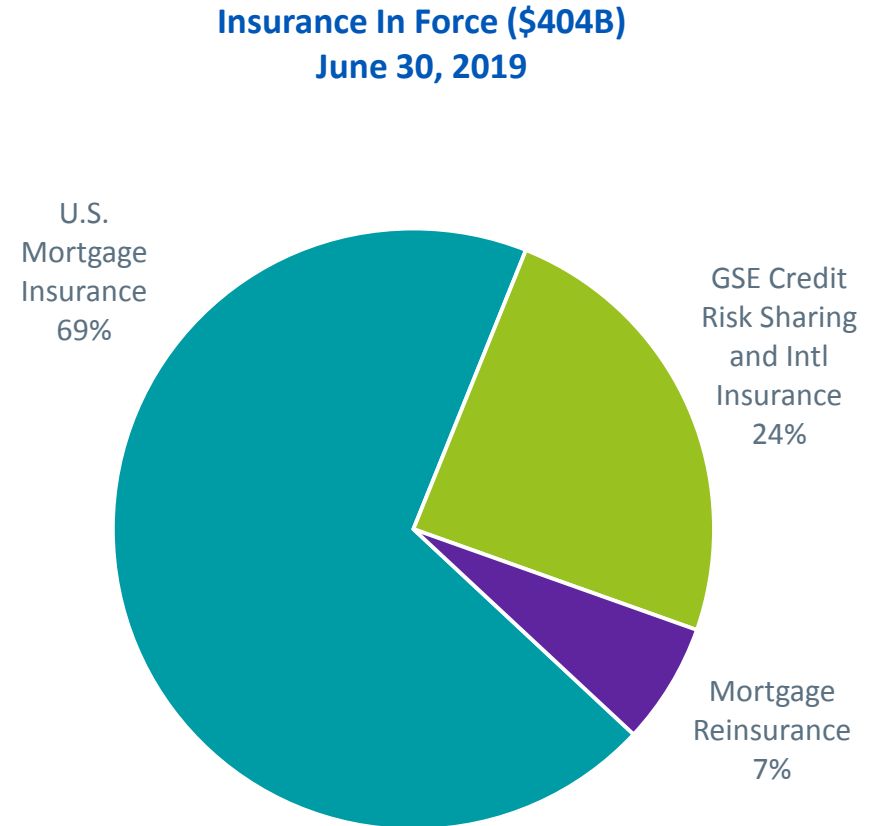
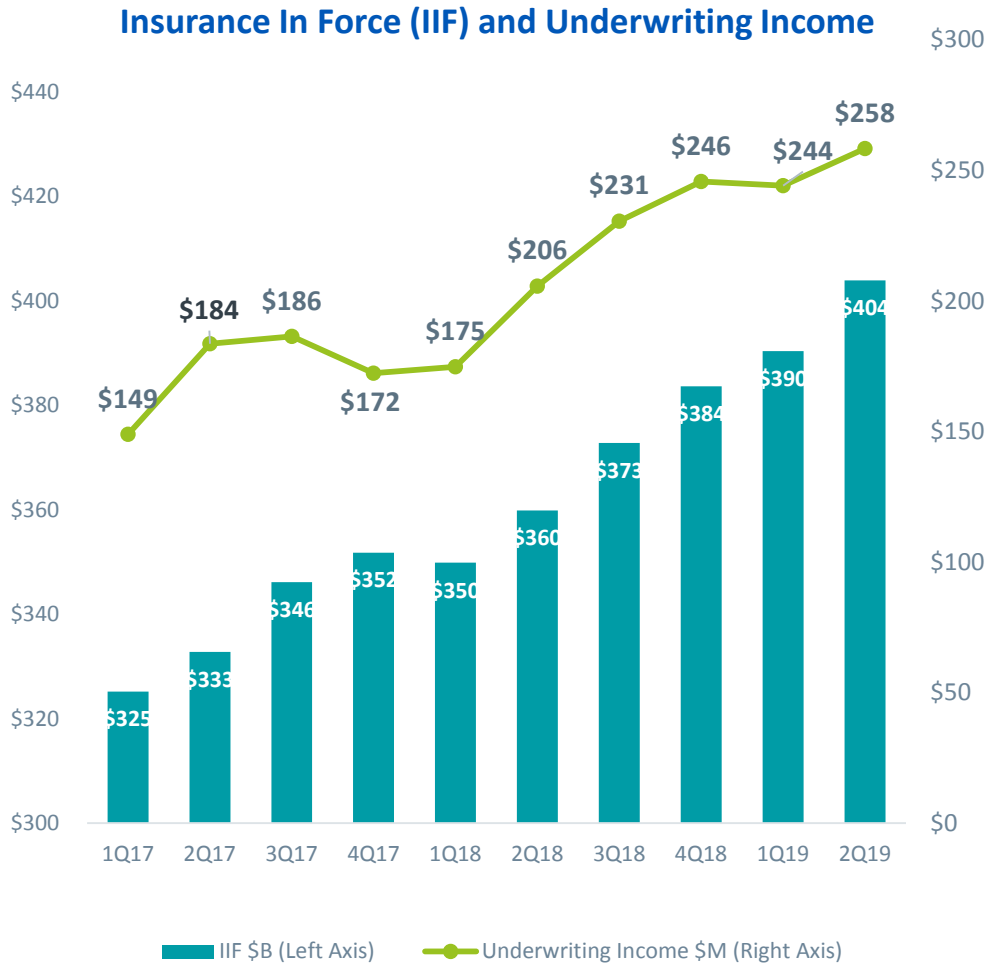
ACGL Peak Zone 1:250 PML



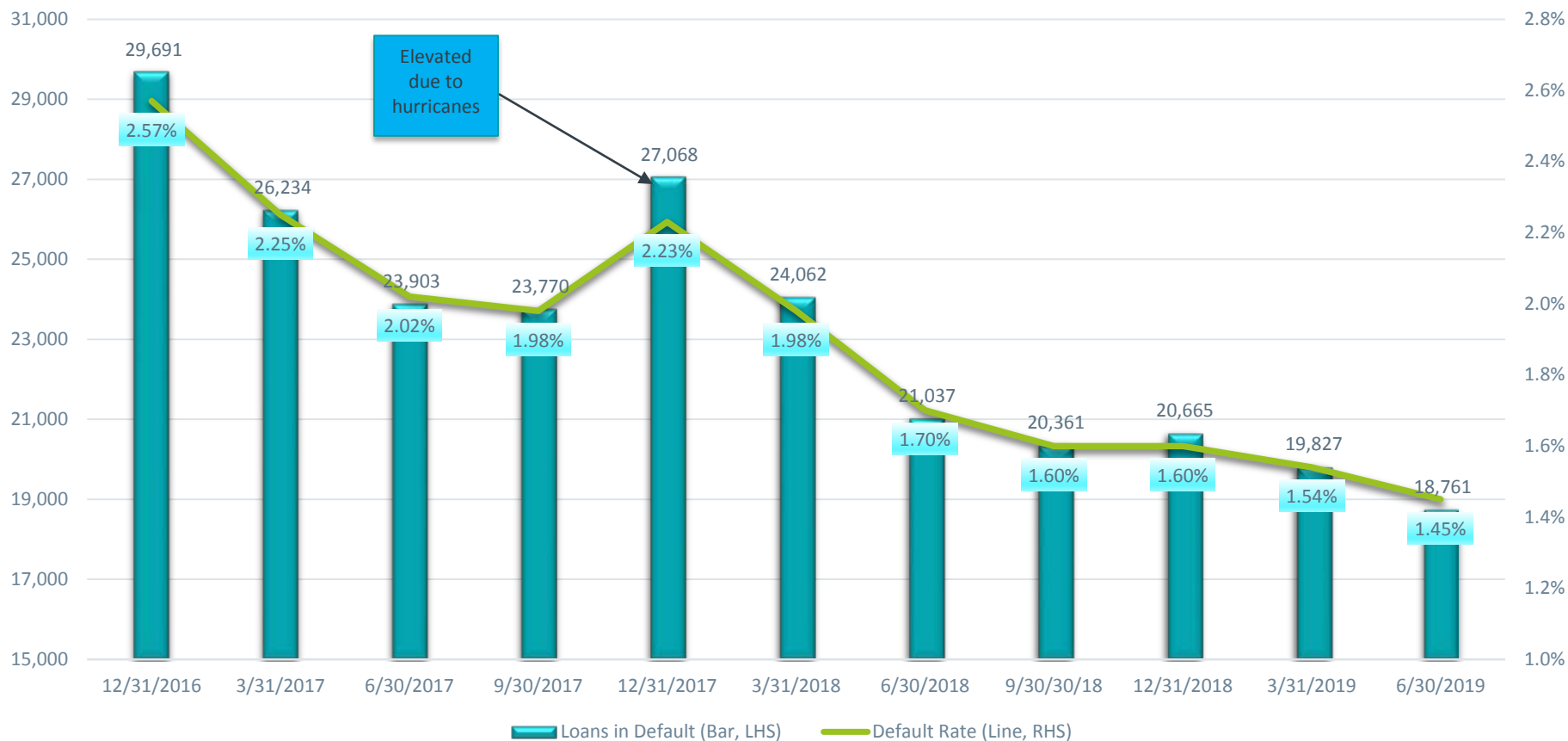
Differentiated Business Model

- Arch aggregates risk from diversified sources and then utilizes a variety of tools for managing mortgage and credit risk
- Arch seeks to limit risk exposure from a severe economic event (RDS) to protect capital
- Mortgage Segment is positioned for consistent attractive returns throughout the cycle



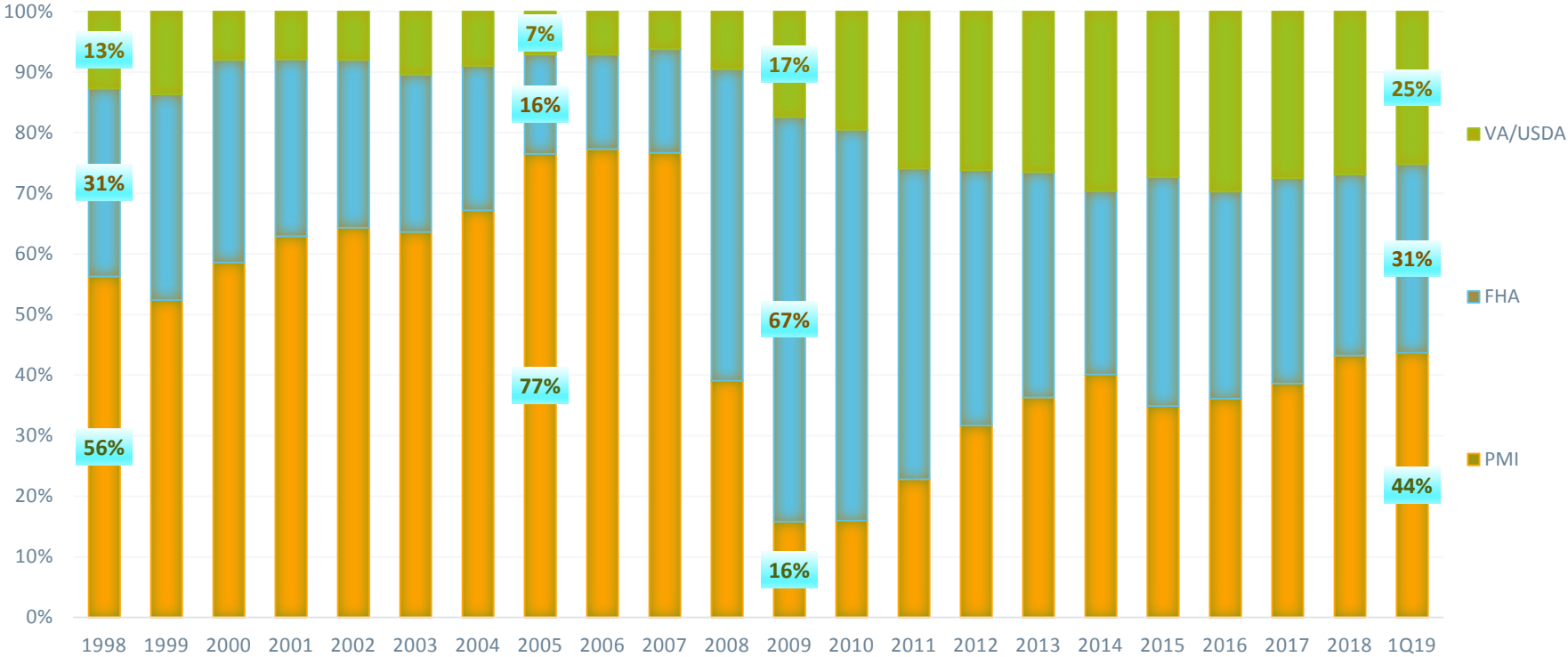


Loans in Default and Default Rate



FHA/VA's Share of the Insured Mortgage Market has Declined since 2010

MARKET SHARES OF INSURED ORIGINATIONS



Source: Inside Mortgage Finance

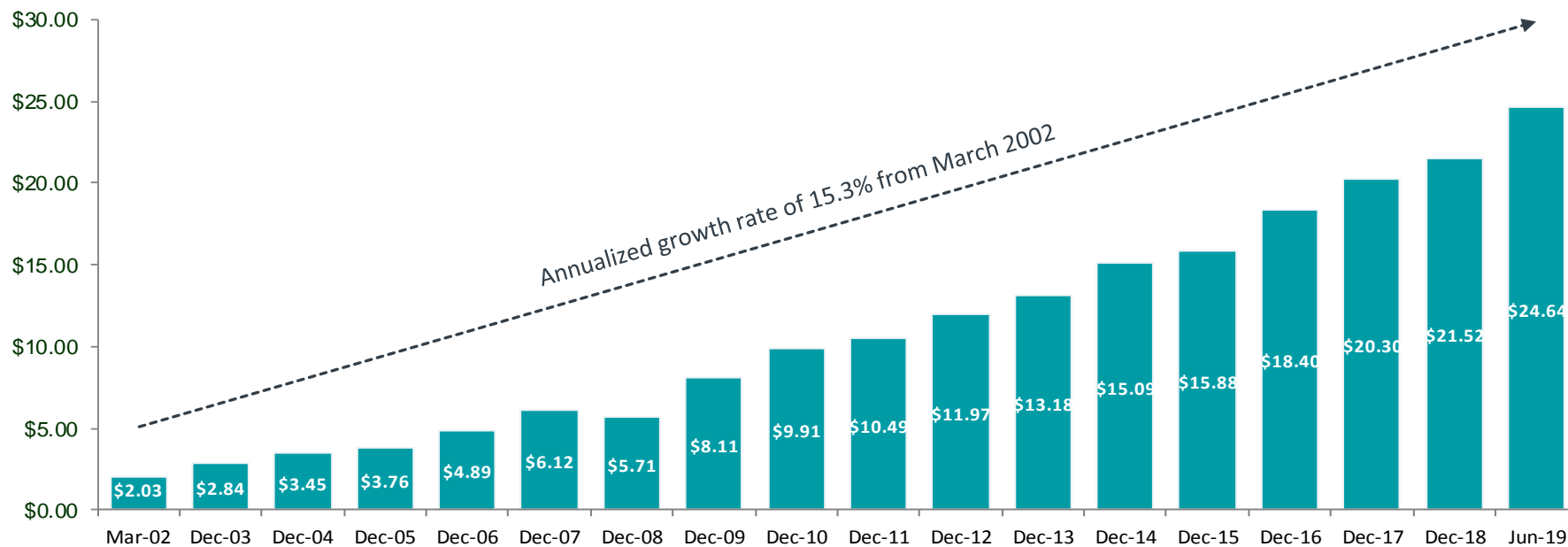
- **Upfront risk management through risk based pricing (Ratestar)**
 - Consists of 1.3M unique rates and adjustments across 17 risk dimensions
 - Reflects differences in economic conditions and can be updated in most states without need to re-file
 - Rate adjustments (i.e. surcharges) have the same level of granularity as base rates
- **Purchase reinsurance to mitigate stress losses and optimize capital**
 - Utilize Insurance Linked Securities (ILS) market through Bellemeade Re to mitigate stress losses and gain insight into capital market’s perception of Mortgage’s portfolio
 - Third party multi-line reinsurers
- **RDS approach facilitates understanding of Mortgage risk portfolio’s losses in a severe stress**
 - Manage risk similar to short tail property cat and longer tail casualty clash risks
 - Limits maximum exposure to 25% of tangible equity

As of July 29, 2019, Arch has \$3.4B of coverage from Bellemeade Re



Cedants	<ul style="list-style-type: none"> United Guaranty Residential Insurance Co. and Arch Mortgage Insurance Co.
Reinsurer	<ul style="list-style-type: none"> Bellemeade Re 2019-3 Ltd. (Bellemeade Re), a special purpose reinsurer domiciled in Bermuda
Effective Date	<ul style="list-style-type: none"> May 1, 2019
Maturity	<ul style="list-style-type: none"> July 25, 2029 (optional call on July 25, 2024)
Coverage	<ul style="list-style-type: none"> Bellemeade Re will reinsure cedants' RIF on a pool of loans that was predominately originated during 2016. Bellemeade Re is responsible for all losses exceeding 2.5% of RIF subject to an initial limit of \$701 million Reinsurance from Bellemeade Re will inure to the benefit of Arch Re Ltd
Allocation of Principal Repayments	<ul style="list-style-type: none"> If the default rate is less than 4% and Class A's subordination is at least 11.05%, Class A's coverage will be reduced by its pro rata share of principal repayments on covered loans, and the remaining principal repayments on covered loans will be allocated to the most senior class with coverage remaining If the default rate is greater than 4% or Class A's subordination is less than 11.05%, all principal repayments on covered loans will be allocated to Class A (i.e., no amortization of bonds)
Allocation of Losses	<ul style="list-style-type: none"> Covered losses are allocated sequentially to the most junior class with coverage remaining
Pricing	<ul style="list-style-type: none"> Initial: M-1A (A- rating by Fitch and AAA rating by Morningstar): 110 basis points (bps), M-1B (BBB-/AA-): 160 bps, M-1C (NR/A-): 195 bps, B-1 (BBB+): 250 bps (duration weighted average: 171 bps assuming exercise of call)
Security	<ul style="list-style-type: none"> Bellemeade Re will maintain a trust account with funds equal to the coverage it provides to the cedants Eligible investments for trust are money market funds that invest directly in U.S. Treasuries and Agencies

Book value per common share¹



Total Capitalization ² (\$B):	\$1.0	\$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	\$12.5
Debt/Preferred to Total Capitalization ²	0.0%	10.5%	11.8%	10.8%	7.7%	6.9%	10.4%	8.5%	8.2%	8.0%	7.2%	18.7%	17.3%	17.2%	28.7%	26.4%	22.5%	20.1%

¹ Split adjusted as of March 31, 2019, excluding the effects of stock options and restricted stock units outstanding

² Available to Arch, including senior debt, preferred equity, common stock and AOCI.

- Flexible business mix well-positioned to manage through market cycles
- Experienced underwriting teams compensated for long term performance
- Disciplined risk management and conservative reserving philosophy
- Strong balance sheet with high-quality investment portfolio
- Long-term track record of consistent financial performance and risk adjusted returns

Investor Inquiries:

Donald Watson

Executive Vice President,
Financial Services

(914) 872 3616

DWatson@archcapservices.com

Vinay Misquith

Vice President,
Financial Services

(914) 872 3666

Vmisquith@archcapservices.com

Arch Capital Services Inc.

360 Hamilton Ave
Suite 600

White Plains, NY 10601

www.archcapgroup.com