



NEWS RELEASE

Arch Capital Group Ltd. to Acquire Barbican Group Holdings Limited

2019-07-30

PEMBROKE, Bermuda--(BUSINESS WIRE)-- Arch Capital Group Ltd. [NASDAQ: ACG] has entered into an agreement to purchase Barbican Group Holdings Limited ("Barbican") from funds managed by Carlson Capital, a U.S.-based alternative asset management firm, subject to regulatory approval.

The acquisition includes Barbican Managing Agency Limited, Lloyd's Syndicate 1955, Lloyd's Syndicate 1856 ("Arcus"), Lloyd's Special Purpose Arrangement ("SPA") 6132, Castel Underwriting Agencies Limited ("Castel") and other associated entities.

"The acquisition of Barbican deepens Arch's commitment to both Lloyd's and the London market and provides our broker partners with a more comprehensive array of products and expertise," said Hugh Sturgess, President and CEO, Arch Insurance International. "The Barbican team has built an innovative platform and valuable specialty businesses with excellent long-term prospects. We look forward to building an even more compelling combined value proposition in the near future."

Maamoun Rajeh, Chairman and CEO, Arch Worldwide Reinsurance Group, added: "We welcome the Barbican team to Arch and look forward to providing a material Arch Reinsurance offering through Lloyd's for the first time. Arch has always been an excellent steward of third-party capital, and we're enthusiastic about expanding the existing relationships with third-party capital providers that have been crucial to Barbican's operating model."

Nicolas Papadopoulo, Chairman and CEO, Arch Worldwide Insurance Group, noted the acquisition reinforces Arch Insurance's commitment to Lloyd's and London. "The Barbican team enhances our existing specialty lines

expertise," he said. "I look forward to the new perspectives those employees will bring to our London business and working together to shape the future of our combined operation. We also wish to welcome the team from Castel, whose continued growth will be financially supported by Arch while operating independently."

The transaction is expected to close in late third quarter or early fourth quarter 2019, pending regulatory approvals.

Advisors

RBC Capital Markets is acting as exclusive financial advisor to Arch. TigerRisk Capital Markets & Advisory is acting as exclusive financial advisor to Carlson Capital and Barbican. Legal advisors to Arch were Womble Bond Dickinson (UK) LLP, with Willkie Farr & Gallagher (UK) LLP acting as legal advisors to Carlson Capital.

About Arch Capital Group Ltd.

Arch Capital Group Ltd., a Bermuda-based company with approximately \$12.49 billion in capital at June 30, 2019, provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries.

Cautionary Note Regarding Forward-looking Statements

The Private Securities Litigation Reform Act of 1995 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 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.

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