NEWS RELEASE

Arch Capital Group Ltd. to Acquire Westpac Lenders Mortgage Insurance Limited

2021-03-17

PEMBROKE, Bermuda--(BUSINESS WIRE)-- The Global Mortgage Group of Arch Capital Group Ltd. (NASDAQ: ACGL) has entered into a share purchase agreement with the Westpac Group (Westpac) to acquire Westpac Lenders Mortgage Insurance Limited (WLMI), an Australian Prudential Regulation Authority (APRA) authorized captive lenders mortgage insurance (LMI) provider to Westpac. WLMI had shareholders' equity of $AUD 285.7 million as of Sept. 30, 2020.

As part of the agreement, WLMI will retain its existing risk in force and become Westpac's exclusive provider of LMI on new mortgage originations for a period of 10 years. Upon completion of the transaction, Arch intends to combine the operations of WLMI and its existing Australian LMI company, Arch LMI Pty Ltd.

Arch has been active in the Australian LMI market since 2011, when it began providing support for WLMI's reinsurance treaties. In 2019, Arch LMI Pty Ltd was authorized as a lenders mortgage insurer by APRA. The acquisition of WLMI will secure Arch's Australian LMI flow of business from Westpac Bank and augment the Company's position as the only globally diversified insurer of mortgage credit risk. In addition to Australia, Arch has mortgage insurance and reinsurance operations in Bermuda, Europe and the United States.

"Australia has been and continues to be an important market for our mortgage insurance business. This acquisition reinforces our commitment to both the market and our clients and enhances Arch's position as a leading provider of LMI in Australia," said David Gansberg, CEO, Global Mortgage for Arch Capital Group Ltd. "We look forward to continuing our long-standing partnership with Westpac by being their exclusive provider of LMI and will remain focused on providing innovative solutions and excellent service to clients across Australia."

The transaction is expected to close later this year pending antitrust and regulatory approvals from APRA and from the Australian Competition and Consumer Commission.

Advisors

Credit Suisse acted as financial advisor, KPMG acted as tax advisor and Clyde & Co acted as legal advisor to Arch in the transaction.

About Arch Capital Group Ltd.

Arch Capital Group Ltd., a publicly listed Bermuda exempted company with approximately $15.8 billion in capital at Dec. 31, 2020, 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 the Company’s ability to maintain and improve its ratings; investment performance; the loss of key personnel; the adequacy of the Company’s 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; the Company’s ability to successfully integrate, establish and maintain operating procedures as well as 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 the Company of reinsurance to manage the Company's gross and net exposures; the failure of others to meet their obligations to the Company; changes in the method for determining the London Inter-bank Offered Rate ("LIBOR") and the potential replacement of LIBOR and other factors identified in the Company's 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. The Company undertakes 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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