



NEWS RELEASE

# Arch Capital Group Ltd. to Obtain Minority Stake in Coface

2020-02-25

PEMBROKE, Bermuda--(BUSINESS WIRE)-- Arch Capital Group Ltd. [NASDAQ: ACGL] has entered into a share purchase agreement with Natixis regarding the acquisition of a 29.5% stake in Coface, a France-based leader in the global trade credit insurance market.

The transaction will be completed at a price of €10.70 per share (dividend until closing attached), corresponding to a transaction value of approximately €480 million based on the current number of shares.

Marc Grandisson, Arch's Chief Executive Officer, said, "This is a long-term, strategic investment in Coface, and fits with Arch's efforts to develop uncorrelated sources of underwriting income. Our companies share a focus on specialty underwriting where knowledge and expertise create value for our clients, and trade credit contributes to Arch's specialty-driven business model."

Grandisson added, "We support Coface's management team and are aligned with their strategic plan."

As part of the transaction, Natixis' seven representatives on Coface's board of directors will resign and be replaced by four Arch nominees. This will result in the majority of Coface's board members being independent. Coface has indicated that it will seek a new independent board member and will appoint a chairman of the board from among the independent board members.

There are no anticipated impacts on Coface's or Arch's employees resulting from the proposed transaction. Arch has indicated that it does not intend to seek control of Coface for a period of 12 months after the closing of the

transaction.

The transaction remains subject inter alia to antitrust and regulatory approvals, including in particular, approval by the French prudential regulator, the Autorité de Contrôle Prudentiel et de Résolution (ACPR).

## Advisors

Long Arc Capital acted as strategic advisor, Lazard acted as financial advisor and Willkie Farr & Gallagher LLP acted as legal advisor to Arch in the transaction.

## About Arch Capital Group Ltd.

Arch Capital Group Ltd., a Bermuda-based company with approximately \$13.23 billion in capital at Dec. 31, 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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Source: Arch Capital Group Ltd.