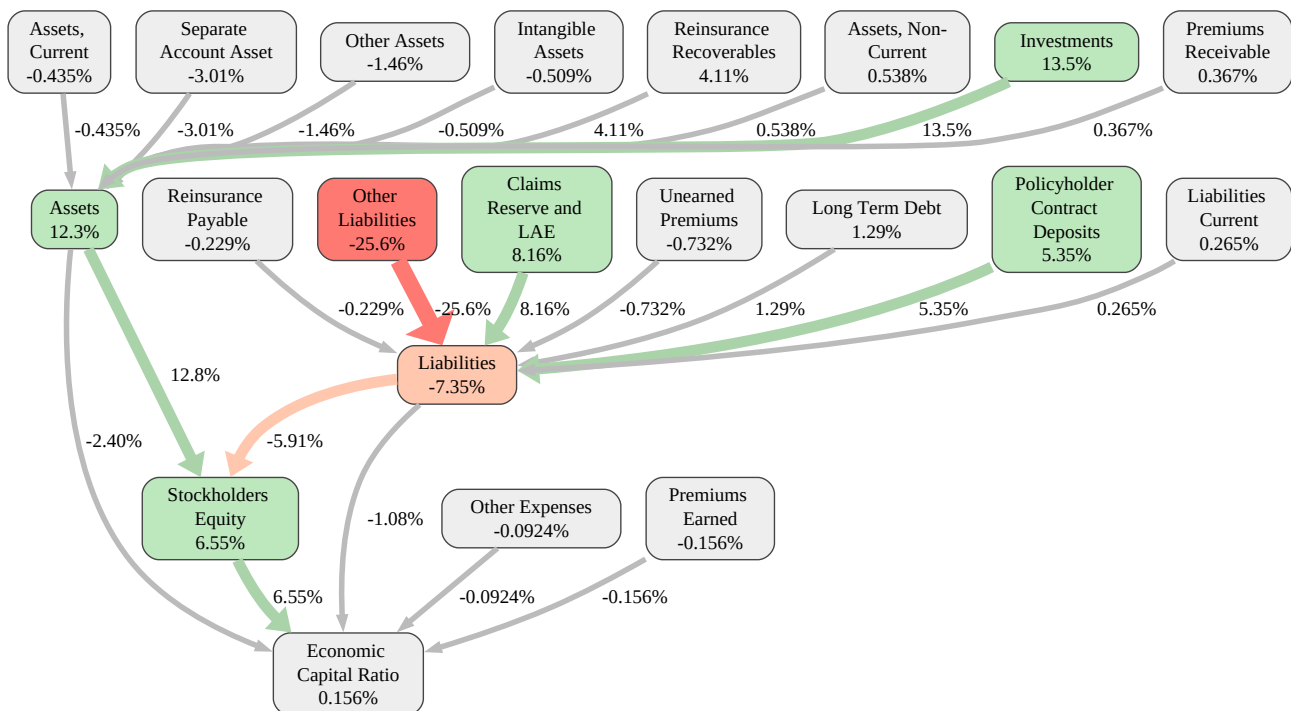




The relative strengths and weaknesses of ARCH Capital Group LTD are analyzed with respect to the market average, including all of its competitors. We analyzed all variables having an effect on the Economic Capital Ratio.

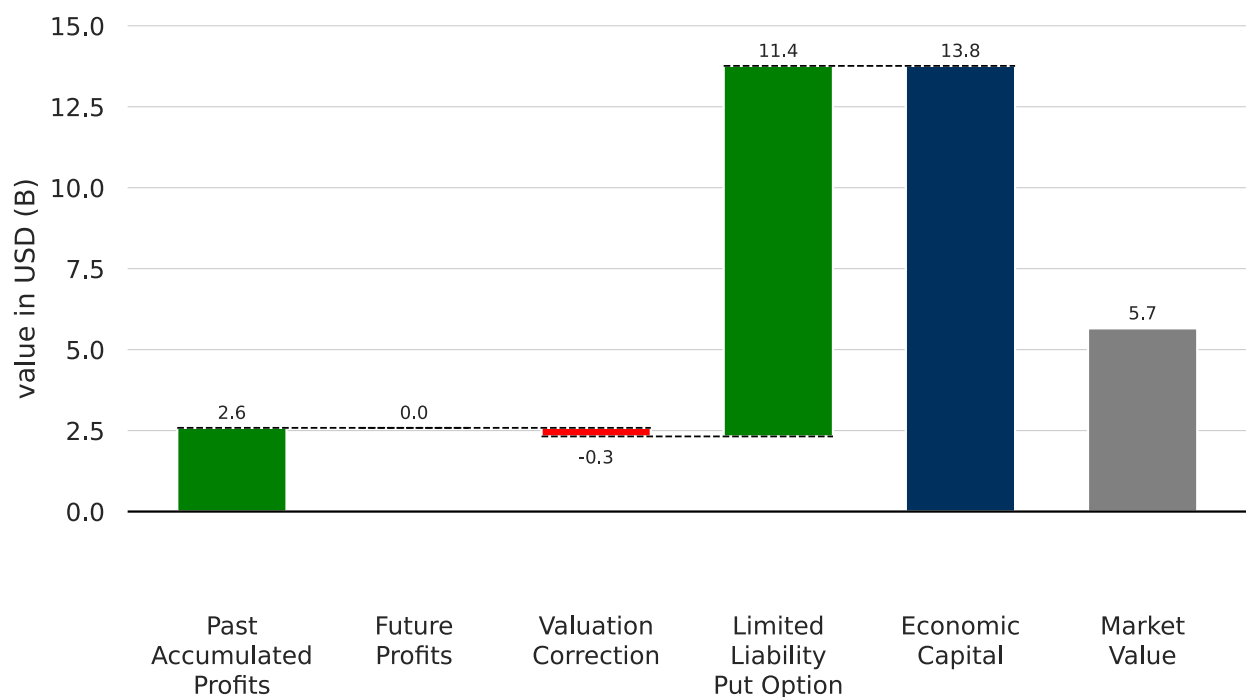
The greatest strength of ARCH Capital Group LTD compared to the market average is the variable Investments, increasing the Economic Capital Ratio by 14% points. The greatest weakness of ARCH Capital Group LTD is the variable Other Liabilities, reducing the Economic Capital Ratio by 26% points.

The company's Economic Capital Ratio, given in the ranking table, is 90%, being 0.16% points above the market average of 90%.

Input Variable	Value in 1000 USD
Assets, Current	371,041
Assets, Non-Current	519,409
Claims Reserve and LAE	0
Deferred Acquisition Costs Amortization	508,884
Deferred Policy Acquisition Costs	262,822
General and Administrative Expense	465,353
Insurance Commissions and Fees	8,090
Intangible Assets	0
Investment Income	0
Investments	12,691,240
Liabilities Current	0
Long Term Debt	0
Other Assets	1,114,856
Other Compr. Net Income	0
Other Expenses	53,470
Other Liabilities	10,811,360
Other Net Income	0
Other Revenues	539,151
Policyholder Benefits and Claims	1,861,277
Policyholder Contract Deposits	0
Premiums Earned	2,935,140
Premiums Receivable	688,873
Reinsurance Payable	188,546
Reinsurance Recoverables	2,168,521
Revenues Y+1	0
Revenues Y+2	0
Revenues Y+3	0
Revenues Y+4	0
Revenues Y+5	0
Separate Account Asset	0
Unearned Premiums	1,647,978

Output Variable	Value in 1000 USD
Assets	17,816,762
Liabilities	12,647,884
Expenses	2,888,984
Revenues	3,482,381
Stockholders Equity	5,168,878
Net Income	593,397
Comprehensive Net Income	593,397
BaseVar	200,446,422
ECR before Limited Liability	15%
Economic Capital Ratio	90%

Company Valuation: ARCH Capital Group LTD



The RealRate Economic Capital of a company is its Past Accumulated Profits plus its Future Profits plus its Valuation Correction plus its Limited Liability Put Option. Past Accumulated Profits and Future Profits can be negative. The Limited Liability Put Option accounts for the limited liability of the shareholders, so the Economic Capital never falls below zero. Where the company is listed, its market value is shown next to it.