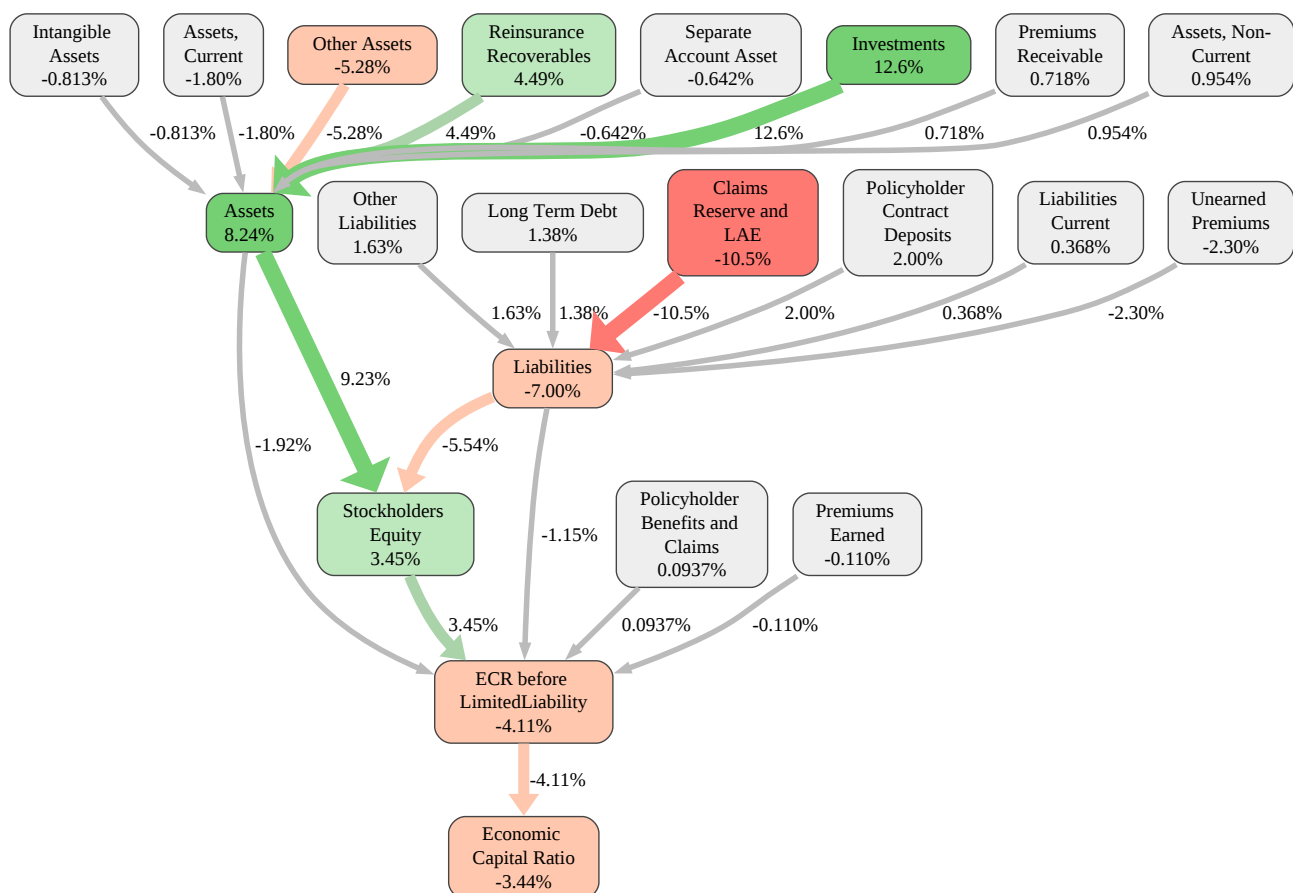




The relative strengths and weaknesses of ARCH Capital Group LTD are analyzed with respect to the market average, including all of its competitors. We analyzed all variables having an effect on the Economic Capital Ratio.

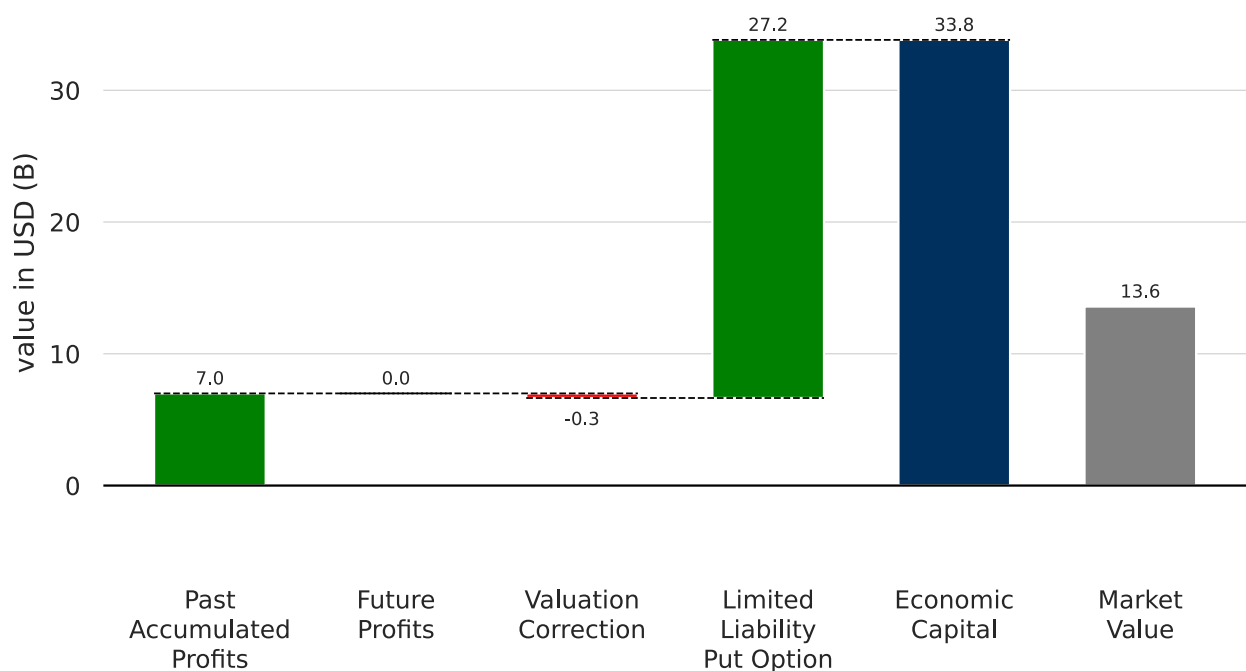
The greatest strength of ARCH Capital Group LTD compared to the market average is the variable Investments, increasing the Economic Capital Ratio by 13% points. The greatest weakness of ARCH Capital Group LTD is the variable Claims Reserve and LAE, reducing the Economic Capital Ratio by 11% points.

The company's Economic Capital Ratio, given in the ranking table, is 93%, being 3.4% points below the market average of 97%.

Input Variable	Value in 1000 USD
Assets, Current	906,448
Assets, Non-Current	1,853,579
Claims Reserve and LAE	16,513,929
Deferred Acquisition Costs Amortization	1,004,842
Deferred Policy Acquisition Costs	790,708
General and Administrative Expense	957,164
Insurance Commissions and Fees	26,784
Intangible Assets	0
Investment Income	0
Investments	28,761,358
Liabilities Current	0
Long Term Debt	0
Other Assets	3,170,741
Other Compr. Net Income	216,614
Other Expenses	407,959
Other Liabilities	7,043,118
Other Net Income	0
Other Revenues	1,506,556
Policyholder Benefits and Claims	4,689,599
Policyholder Contract Deposits	215,581
Premiums Earned	6,991,935
Premiums Receivable	2,064,586
Reinsurance Payable	683,263
Reinsurance Recoverables	5,734,877
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	4,838,965

Output Variable	Value in 1000 USD
Assets	43,282,297
Liabilities	29,294,856
Expenses	7,059,564
Revenues	8,525,275
Stockholders Equity	13,987,441
Net Income	1,465,711
Comprehensive Net Income	1,574,018
BaseVar	885,829,060
ECR before Limited Liability	18%
Economic Capital Ratio	93%

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.