APOLLO RE
1969 at LLOYD'S

SYNDICATE 6133
ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

KEY PERFORMANCE INDICATORS

ANNUAL BASIS	2019 $'m	2018 $'m	CHANGE
GROSS PREMIUM WRITTEN	67.0	58.9	14%
NET PREMIUM WRITTEN	43.5	42.7	2%
NET PREMIUM EARNED	43.0	30.6	40%
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11.5	(27.3)	
CLAIMS RATIO	34%	151%	(117)%
EXPENSE RATIO	38%	40%	(2)%
COMBINED RATIO	72%	191%	(119)%

Highlights:

- Apollo Syndicate 6133 recorded a profit of $11.5m on an annual accounting basis, with an improved combined ratio of 72%;
- The profitability of the 2019 year of account basis is likely to be marginal due to a number of catastrophe losses in 2019, including Hurricane Dorian and Typhoons Faxai and Hagibis;
- The rating environment has continued to be positive in 2019;
- Apollo will increase the balance of International business as opportunities allow;
- Apollo anticipates growth from specific and identifiable sources, potentially increasing average line size through larger offerings and improved signings.

"We expect the syndicate's overall profitability to improve in 2020 and beyond. We are strengthening our analytical capabilities to give the talented team at 6133 additional tools as we build the portfolio to achieve greater portfolio diversity. We believe there is significant opportunity in the syndicate as the market hardens."

David Ibeson

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SYNDICATE 6133
DIRECTORS AND ADMINISTRATION

MANAGING AGENT
Apollo Syndicate Management Limited

REGISTERED OFFICE
One Bishopsgate
London, EC2N 3AQ

COMPANY REGISTRATION NUMBER
09181578

COMPANY SECRETARY
AJ Gray

DIRECTORS

JM Cusack	(Non-Executive Chairman)	
J Schäfermeier	(Non-Executive Director)	(Appointed 29 August 2019)
MEL Goddard	(Non-Executive Director)	
MP Hudson	(Non-Executive Director)	
AP Hulse	(Non-Executive Director)	
DCB Ibeson		
NJ Burkinshaw		(Appointed 8 July 2019)
JD MacDiarmid		
VVV Mistry		(Appointed 1 November 2019)
SAC White		

ACTIVE UNDERWRITER
MJ Rayner

AUDITOR
Deloitte LLP
Statutory Auditor
London, United Kingdom

DIRECTORS AND ADMINISTRATION

BACKGROUND AND CURRENT PORTFOLIO

The Special Purpose Arrangement Syndicate 6133 ("the syndicate") commenced underwriting for the 2018 year of account, writing US and International Property Treaty business. Its business is written by way of a 90% quota share reinsurance of the Property Treaty class written by Syndicate 1969, which retains 10% of the risks. Stamp capacity for the syndicate was increased to $66.0m (£50.0m) for the 2019 year of account, from $45.5m (£35.0m) for the 2018 year of account.

We comment below on the 2019 calendar year result, 2019 underwriting and developments, and the portfolio for 2020.

2019 CALENDAR YEAR RESULT

The result for the 2019 calendar year on an annual accounting basis is a profit of $11.5m (2018: loss of $27.3m) with a combined ratio of 72.4% (2018: 190.8%). The 2019 calendar year result aggregates the performance during the year of all open years of account (2018 and 2019).

The profit for the calendar year is split between a loss on the 2019 year of account of $4.6m and a profit on the 2018 year of account of $16.1m.

Our total gross loss estimates and reinsurance recoveries for the 2018 catastrophe events, namely Hurricanes Florence and Michael, Typhoons Jebi and Trami and the Camp and Woolsey California wildfires, have developed favourably during the 2019 calendar year.

The 2019 calendar year has not been affected by the same level of substantial catastrophe events seen in 2018 and 2017, with catastrophe losses in 2019 caused by relatively fewer medium-sized events. The most heavily affected areas in 2019 were Japan and the Caribbean. Events which affected the syndicate were Hurricane Dorian, Typhoons Faxai and Hagibis. The losses were within our risk appetite for events of this scale and frequency, despite these storms impacting two of our most exposed international areas, including the fastest ever US land-falling Category 5 Hurricane together with two Super-Typhoons hitting Tokyo Bay, Japan's most populated area.

2019 PORTFOLIO

2019 was the second year of underwriting for the Property Treaty account. In the US, we offer capacity to nationwide, super regional and regional/single state insurers, almost exclusively on a catastrophe excess of loss basis. The International portfolio is written on a regional and worldwide (excluding US), basis. This is also primarily on a catastrophe excess of loss basis.

As stated above, the account has experienced a number of catastrophe losses during 2019 which has meant that profitability on a year of account basis is expected to be marginal when the year closes.

For 2019, we have delivered the income within expectations for the year of account. As a result of the catastrophe losses of 2017 and 2018, the rating environment has continued to be more positive in 2019.

Given the geography of the losses, the majority of the rate increases came from the US, Caribbean and Japan. The account continues to be primarily US-focused (75%). We will increase the balance of International business as opportunities allow with an adequate risk reward ratio.

2020 PORTFOLIO

The 2020 Lloyd's approved plan for the syndicate is to underwrite $72.0m of premium income (£56.7m at the planning foreign exchange rate of $1.27). This equates to $63.0m (£49.6m)(net of commission). The stamp capacity for the syndicate is $76.2m (£60.0m). The syndicate will continue to write a 90% quota share reinsurance of the Property Treaty class written by Syndicate 1969. We are fully capitalised to deliver our business plan for 2020.

The market continues to build on last year's positive rate movement and momentum. We are currently seeing rates increasing more than we have planned for 2020. This brings us further opportunities for profitable growth in 2020 as we seek to develop the Property Treaty book further.

Opportunities for growth in 2020 can be achieved through a combination of new business and expanding our position on existing programmes. We are anticipating growth from specific and identifiable sources, including looking to increase our average line size, through larger offerings and improved signings. We do not anticipate any changes to our target client base for 2020.

I would like to thank you for your on-going support for Apollo Re and look forward to updating you with our progress in the future.

£56.7m

MJ Rayner
Active Underwriter
5 March 2020

REPORT OF THE DIRECTORS OF THE MANAGING AGENT

The directors of the managing agent present their report, which incorporates the strategic review, for Syndicate 6133 for the year ended 31 December 2019.

This annual report is prepared using the annual basis of accounting as required by Statutory Instrument No. 1950 of 2008, The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("Lloyd's Regulations 2008").

Separate underwriting year accounts for Syndicate 6133 will be produced from the 2020 year end when the first year of account closes.

PRINCIPAL ACTIVITY

This report covers the business of Syndicate 6133, which was established for the 2018 year of account as a Special Purpose Arrangement. Trading as Apollo Re the principal activity of the syndicate is to underwrite a quota share reinsurance of Syndicate 1969 in respect of its Property Treaty class of business. A single inwards policy is written for each year of account.

The quota share contract with Syndicate 1969 operates on a funds withheld basis. Under this arrangement all transactions are undertaken by Syndicate 1969 on behalf of the syndicate, which retains the accumulation of net cash flows until closure of the year, when the declared result will be remitted to members. Investment income arising on the business is allocated to the funds withheld balance.

Syndicate 6133 trades through Lloyd's worldwide licenses and rating and has the benefit of the Lloyd's brand. Lloyd's has an A (Excellent) rating from A.M. Best, A+ (Strong) from Standard & Poor's and AA- (Very Strong) from Fitch.

The syndicate's capacity for the 2019 year of account was £50m ($66.0m at the Lloyd's planning rate of $1.32). In 2018 capacity was £35m ($45.5m at Lloyd's planning rate of 1.34). Stamp capacity for the 2020 year of account has increased to £60.0m ($76.2m at $1.27).

Apollo Syndicate Management Limited ("ASML") is approved as a managing agency at Lloyd's and is authorised by the Prudential Regulation Authority. ASML is regulated by the Financial Conduct Authority and Prudential Regulation Authority.

RESULTS

ASML uses a range of key performance indicators, including those shown in the table, to measure the performance of the syndicate against its objectives and overall strategy. These indicators are regularly reviewed and are measured against plan and prior year outcomes.

Gross written premium increased to $67.0m in the syndicate's second year of operation (2018: $58.9m). The result for the year was a profit of $11.5m (2018: loss of $27.3m). Profits and losses are distributed and called respectively by reference to the results of individual underwriting years.

The syndicate predominantly writes business denominated in US Dollars and therefore reports accordingly. This aids comparability between years and reduces volatility in the reported results caused by foreign currency exchange rates.

RESULTS

ANNUAL BASIS	2019 $'M	2018 $'M	CHANGE
GROSS PREMIUM WRITTEN	67.0	58.9	14%
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Notes:
The claims ratio is the ratio of net claims incurred to net premiums earned.
The expense ratio is the ratio of net operating expenses to net premiums earned.
The combined ratio is the sum of the claims and expense ratios.
The expense and combined ratios exclude investment return and foreign exchanges gains and losses.

REVIEW OF THE BUSINESS

As a mono-line Property Treaty reinsurer writing US and International catastrophe business significant result volatility is expected. The results are managed to the risk appetite through the placing of an outwards excess of loss reinsurance programme. The 2019 calendar year result is made up of results from the 2018 and 2019 years of account.

Large natural catastrophe events in the calendar year materially impacted the result, the most significant of which were Hurricane Dorian and Typoons Faxai and Hagibis. These losses almost exclusively hit the 2019 year of account and were within the business planning expectations for events of this size and nature.

Rates improved by 7.1% in 2019. The 2019 year of account forecast will be published at 15 months.

The 2018 year of account developed favourably in the calendar year with improvements on the 2018 catastrophes, notably Hurricanes Florence and Michael, Typhoons Jebi and Trami and the Californian wildfires. The development in part reflected a cautious view taken for reinsurance recoveries at the 2018 year end. 2018 will make a loss following a high incidence of natural catastrophe events and is forecast to close at a loss of between 17.5% and 27.5% of capacity.

Apollo Re is becoming established in the Lloyd's market and is continuing to receive excellent support from a wide range of brokers. We believe the syndicate is well positioned to take advantage of the improving rating environment resulting from recent loss activity.

Further information regarding the syndicate underwriting portfolio is contained in the Active Underwriter's report.

INVESTMENT PERFORMANCE

The syndicate received an allocation of investment income of $0.7m (2018: $0.3m) from Syndicate 1969. This represents the investment income attributable to business undertaken by Syndicate 1969 on behalf of the syndicate.

CAPITAL

For syndicate 1969 ASML assesses the capital requirements through a rigorous process of risk identification and quantification using an internal capital model at a 1:200 year confidence level. The model is based on Solvency II regulatory requirements and has been approved by Lloyd's. The ultimate Solvency Capital Requirement ("SCR") is subject to an uplift determined by Lloyd's based on its assessment of the economic capital requirements for the Lloyd's market in total. The SCR together with the Lloyds' uplift is referred to as the Economic Capital Assessment ("ECA"). Syndicate 1969's capital assessment includes its retained share of the Property Treaty portfolio. In the first two years of operation of Syndicate 6133, the capital has been set by Lloyd's using a combination of market benchmarks and the syndicate's own business plan. The ECA for the 2019 underwriting year was set at 141% of capacity and for the 2020 underwriting year is 118% of capacity based on their requirements for new syndicates. From 2021 Lloyd's will have more regard to the output of our own internal models.

Lloyd's unique capital structure provides excellent financial security to policyholders and capital efficiency for members. The Lloyd's chain of security underlies the financial strength that ultimately backs insurance policies written at Lloyd's and has three links:

1. All premiums received by syndicates are held in trust as the first resource for settling policyholders' claims;
2. Every member is required to hold capital in trust funds at Lloyd's which are known as Funds at Lloyd's ("FAL"). FAL is intended primarily to cover circumstances where syndicate assets are insufficient to meet participating members' underwriting liabilities. FAL is set with reference to the ECA's of the syndicates that the member participates on. Since FAL is not under the control of the managing agent, it is not shown in the syndicate accounts. The managing agent is, however, able to make a call on members' FAL to meet liquidity requirements or to settle underwriting losses if required; and
3. Lloyd's central assets are available at the discretion of the Council of Lloyd's to meet any valid claim that cannot be met through the resources of any member further up the chain. Lloyd's also retains the right to request a callable contribution equal to 3% of members' capacity on the syndicate.

PRINCIPAL RISKS AND UNCERTAINTIES

The managing agent has established a risk management function for the syndicate with clear terms of reference from the Board of Directors and its committees. The ASML Board approves the risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of these policies.

The risk appetites are set annually as part of the syndicate business planning and capital setting process. The risk management function is also responsible for maintaining the syndicate's Own Risk and Solvency Assessment ("ORSA") process and provides regular updates to the Board. The formal ORSA report for the syndicate is provided to the Board annually for approval.

The managing agent recognises that the syndicate's business is to accept risk which is appropriate to enable it to meet its objectives and that it is not realistic or possible to eliminate risk entirely. A description of the principal risks and uncertainties facing the syndicate is set out in the note 4 to the annual accounts. The Board has agreed a number of key risk indicators and approved the corresponding appetite for each measure. A traffic light indicator is used for monitoring current levels of risk.

The agreement for the implementation of the Brexit withdrawal agreement legislation was ratified by the Council of the European Union ("EU") on 30 January 2020. The UK's withdrawal from the EU took effect on 31 January 2020. The agreement provides for a transition period until 31 December 2020, during which the UK remains in the single market, in order to ensure frictionless trade until a long-term relationship is agreed. If no such agreement is reached by that date and the transition period is not extended (as remains the official Government position), a "no deal" Brexit would remain the default outcome in 2021.

To date the only material impact of Brexit on ASML has been the reduction in the value of Sterling relative to US Dollars since the vote. This has materially reduced ASML's (mainly Sterling) expenses relative to its (mainly US Dollar) premium income. There are a number of scenarios where the Sterling could appreciate against US Dollars in the future: for instance if the UK were to remain in the Single Market, or if the current trade deficit is reduced. There is also the potential for Sterling to continue to depreciate against US Dollars, for instance where trade deals do not materialise, or are poorly designed. It is unclear how much of the downside risk that a "no deal" Brexit could have upon the UK economy has already been "priced in" to currency markets.

The syndicate is not expected to be materially impacted by Brexit from an underwriting standpoint given that it writes only a small amount of European business. Lloyd's has established an insurance company trading as Lloyd's Brussels which gives syndicates access to the EU market. ASML commenced writing business through Lloyd's Brussels from 1 January 2019.

As with most of the insurance industry, climate change is going to be an area where we will expect to give greater focus to in the coming years. The perceived risks around climate change are great and should not be underestimated, but the opportunities around providing suitable cover, products and claims service to our clients align to ASML's service model.

There is consensus within the scientific community that, at a global level:

- Average temperatures (including sea surface temperatures) are increasing,
- Temperature extremes (hot and cold) are becoming more volatile, and are seen at a higher frequency than in the past, and
- The frequency and severity of life-threatening weather events are increasing.

However, there is uncertainty around how climate change will impact individual weather phenomena. Due to the inherent complexity and pace of global warming, meteorologists need to extrapolate from a relatively small number of data points to forecast how weather events may change over a relatively short time-frame. ASML seeks to engage with external experts and modelling companies to ensure that the uncertainty that climate change brings to the underwriting of catastrophe risk is adequately allowed for in its pricing and exposure management processes.

Per the PRA's Supervisory Statement 3/19 requirements, the Chief Risk Officer has been nominated as the designated SM&CR holder who has responsibility for the financial impacts of climate change. An appropriate plan of action continues to be developed and implemented by appropriately skilled and experienced teams within the business in order to ensure that the range of potential climate change-related impacts from physical asset risks to transition risks within the investment portfolio are appropriately managed.

CORPORATE GOVERNANCE

The ASML Board is chaired by Julian Cusack, who is supported by four further non-executive directors, three of whom are independent. Sven Althoff resigned on 7 March 2019 and was replaced by Jens Schäfermeier on 29 August 2019.

David Ibeson is the Chief Executive Officer and at the year end there were four further executive directors. Nick Burkinshaw was appointed as Chief Underwriting Officer on the 8 July 2019. Nick Jones, Matt Newman and Mark Rayner resigned from the Board on the 30 July 2019 but continue as active underwriters for their respective syndicates. Vinay Mistry was appointed to the board on 1 November 2019 as Chief Risk Officer replacing Phil Ellis who resigned on the same date.

Defined operational and management structures are in place and terms of reference exist for all Board and executive committees.

The ASML Board meets at least four times a year and more frequently when business needs require. The Board has a schedule of matters reserved for its decision and was supported by the Audit Committee, the Risk Committee and the Remuneration and Nominations Committee. These committees are comprised of independent non-executive directors.

The Board also receives regular reports from the key management committees, the Executive Committee, Underwriting Committee, Reserving Committee, Risk and Capital Committee, Finance Committee and Operations Committee. These other committees report through the Executive Committee which oversees the day-to-day operation of the business.

STAFF MATTERS

ASML's people are a key asset and resource and their retention is fundamental to the success of the business. ASML's strategy is to build a strong culture of staff engagement, communication and contribution recognition. This is achieved through monthly staff briefings, a fully open plan cross-function office environment, seeking feedback and a continued focus on diversity. ASML strives to act as a single team where employees work closely across functions, have mutual respect and enjoy coming to work. An external independent hotline has recently been introduced that staff can call anonymously if they have work related concerns.

Terms and conditions offered to employees, as part of their overall remuneration package, remain competitive with the rest of the London Market insurance industry and staff are provided with opportunities to develop their skills and capabilities. The managing agent seeks to provide a good working environment for its staff that is safe and complies with relevant legislation.

BUSINESS OPERATIONS

ASML is Lloyd's-centric with a purely London-based operation and distribution model. ASML fully embraces and supports Lloyd's vision of being a broker market, as well as accessing local markets through third party cover holders.

ASML aims to maintain a lean back office function utilising outsourcing arrangements where flexibility is required or greater efficiency can be achieved. As a mid-sized business in a single location, ASML is able to expand and contract as market conditions dictate. Through the use of specific outsourcing ASML maintains an appropriate support function commensurate with its underwriting capacity. We continue to invest in actuarial, risk management and data management resources in order to ensure that the discipline we aim for in underwriting is matched by the intensity of scrutiny given to pricing, reserving and second line of defence activities.

Lloyd's has rolled out its electronic placement platform (PPL). ASML has embraced this change and is benefitting from the enhancements it brings. Lloyd's provides a target percentage of business for processing through PPL and ASML continued to comfortably exceed this threshold in 2019.

We note Lloyd's Blue Print One offering a number of radical ideas for the future of the market. In our opinion there is a distance to go before these can be translated into workable options but we will participate in consultations actively and position ourselves as necessary to maximise the benefit to ASML, its syndicates, its capital providers and the future development of the Lloyd's brand.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office at the date of signing this report are shown on page 1. Directors' interests are shown in note 13 as part of the related parties note to the accounts.

ANNUAL GENERAL MEETING

The directors do not propose to hold an Annual General Meeting for the syndicate. If any members' agent or direct corporate supporter of the syndicate wishes to meet with them the directors are happy to do so.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each person who is a director of the managing agent at the date of approving this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the syndicate's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the syndicate's auditor is aware of that information.

AUDITOR

Deloitte LLP has indicated its willingness to continue in office as the syndicate's auditor.

FUTURE DEVELOPMENTS

The syndicate will continue to grow the Property Treaty account writing under the Apollo Re brand. Additional revenue is anticipated from rating increases, new business and increased lines on existing programmes.

There are expected to be operating efficiencies through the establishment of new Apollo business initiatives which share the Apollo resources.

The syndicate has placed a comprehensive excess of loss outwards reinsurance programme comparable with 2019. The majority of the cover is provided by non-traditional reinsurance vehicles, is fully collateralised, and is common account with Syndicate 1969.

The syndicate will continue to receive an allocation of the Syndicate 1969 investment income and this will increase as the balance sheet grows. Investment returns are largely dependent on the performance of a short dated fixed income portfolio. Positive valuation adjustments due to reductions in US federal interest rates in 2019 are not expected in 2020 and the portfolio is now constrained to the returns achievable in a lower yielding investment environment.

The syndicate has strong support from capital providers. A strong, diversified and knowledgeable spread capital base gives significant competitive advantage and maintaining this will remain a focus.

I would like to take this opportunity to thank our staff for their hard work and commitment to the business during the last year.

Approved on behalf of the Board.

DCB Ibeson
Chief Executive Officer
5 March 2020

The managing agent is responsible for preparing the syndicate annual accounts in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the managing agent to prepare syndicate annual accounts at 31 December each year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The syndicate annual accounts are required by law to give a true and fair view of the state of affairs of the syndicate as at that date and of its profit or loss for that year.

In preparing the syndicate annual accounts, the managing agent is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the notes to the syndicate annual accounts; and
- prepare the syndicate annual accounts on the basis that the syndicate will continue to write future business unless it is inappropriate to presume that the syndicate will do so.

The managing agent is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the syndicate and enable it to ensure that the syndicate annual accounts comply with the 2008 Regulations. It is also responsible for safeguarding the assets of the syndicate and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

REPORT ON THE AUDIT OF THE SYNDICATE ANNUAL FINANCIAL STATEMENTS

OPINION

In our opinion the syndicate annual financial statements of Syndicate 6133 (the 'syndicate'):

- give a true and fair view of the state of the syndicate's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

We have audited the syndicate annual financial statements which comprise:

- the profit and loss account;
- the statement of changes in members' balances;
- the balance sheet;
- the statement of cash flows;
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the syndicate annual financial statements section of our report.

We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the managing agent's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the managing agent has not disclosed in the syndicate annual financial statements any identified material uncertainties that may cast significant doubt about the syndicate's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the syndicate annual financial statements are authorised for issue.

We have nothing to report in respect of these matters.

OTHER INFORMATION

The managing agent is responsible for the other information. The other information comprises the information included in the annual report, other than the syndicate annual financial statements and our auditor's report thereon. Our opinion on the syndicate annual financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the syndicate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the syndicate annual financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF MANAGING AGENT

As explained more fully in the managing agent's responsibilities statement, the managing agent is responsible for the preparation of the syndicate annual financial statements and for being satisfied that they give a true and fair view, and for such internal control as the managing agent determines is necessary to enable the preparation of syndicate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate annual financial statements, the managing agent is responsible for assessing the syndicate's ability to continue in operation, disclosing, as applicable, matters related to the syndicate's ability to continue in operation and to use the going concern basis of accounting unless the managing agent intends to cease the syndicate's operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SYNDICATE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the syndicate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these syndicate annual financial statements.

A further description of our responsibilities for the audit of the syndicate annual financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Active Underwriter's report and the managing agent's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Active Underwriter's report and the managing agent's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, we have not identified any material misstatements in the active underwriter's report or the managing agent's report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the managing agent in respect of the syndicate has not kept adequate accounting records; or
- the syndicate annual financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

USE OF OUR REPORT

This report is made solely to the syndicate's members, as a body, in accordance with regulation 10 of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the syndicate's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Knight,
FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 March 2020

PROFIT AND LOSS ACCOUNT

TECHNICAL ACCOUNT – GENERAL BUSINESS	NOTES	2019 $'000	2018 $'000
Gross premiums written	5	67,022	58,862
Outward reinsurance premiums		(23,514)	(16,190)
Net premiums written		43,508	42,672
Change in the provision for unearned premiums:			
Gross amount	6	(5,756)	(12,122)
Reinsurers' share	6	5,205	72
Change in the net provision for unearned premiums		(551)	(12,050)
Earned premiums, net of reinsurance		**42,957**	**30,622**
Allocated investment return transferred from the non-technical account	**11**	**725**	**251**
Claims paid			
Gross amount		(46,153)	(13,296)
Reinsurers' share		15,337	-
Net claims paid		(30,816)	(13,296)
Change in the provision for claims			
Gross amount	6	21,221	(67,979)
Reinsurers' share	6	(4,934)	35,188
Change in the net provision for claims		16,287	(32,791)
Claims incurred, net of reinsurance		**(14,529)**	**(46,087)**
Net operating expenses	7	(16,579)	(12,327)
Balance on the technical account - general business		**12,574**	**(27,541)**

All operations relate to continuing activities.

The notes on pages 14 to 27 form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT

NON-TECHNICAL ACCOUNT	NOTES	2019 $'000	2018 $'000
Balance on the technical account - general business		**12,574**	**(27,541)**
Investment income	11	725	251
Allocated investment return transferred to the technical account - general business		(725)	(251)
(Loss)/Profit on foreign exchange		(1,028)	269
Profit/(Loss) for the financial year		**11,546**	**(27,272)**

There were no amounts recognised in other comprehensive income in the current year other than those included in the profit and loss account.

Statement of changes in members' balances
For the year ended 31 December 2019

	2019 $'000	2018 $'000
Members' balances brought forward at 1 January	(27,327)	-
Profit/(Loss) for the financial year	11,546	(27,272)
Members' agents' fees	(71)	(55)
Cash Call from members	20,052	-
Members' balances carried forward at 31 December	**4,200**	**(27,327)**

Members participate on syndicates by reference to years of account and their ultimate result, assets and liabilities are assessed with reference to policies incepting in that year of account in respect of their membership of a particular year.

BALANCE SHEET

ASSETS	NOTES	2019 $'000	2018 $'000
Reinsurers' share of technical provisions			
Provision for unearned premium	6	5,085	-
Claims outstanding	6	30,145	35,100
		35,230	35,100
Debtors			
Other debtors	12	30,619	14,931
Prepayments and accrued income			
Deferred acquisition costs	7	3,251	2,281
Total assets		**69,100**	**52,312**

LIABILITIES	NOTES	2019 $'000	2018 $'000
Capital and reserves			
Members' balances		4,200	(27,327)
Technical provisions			
Provision for unearned premiums	6	17,865	11,909
Claims outstanding	6	47,035	67,730
		64,900	79,639
Total liabilities and members' balances		**69,100**	**52,312**

The annual accounts on pages 10 to 27 were approved by the Board of Apollo Syndicate Management Limited on 5 March 2020 and were signed on its behalf by:

JD MacDiarmid
Finance Director
5 March 2020

STATEMENT OF CASH FLOWS

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit/(Loss) for the financial year		11,546	(27,272)
Adjustments for:			
(Decrease)/Increase in gross technical provisions		(14,739)	79,639
Increase in reinsurers' share of technical provisions		(130)	(35,100)
Increase in debtors		(15,688)	(14,931)
Increase in other assets/liabilities		(970)	(2,281)
Investment return		(725)	(251)
Net cash outflow from operating activities		**(20,706)**	**(196)**
Cash flows from investing activities			
Investment income received		725	251
Net cash inflow from investing activities		**725**	**251**
Cash flows from financing activities			
Members' agents' fees paid on behalf of members		(71)	(55)
Cash call received from members		20,052	-
Net cash inflow/(outflow) from financing activities		**19,981**	**(55)**
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		**-**	**-**

As a Special Purpose Arrangement Syndicate all cash receipts and payments are undertaken by the host Syndicate 1969. The cash flow reflects the line by line elements of Syndicate 1969 that relate to the syndicate with the exception of the cash balance itself which is reflected as a movement in the debtor due from Syndicate 1969.

NOTES TO THE ANNUAL ACCOUNTS

1. BASIS OF PREPARATION

The syndicate comprises a group of members of the Society of Lloyd's that underwrite insurance business in the London Market. The address of the syndicate's managing agent is One Bishopsgate, London EC2N 3AQ.

The annual accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and Financial Reporting Standard 103 Insurance Contracts ("FRS 103").

The annual accounts have been prepared on the historical cost basis, except for financial assets which are measured at fair value through profit or loss.

The syndicate's functional and presentation currency is US Dollars. All amounts have been rounded to the nearest thousand and are stated in US Dollars unless otherwise indicated.

After making enquiries, the directors have a reasonable expectation that continued capital support will be in place such that the syndicate will continue to write new business in future underwriting years of account. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual accounts.

2. USE OF JUDGEMENTS AND ESTIMATES

In preparing these annual accounts, the directors of the managing agent have made judgements, estimates and assumptions that affect the application of the syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which they are identified if the revision affects only that period and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENTS IN APPLYING THE SYNDICATE'S ACCOUNTING POLICIES

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the syndicate's accounting policies.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The syndicate's principal estimate is the provision for claims outstanding, including claims that have been incurred at the reporting date but have not yet been reported ("IBNR"), and the related reinsurers' share. Other significant estimates are written and earned gross premiums, outwards reinsurance premium ceded and earned, acquisition costs and the valuation of investments.

GROSS WRITTEN PREMIUM

Gross written premium comprises contractual amounts, underwriter estimates at a policy level, reflecting guidance provided by clients, and actuarial estimates at a portfolio level based on historical experience.

The gross written premium payable on a policy is often variable, dependent on the volume of trading undertaken by the insured during a coverage period. Estimates of such additional premiums are included in premiums written but may have to be adjusted if economic conditions or other underlying trading factors differ from those expected.

CLAIMS OUTSTANDING

The measurement of the provision for claims outstanding and the related reinsurance requires assumptions about the future that have the most significant effect on the amounts recognised in the annual accounts.

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date and includes IBNR. This is a complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims.

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the managing agent's in-house actuaries. These techniques normally involve projecting from past experience the development of claims over time to form a view of the likely ultimate claims to be expected and, for more recent underwriting, the use of benchmarks and initial expected loss ratios from business plans.

In the situation where there is limited prior experience of the specific business written, considerable use is made of information obtained in the course of pricing individual risks accepted, experience of analogous business and a prudential margin is added to reflect the risk that the outcome, which will not be known for a considerable period of time, may be worse than expected. Account is taken of variations in business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs.

Accordingly, the most critical assumptions as regards claims provisions are that the past is a reasonable indicator of the likely level of claims development, that the notified claims estimates are reasonable and that the rating and other models used for current business are based on fair reflections of the likely level of ultimate claims to be incurred. The level of uncertainty with regard to the estimations within these provisions generally decreases with the length of time elapsed since the underlying contracts were on risk.

The reserve setting process is integrated within Apollo's governance framework. The proposed best estimate reserves are reviewed in detail by the Reserving Committee on a quarterly basis and confidence margins added increase the probability that the reserves are sufficient to meet liabilities so far as they can reasonably be foreseen. These reserves, including margins, are then subject to further review by the Audit Committee on behalf of the Board. Analyses provided to these committees for review include incurred and paid development patterns against ultimate loss and actual versus expected development by class of business and year of account.

The directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available. The ultimate liability will vary as a result of subsequent information and events, which may result in significant adjustments to the amounts provided. The estimate of the provision for claims outstanding will develop over time and the estimated claims expense will continue to change until all the claims are paid. The historic development of claims incurred estimates is set out in the loss development triangles by year of account in note 4. The adjustment in the current year for the revision to the prior year estimate of the provision for claims outstanding is disclosed in note 6.

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in accounting for items which are considered material in relation to the syndicate's annual accounts.

GROSS PREMIUMS WRITTEN

Premiums written comprise premiums on contracts of insurance incepted during the financial year as well as adjustments made in the year to premiums on policies incepted in prior accounting periods. Additional or return premiums are treated as a re-measurement of the initial premium. Estimates are made for pipeline premiums, representing amounts due to the syndicate not yet received or notified.

Premiums are shown gross of brokerage payable and are exclusive of taxes and duties thereon.

OUTWARDS REINSURANCE PREMIUMS

Written outwards reinsurance premiums comprise the estimated premiums payable for contracts entered into during the period and are recognised on the date on which the policy incepts.

Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Under some policies, reinsurance premiums payable are adjusted retrospectively in the light of claims experience. Where written premiums are subject to an increase retrospectively, any potential increase is recognised as soon as there is an obligation to the reinsurer.

PROVISIONS FOR UNEARNED PREMIUMS

Written premiums are recognised as earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written that relate to unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

Outwards reinsurance premiums are earned in the same accounting period as the premiums for the related direct or inwards business being reinsured.

CLAIMS PROVISIONS AND RELATED RECOVERIES

Gross claims incurred comprise the estimated cost of all claims occurring during the year, whether reported or not, including related direct and indirect claims handling costs and adjustments to claims outstanding from previous years.

Incurred claims outstanding are reduced by anticipated salvage and other recoveries from third parties. The amount of any salvage and subrogation recoveries is separately identified and, where material, reported as an asset.

The provision for claims outstanding is assessed on an individual case by case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the estimated cost of IBNR claims as well as claims incurred but not enough reported ("IBNER").

The reinsurers' share of provisions for claims is based on amounts of claims outstanding and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved. Where the security rating provides an indication that the recoverable amount may be impaired a proportion of the balance will be provided for as a provision for bad debt by applying a percentage based on historical experience.

Adjustments to the amounts of claims provisions established in prior years are reflected in the annual accounts for the period in which the adjustments are made. The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities. The methods used, and the estimates made, are reviewed regularly.

UNEXPIRED RISKS PROVISION

A provision for unexpired risks is made where claims and related expenses likely to arise after the end of the financial period in respect of contracts concluded before that date are expected, in the normal course of events, to exceed the unearned premiums and premiums receivable under these contracts after the deduction of any acquisition costs deferred.

A provision for unexpired risks is calculated separately by reference to classes of business which are regarded as managed together after taking into account relevant investment return. All the classes of the syndicate are considered to be managed together.

INVESTMENT RETURN

Investment return is comprised of interest earned on the funds withheld balance. Interest is calculated based on the cash balance on the experience account, held by Syndicate 1969 on behalf of the Syndicate. Interest on each currency is credited at the same yield earned by Syndicate 1969 in the period.

Investment return is initially recorded in the non-technical account and subsequently transferred to the technical account to reflect the investment return on funds supporting the underwriting business.

NET OPERATING EXPENSES

Net operating expenses include acquisition costs, administrative expenses and members' standard personal expenses. Operating expenses are paid by the host Syndicate 1969 and recharged to the syndicate. No mark-up is applied.

ACQUISITION COSTS

Acquisition costs comprise costs arising from the conclusion of insurance contracts. They include both direct costs such as brokerage and commission, and indirect costs such as administrative expenses connected with the processing of proposals and the issuing of policies. Acquisition costs include fees paid to consortium leaders in return for business written on behalf of the syndicate as a consortium member.

Acquisition costs are earned in line with the earning of the gross premiums to which they relate. The deferred acquisition cost asset represents the proportion of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the balance sheet date.

MANAGING AGENT'S FEES

The managing agent charges a management fee of 0.9% of syndicate capacity. This expense is recognised over the 12 months following commencement of the underwriting year to which it relates.

The managing agent has agreed contractual terms with the capital providers to the syndicate for the payment of profit commission based on the performance of the individual years of account of the syndicate. Profit commission is accrued in line with the contractual terms and the development of the result of the underlying years of account.

Amounts charged to the syndicate do not become payable until after the appropriate year of account closes, normally at 36 months, although the managing agent may receive payments on account of anticipated profit commission if interim profits are released to members.

3.SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCIES

Transactions in foreign currencies are translated into US Dollars which is the functional and presentational currency of the syndicate. Transactions in foreign currencies are translated using the exchange rates at the date of the transactions or at the appropriate average rates of exchange for the period. The syndicate's monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historic cost are translated to the functional currency using the exchange rate at the date of the transaction. For the purposes of foreign currency translation, unearned premiums and deferred acquisition costs are treated as monetary items.

Foreign exchange differences arising on translation of foreign currency amounts are included in the non-technical account.

PENSION COSTS

Apollo operates a defined contribution pension scheme. Pension contributions relating to managing agency staff working on behalf of the syndicate are charged to the syndicate and included within net operating expenses.

TAXATION

Under Schedule 19 of the Finance Act 1993 managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax deducted from syndicate investment income is recoverable by managing agents and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax.

No provision has been made for any United States Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the syndicate during the year have been included in the balance sheet under the heading 'other debtors'. No provision has been made for any other overseas tax payable by members on underwriting results.

FUNDS WITHHELD

The underlying premiums and claims are settled by Syndicate 1969 with policy holders as they fall due. Within the syndicate these are accounted for on a funds withheld basis.

Reinsurance debtors and creditors arising between the syndicate and Syndicate 1969 are not settled until the year of account has closed. Claims outstanding together with other non-technical transactions are settled when the year of account closes.

Cash calls made during the period are paid to Syndicate 1969 and credited to the funds withheld balance. These will therefore reduce the amount due for payment to Syndicate 1969 on closure of a loss making year.

4. RISK AND CAPITAL MANAGEMENT

INTRODUCTION AND OVERVIEW

This note presents information about the nature and extent of insurance and financial risks to which the syndicate is exposed, the managing agent's objectives, policies and processes for measuring and managing insurance and financial risks, and for managing the syndicate's capital.

The nature of the syndicate's exposures to risk and its objectives are, due to the nature of the quota share contract and funds withheld arrangement therein, shared with Syndicate 1969. The syndicate shares all the risks associated with the Property Treaty business written by Syndicate 1969 including those associated with the assets and liabilities that arise. There have been no significant changes to the ASML policies for managing risk in the current year.

RISK MANAGEMENT FRAMEWORK

The primary objective of the syndicate's risk management framework is to protect the syndicate's members from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. All staff providing services to the syndicate are trained to recognise the critical importance of having efficient and effective risk management systems in place.

The Board of Directors of the managing agent has overall responsibility for the establishment and oversight of the syndicate's risk management framework. The Board has established a Risk Committee which oversee the operation of the syndicate's risk management framework and reviews and monitors the management of the risks to which the syndicate is exposed.

ASML has established a risk management function, together with terms of reference for the Board of Directors, its committees and the associated executive management committees, which identify the risk management obligations of each.

The function is supported by a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to executive management committees and senior managers. The framework sets out the risk appetites for the syndicate and includes controls and business conduct standards.

Under the risk management framework, ASML's Risk and Capital Committee oversees the risk management function at an executive level. The management of specific risk grouping is delegated to several executive committees: the Underwriting Committee and the Reserving Committee are responsible for developing and monitoring insurance risk management policies; the management of aspects of financial risks is the responsibility of the Finance Committee.

In addition, the syndicate is exposed to potential conduct and operational risks and the management of aspects of these risks is the responsibility of the Underwriting Committee and the Operations Committee respectively. Accordingly the risk management function and the Risk and Capital Committee operates as the second line of defence above these committees.

The risk management function reports to each meeting of the Risk Committee on their activities. The Reserving Committee, Underwriting Committee, Finance Committee, and Operations Committee report regularly to the Executive Committee and work closely with the risk management function on their activities as well as reporting to the Board of Directors and the relevant non-executive sub committees.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

INSURANCE RISK

MANAGEMENT OF INSURANCE RISK

The principal risk the syndicate faces under insurance contracts is that the amount of claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims.

A key component of the management of underwriting risk for the syndicate is a disciplined underwriting strategy that is focused on writing quality business and not writing for premium volume. Product pricing is designed to incorporate appropriate premiums for each type of assumed risk. The underwriting strategy includes underwriting limits on the syndicate's total exposure to specific risks together with limits on geographical and industry exposures to ensure that a well-diversified book is maintained.

Contracts can contain a number of features which help to manage the underwriting risk such as the use of deductibles, or capping the maximum permitted loss, or number of claims (subject to local regulatory and legislative requirements).

The syndicate makes use of outwards reinsurance to mitigate the risk of incurring significant losses linked to a single or catastrophe event, including excess of loss and catastrophe reinsurance. Where an individual exposure is deemed surplus to the syndicate's appetite, additional facultative reinsurance is purchased.

The syndicate limits its exposure to catastrophic events based on the syndicate's risk appetite. The syndicate uses commercially available proprietary risk management software to assess natural catastrophe exposure. There is, however, always a risk that the assumptions and techniques used in these models do not exactly model the actual losses that occur or that claims arising from an un-modelled event are greater than those anticipated.

The Board sets limits to the syndicate's exposure to catastrophe events both on a gross and net of reinsurance basis and adherence to these limits is regularly monitored by the Apollo exposure management team which reports monthly to the Underwriting Committee. Apollo monitors its catastrophe exposures against a range of probabilistic and scenario-based outputs, including the 1 in 30 Aggregate Exceedance Probability (AEP). A range of catastrophe risk appetites are in place, which are reported to the Risk Committee on a quarterly basis, and escalated to the Board by exception.

The table below shows the gross premium by the location of the insured as a proxy for risk location. This gives an indication of the syndicate's exposure to loss written in calendar year by geographic area.

GROSS WRITTEN PREMIUM ANALYSED BY SOURCE	2019 $'000	2018 $'000
US	48,866	44,109
UK	2,225	2,748
Other EU countries	1,683	690
Australia	4,735	2,103
Japan	3,791	1,363
Other	5,722	7,849
Total	**67,022**	**58,862**

The Reserving Committee oversees the management of reserving risk. The use of proprietary and standardised modelling techniques, internal and external benchmarking and the review of claims development are all instrumental in mitigating reserving risk.

The managing agent's in-house actuaries perform a reserving analysis on a quarterly basis liaising closely with underwriters, claims and reinsurance personnel. The aim of this exercise is to produce a probability-weighted average of the expected future cash outflows arising from the settlement of incurred claims and claims on unearned premiums. These projections include an analysis of claims development compared to the previous 'best estimate' projections. The output of the reserving analysis is reviewed by external consulting actuaries in order for them to provide the Statement of Actuarial Opinion ("SAO") on the year end reserves.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

A key risk for a business with significant natural catastrophe exposure is the potential for loss estimates to materially deteriorate. The industry experience for the 2018 and 2019 natural catastrophe events in the US and Japan have certainly indicated marked deterioration in the industry loss events. For Syndicate 6133 the gross loss estimates have remained fairly stable and in some instances have actually reduced. This indicates a prudent approach to loss estimation, and assists in managing the expectations of reinsurance counterparties.

The Reserving Committee performs a comprehensive review of the projections, both gross and net of reinsurance. Following this review the Reserving Committee makes recommendations to the Audit Committee and Board of Directors as to the claims provisions to be established.

In arriving at the level of claims provisions a margin is applied over and above the actuarial best estimate to give added increase the probability that the reserves are sufficient to meet liabilities so far as can reasonably be foreseen.

SENSITIVITY TO INSURANCE RISK

The liabilities established could be significantly lower or higher than the ultimate cost of settling the claims arising. This level of uncertainty varies between the classes of business and the nature of the risk being underwritten and can arise from developments in case reserving for attritional losses, large losses and catastrophes, or from changes in estimates of IBNR claims.

A five percent increase or decrease in the ultimate cost of settling claims arising is considered to be reasonably possible at the reporting date. A five percent increase or decrease in total earned claims liabilities would have the following effect on profit or loss and members' balances.

	2019		2018	
	GROSS $'000	NET $'000	GROSS $'000	NET $'000
5% movement	2,352	844	3,386	1,631

On a net of reinsurance basis the effects would be more complex depending on the nature of the loss and its interaction with other losses already incurred. The incidence of profit commission payable to intermediaries may also affect the gross and net impact on results and members' balance.

FINANCIAL RISK

Under the funds withheld arrangement in the quota share contract with Syndicate 1969 the syndicate has exposure to financial risk. The primary objective of the ASML investment management process is to maintain capital value, which is of particular importance in volatile financial market conditions. A secondary objective is to optimise the risk-adjusted total return whilst being constrained by capital preservation and liquidity requirements. A low to medium risk investment policy has been adopted and Syndicate 1969 assets have been invested in short dated fixed income government and corporate bonds, absolute return bond funds and money market funds.

The investment management of a short dated fixed income bond portfolio is outsourced to a third party. An investment mandate based on ASML's risk appetite is in place and has been approved by the board. Compliance with this is implemented through the investment managers systems and monitored through the monthly and quarterly reporting process.

CREDIT RISK

Credit risk is the risk of financial loss to the syndicate if a counterparty fails to discharge a contractual obligation. The syndicate shares the Syndicate 1969 risk of financial loss on balances relating to the funds withheld arrangement in respect of the following:

- holdings in collective investment schemes;
- short dated fixed income government and corporate bonds;
- amounts due from intermediaries;
- cash and cash equivalents; and
- other debtors and accrued interest.

The syndicate has direct exposure to the reinsurers' share of insurance liabilities through the common account excess of loss cover in place.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

MANAGEMENT OF CREDIT RISK

The syndicate is exposed to the credit risk associated with the Syndicate 1969 investment portfolio of securities rated BBB or above. The bond portfolio is managed to single issuer limits set by credit rating and there is a limit to the overall exposure to BBB rated securities. ASML limits the amount of cash and cash equivalents that can be deposited with a single counterparty and maintains an authorised list of counterparties.

ASML manages reinsurer credit risk by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty. The syndicate's exposure to reinsurance counterparties is monitored by the reinsurance team as part of their credit control processes. On a quarterly basis the Finance Committee reviews the credit exposures to reinsurance counterparties.

ASML assess the creditworthiness of all reinsurers by reviewing public rating information and by internal investigations. The impact of reinsurer default is regularly assessed and managed accordingly. Where reinsurance is transacted with unrated reinsurers, the reinsurer is required to collateralise fully their exposure through depositing funds in trust for the syndicate.

The syndicate is exposed to intermediary debtor credit risk ceded under the quota share. ASML review intermediary performance against the terms of business agreements by the compliance function. The status of intermediary debt collection is reported to the Finance Committee.

EXPOSURE TO CREDIT RISK

All assets are due from Syndicate 1969, which benefits from Lloyd's credit rating from Standard and Poor's of A+. It is not practical to look through this to analyse the credit rating of the syndicate's share of the Syndicate 1969 assets.

The syndicate's common account reinsurance programme is placed predominantly with non-traditional reinsurance carriers and these exposures are fully collateralised with trust funds containing US treasuries or investments with credit institutions. The balance of the reinsurance placing is with reinsurers with a credit rating of A or above.

FINANCIAL ASSETS THAT ARE PAST DUE OR IMPAIRED

The syndicate does not have any directly held receivables that are past due and impaired or any other impaired assets at the reporting date. The syndicate shares in the Syndicate 1969 risk associated with debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date. These debtors have been individually assessed for impairment by considering information such as the occurrence of significant changes in the counterparty's financial position, patterns of historical payment information and disputes with counterparties.

LIQUIDITY RISK

Liquidity risk is the risk that the syndicate will encounter difficulty in meeting obligations arising from its insurance contracts and financial liabilities as they fall due. Due to the funds withheld nature of the contract the syndicate underwrites, liquidity risk is borne by Syndicate 1969. The syndicate is therefore indirectly sensitive to the liquidity risk as all cash payments are made by Syndicate 1969 on behalf of the syndicate.

ASML's approach to managing its liquidity risk is as follows:

- forecasts are prepared and revised on a regular basis to predict cash outflows from insurance contracts and overheads over the short, medium and long term;
- the syndicate purchases assets with durations not greater than its estimated insurance contract liabilities and expense outflows;
- assets purchased by the syndicate are required to satisfy specified marketability requirements;
- the syndicate maintains cash and liquid assets to meet daily calls; and
- the syndicate regularly updates its contingency funding plans to ensure that adequate liquid financial resources are in place to meet obligations as they fall due in the event of reasonably foreseeable abnormal circumstances.

ASML maintain sufficient premium trust funds in money market funds to meet daily liquidity requirements. Holdings in money market funds are well diversified, liquid and generally low risk. There is, however, a risk that the fund does not have sufficient liquidity to meet all redemptions in extreme conditions. The fixed income short dated government and corporate bond portfolio is relatively liquid and can be realised within a matter of days under normal market conditions. Whilst less liquid in nature the limited proportion of investments held in absolute return bond funds can be realised within a few days in normal market conditions. ASML are able to make cash calls from the members of the managed syndicates to fund losses in the event that funds are needed ahead of closing the year of account.

The maturity analysis presented in the following table shows the remaining contractual maturities for the syndicate's insurance contracts and financial assets and liabilities. For insurance and reinsurance contracts, the contractual maturity is the estimated date when the gross undiscounted contractually required cash flows will occur. For other financial assets and liabilities it is the earliest date on which the gross undiscounted cash flows (including contractual interest payments) could be paid assuming conditions are consistent with those at the reporting date. The table below takes no credit for any investment return or any potential profit or loss on unearned premium. Therefore unearned premium and deferred acquisition cost maturity reflect the expected claim payment profile.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

2019	Carrying amount $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More Than 5 years $'000
Reinsurers' share of technical provisions	35,230	19,965	8,008	6,073	1,184
Debtors, prepayments and accrued income	33,870	1,842	31,358	560	110
Total assets	**69,100**	**21,807**	**39,366**	**6,633**	**1,294**
Technical provisions	(64,900)	(36,780)	(14,753)	(11,188)	(2,179)
Total liabilities	**(64,900)**	**(36,780)**	**(14,753)**	**(11,188)**	**(2,179)**

2018	Carrying amount $'000	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Reinsurers' share of technical provisions	35,100	15,448	10,590	7,753	1,309
Debtors, prepayments and accrued income	17,212	7,575	5,193	3,802	642
Total assets	**52,312**	**23,023**	**15,783**	**11,555**	**1,951**
Technical provisions	(79,639)	(35,052)	(24,027)	(17,590)	(2,970)
Total liabilities	**(79,639)**	**(35,052)**	**(24,027)**	**(17,590)**	**(2,970)**

MARKET RISK
Market risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate because of changes in market prices, excluding those that are caused by credit downgrades which are included under credit risk. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk within the framework set by the managing agent's investment policy.

MANAGEMENT OF MARKET RISK
For each of the major components of market risk the syndicate has policies and procedures in place which detail how each risk should be managed and monitored. The management of each of these major components of market risk and the exposure of the syndicate at the reporting date to each major component are addressed below.

INTEREST RATE RISK
The syndicate shares interest rate risk through the allocation of investment return under the funds withheld arrangement. Interest rate risk arises primarily from the exposure to financial investments and overseas deposits. Exposure to significant fluctuations in market value due to changes in bond yields are managed through investment in short duration securities, the key risk indicator is set at less than three years. Investment types include short dated fixed income bonds, absolute return bond funds and money market funds.

ASML limit exposure to absolute return bond funds. These funds manage exposure to changes in market value resulting from movements in bond yields by managing to a very short or even negative duration.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The syndicate writes business primarily in Sterling, Euros, US Dollars and Canadian Dollars and is therefore exposed to currency risk arising from fluctuations in the exchange rates of its functional currency (US Dollars) against these currencies.

The foreign exchange policy is to maintain assets in the currency in which the cash flows from liabilities are to be settled in order to hedge the currency risk inherent in these contracts so far as is allowed by regulatory requirements and for any profit or loss to be reflected in the net assets of the functional currency.

The table below summarises the carrying value of the syndicate's assets and liabilities, at the reporting date:

2019	Sterling $'000	Euro $'000	US Dollar $'000	Other $'000	Total $'000
Total assets	(10,173)	3,011	74,641	1,621	69,100
Total liabilities	(7,754)	(7,965)	(48,774)	(407)	(64,900)
Net liabilities	**(17,927)**	**(4,954)**	**25,867**	**1,214**	**4,200**

2018	Sterling $'000	Euro $'000	US Dollar $'000	Other $'000	Total $'000
Total assets	4,575	346	45,947	1,444	52,312
Total liabilities	(16,379)	(433)	(61,734)	(1,093)	(79,639)
Net liabilities	**(11,804)**	**(87)**	**(15,787)**	**351**	**(27,327)**

An analysis of the syndicate's sensitivity to currency risk is presented in the table below. The table shows the effect on profit or loss of reasonably possible changes in the relevant risk variable. The sensitivity analysis assumes that all other variables remain constant and that the exchange rate movement occurs at the end of the reporting period. The impact of exchange rate fluctuations could differ significantly over a longer period. The occurrence of a change in foreign exchange rates may lead to changes in other market factors as a result of correlations.

Profit / (Loss) for the year	2019 $'000	2018 $'000
Currency risk		
10 percent strengthening of Sterling against US Dollar	(1,992)	(1,312)
10 percent weakening of Sterling against US Dollar	1,630	1,073
10 percent strengthening of Euro against US Dollar	(550)	(10)
10 percent weakening of Euro against US Dollar	450	8

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

OTHER PRICE RISK

The syndicate is subject to other price risk through the funds withheld arrangement with Syndicate 1969. Investments in Syndicate 1969 comprise of holdings in short dated fixed income government and corporate bonds, absolute return bond funds and money market funds. The bond portfolio is low risk being both short dated and predominantly credit rating A or above with a measured exposure to BBB rated securities and therefore it has limited sensitivity to market movements.

Up to 20% of the Syndicate 1969 investment portfolio can be invested in absolute return bond funds which, whilst more sensitive to market risk, are still relatively low risk and managed against a LIBOR benchmark. At the year end 6% (2018: 6%) was invested in an absolute return fund. The money market funds are near cash and therefore have minimal exposure to market movements. The Bank of England and the Financial Conduct Authority are running a project to remove LIBOR as a reference point for financial investments and products by the end of 2021. ASML have undertaken an initial assessment and the impact is not considered to be significant. For the absolute return fund the benchmark is expected to be revised with an alternative index with similar characteristics.

It is not practical to allocate the Syndicate 1969 assets to the syndicate and therefore a fair value hierarchy categorising the assets to which the syndicate is exposed according to the level of judgement exercised in valuation has not been provided.

CAPITAL MANAGEMENT

CAPITAL FRAMEWORK AT LLOYD'S

The Society of Lloyd's ("Lloyd's") is a regulated undertaking and subject to supervision by the Prudential Regulatory Authority ("PRA") under the Financial Services and Markets Act 2000, and in accordance with the Solvency II Framework.

Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's would comply with the Solvency II requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Although, as described below, Lloyd's capital setting processes use a capital requirement set at syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at overall and member level only respectively, not at syndicate level. Accordingly, the capital requirement in respect of the syndicate's members is not disclosed in these annual accounts.

LLOYD'S CAPITAL SETTING PROCESS

In order to meet Lloyd's requirements, Syndicate 1969 is required to calculate its Solvency Capital Requirement (SCR) for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). The syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon (one year SCR) for Lloyd's to use in meeting Solvency II requirements. The SCRs of each syndicate are subject to review and approval by Lloyd's. ASML use an internal model developed in house to calculate the SCR as opposed to adopting a standard formula. The SCR is reviewed and approved by the Board through the Own Risk Solvency Assessment ("ORSA") process. Syndicate 1969's capital assessment includes its retained share of the Property Treaty portfolio. In the first two years of operation of the Syndicate 6133, the capital has been set by Lloyd's using a combination of market benchmarks and the syndicate's own business plan.

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for their own share of underwriting liabilities on the syndicates on which they participate but not for other members' shares. Accordingly, the capital requirements that Lloyd's sets for each member, operates on a similar basis. Each member's SCR is based on the member's share of the syndicate's SCR 'to ultimate'.

Where a member participates on more than one syndicate, Lloyd's sums together each syndicate's SCR but a credit for diversification is allowed to reflect the spread of risk consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 year loss 'to ultimate' for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Assessment (ECA). The purpose of this uplift, which is a Lloyd's rather than a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

PROVISION OF CAPITAL BY MEMBERS

Each member may provide capital to meet their ECA either by assets held in trust by Lloyd's specifically for that member (Funds at Lloyd's), assets held and managed within a syndicate (Funds in Syndicate), or as the member's share of the members' balances on each syndicate on which they participate.

Accordingly all of the assets less liabilities of the syndicate, as represented in the members' balances reported on the balance sheet, represent resources available to meet members' and Lloyd's capital requirements.

CLAIMS DEVELOPMENT

The syndicate's current catastrophe exposure is predominantly US windstorm related. Property catastrophe claims, such as earthquake or hurricane losses can take several months or years, to develop as adjusters visit damaged property and agree claim valuations.

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive underwriting year at each reporting date, together with cumulative payments to date. Balances have been translated at exchange rates prevailing at 31 December 2019 in all cases.

GROSS CLAIMS DEVELOPMENT AS AT 31 DECEMBER 2019:

Pure underwriting year	2018 $'000	2019 $'000	Total $'000
Incurred gross claims			
At end of underwriting year	83,903	39,398	
One year later	67,651	-	
Incurred gross claims	67,651	39,398	107,049
Less gross claims paid	(50,126)	(9,888)	(60,014)
Gross claims outstanding provision	**17,525**	**29,510**	**47,035**

NET CLAIMS DEVELOPMENT AS AT 31 DECEMBER 2019:

Pure underwriting year	2018 $'000	2019 $'000	Total $'000
Incurred net claims			
At end of underwriting year	47,321	25,084	
One year later	36,223	-	
Incurred net claims	36,223	25,084	61,307
Less net claims paid	(34,530)	(9,887)	(44,417)
Net claims outstanding provision	**1,693**	**15,197**	**16,890**

All balances presented are in respect of premiums earned to the balance sheet date and therefore reflect the pattern of earnings and risk exposed over a number of calendar years. 2018 was the first year of trading and therefore there is no historic development prior to this.

4. RISK AND CAPITAL MANAGEMENT (CONTINUED)

YEAR OF ACCOUNT DEVELOPMENT

The table below presents the annual results split by year of account. Movements in results for closed years of account are reflected within the results for the year into which they closed by reinsurance to close ("RITC").

Result before members' agents' fees	2019 $'000	2018 $'000
Year of account		
2018	16,145	(27,272)
2019	(4,599)	-
Calendar year result	**11,546**	**(27,272)**

5. SEGMENTAL ANALYSIS

All business written by the syndicate is reinsurance. All premiums were underwritten in the UK.

6. TECHNICAL PROVISIONS

The syndicate has refined its approach this year end in establishing the technical provisions for claims outstanding reserves and reinsurer's share thereof held as compared to the end of the previous year. Included within net calendar year claims incurred of $14,529,000 is an improvement of $12,197,000 in claims reserves established at the prior year end.

An analysis of the movement in technical provisions is set out below:

	Unearned premiums $'000	Claims outstanding $'000	Total $'000
Gross			
At 1 January 2019	11,909	67,730	79,639
Exchange adjustments	200	526	726
Movement in provision	5,756	(21,221)	(15,465)
At 31 December 2019	**17,865**	**47,035**	**64,900**
Reinsurance			
At 1 January 2019	-	35,100	35,100
Exchange adjustments	(120)	(21)	(141)
Movement in provision	5,205	(4,934)	271
At 31 December 2019	**5,085**	**30,145**	**35,230**
Net technical provisions			
At 31 December 2019	**12,780**	**16,890**	**29,670**
At 31 December 2018	11,909	32,630	44,539

7. NET OPERATING EXPENSES

	2019 $'000	2018 $'000
Brokerage and commission	8,734	7,255
Other acquisition costs	2,836	2,891
Change in deferred acquisition costs	(913)	(2,390)
Gross acquisition costs	10,657	7,756
Administrative expenses	4,507	4,481
Members' standard personal expenses	1,415	90
Total	**16,579**	**12,327**

Deferred acquisition costs are $3,251,000 (2018: $2,281,000). The $970,000 movement in deferred acquisition costs during the year comprises the movement in the provision included in net operating expenses of $913,000 less foreign exchange of $55,000.

8. AUDITOR'S REMUNERATION

	2019 $'000	2018 $'000
Audit of syndicate accounts	15	15
Other services pursuant to Regulations and Lloyd's Byelaws	33	33
Non audit fees	19	19
Total	**67**	**67**

Non audit fees relate to work to issue a Statement of Actuarial Opinion on the technical reserves of the syndicate.

9. STAFF AND NUMBER COSTS

All staff are employed by the managing agency or related companies. The following amounts were recharged to the syndicate in respect of salary costs:

	2019 $'000	2018 $'000
Wages and salaries	3,018	2,440
Social security costs	257	267
Pension costs	74	75
Total	**3,349**	**2,782**

9. STAFF AND NUMBER COSTS (CONTINUED)

The average monthly number of employees employed by the managing agency or related companies but working for the syndicate during the year was as follows:

	2019 Number	2018 Number
Underwriting	4	4
Management, administration and finance	6	4
Non-executive directors	5	5
Total	**15**	**13**

10. EMOLUMENTS OF THE DIRECTORS OF THE MANAGING AGENT

For the purposes of FRS 102, the directors of ASML are deemed to be the key management personnel.

For the period ending 31 December 2019, the directors of ASML received the following aggregate remuneration charged to the syndicate and included within net operating expenses of $1,002,000 (2018: $1,241,000).

Included in the aggregated remuneration charged to the syndicate are emoluments paid to the highest paid director amounting to $564,000 (2018: $991,000). The Active Underwriter received remuneration of $966,000 (2018: $991,000) which was charged as a syndicate expense.

11. INVESTMENT INCOME

	2019 $'000	2018 $'000
Income received from related syndicates	725	251

Investment income represents amounts received by Syndicate 1969 attributable to the business undertaken on behalf of the syndicate.

12. OTHER DEBTORS

	2019 $'000	2018 $'000
Amounts due from Syndicate 1969	30,619	14,740
Other	-	191
Total	**30,619**	**14,931**

Amounts due from Syndicate 1969 represents the net funds withheld balance receivable under the quota share contract. The balances attributable to each year of account are due on closure of the underlying years of account and, accordingly, are due after more than one year.

13. RELATED PARTIES

All business with related parties is transacted on an arm's length basis.

ASML, the managing agent, is a wholly owned subsidiary of Apollo Partners LLP ("APL"). DCB Ibeson, MJ Rayner and SAC White, along with other members of the senior underwriting team, are partners of APL. Metacomet LLC, a US incorporated limited company, is a corporate partner of APL. Affiliated companies of Metacomet LLC participate on the syndicate.

Hyperion Apollo Limited, a subsidiary of the Hyperion Insurance Group Limited, acquired a minority interest in APL on 31 May 2018. DCB Ibeson is the Non-Executive Chairman of DUAL International Ltd (an unregulated holding company within the Hyperion Group).

The syndicate is a Special Purpose Arrangement with Syndicate 1969 as the host. A single 90% quota share reinsurance contract is in place for each year of account ceding all gross premiums and related expenses and investment income. All transactions set out the annual accounts have been undertaken by Syndicate 1969 on behalf of the syndicate. On closure of a year of account the Syndicate 6133 distribution will be settled by the syndicate. The related party transactions and amounts outstanding at the balance sheet date are shown below:

SYNDICATE 1969	2019 $'000	2018 $'000
Gross written premium receivable	67,022	58,862
Claims payable	(30,816)	(13,296)
Expenses payable	(8,908)	(8,928)
Net interest receivable	725	251
Other debtors	30,619	14,740

In accordance with the Managing Agent's Agreement, ASML accrued managing agent's fees (0.9% of syndicate capacity) and profit commission (20% of profit). A two year deficit clause is in place which requires losses to be offset by future profits before further profit commission becomes payable.

APL employs all Apollo group staff, including underwriters, claims and reinsurance staff. APL provides the services of these staff and its partners to ASML to enable it to function as managing agent for the syndicate. APL also incurs a large proportion of the expenses in respect of operating the syndicate. The cost of these services and expenses are recharged to ASML which in turn recharges these to the syndicate, via Syndicate 1969, on a basis that reflects usage of resources.

ASML	2019 $'000	2018 $'000
Managing agent's fee	594	410
Expense recharges	7,990	5,379

There are no amounts payable directly to ASML, these are reflected in the balances with Syndicate 1969.

APL is the parent company of certain capital providers for Syndicate 6133.

MJ Rayner and other members of the syndicate's underwriting team participate on the syndicate.

Hannover Re participated on the syndicate with a 13.6% share of the 2019 year of account. J Schäfermeier, a non-executive director of ASML, is Managing Director of a division of Hannover Re. As set out in the Managing Agent's Report J Schäfermeier was appointed during 2019 to replace S Althoff.

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