Syndicate 1969
Annual report and accounts
For the year ended 31 December 2024

Key performance indicators

Annual basis	2024 $'m	2023 $'m	Change
Gross premium written	858.3	724.7	18%
Net premium written	719.2	592.0	21%
Net premium earned	673.1	524.5	28%
Profit for the financial year	46.3	72.2	(36)%
Claims ratio	61%	54%	7%
Expense ratio	36%	37%	(1)%
Combined ratio	97%	91%	6%

Highlights:

- Strong growth across a number of established classes of business, with overall growth of gross premium income of 18%;
- Continued improvements to underlying underwriting margins with risk adjusted rate change on renewal business of 3% for 2024;
- Combined ratio of 97% including 7% from catastrophe losses and 5% from strengthening reserving from prior year development.
- 2022 year of account closed with a profit of 4.6% on capacity. The forecast range for the 2023 year of account result is a profit of between 12.5% to 17.5% on capacity; and
- The syndicate aims to continue achieving growth, profitability and returns in 2025 by focusing on underwriting a high-quality book of business.

"During 2024, Syndicate 1969 continued to execute its leadership maturity and portfolio optimisation strategy which is designed to ensure stability throughout the underwriting cycle. The syndicate aims to continue achieving growth, profitability and returns in 2025 by focusing on underwriting a high-quality book of business."

David Ibeson, Group CEO

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Directors and administration

Managing agent
Apollo Syndicate Management Limited

Registered office
One Bishopsgate
London
EC2N 3AQ

Company registration number
09181578

Company secretary
PC Bowden

Directors

AC Winther	(Non-Executive Chair)
FA Buckley	(Non-Executive Director)
M Cramér Manhem	(Non-Executive Director)
SR Davies	(Non-Executive Director)
SE Hill	(Non-Executive Director)
RD Littlemore	(Non-Executive Director)
DCB Ibeson	(Chief Executive Officer)
TL McHarg	
VVV Mistry	
JR Slaughter	

Active underwriter
JR Slaughter

Bankers
Citibank
NatWest
Royal Bank of Canada

Registered auditor
Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Report of the directors of the managing agent

The directors of the managing agent (together, "the Board") present their annual report and audited annual accounts, which incorporates the strategic review, for Syndicate 1969 ("the syndicate") for the year ended 31 December 2024.

The annual accounts are 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") and applicable accounting standards in the United Kingdom and Republic of Ireland including Financial Reporting Standard 102 ("FRS102") and Financial Reporting Standard 103 ("FRS103") in relation to Insurance Contracts, and the Lloyd's Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

Underwriting year accounts for the closed 2022 year of account of Syndicate 1969 are included following these annual accounts.

Principal activity

There have not been any significant changes to the syndicate's principal activity during the year, which continues to be the transaction of general insurance and reinsurance business.

Syndicate 1969 trades through the Society of Lloyd's (''Lloyd's'') worldwide licences and has the benefit of the Lloyd's brand and rating. Lloyd's has an A+ (Superior) rating from A.M. Best, AA- (Very Strong) from Standard & Poor's and AA- (Very Strong) from Fitch.

The syndicate's capacity for the 2024 year of account was £610m ($774.7m at the Lloyd's planning rate of $1.27). Stamp capacity for the 2025 year of account is £640m ($806.4m at the Lloyd's planning rate of $1.26).

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

Results

Annual basis	2024 $'m	2023 $'m	Change
Gross premium written	858.3	724.7	18%
Net premium written	719.2	592.0	21%
Net premium earned	673.1	524.5	28%
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Claims ratio	61%	54%	7%
Expense ratio	36%	37%	(1)%
Combined ratio	97%	91%	6%

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.

ASML uses the key performance indicators shown in the table above to measure the performance of the syndicate against its objectives and overall strategy. These indicators are assessed against plan and prior year outcomes and are subject to regular review. The syndicate predominantly writes business denominated in US Dollars and therefore reports in that currency.

Review of the business

During 2024, Syndicate 1969 continued to execute its leadership maturity and portfolio optimisation strategy which is designed to ensure stability throughout the underwriting cycle. Syndicate 1969 achieved gross written premium in 2024 of $858.3m (2023: $724.7m), which represents premium growth in 2024 of $133.6m, or 18%. Growth has been delivered from enhanced pricing, expanding existing lines, as well as new partnerships, and products including Smart Follow. The most significant growth areas in 2024 include Property D&F ($14m), Offshore Energy ($13m), Non-Marine Liability ($12m), Warranties & Indemnities ($11m), and Political Violence & Terrorism ($12m). The syndicate aims to continue achieving growth, profitability and returns in 2025 by focusing on underwriting a high-quality book of business.

We continued to experience positive pricing movement across our classes of business this year, although less than prior years as market conditions moderated, particularly during the second half of the year. This is primarily driven by an increased supply of capacity from both U.S. domestic and Lloyd's markets. Rate increases on renewals across the syndicate averaged 3% in 2024, following average increases of 8% in 2023. The most significant rate increases were in US Casualty within Non-Marine Liability (11.1%), Offshore Energy (10.0%), Property Binders (6.3%), Casualty Treaty (6.0%) and Marine & Energy Liability (5.3%). Syndicate 1969 has grown substantially over the last three years and is now reaching, or close to reaching, its market peak across most classes. It is expected that the market will continue to soften, and therefore the syndicate will need to adapt to potential deterioration in market conditions by using frameworks and tools enabling it to optimise the book of business in line with market conditions.

2024 calendar year result

The result for the 2024 calendar year is a profit of $46.3m (2023: profit of $72.2m) with a combined ratio of 97% (2023: 91%). The 2024 calendar year result aggregates the performance during the year of all open years of account (2022, 2023 and 2024) and movements from the 2018, 2019, 2020 and 2021 closed years of account. The 2024 calendar year result has been adversely impacted by the completion of reserving reviews to Non-Marine Liability and Marine & Energy Liability performed during the calendar year. The underlying performance of the portfolio has been favourable in many of our classes but this has been offset by a number of large losses in specific classes. Whilst the overall result is therefore below expectations, the delivery of a calendar year profit, despite taking action to strengthen prior year reserves and absorbing several large losses, demonstrates the value of maintaining a balanced and diversified portfolio. The underlying combined ratio of 85% (2023: 85%) excludes losses of 7% (2023: 2%) from catastrophe events and strengthening of reserving for prior year development of 5% (2023: strengthening of 4%).

The calendar year result includes estimated cost of Hurricanes Helene and Milton, which made landfall in the US as major hurricanes in September and October respectively, and flooding events in Canada and Europe which occurred in August and September respectively. Hurricanes Beryl and Francine, whilst less material, also resulted in additional losses to the Property D&F portfolio. The total net cost to the syndicate of these hurricanes and flooding events was more than the catastrophe allowance for the 2024 calendar year, driven by the frequency of events that occurred rather than the severity of any one event, which were all within business plan expectations for such events.

The calendar year result has also been impacted by adverse incurred claims development on prior accident years from several classes, including Aviation, Marine Hull, Offshore Energy, Non-Marine Liability, and Marine & Energy Liability. We completed a Non-Marine Liability review, specifically of US casualty exposures, following several large single plaintiff settlements we observed in the first quarter of the year. As a result, the reserving methodology has been updated for the class to allow for changes to both severity and speed of settlement. We have also strengthened reserving in the Marine & Energy Liability class on the 2021 and prior years of account following adverse claims experience in the third quarter of the year. Having performed our reserving reviews on all the casualty areas of the syndicate, we do not anticipate further material adverse movements, although note that uncertainty always exists.

From a results perspective, the impact of the litigation financing, large single claimant settlements and US court awards has had a clear negative impact on the Non-Marine Liability class. We anticipate rates in 2025 will harden as the market responds to these trends which is expected to improve rate adequacy over the next 12 to 18 months. These are industry wide trends and our reaction to the changing claims environment included a reduction in line size and a reduction in exposure to 'mid-excess' layers which are more exposed to these trends.

The geopolitical environment remains increasingly complex, and we are continuously monitoring the evolving risk environment. We remain comfortable with our exposure to areas of conflict. We continue to closely monitor the situation in Russia and Ukraine from both an underwriting and compliance perspective. We have previously made specific incurred but not reported ("IBNR") allowances for classes where there is potential for losses arising because of the ongoing Russia/Ukraine conflict, namely Aviation, Cargo, Marine Hull and Political Risk. The expected net cost of claims from this conflict is $4.5m.

In the Property D&F class, we have seen a continued strong flow of new business, offsetting the impact of the softening market conditions because of an increased supply of capacity from both U.S. domestic and Lloyd's markets. With the strong new business submission flow, the class wrote gross premium of $130m for the 2024 calendar year. The 2023 and 2024 years of account for Property D&F are forecast to be profitable, after taking account of the catastrophe losses incurred. Over the past year in the Property Binder class, the team has implemented a strategic long-term plan focused on driving net written premium growth whilst maintaining discipline; and refining the approach as appropriate to continue to support the development of the account. The class income for the 2024 calendar year is estimated at 19% above plan. All renewals have seen positive rate change.

The overall earned result for the 2023 and 2022 pure years of account in the calendar year was a profit of $86.0m. The earned result for the 2024 year of account in the calendar year was a loss of $4.1m (2023 year of account during 2023 calendar year: profit of $20.2m). The year is however forecast to be profitable at closure, as discussed in the underwriting year accounts on page 60. All open years of account in the syndicate are forecast to be profitable.

Investment performance

The investment objective is to invest the premium trust funds in a manner designed primarily to preserve capital values and provide liquidity.

The syndicate produced an investment return of $29.0m in the year (2023: investment profit of $23.7m), having benefited from higher yields and larger investment holdings. At the balance sheet date, the fixed income portfolio holdings totalled $476.2m (2023: $386.1m).

The syndicate's investment policy is expected to remain broadly consistent with the position at the balance sheet date.

Capital

One of the advantages of operating in the Lloyd's market is the favourable capital ratios that are available due to the diversification of business written in both Syndicate 1969 and Lloyd's as a whole. ASML assesses the syndicate's 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 Lloyd's uplift is referred to as the Economic Capital Assessment ("ECA"). The ECA for the 2024 underwriting year was set at 56% of capacity and for the 2025 underwriting year will be 62% of capacity.

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 ECAs of the syndicates that the member participates on. Since member 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 5% of members' capacity on the syndicate.

Principal risks and uncertainties

ASML has an established Enterprise Risk Management ("ERM") function for the syndicate with clear terms of reference from the ASML Board and its committees as part of a three lines of defence model. The ASML Board and its committees review and approve the risk management policies and meet regularly to approve any commercial, regulatory and organisational requirements of these policies.

The syndicate’s risk appetites are set annually as part of the syndicate business planning and solvency capital requirement setting process. The ERM function is also responsible for maintaining the syndicate’s Own Risk and Solvency Assessment (“ORSA”) processes and provides regular updates to the ASML Board. The syndicate ORSA report is approved by the ASML Board annually.

ASML 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. The principal risks and uncertainties facing the syndicate have been identified as strategic risk, insurance risk, regulatory risk, operational risk, and financial risk (comprising credit risk, liquidity risk and market risk). A risk owner has been assigned responsibility for each risk, and it is the responsibility of that individual periodically to assess the impact of the risk and to ensure appropriate risk mitigation procedures and controls are in place and operating effectively. External factors facing the business and the internal controls in place are routinely reassessed and changes made when necessary. The overarching risk framework is overseen by the ASML Risk Committee on behalf of the ASML Board. The risk culture of the business is Board led, with new initiatives requiring an objective risk assessment and opinion prior to approval.

Strategic risk is the risk that inadequate, ineffective, or inappropriate business decisions result in negative impacts on the ability to execute the syndicate’s business’ objectives/strategy, and hence on the profitability of the syndicate. The ASML Board has ultimate responsibility for overseeing the execution of the approved strategy and consequently the associated strategic risk. All areas of the business are encouraged to identify areas of potential uncertainty that could impact plan execution and to identify emerging risks.

Insurance risk refers to fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. It comprises premium risk and reserving risk. The ASML Underwriting Committee oversees the management of premium risk and the implementation of a disciplined Underwriting Strategy with a robust control and governance framework that is focused on writing quality business at an acceptable price, and the purchase of a comprehensive outwards reinsurance programme. The ASML Board sets limits to the syndicate’s exposure to underwriting risk and accumulation events both on a gross and net of reinsurance basis and adherence to these limits is reported monthly to the ASML Underwriting Committee. The ASML Reserving Committee oversees the overall management of reserving risk. Reserving risk is managed through the use of proprietary and standardised modelling techniques, internal and external benchmarking, review of claims development and the ongoing oversight from an independent external reserving process. An independent Statement of Actuarial Opinion is commissioned each year in line with Lloyd’s Valuation of Liabilities requirements. The reserving process is overseen by and reports through the ASML Audit Committee.

Regulatory risk is the financial loss or inability to conduct normal business activities owing to a breach of regulatory requirements or failure to respond to regulatory change. ASML is a regulated entity and therefore is required to comply with the requirements of the PRA, FCA and Lloyd’s. Lloyd’s requirements include those imposed on the Lloyd’s market by overseas regulators. ASML ensures that there is an appropriate level of skilled resources in place to meet its regulatory obligations, including compliance, risk management and internal audit functions.

A group has been formed to review ‘contentious risks’ comprising ASML’s Chief Underwriting Officer, Chief Risk Officer, Chief Reinsurance Officer, Chief Engagement Officer, and Senior Sustainability Analyst. This group reviews risks that are presented to underwriters which, while not explicitly excluded by ASML’s policies, could lead to an adverse reputational impact for ASML. Before the underwriter can proceed, approval must be granted by at least three members of this contentious risks group.

All of the contentious risks and the reasonings for approval or denial, are maintained on a contentious risk log to help develop learning and ensure consistency of approach. This log is reviewed quarterly by the ASML Environmental, Social, and Governance (“ESG”) Committee, and if they identify any inconsistencies, they revert to the contentious risks group or, as appropriate, escalate to the ASML Board Risk Committee or to the ASML Board. The contentious risk process is also used to consider instances where a risk might be excluded by existing appetites but could have a significant social benefit, allowing the team to approve on that basis.

Operational risk is the risk of a loss resulting from inadequate or failed internal processes, people and systems or from external events. The syndicate is constantly exposed to operational risk as this covers the uncertainties and hazards of undertaking day-to-day business. Controls have been put in place and documented to try to ensure that these risks are managed on a proportionate basis and within risk appetite. As operational risks apply across the entire business, all committees have some level of oversight for operational risk. However, the ASML Operations and Change Committee manage risks relating to changes in systems and processes, and the ASML Board Risk Committee has oversight of any risk events which require escalation.

Financial risk for the syndicate covers all risks related to financial investment and the ability to pay creditors, and includes credit risk, liquidity risk and market risk. In relation to assets held, an investment mandate reflecting the syndicate's risk appetite is in place and has been approved by the ASML Board. Compliance with this is controlled through the investment manager's systems and monitored through the ASML Investment and Treasury Oversight Group.

Credit risk is the risk of financial loss to the syndicate if a counterparty to a financial instrument or a reinsurance agreement fails to discharge a contractual obligation. ASML manages credit risk by placing limits on exposure to a single counterparty by reference to the credit rating of the counterparty. On a quarterly basis the ASML Finance Committee reviews credit exposures, reinsurer security and counterparty limits, with further oversight provided by the ASML Board and Audit Committee.

Liquidity risk is the risk that the syndicate's assets are insufficient to fund the obligations arising from its insurance contracts and financial liabilities as they fall due, or that they can only be met by incurring additional costs. ASML's approach to managing liquidity risk includes use of daily liquidity monitoring, quarterly cash flow forecasts and management of asset duration. Contingency funding plans are in place to ensure that adequate liquid financial resources are available to meet obligations as they fall due in the event of reasonably foreseeable abnormal circumstances.

Market risk is the risk that the fair value or future cash flows of a financial instrument 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 key components: interest rate risk, currency risk and investment 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. Investment management is outsourced and an investment mandate reflecting the syndicate's risk appetite is in place and has been approved by the ASML Board. Compliance with this is controlled through the investment manager's systems and monitored through the monthly and quarterly reporting process.

The use of financial derivatives is governed by ASML's risk management policies and ASML does not use such instruments for speculative purposes. The ASML Board has agreed key risk indicators and approved the corresponding risk appetite for each measure.

A quantitative analysis of the risks set out above is included in note 4 to the annual accounts. A traffic light indicator is used for monitoring current levels of risk based upon agreed thresholds and tolerances.

Emerging risks

An emerging risk is defined as a risk that is new, unforeseen, or unfamiliar. It may result from new or increased exposure that could pose both as an opportunity or threat to the existing business risk appetite or tolerance.

The Emerging Risk Working Group is a cross-agency forum, that enables a diverse set of practitioners to review thematic risk considerations. The results of these reviews can lead to further deep dive assessments that in turn are reported through the governance structures to the ASML Board Risk Committee. Examples of deep dive reviews conducted during 2024 include:

PFAS (Per and polyfluoroalkyl substances)

This is a group of over 4,700 industrial chemicals that are widely used in everyday products from food to packaging and have been found in household water supplies and in the soil. From an insurance industry perspective this has become a rising risk exposure.

The Emerging Risk Working Group has carried out a review of the casualty verdicts in relation to PFAS claims in conjunction with the underwriting teams and contributed to an update to the risk pricing and acceptance.

US litigation/"nuclear verdicts"

Industry research has pointed to the quantum of US claims growing exponentially since 2020, with a trend for single plaintiff claims exceeding $100m referred to as "nuclear verdicts". The trend has been assessed by the syndicate and appropriate underwriting actions implemented to manage to a Board-agreed appetite to mitigate this risk.

Geopolitical instability

Geopolitical instability includes social, economic, and political instability. The breadth of underwriting exposures (by product and class) and geographical footprint creates exposure to geopolitical risk. The risk is managed through ongoing assessments through scenario analyses.

Tech accelerations

The pace and acceleration of technological achievement across computer science, medicine and agriculture can present challenges when considering how to write and price new/evolving risk exposures.

Information bias

ASML relies on the accuracy of data/information in order to make appropriate risk based decisions. Information bias focusses on how it is possible to identify and account for a number of different types of bias within the data and information used. These include cognitive bias, data collection bias and media (social) influences. This could result in inaccurate decisions being made due to bias anchoring etc. resulting in incorrect pricing being applied.

Artificial Intelligence ("AI")

The ease of access to generative AI and large language models has brought this technology risk and opportunity to greater social and commercial awareness. ASML's position is to maintain an appropriately cautious approach to managing the risks associated with data privacy and security, whilst also enabling staff to innovate with business processes and analysis where this can add commercial value.

ASML has implemented several controls in appropriate use of AI within the business. This will continue to be reviewed and developed as ASML develops a better understanding of how to utilise this in the future.

Corporate governance

The ASML Board is chaired by Angus Winther, who is supported by five further non-executive directors and all except Stuart Davies are independent. Monica Cramér Manhem was appointed as Non-Executive Director on 6 June 2024. Martin Hudson stepped down on 28 February 2025. Rob Littlemore was appointed as a Non-Executive Director on 28 February 2025, subject to regulatory notifications. David Ibeson is the Chief Executive Officer and there were three further executive directors as at 31 December 2024. With effect from 1 January 2024, Taryn McHarg, the Apollo Chief Financial Officer, was appointed as an executive director and James MacDiarmid, Hayley Spink and Simon White stepped down from the ASML Board, remaining on the Executive Committee of ASML.

With effect from 1 January 2024, James Slaughter succeeded Nick Jones as the Active Underwriter of Syndicate 1969. Nick Jones has assumed broader Agency responsibilities in the new role of Chief Reinsurance Officer and Director of Underwriting Oversight. He remains on the Executive Committee of ASML.

Defined operational and management structures are in place and terms of reference exist for the ASML Board and all Board and Management Committees.

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

Section 172 statement

The directors adopt the responsibilities to promote the success of the syndicate as if s172 of the Companies Act 2006 were applicable and have acted in accordance with these responsibilities during the year. The ASML Board has identified the following key stakeholders: capital providers to the managed syndicates, employees, the shareholder of ASML, Lloyd's, regulators, policyholders and brokers.

Throughout the year the ASML Board considered the wider impact of strategic and operational decisions on its stakeholders. Examples include the development and execution of the business plans for the syndicate; the assessment and raising of capital; communications with capital providers; and changes to Board composition. The ASML Board considers that the interests of all stakeholders were aligned for these decisions.

The support and engagement of capital providers of the syndicate is imperative to the future success of our business. There are regular meetings with capital providers and members' agents throughout the year to discuss the performance and future prospects for the syndicate. Feedback received during these meetings enables the ASML Board to factor the views of these key stakeholders into the development of business plans for future years.

Developing and maintaining relationships with brokers and policyholders is central to the success of the syndicate. Underwriters travel widely with our broking partners to visit clients and attend industry events to promote the syndicates and the Lloyd's brand and to ensure we continue to provide an excellent service to our policyholders. In developing insurance propositions, marketing them with our broking partners, and in settling claims, we always seek to ensure fair customer outcomes and provide products that deliver value.

ASML maintains open and transparent relationships with our regulators and Lloyd's, with these relationships being managed through our compliance team. Regular meetings are held with representatives of Lloyd's and the PRA and significant regulatory engagements are reported to the ASML Board.

Apollo's stated purpose is "Enabling a resilient and sustainable world". Through 2024 we continued our work to develop and document our ESG principles and standards and assess our current business model against these standards. There is a defined referral process for underwriting risks to adhere to our ESG appetite and manage potential reputational risk. ESG considerations are integrated into the design of the investment strategy and asset allocation, and ongoing attention is given to staff engagement, particularly around Diversity, Equity & Inclusion (''DEI''). Further work on ESG activities will continue through 2025.

We have put in place arrangements to assist in managing the financial risks and opportunities associated with the effects of climate change and to ensure adequate oversight and control of this area in relation to underwriting, reserving, investment management and operations. The business meets the requirements for PRA Supervisory Statement 3/19. Whilst the Chief Risk Officer retains overall accountability for coordinating the approach to managing this risk within ASML, the responsibility is allocated to relevant managers of each business area. Further developments to ensure appropriate management of these risks and opportunities will continue through 2025.

Staff matters

We believe that our people are our most valuable asset. Attracting, retaining, and nurturing talent is essential to our success. We are committed, to creating a work environment where employees feel engaged through communication, acknowledgment and ongoing growth opportunities. We actively support and promote DEI as well as mental health and wellbeing to ensure that all staff members feel appreciated, supported and can perform at their best.

We aspire to function as a team where respect and collaboration are standard practices. Our hybrid working aims to empower employees and to encourage a culture of communication and cooperation. We have channels for staff to express concerns and to share feedback making our workplace safe, encouraging and innovative.

ASML's people practices remain highly competitive in the London insurance market, providing compensation, benefits, and terms designed to attract and retain top talent. A key focus is on ensuring our employees perform at their best with opportunities for skill enhancement, to develop their capabilities and advance their careers within ASML. This is an integral focus of our succession planning strategy.

Business operations

ASML aims to maintain a lean, efficient operating model utilising technology and outsourcing arrangements enabling flexibility and scalability to meet the demands of the business. We continue to invest in resources across the business in order to ensure that there is an effective operating model and robust three lines of defence model.

Lloyd's Blueprint Two initiatives will offer several processing efficiency gains for the market, and we believe we are well positioned to adopt the new digital services to maximise the benefit to ASML, its syndicates and its capital providers.

ASML continues to successfully maintain a hybrid working environment with all employees able to work effectively, both remotely and from the office, with suitable access to business systems.

Aligned with the FCA's and PRA's Operational Resilience and Third-Party Oversight policies, Apollo maintains a disciplined approach to operational resilience. We continue to focus on ensuring we maintain robust and resilient plans to prevent, respond and recover from operational disruptions with the primary objective to protect our customers and the integrity of our business.

Environmental, Social and Governance

ASML's Board-approved ESG strategy was reviewed in November 2024. The ASML Board drives the strategy, which is aligned with our vision statement and purpose, "Enabling a resilient and sustainable world".

ASML's ESG Committee reports directly to the Executive Committee and coordinates ESG-related activities within ASML. The ESG Committee's mandate is set out within ASML's ESG Policy, but at a high-level seeks to identify areas of improvement and to ensure progress against the ESG strategy approved by the ASML Board.

ASML is committed to a long-term sustainable approach to protecting the environment, balancing environmental considerations and social responsibility with our overall business goals. ASML's underwriting and investment practices are governed by ESG risk appetites that were originally implemented in 2022 and are reviewed at least annually. ASML is also working to identify new opportunities that support the transition to a low carbon sustainable economy, including through Lloyd's new Transition TCX class.

The ESG strategy is reviewed by the ASML Board annually. During 2024, ASML's key achievements have included:

- integrating climate risk formally into the ERM and governance frameworks which included enhancements to climate related stress and scenario testing,
- implementing new investment guidelines to avoid investing in sectors that do not align with the ESG risk appetites,
- joining the Partnership for Carbon Accounting Financials and commencing work to baseline ASML's insurance-associated emissions, and
- enhancing ASML's approach to managing ESG risks in the underwriting process.

At Apollo our people are at the heart of everything we do. We operate a zero-tolerance policy to bullying, harassment, and discrimination. This includes protected characteristics under the Equality Act of 2010, as well as neurodiversity, parental and caring responsibilities, socio-economic status, and working patterns.

ASML is dedicated to fostering a diverse, equitable, and inclusive workplace, with a focus on inclusive hiring practices. We are proud sponsors and supporters of six Lloyd's market inclusion networks. As such, we have implemented several inclusion initiatives and have a comprehensive DEI strategy in place. Employees have access to mental health and wellbeing resources through independent partners, as well as additional support through private medical services.

ASML monitors gender and racial diversity metrics, employee satisfaction, and governance related metrics. This information is used by the ASML Board to track progress against the ESG Strategy. Several DEI related metrics at year-end 2024 are summarised below.

	2024		2023	
	Total number	**Proportion of total category (all employees, senior managers, board)**	**Total number**	**Proportion of total category (all employees, senior managers, board)**
Employees that are women	109	39%	92	39%
Senior managers that are women	14	31%	10	28%
Board directors that are women	4	40%	3	27%
Employees that are from ethnic minorities	45	16%	33	14%
Senior managers that are from ethnic minorities	3	7%	1	3%
Board directors that are from ethnic minorities	2	20%	2	18%

Notes: At the end of 2024, ASML had 281 employees in total (2023: 234), of which 45 (2023: 36) were senior managers. There were 10 board directors (2023: 11).

From an environmental perspective, Apollo Group's carbon footprint is monitored across different types of emissions sources and we have separately aligned with greenhouse gas emissions ("GHG") protocol scopes 1 and 2 and several scope 3 categories (which cover purchased goods and services, fuel and energy-related activities, waste generated in operations, employee commuting, and upstream leased assets). GHG emissions currently exclude our scope 3 underwriting emissions as we look to develop an appropriate methodology. Our Scope 1 and 2 GHG emissions are reported to UK Companies House under the Streamline Energy and Carbon Reporting framework. Apollo Group scope 1, 2, and 3 GHG emissions for year-end 2024 are disaggregated by source below.

		2024		2023	
	Emissions source	**Kg CO_2**	**Proportion of total**	**Kg CO_2**	**Proportion of total**
Scope 1	Heating	31,459	4,9%	30,834	5.5%
	Personal mileage	4,116	0.6%	2,180	0.4%
		35,575	**5.5%**	**33,014**	**5.9%**
Scope 2	Electricity	53,979	8.4%	60,143	10.7%
		53,979	**8.4%**	**60,143**	**10.7%**
Scope 3	Business travel/commuting	496,712	76.9%	426,964	76.2%
	Office materials/waste	40,364	6.3%	26,708	4.8%
	Fuel-related activities	18,987	2.9%	13,591	2.4%
		556,063	**86.1%**	**467,263**	**83.4%**
Total			**100%**		**100%**

Directors

The directors who held office at the date of signing this report are shown on page 2.

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. The managing agent hereby gives formal notification of a proposal to re-appoint Deloitte LLP as auditor of Syndicate 1969 for a further year.

Events after the balance sheet date

The ASML Board has considered events after the balance sheet date which, by their nature, are material to the syndicate. The 2022 year of account profit balance will be distributed to members in 2025, no other items have been identified for disclosure.

Future developments

The 2025 business plan for the syndicate focuses on writing the existing portfolio of specialist lines of business profitably. Where appropriate ASML will be repositioning existing classes in the light of loss experience and changes in the rating environment. ASML will remain vigilant and seek out opportunities to write profitable new lines of business when they arise.

The syndicate will continue to maintain a comprehensive outwards reinsurance programme across all classes of business. The majority of the natural catastrophe property exposures continue to be covered by an excess of loss programme placed with both fully collateralised and traditional reinsurance counterparties. Other class level risk appetites will continue to be managed using a combination of excess of loss, quota share and facultative covers.

ASML will continue to operate a limited number of consortia on which the syndicate is the lead and for which ASML and the syndicate share overriding commissions and the syndicate receives profit commission. These arrangements enable the syndicate to benefit from ASML's recognised leadership and relationships across the insurance market whilst maintaining a diversified portfolio of business.

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 by the Board.

DCB Ibeson
Chief Executive Officer
5 March 2025

Statement of managing agent's responsibilities

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 as 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 the preparation and review of the iXBRL tagging that has been applied to the Syndicate Accounts in accordance with the instructions issued by Lloyd's, including designing, implementing, and maintaining systems, processes and internal controls to result in tagging that is free from material non-compliance with the instructions issued by Lloyd's, whether due to fraud or error.

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.

Independent auditor's report to the members of Syndicate 1969
Report on the audit of the syndicate annual financial statements

Opinion
In our opinion the syndicate annual financial statements of Syndicate 1969 (the 'syndicate'):

- give a true and fair view of the state of the syndicate's affairs as at 31 December 2024 and of its profit 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 and section 1 and 5 of the Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's (the "Lloyd's Syndicate Accounts Instructions").

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; and
- the notes to the annual accounts 1 to 27.

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)), applicable law and the Syndicates Account Instructions. 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
In auditing the financial statements, we have concluded that the managing agent's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the syndicate's ability to continue in operations for a period of at least twelve months from when the syndicate financial statements are authorised for issue.

Our responsibilities and the responsibilities of the managing agent with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the Annual Report and Accounts (the "annual report"), other than the syndicate annual financial statements and our auditor's report thereon. The managing agent is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the syndicate and its control environment, and reviewed the syndicate's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the syndicate operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005); the Lloyd's Syndicate Accounts Instructions; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the syndicate's ability to operate or to avoid a material penalty. These included the requirements of Solvency II.

We discussed among the audit engagement team including actuarial specialists and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- estimation of pipeline premiums requires significant management judgement and therefore there is susceptible to management bias through manipulation of core assumptions. In response, we performed a detailed risk assessment, focusing on the youngest year of account and classes of business and placement types with higher risk attributes. Our testing included comparing management's estimated premium income to supporting documentation on a sample basis and performing substantive analytical procedures using the prior year audited figures, adjusted for known changes, as an expectation. We reviewed the progression of actual premium signings for the 2024 and prior years of account by class of business, investigating any classes where the conversion of estimated premium to actual signed premium was slower than expected, to give further assurance over the accuracy of management's premium estimation.
- valuation of technical provisions, and specifically IBNR, includes assumptions and methodology requiring significant management judgement and involves complex calculations, and therefore there is potential for management bias. There is also a risk of overriding controls by making late adjustments to the technical provisions. In response to these risks we performed a detailed risk assessment and focused our work on specific classes of business based on size and complexity. We involved our actuarial specialists to develop independent estimates of the technical provisions and make detailed assessments of the methodologies and assumptions used, as appropriate for the specific classes of business chosen. We tested the late journal entries to technical provisions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports and reviewing correspondence with Lloyd's

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 managing agent's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the managing agent's report has 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 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.

As required by the Syndicate Accounts Instructions Version 2.0, these financial statements will form part of the Electronic Format Annual Syndicate Accounts filed with the Council of Lloyd's and published on the Lloyd's website. This auditors' report provides no assurance over whether the Electronic Format Annual Syndicate Accounts have been prepared in compliance with Section 2 of the Syndicate Accounts Instructions Version 2. We have been engaged to provide assurance on whether the Electronic Format Annual Syndicate Accounts has been prepared in compliance with Section 2 of the Syndicate Accounts Instructions Version 2 and will privately report to the directors of the managing agent and the Council of Lloyd's on this.

Kirstie Hanley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 March 2025

Profit and loss account

For the year ended 31 December 2024

Technical account – general business	Note	2024 $'000	2023 $'000
Gross premiums written	5	858,260	724,727
Outwards reinsurance premiums		(139,050)	(132,754)
Premiums written, net of reinsurance		**719,210**	**591,973**
Change in the provision for unearned premiums:			
Gross amount	18	(58,118)	(78,092)
Reinsurers' share	18	11,999	10,618
Net change in provisions for unearned premiums		**(46,119)**	**(67,474)**
Earned premiums, net of reinsurance		**673,091**	**524,499**
Allocated investment return transferred from the non-technical account	9	**29,036**	**23,727**
Claims paid			
Gross amount	18	(392,848)	(299,007)
Reinsurers' share	18	161,308	152,129
Net claims paid	**18**	**(231,540)**	**(146,878)**
Change in the provision for claims			
Gross amount	18	(130,243)	(80,277)
Reinsurers' share	18	(51,996)	(54,925)
Net change in provision for claims		**(182,239)**	**(135,202)**
Claims incurred, net of reinsurance		**(413,779)**	**(282,080)**
Net operating expenses	6	(240,520)	(193,231)
Balance on the technical account - general business		**47,828**	**72,915**

All operations relate to continuing activities.

The accompanying notes on pages 24 to 58 form an integral part of these annual accounts.

Profit and loss account
For the year ended 31 December 2024

Non-technical account	Note	2024 $'000	2023 $'000
Balance on the technical account - general business		**47,828**	**72,915**
Investment income	9	29,302	14,882
Realised gains/(losses) on investments	9	4,074	(2,489)
Unrealised (losses)/gains on investments	9	(2,603)	11,758
Investment expenses and charges	9	(1,737)	(424)
Total investment return		**29,036**	**23,727**
Allocated investment return transferred to the technical account - general business		(29,036)	(23,727)
Loss on foreign exchange		(1,550)	(737)
Profit for the financial year		**46,278**	**72,178**

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

Statement of changes in members' balances
For the year ended 31 December 2024

	2024 $'000	2023 $'000
Members' balances brought forward at 1 January	80,634	14,549
Profit for the financial year	46,278	72,178
Payments of profit to members' personal reserve funds	(14,669)	(5,317)
Members' agents' fees	(699)	(588)
Other	(54)	(188)
Members' balances carried forward at 31 December	**111,490**	**80,634**

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

As at 31 December 2024

Assets	Note	2024 $'000	2023 $'000
Investments			
Financial investments	4,11	809,964	699,551
Deposits with ceding undertakings	4	772	148
		810,736	**699,699**
Reinsurers' share of technical provisions			
Provision for unearned premiums	18	71,892	60,254
Claims outstanding	18	335,968	388,737
		407,860	**448,991**
Debtors			
Debtors arising out of direct insurance operations	12	310,098	257,596
Debtors arising out of reinsurance operations	13	76,273	53,287
Other debtors	14	4,059	3,884
		390,430	**314,767**
Other assets			
Cash and cash equivalents	23	90,405	53,140
Other - Overseas deposits	16	39,148	34,904
		129,553	**88,044**
Prepayments and accrued income			
Accrued interest and rent		5,349	3,077
Deferred acquisition costs	15	106,995	94,238
Other prepayments and accrued income		1,238	3,088
		113,582	**100,403**
Total assets		**1,852,161**	**1,651,904**

Balance sheet
As at 31 December 2024

Liabilities and capital and reserves	Note	2024 $'000	2023 $'000
Capital and reserves			
Members' balances		111,490	80,634
Total capital and reserves		**111,490**	**80,634**
Technical provisions			
Provision for unearned premiums	18	461,987	409,000
Claims outstanding	18	1,021,613	901,524
		1,483,600	**1,310,524**
Deposits received from reinsurers	19	56,177	29,144
Creditors			
Creditors arising out of direct insurance operations	20	2,563	749
Creditors arising out of reinsurance operations	21	86,692	83,308
Other creditors including taxation and social security	22	78,251	122,234
		167,506	**206,291**
Accruals and deferred income		33,388	25,311
Total liabilities		**1,740,671**	**1,571,270**
Total liabilities, capital and reserves		**1,852,161**	**1,651,904**

The syndicate annual accounts on pages 18 to 58 were approved by the Board of Apollo Syndicate Management Limited and were signed on its behalf by:

T. McHarg

TL McHarg
Chief Financial Officer
5 March 2025

Statement of cash flows

For the year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit for the financial year		46,278	72,178
Adjustments for:			
Increase in gross technical provisions		173,076	165,874
Decrease in reinsurers' share of technical provisions		41,131	43,072
Increase in debtors		(75,663)	(19,088)
Decrease in creditors		(38,785)	(10,966)
Increase/(Decrease) in deposits received from reinsurers		27,033	(10,076)
Movement in other assets/liabilities		(9,346)	(5,193)
Investment return		(29,036)	(23,727)
Foreign exchange		6,621	(2,635)
Net cash flows from operating activities		**141,309**	**209,439**
Cash flows from investing activities			
Purchase of equity and debt instruments		(568,707)	(1,339,807)
Sale of equity and debt instruments		449,070	1,128,470
Investment income received		33,376	12,473
Other		(2,361)	(486)
Net cash flows from investing activities		**(88,622)**	**(199,350)**
Cash flows from financing activities			
Distribution of profit		(14,669)	(5,317)
Other		(753)	(776)
Net cash flows from financing activities		**(15,422)**	**(6,093)**
Net increase in cash and cash equivalents		**37,265**	**3,996**
Cash and cash equivalents at 1 January		53,140	49,144
Cash and cash equivalents at 31 December	23	**90,405**	**53,140**

Notes to the annual accounts

1. Basis of preparation

Syndicate 1969 comprises a group of members of the Society of Lloyd's that underwrites insurance business in the London Market. The address of the syndicate's managing agent, Apollo Syndicate Management Limited, 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 and applicable accounting standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 ("FRS 102") and Financial Reporting Standard 103 ("FRS 103") in relation to insurance contracts, and the Lloyd's Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

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 annual accounts are presented in US Dollars, which is also the syndicate's functional currency.

All amounts have been rounded to the nearest thousand and are stated in US Dollars unless otherwise indicated.

Restatement of comparative information

During 2024, Lloyd's introduced changes to the syndicate accounts process to rationalise and standardise financial reporting across the market. As a result, certain comparative information has been restated to ensure consistency with current year presentation and compliance with the Lloyd's Syndicate Accounts Instructions. The changes comprise:

Reclassification changes

Certain financial statement line items have been reclassified whilst the underlying amounts remain unchanged. The principal change is the reclassification of deposits with ceding undertakings as a separate line item in investments, previously it formed part of other debtors. Another principal change is the reclassification of overseas deposits as movement in other assets/liabilities in cash flows from operating activities, previously it formed part of cash flows from investing activities as a separate line item. The comparative balances in note 4 and note 14 have been represented to align with the current period presentation.

Aggregation changes

To align with Lloyd's reporting requirements whilst maintaining FRS 102 compliance, certain items have been aggregated or disaggregated within the financial statements and related notes. Realised and unrealised gains and losses on investments have been disaggregated in the non-technical account of the profit and loss account. Deposits with ceding undertakings have been disaggregated from other debtors on the balance sheet and shown as an investment with a corresponding impact on the statement of cash flows.

Note presentation changes

There have been changes to the format, presentation and order of the notes. Additional granularity has been added to several notes including the risk disclosures in note 4 and the technical provisions in note 18. The segmental information in note 5 has been revised to reflect the Lloyd's classes of business.

The reclassification, aggregation and note presentation changes have been applied retrospectively and had no impact on previously reported profit, total comprehensive income, total assets, total liabilities, or total capital and reserves.

1. Basis of preparation (continued)

Going concern

The syndicate has financial resources to meet its financial needs and manage its portfolio of insurance risk. The directors have continued to review the business plans, liquidity and operational resilience of the syndicate and are satisfied that the syndicate is well positioned to manage its business risks in the current economic environment. The syndicate 2025 year of account has opened, and the directors have concluded that the syndicate has a reasonable expectation that it will open a 2026 year of account. The syndicate has sufficient capital for each year of account provided by the syndicate members as FAL. There is no intention to cease underwriting or cease the operations of the syndicate.

Accordingly, the directors of the managing agent continue to adopt the going concern basis in preparing the annual accounts.

2. Critical accounting judgements and key sources of estimation uncertainty

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. Several of the estimates are based on actuarial assumptions underpinned by historical experience, market data, 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 where the revision affects only that period, and in future periods where 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 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 relate principally to gross written premium and claims outstanding, in particular the provision for claims that have been incurred at the reporting date but have not yet been reported and the accrual for pipeline premium respectively.

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Gross written premium

Gross written premium comprises contractual amounts, underwriter estimates at a policy level reflecting guidance provided by clients and cover holders and actuarial pipeline premium estimates. These include amounts due to the syndicate not yet received or notified 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. Gross premiums written are disclosed in note 5.

Claims outstanding

The measurement of the provision for claims outstanding and the related reinsurance recoveries requires assumptions to be made about the future that have a 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 and a confidence margin. 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 based on past experience the development of claims over time, as adjusted for expected inflation, to form a view of the likely ultimate claims to be expected and, for more recent underwriting years, the use of industry benchmarks and initial expected loss ratios from business plans. 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 and experience of analogous business. 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 to 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, inflation 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 reserving uncertainty will be greatest for liability business which is described as long-tail, reflecting the time it takes for losses to be identified by claimants and settled. Long-tail classes make up approximately half of the business written.

The reserve setting process is integrated into Apollo's governance framework. The proposed best estimate reserves are reviewed in detail by the Reserving Committee on a quarterly basis and specific management margin added to 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. 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 historical development of claims incurred estimates is set out in the loss development triangles by year of account in note 17. The adjustment in the current year for the revision to the prior year estimate of the provision for claims outstanding is disclosed in note 18.

3. Significant accounting policies

The following significant 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

Gross 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. Non-proportional reinsurance contracts are recognised on the date on which the policy incepts, and proportional reinsurance is recognised when the underlying gross premium is written.

The reported outwards reinsurance premiums include adjustments for variations in cover relating to 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 over the life 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 earnings patterns reflecting the risk profile of the underlying policies 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 reinsurance 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 a receivable.

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") and a confidence margin above best estimate.

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.

3. Significant accounting policies (continued)

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.

Financial assets and liabilities

The syndicate has chosen to apply the provisions of Section 11 (Basic Financial Instruments) and Section 12 (Other Financial Instruments Issues) of FRS 102 for the treatment and disclosure of financial assets and liabilities.

Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the statement of profit or loss and other comprehensive income. Financial assets and liabilities are classified on their initial recognition.

The initial classification of a financial instrument takes into account contractual terms including those relating to future variations. Once the classification of a financial instrument is determined at initial recognition, re-assessment is only required when there has been a modification of contractual terms that is relevant to an assessment of the classification.

The syndicate's investments comprise holdings of short-dated government and corporate bonds, collective investment schemes and cash and cash equivalents. The loan to Lloyd's Central Fund is included as a syndicate investment. The syndicate may hold derivative financial instruments for risk management purposes in line with the investment strategy. Hedge accounting is not adopted.

The syndicate does not hold any non-derivative financial assets or financial liabilities for trading purposes. When derivatives are determined to be liabilities, they are categorised as held for trading and reported within other creditors in the balance sheet.

Deposits with credit institutions, debtors, and accrued interest are classified as loans and receivables.

Recognition

Financial assets and liabilities are recognised when the syndicate becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. The syndicate does not hold any equity instruments.

Measurements

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as held at fair value through profit or loss and so initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

Investments and derivative instruments are measured at fair value through the profit or loss. All other financial assets and liabilities are held at cost. The syndicate does not hold any non-current debt instruments and does not classify debt instruments as payable or receivable in more than one financial year.

Realised and unrealised gains and losses arising from changes in the fair value of investments are initially presented in the non-technical profit and loss account in the period in which they arise. Interest income is recognised as it accrues. Investment management and other related expenses are recognised when incurred. The overall investment return is subsequently transferred to the technical account to reflect the investment return on funds supporting the underwriting business.

3. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled;
- the syndicate transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the syndicate, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the company estimates the fair value by using a valuation technique.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, yield curves, credit spreads, liquidity statistics and other factors.

The use of different valuation techniques could lead to different estimates of fair value. FRS 102 section 11.27 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). More information on the hierarchy is included in note 11.

Impairment of financial instruments measured at historic cost

For financial assets carried at historic cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at arm's length on the reporting date.

Where indicators exist for a reversal in impairment loss, and the reversal can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. The amount of the reversal is recognised in profit and loss.

Off-setting

Financial assets and financial liabilities are off-set, and the net amount presented in the balance sheet when, and only when, the syndicate has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deposits with ceding undertakings

Deposits with ceding undertakings are funds held by cedants for the settlement of claims. These funds are held at amortised cost in the balance sheet.

3. Significant accounting policies (continued)

Debtors and creditors

Debtors and creditors are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders which are classified as insurance debtors and creditors as they are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Insurance debtors are measured at amortised cost less any provision for impairments. Bad debts are provided for only where specific information is available to suggest a debtor may be unable or unwilling to settle its debt to the syndicate. The provision is calculated on a case-by-case basis. Insurance creditors are stated at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value and are used by the syndicate in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Bank overdrafts that are repayable on demand and form an integral part of the syndicate's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Investment return

Investment return comprises investment income, realised investment gains and losses, movements in unrealised gains and losses, investment expenses and charges, interest payable and amounts attributable to the funds withheld from the Special Purpose Arrangement ("SPA") syndicates and collateral.

Realised gains and losses represent the difference between the net proceeds on disposal and the purchase price (net of transaction costs).

Unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and their net purchase price. Movements in unrealised investment gains and losses comprise the increase/decrease in the reporting period in the value of the investments held at the reporting date and the reversal of unrealised investment gains and losses recognised in earlier reporting periods in respect of investment disposals of the current 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.

Deposits received from reinsurers

The syndicate requires certain reinsurers to collateralise their potential exposure to the syndicate through the depositing of funds. To the extent that the funds are not called upon as paid recoveries at the balance sheet date they are recorded as financial investment or cash and cash equivalents with a corresponding liability recorded as deposits received from reinsurers.

Net operating expenses

Net operating expenses include acquisition costs, administrative expenses and members' standard personal expenses. Reinsurers' commissions and profit participations, consortia income and expenses attributable to the SPA syndicates represent contributions towards operating expenses and are reported accordingly, in effect reducing the net operating expense.

Costs incurred by the managing agent on behalf of the syndicate are recognised on an accruals basis. No mark-up is applied.

Acquisition costs

Acquisition costs represent 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.

3. Significant accounting policies (continued)

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.

Reinsurers’ commissions and profit participations

Under certain outwards reinsurance contracts the syndicate receives a contribution towards the expenses incurred. The outwards reinsurance contracts may allow the ceding of acquisition costs and in certain instances an allocation of administrative expenses. Reinsurance arrangements can also pay an overriding or profit commission.

The reinsurers’ share of expenses is included within operating expenses and earned in line with the related expense. The reinsurers’ share of deferred acquisition cost liability corresponds to the gross deferred acquisition costs at the balance sheet date.

Managing agent’s fees and profit commission

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 which is reassessed regularly.

Profit commission is charged by the managing agent at a rate of 17.5% of the profit on a year of account basis subject to the operation of a 2-year deficit clause. This is charged to the syndicate as incurred but does 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.

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 transaction. 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 on behalf of members 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.

3. Significant accounting policies (continued)

Consortia share of expenses

Under the terms of an underwriting consortia contract participants are required to pay fees to the syndicate, as leader, in return for the business written on their behalf. These fees represent a contribution towards the expenses incurred by the syndicate underwriting for the consortia. The syndicate accrues the consortium fee income in line with the writing of the business for each consortium, calculated in accordance with the individual contractual arrangements.

In addition the consortium arrangements include an entitlement to profit commission based on the performance of the business written by the consortium leader. The syndicate accrues profit commission in accordance with the contractual terms based on the forecast performance of each consortium. Both the accrued consortium fees and accrued profit commission are included as a credit to administrative expenses.

Other prepayment and accrued income

Other prepayments are recognised as assets when the payment is made and the syndicate expects to receive the economic benefit from the prepayment in future periods. They are initially recognised at cost and are amortised over the period in which the economic benefit is consumed.

Accrued income are recognised as assets for services received whether or not billed to the syndicate. They are initially recognised at fair value and subsequently measured at amortised cost.

Funds withheld

The underlying premiums and claims for a SPA syndicate are settled by Syndicate 1969 with policy holders as they fall due. Within the syndicate these are accounted for as a debtor or creditor with a SPA syndicate.

Reinsurance debtors and creditors arising between the syndicate and a SPA syndicate are not settled until the year of account closes. Claims outstanding together with other non-technical transactions are settled when a year of account closes, including apportioned investment income.

Cash calls made during a period are received by the syndicate and credited to the funds withheld balance. These will reduce the amount due for payment to or from a SPA syndicate on closure of a loss making year.

Classification of insurance and reinsurance contracts

Insurance and reinsurance contracts are classified as insurance contracts where they transfer significant insurance risk. If a contract does not transfer significant insurance risk it is classified as a financial instrument. All of the syndicate's written contracts and purchased reinsurance contracts transfer significant insurance risk and therefore are classified as insurance contracts.

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 solvency capital.

The nature of the syndicate's exposures to risk and its objectives and policies for managing risk have not changed significantly from the prior year.

4. Risk and capital management (continued)

Enterprise risk management framework

The ASML ERM framework has been adopted and embedded by the syndicate. The primary objective of the ERM framework is to protect the syndicate's members from events that could impede sustainable growth and achievement of consistent financial performance, including failing to maximise opportunities through informed and appropriate risk taking. All staff providing services to the syndicate are trained to recognise the critical importance of having efficient and effective ERM systems in place.

The ASML Board has overall responsibility for the establishment and oversight of the ERM framework. The ASML Board has established an Audit Committee and a Board Risk Committee which oversee the operation of the syndicate's ERM framework and review and monitor the management of the risks to which the syndicate is exposed.

ASML has established an ERM function, together with terms of reference for the ASML Board, 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 authorities and responsibilities from the Board to Executive Management Committees and senior managers using a 'three lines of defence' model. The framework sets out the risk appetites for the syndicate and includes controls and business conduct standards.

Under the ERM framework, ASML's Board Risk Committee oversees the first line ownership of risk 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 financial risks is the responsibility of the Finance Committee and the Investment and Treasury Oversight Group. In addition, the syndicate is exposed to consumer and operational risks and the management of these risks is the responsibility of the Underwriting Committee and the Operations Committee respectively. Accordingly, the executive members responsible for these risks provide the Board Risk Committee with a first line view of the risk and the ERM function provides a second line challenge and oversight. ASML's Internal Audit function provides assurance through their role as the third line of defence.

The ERM function reports quarterly to the ASML Board and Board Risk Committee on its activities and provides a forward-looking view of the upcoming assurance activities. The Reserving Committee, Underwriting Committee, Finance Committee, Investment and Treasury Oversight Group, Operations Committee and Change Committee report regularly to the Executive Committee and work closely with the ERM function on their activities as well as reporting to the Board and the relevant Board committees.

Climate risk relates to the range of complex physical, transition and liability risks arising from climate change. This includes the risk of higher claims due to more frequent and more intense natural catastrophes; the financial risks which could arise from the transition to a lower-carbon economy; and the risk that those who have suffered loss from climate change might then seek to recover those losses from others who they believe may have been responsible. Climate change-related risk is not considered a standalone risk, but a cross-cutting risk with potential to amplify each existing risk type. Specific climate sub-risks are incorporated into the quarterly ERM processes to ensure they receive appropriate attention.

Insurance risk

Insurance risk refers to fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. It is comprised of premium risk and reserving risk and is the principal risk the syndicate faces in the writing of insurance contracts.

Underwriting risk

Underwriting risk is the risk that the insurance premium will not be sufficient to cover future insurance losses and associated expenses. This includes the risks that the premium is set too low, the contract provides inappropriate levels of cover, or that the actual frequency or severity of claims events will be significantly higher than was expected during the underwriting process.

4. Risk and capital management (continued)

Reserve risk

Reserve risk is the risk that the reserves established in respect of insurance claims incurred are insufficient to settle the claims and associated expenses in full.

Management of insurance risk

A key component of the management of insurance 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 insurance 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 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 catastrophe events based on the syndicate's risk appetite. This is achieved through the use of commercially available proprietary risk management software to assess catastrophe exposure and includes adjustments to the outputs to reflect the in-house view of risk. 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 ASML Exposure Management team which reports monthly to the Underwriting Committee and quarterly to the Executive and Board Risk Committees. The syndicate monitors its catastrophe exposures against a range of probabilistic and scenario-based outputs. A range of natural and man-made catastrophe risk appetites that reflect the syndicate's risk profile are in place, which are reported to the Board Risk Committee on a quarterly basis and escalated to the ASML Board by exception.

As the syndicate writes a mixture of property, casualty, and speciality business, ASML has invested in tooling and data sets to ensure that the appropriate capabilities are in place to manage the underlying syndicate's risk profile.

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.

ASML 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 premium. These projections include an analysis of claims development compared to the previous 'best estimate' projections.

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 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 increase the probability that the reserves are sufficient to meet liabilities.

The level of year end reserves is validated by external consulting actuaries through their report to management and their provision of a Statement of Actuarial Opinion to ASML and Lloyd's on gross and net reserves by year of account as at 31 December 2024.

The claims development table in note 17 shows the actual claims incurred to previous estimates for the last seven years.

4. Risk and capital management (continued)

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.

The following table presents the sensitivity of the value of insurance liabilities disclosed in the accounts to potential movements in the assumptions applied within the technical provisions. A five percent increase or decrease in the ultimate cost of settling claims arising from a change in actuarial assumptions is considered reasonably possible at the reporting date. A five percent increase or decrease in total earned claims liabilities due to a change in assumptions would have the following effect on profit or loss and members' balances.

	Sensitivity	
General insurance business sensitivities	**+ 5.0%**	**- 5.0%**
2024	**$'000**	**$'000**
Claims outstanding – gross of reinsurance	51,081	(51,081)
Claims outstanding – net of reinsurance	34,282	(34,282)

	Sensitivity	
General insurance business sensitivities	**+ 5.0%**	**- 5.0%**
2023	**$'000**	**$'000**
Claims outstanding – gross of reinsurance	45,076	(45,076)
Claims outstanding – net of reinsurance	25,639	(25,639)

On a net of reinsurance basis, the effects are 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' balances.

Financial risk

The financial risk faced by the syndicate is managed by ensuring that its financial assets are sufficient to fund the obligations arising from its insurance contracts as they fall due. The primary objective of the 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. ASML currently implements a relatively low-risk investment policy and the syndicate assets have been invested in short dated fixed income government and corporate bonds and money market funds.

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

4. Risk and capital management (continued)

Credit risk

Credit risk is the risk of financial loss to the syndicate if a counterparty fails to discharge a contractual obligation.

The syndicate is exposed to credit risk in respect of the following:

- holdings in collective investment schemes;
- short dated fixed income government and corporate bonds;
- reinsurers' share of insurance liabilities;
- amounts due from intermediaries;
- amounts due from reinsurers in respect of settled claims;
- cash and cash equivalents; and
- other debtors and accrued interest.

Management of credit risk

The investment portfolio is invested in securities which are 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. The syndicate 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 through outwards reinsurance purchase guidelines. The guidelines place limits on exposure to a single counterparty based on the credit rating of the counterparty and the counterparty's market reputation and recent performance. 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 assesses 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 fully collateralise its exposure through depositing funds in trust for the syndicate.

ASML reviews 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

The carrying amount of financial and reinsurance assets represents the maximum credit risk exposure.

The following table analyses the credit rating by investment grade of financial investments, reinsurers' share of claims outstanding, debtors arising out of direct insurance and reinsurance operations, cash and cash equivalents and other debtors and accrued interest.

Debtors arising out of direct and reinsurance operations are comprised of pipeline premiums and balances relating to outstanding receipts from Lloyd's Central Accounting. By their nature, it is not possible to classify these balances by credit rating and therefore they are included as not rated in the following tables.

4. Risk and capital management (continued)

2024	AAA $'000	AA $'000	A $'000	BBB $'000	Other $'000	Not rated $'000	Total $'000
Shares and other variable yield securities and unit trusts	251,345	-	75,918	-	-	-	327,263
Debt securities and other fixed income securities	204,209	6,226	117,223	147,432	1,117	-	476,207
Syndicate loans to central fund	-	6,494	-	-	-	-	6,494
Deposits with ceding undertakings	-	400	372	-	-	-	772
Reinsurers' share of claims outstanding	12,539	56,883	266,546	-	-	-	335,968
Debtors arising out of direct insurance operations	-	-	-	-	-	310,098	310,098
Debtors arising out of reinsurance operations	3,131	24,220	35,321	-	-	13,601	76,273
Cash at bank and in hand	56,274	-	34,131	-	-	-	90,405
Other debtors and accrued interest	20,026	3,282	3,948	3,018	1,338	18,182	49,794
Total	**547,524**	**97,505**	**533,459**	**150,450**	**2,455**	**341,881**	**1,673,274**

2023	AAA $'000	AA $'000	A $'000	BBB $'000	Other $'000	Not rated $'000	Total $'000
Shares and other variable yield securities and unit trusts	1,105	234,383	69,978	-	-	-	305,466
Debt securities and other fixed income securities	240,671	6,763	96,131	38,886	-	3,617	386,068
Syndicate loans to central fund	-	8,017	-	-	-	-	8,017
Deposits with ceding undertakings	-	-	148	-	-	-	148
Reinsurers' share of claims outstanding	13,193	75,163	300,374	7	-	-	388,737
Debtors arising out of direct insurance operations	-	-	-	-	-	257,596	257,596
Debtors arising out of reinsurance operations	-	-	-	-	-	53,287	53,287
Cash at bank and in hand	29,366	-	23,774	-	-	-	53,140
Other debtors and accrued interest	18,290	1,473	2,446	2,129	1,445	19,170	44,953
Total	**302,625**	**325,799**	**492,851**	**41,022**	**1,445**	**333,670**	**1,497,412**

Financial assets that are past due or impaired

The syndicate has 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, disputes and compliance with ASML terms and conditions.

An analysis of the carrying amounts of past due or impaired assets is presented in the table below. There are no other financial assets that are considered past due or impaired.

4. Risk and capital management (continued)

2024	Neither past due nor impaired assets $'000	Past due but not impaired assets $'000	Gross value of impaired assets $'000	Impairment allowance $'000	Total $'000
Shares and other variable yield securities and unit trusts	327,263	-	-	-	327,263
Debt securities and other fixed income securities	476,207	-	-	-	476,207
Syndicate loans to central fund	6,494	-	-	-	6,494
Deposits with ceding undertakings	772	-	-	-	772
Reinsurers' share of claims outstanding	335,968	-	2,688	(2,688)	335,968
Debtors arising out of direct insurance operations	233,626	76,472	-	-	310,098
Debtors arising out of reinsurance operations	50,476	25,797	429	(429)	76,273
Cash at bank and in hand	90,405	-	-	-	90,405
Other debtors and accrued interest	228,681	-	-	-	228,681
Total	**1,749,892**	**102,269**	**3,117**	**(3,117)**	**1,852,161**

2023	Neither past due nor impaired assets $'000	Past due but not impaired assets $'000	Gross value of impaired assets $'000	Impairment allowance $'000	Total $'000
Shares and other variable yield securities and unit trusts	305,466	-	-	-	305,466
Debt securities and other fixed income securities	386,068	-	-	-	386,068
Syndicate loans to central fund	8,017	-	-	-	8,017
Deposits with ceding undertakings	148	-	-	-	148
Reinsurers' share of claims outstanding	388,737	-	2,752	(2,752)	388,737
Debtors arising out of direct insurance operations	114,823	142,773	-	-	257,596
Debtors arising out of reinsurance operations	25,007	28,280	220	(220)	53,287
Cash at bank and in hand	53,140	-	-	-	53,140
Other debtors and accrued interest	199,445	-	-	-	199,445
Total	**1,480,851**	**171,053**	**2,972**	**(2,972)**	**1,651,904**

4. Risk and capital management (continued)

The table below sets out the age analysis of financial assets that are past due but not impaired at the balance sheet date:

2024	Past due but not impaired assets 0-3 months $'000	3-6 months $'000	6-12 months $'000	> 12 months $'000	Total $'000
Debtors arising out of direct insurance operations	31,724	14,956	29,792	-	76,472
Debtors arising out of reinsurance operations	17,406	5,047	2,376	968	25,797
Total	**49,130**	**20,003**	**32,168**	**968**	**102,269**

2023	Past due but not impaired assets 0-3 months $'000	3-6 months $'000	6-12 months $'000	> 12 months $'000	Total $'000
Debtors arising out of direct insurance operations	87,333	21,949	33,491	-	142,773
Debtors arising out of reinsurance operations	15,168	9,232	2,793	1,087	28,280
Total	**102,501**	**31,181**	**36,284**	**1,087**	**171,053**

Impairment analysis

The table below sets out a reconciliation of changes in impairment allowance during the period for each class of financial asset at the balance sheet date:

2024	1 Jan $'000	New Impairment charges added in year $'000	Changes in impairment charges $'000	Release to profit and loss account $'000	Foreign Exchange $'000	Other $'000	31 Dec $'000
Reinsurers' share of claims outstanding	2,752	-	(52)	-	(12)	-	2,688
Debtors arising out of reinsurance operations	220	-	211	-	(2)	-	429
Total	**2,972**	**-**	**159**	**-**	**(14)**	**-**	**3,117**

2023	1 Jan $'000	New Impairment charges added in year $'000	Changes in impairment charges $'000	Release to profit and loss account $'000	Foreign Exchange $'000	Other $'000	31 Dec $'000
Reinsurers' share of claims outstanding	2,557	-	184	-	11	-	2,752
Debtors arising out of reinsurance operations	190	-	30	-	-	-	220
Total	**2,747**	**-**	**214**	**-**	**11**	**-**	**2,972**

4. Risk and capital management (continued)

Liquidity risk

Liquidity risk is the risk that the syndicate's assets are insufficient to fund the obligations arising from its insurance contracts and financial liabilities as they fall due or can only be met by incurring additional costs. The syndicate is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts and its ongoing expenses.

The nature of the syndicate's exposures to liquidity risk and its objectives, policies and processes for managing liquidity risk have not changed significantly from the prior year.

Management of liquidity risk

The syndicate's approach to managing liquidity risk is to ensure, as far as is reasonable, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the syndicate's reputation.

ASML's approach to managing 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 outgoing payments;
- 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; and
- liquidity stress testing is performed for the syndicate, looking both at cash flow liquidity and shock loss scenarios.

The syndicate holds sufficient premium trust funds in money market funds to meet daily liquidity. Holdings in money market funds are well diversified, very 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.

The syndicate is able to make cash calls from the members to fund losses in the event that funds are needed ahead of closing the year of account. In extreme circumstances, ASML syndicates could also apply to utilise the Lloyd's central fund as a last resort to pay liabilities.

Maturity analysis of syndicate liabilities

The maturity analysis presented in the table below shows the remaining contractual maturities for the syndicate's insurance contracts and financial instruments. For insurance and reinsurance contracts, the contractual maturity is the estimated date when the gross undiscounted contractually required cash flows will occur. For financial 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.

4. Risk and capital management (continued)

2024	Carrying amount $'000	Less than 1 year $'000	1-3 years $'000	3-5 years $'000	More than 5 years $'000
Claims outstanding	1,021,613	305,117	363,503	182,314	170,679
Deposits received from reinsurers	56,177	34,775	15,317	4,012	2,073
Creditors	167,506	153,758	13,748	-	-
Other credit balances	25,654	6,167	19,487	-	-
Total liabilities	**1,270,950**	**499,817**	**412,055**	**186,326**	**172,752**

2023	Carrying amount $'000	Less than 1 year $'000	1-3 years $'000	3-5 years $'000	More than 5 years $'000
Claims outstanding	901,524	311,095	324,449	125,871	140,109
Deposits received from reinsurers	29,144	18,122	8,370	1,592	1,060
Creditors	206,291	194,495	11,796	-	-
Other credit balances	18,034	3,769	14,265	-	-
Total liabilities	**1,154,993**	**527,481**	**358,880**	**127,463**	**141,169**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument 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 ASML'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

Interest rate risk arises primarily from the syndicate's exposure to financial investments and overseas deposits. Exposure to significant fluctuations in market value due to changes in bond yields is managed through investment in short duration securities. Investment types include short dated fixed income bonds and money market funds.

	2024		2023	
	Impact on profit for the financial year $'000	Impact on members' balances $'000	Impact on profit for the financial year $'000	Impact on members' balances $'000
Impact of a 50 basis point increase	(7,680)	(7,680)	(3,425)	(3,425)
Impact of a 50 basis point decrease	7,680	7,680	3,425	3,425

4. Risk and capital management (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of the syndicate's assets and liabilities 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. Occasionally, the syndicate may make limited use of foreign exchange derivative instruments to manage future currency cash flow requirements.

Regulatory capital requirements and liquidity impact the ability to match in currency. Regulatory funding requirements are calculated on the basis of gross data and as a result a net currency asset can arise. Net assets in currency are not a direct indication of the liquidity in a currency. The syndicate can undertake currency trades either to help match in currency or meet liquidity needs.

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

2024	Sterling $'000	US Dollar $'000	Euro $'000	Canadian Dollar $'000	Total $'000
Investments	6,506	725,236	32,120	46,874	810,736
Reinsurers' share of technical provisions	16,195	384,998	(3,036)	9,703	407,860
Debtors	21,512	330,414	30,680	7,824	390,430
Other assets	43,641	70,902	4,953	10,057	129,553
Prepayments and accrued income	19,025	78,881	9,739	5,937	113,582
Total assets	**106,879**	**1,590,431**	**74,456**	**80,395**	**1,852,161**
Technical provisions	(101,984)	(1,261,429)	(63,692)	(56,495)	(1,483,600)
Deposits received from reinsurers	-	(56,177)	-	-	(56,177)
Creditors	(8,334)	(151,771)	(5,147)	(2,254)	(167,506)
Accruals and deferred income	(259)	(32,736)	(92)	(301)	(33,388)
Total liabilities	**(110,577)**	**(1,502,113)**	**(68,931)**	**(59,050)**	**(1,740,671)**
Total capital and reserves	**(3,698)**	**88,318**	**5,525**	**21,345**	**111,490**

2023	Sterling $'000	US Dollar $'000	Euro $'000	Canadian Dollar $'000	Total $'000
Investments	8,128	593,447	53,333	44,791	699,699
Reinsurers' share of technical provisions	12,652	420,227	8,031	8,081	448,991
Debtors	19,803	278,072	12,952	3,940	314,767
Other assets	32,079	45,508	1,509	8,948	88,044
Prepayments and accrued income	20,387	66,741	8,906	4,369	100,403
Total assets	**93,049**	**1,403,995**	**84,731**	**70,129**	**1,651,904**
Technical provisions	(86,353)	(1,114,611)	(67,366)	(42,194)	(1,310,524)
Deposits received from reinsurers	-	(29,144)	-	-	(29,144)
Creditors	(17,359)	(184,137)	(2,943)	(1,852)	(206,291)
Accruals and deferred income	(384)	(24,170)	(171)	(586)	(25,311)
Total liabilities	**(104,096)**	**(1,352,062)**	**(70,480)**	**(44,632)**	**(1,571,270)**
Total capital and reserves	**(11,047)**	**51,933**	**14,251**	**25,497**	**80,634**

4. Risk and capital management (continued)

Sensitivity analysis to market risks

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.

	2024		2023	
	Impact on profit for the financial year	Impact on members' balances	Impact on profit for the financial year	Impact on members' balances
Currency risk	$'000	$'000	$'000	$'000
10 percent strengthening of GBP against USD	(411)	(411)	(1,228)	(1,228)
10 percent weakening of GBP against USD	336	336	1,004	1,004
10 percent strengthening of Euro against USD	614	614	1,583	1,583
10 percent weakening of Euro against USD	(502)	(502)	(1,295)	(1,295)

Other price risk

The syndicate investments comprise holdings in short dated fixed income government and corporate bonds, Lloyd's Central Fund loan and money market funds. The bond portfolio is relatively low risk being both short dated and investment grade securities and therefore it has limited sensitivity to market movements.

The money market funds are near cash and therefore have minimal exposure to market movements

A fair value hierarchy is provided in note 11 which categorises the syndicate according to the level of judgement exercised in valuation.

Capital management

Capital framework at Lloyd's

Lloyd's is a regulated undertaking and subject to supervision by the 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 complies 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 respectively at overall and member level only, 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, each syndicate is required to calculate its 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.

4. Risk and capital management (continued)

ASML uses an internal model developed in house to calculate the SCR for the syndicate as opposed to adopting a standard formula. The SCR is reviewed and approved by the Board through the ORSA process and an independent annual internal model validation process.

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; operate 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 ECA. The purpose of this uplift, which is a Lloyd's rather than a Solvency II requirement, is to support Lloyd's financial strength, licence and ratings objectives.

Provision of capital by members

Each member may provide capital to meet their ECA by assets held in trust by Lloyd's specifically for that member's FAL, 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.

5. Analysis of underwriting result

An analysis of the underwriting result before investment return is set out in the table below:

2024	Gross premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Gross operating expenses $'000	Reinsurance balance $'000	Underwriting result $'000
Direct insurance						
Motor (third party liability)	362	495	3,559	1,256	(6,605)	(1,295)
Motor (other classes)	(71)	(61)	204	84	535	762
Marine, aviation and transport	98,505	92,485	(69,018)	(28,993)	5,479	(47)
Fire and other damage to property	220,407	206,837	(86,795)	(60,904)	(23,946)	35,192
Third-party liability	210,529	201,490	(193,918)	(64,282)	25,815	(30,895)
Credit and suretyship	55,019	50,273	(26,729)	(14,811)	6,914	15,647
	584,751	**551,519**	**(372,697)**	**(167,650)**	**8,192**	**19,364**
Reinsurance						
Reinsurance acceptances	273,509	248,623	(150,394)	(83,212)	(15,589)	(572)
Total	**858,260**	**800,142**	**(523,091)**	**(250,862)**	**(7,397)**	**18,792**

5. Analysis of underwriting result (continued)

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2024	Gross premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Gross operating expenses $'000	Reinsurance balance $'000	Underwriting result $'000
Additional analysis						
Fire and damage to property of which is						
Specialties	10,327	9,821	(963)	(2,892)	(2,820)	3,146
Energy	117	111	(33)	(33)	(5)	40
Third-party liability of which is						
Energy	5	3	85	(1)	(12)	75

2023	Gross premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Gross operating expenses $'000	Reinsurance balance $'000	Underwriting result $'000
Direct insurance						
Motor (third party liability)	(164)	(3,175)	12,100	157	(9,983)	(901)
Motor (other classes)	414	493	210	(202)	1,325	1,826
Marine, aviation and transport	79,253	75,040	(40,134)	(21,738)	(2,749)	10,419
Fire and other damage to property	193,562	173,700	(73,433)	(50,189)	(30,176)	19,902
Third-party liability	176,417	158,988	(127,668)	(56,814)	11,517	(13,977)
Credit and suretyship	46,163	39,122	(16,660)	(10,464)	(4,495)	7,503
	495,645	**444,168**	**(245,585)**	**(139,250)**	**(34,561)**	**24,772**
Reinsurance						
Reinsurance acceptances	229,082	202,467	(133,699)	(63,852)	19,500	24,416
Total	**724,727**	**646,635**	**(379,284)**	**(203,102)**	**(15,061)**	**49,188**

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2023	Gross premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Gross operating expenses $'000	Reinsurance balance $'000	Underwriting result $'000
Additional analysis						
Fire and damage to property of which is						
Specialties	8,175	7,414	(359)	(2,142)	(1,490)	3,423
Energy	140	92	(12)	(27)	(39)	14
Third-party liability of which is						
Energy	(5)	(5)	49	-	(9)	35

Reinsurers' commissions and profit participations are included in the reinsurance balance and disclosed in note 6, net operating expenses.

5. Analysis of underwriting result (continued)

The gross premiums written for direct insurance by destination of risk is presented in the table below:

Gross written premiums for direct insurance analysed by source	2024 $'000	2023 $'000
United Kingdom	107,257	82,525
European Union Member States	1,811	1,776
United States of America	364,646	331,287
Rest of the world	111,037	80,057
Total gross premiums written	**584,751**	**495,645**

All premiums were concluded in the United Kingdom.

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.

Result before members' agents' fees	2024 $'000	2023 $'000
Year of account		
2021	-	14,720
2022	(21,233)	37,243
2023	71,649	20,215
2024	(4,138)	-
Calendar year result	**46,278**	**72,178**

6. Net operating expenses

	2024 $'000	2023 $'000
Acquisition costs	198,193	161,725
Change in deferred acquisition costs	(14,230)	(16,556)
Gross acquisition costs	183,963	145,169
Administrative expenses	42,749	31,623
Members' standard personal expenses	24,150	26,310
Reinsurers' commissions and profit participations	(10,342)	(9,871)
Net operating expenses	**240,520**	**193,231**

Commission on direct insurance gross premiums written during 2024 was $129,459,000 (2023: $102,187,000).

6. Net operating expenses (continued)

Administrative expenses include the following:

	2024 $'000	2023 $'000
Audit fees		
Fees payable to the syndicate's auditor for the audit of the syndicate's annual financial statements	374	323
Non-audit fees		
Fees payable to the syndicate's auditor and its associates in respect of other services pursuant to legislation	105	133
Other non – audit fees	115	112
Total	**594**	**568**
Impairment losses on debtors		
Arising out of reinsurance operations	211	30

ASML incurred audit fees payable to the syndicate's auditors of $46,000 (2023: $34,000) and other assurance services of $6,000 (2023: $4,000).

7. 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 2024, the remuneration recharged to the syndicate for the directors of ASML is $2,139,000 (2023: $3,226,000) which is charged as a syndicate expense.

The remuneration amount recharged to the syndicate for the Active Underwriter during 2024 is $463,000 (2023: $534,000) which is charged as a syndicate expense.

8. Staff numbers and costs

All staff are employed by a related company of ASML. The following amounts were incurred by the syndicate in respect of salary costs:

	2024 $'000	2023 $'000
Wages and salaries	43,732	32,516
Social security costs	5,087	3,902
Pension costs	3,249	1,946
Total	**52,068**	**38,364**

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

	2024 Number	2023 Number
Underwriting	61	55
Claims and reinsurance	11	13
Management, administration and finance	127	112
Investments	1	1
Total	**200**	**181**

During 2024 there were six (2023: seven) non-executive directors on the ASML board who allocated their time to the syndicate.

9. Investment income

	2024 $'000	2023 $'000
Interest and similar income		
From financial instruments designated at fair value through profit or loss		
Interest and similar income	23,102	3,835
Interest on cash at bank	6,200	11,047
Other income from investments		
From financial instruments designated at fair value through profit or loss		
Gains on the realisation of investments	4,971	899
Losses on the realisation of investments	(897)	(3,388)
Unrealised gains on investments	4,658	11,994
Unrealised losses on the investments	(7,261)	(236)
Investment management expenses	(1,737)	(424)
Total investment return	**29,036**	**23,727**
Transferred to the technical account from the non-technical account	29,036	23,727
Impairment losses on debtors recognised in administrative expenses	(211)	(30)

The investment return was wholly allocated to the technical account.

Investment income is reported after an allocation of an investment return of $nil (2023: $1,190,000) to Syndicate 6133 and an investment return of $3,671,000 (2023: $4,841,000) to Syndicate 1971 (see note 24).

The total annual investment yield for the year was 4.0% (2023: 4.7%).

10. Distribution

The 2022 year of account profit balance of $25,290,000 (after members' agents' fees of $509,000) will be distributed to members in 2025. During 2024 $14,726,000 (after members' agents' fees of $371,000) was distributed to the members in respect of the 2021 year of account.

11. Financial investments

The carrying values of the syndicate’s financial assets and liabilities are summarised by category below:

	Carrying Value		Cost	
	2024	2023	2024	2023
	$’000	$’000	$’000	$’000
Shares and other variable yield securities and units in unit trusts	327,263	305,466	327,263	305,437
Debt securities and other fixed income securities	476,207	386,068	478,245	383,660
Syndicate loan to central fund	6,494	8,017	6,494	8,017
Total	**809,964**	**699,551**	**812,002**	**697,114**

The table below presents an analysis of financial investments by their measurement classification.

	2024	2023
	$’000	$’000
Financial assets		
Measured at fair value through profit and loss		
Financial investments	809,964	699,551
Total financial assets	**809,964**	**699,551**

All investments are measured at fair value through profit or loss. The valuation technique used for determination of the fair value of financial instruments can be classified by the following hierarchy:

- level 1 – Quoted prices for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm’s length basis.
- level 2 – When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
- level 3 – If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm’s length exchange motivated by normal business considerations.

The table below analyses financial instruments held at fair value in the syndicate’s balance sheet at the reporting date by its level in the fair value hierarchy.

2024	Level 1 $’000	Level 2 $’000	Level 3 $’000	Total $’000
Shares and other variable yield securities and units in unit trusts	-	327,263	-	327,263
Debt securities and other fixed income securities	197,467	278,740	-	476,207
Syndicate loan to central fund	-	-	6,494	6,494
Total	**197,467**	**606,003**	**6,494**	**809,964**

11. Financial investments (continued)

2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Shares and other variable yield securities and units in unit trusts	-	305,466	-	305,466
Debt securities and other fixed income securities	240,472	145,596	-	386,068
Syndicate loan to central fund	-	-	8,017	8,017
Total	**240,472**	**451,062**	**8,017**	**699,551**

Information on the methods and assumptions used to determine fair values for each major category of financial instrument measured at fair value is provided below.

Holdings in collective investment schemes are generally valued using prices provided by external pricing vendors. The categorisation of the fair value by level has been determined by looking through the funds to the underlying holdings within the collective investment schemes. Pricing vendors will often determine prices by consolidating prices of recent trades for identical or similar securities obtained from a panel of market makers into a composite price. The pricing service may make adjustments for the elapsed time from a trade date to the valuation date to take into account available market information. Where recently reported trades are not available, pricing vendors will use modelling techniques to determine a security price.

11. Financial investments (continued)

Some government and supranational securities are listed on recognised exchanges and are generally classified as level 1 in the fair value hierarchy. Those that are not listed on a recognised exchange are generally based on composite prices of recent trades in the same instrument and are generally classified as level 2 in the fair value hierarchy.

Corporate bonds, including asset backed securities that are not listed on a recognised exchange or are traded in an established over-the-counter market are also mainly valued using composite prices. Where prices are based on multiple quotes and those quotes are based on actual recent transactions in the same instrument the securities are classified as level 2, otherwise they are classified as level 3 in the fair value hierarchy.

Management monitor movements in the valuation of the investment portfolio on a quarterly basis and investigation is undertaken when these are outside of expectations. The short dated fixed income portfolio valuations are provided by the fund manager and compared with valuations provided independently by the custodian.

The loan to the Lloyd's Central Fund was contributed in three tranches with different coupons. These instruments include contingent conditions which cannot be known with certainty, they are not tradeable and they are valued using discounted cash flow models, designed to appropriately reflect the credit, illiquidity and indeterminate redemption risk of the instruments. The loans have been classified as Level 3 because the valuation approach includes significant unobservable inputs and an element of subjectivity in determining appropriate credit and liquidity spreads within the discount rates used in the cash flow model.

12. Debtors arising out of direct insurance operations

	2024 $'000	2023 $'000
Due within one year	310,097	257,596
Due after one year	1	-
Total	**310,098**	**257,596**

13. Debtors arising out of reinsurance operations

	2024 $'000	2023 $'000
Due within one year	76,044	53,259
Due after one year	229	28
Total	**76,273**	**53,287**

14. Other debtors

	2024 $'000	2023 $'000
Other related party balances (non-syndicate)	-	80
Other	4,059	3,804
Total	**4,059**	**3,884**

15. Deferred acquisition costs

The table below shows changes in deferred acquisition costs from the beginning of the period to the end of the period.

2024	Gross $'000	Reinsurance $'000	Net $'000
At 1 January	94,238	(7,278)	86,960
Incurred deferred acquisition costs	198,193	(10,834)	187,359
Amortised deferred acquisition costs	(183,963)	10,342	(173,621)
Foreign exchange adjustments	(1,473)	36	(1,437)
At 31 December	106,995	(7,734)	99,261

2023	Gross $'000	Reinsurance $'000	Net $'000
At 1 January	75,441	(3,217)	72,224
Incurred deferred acquisition costs	161,725	(13,919)	147,806
Amortised deferred acquisition costs	(145,169)	9,871	(135,298)
Foreign exchange adjustments	2,241	(13)	2,228
At 31 December	**94,238**	**(7,278)**	**86,960**

16. Other assets

Overseas deposits are advanced as a condition of conducting underwriting business in certain countries and therefore are restricted assets. The balance of the overseas deposits as at 31 December 2024 was $39,148,000 (2023: $34,904,000)

17. Claims development

The level of reserving uncertainty varies significantly from class to class. The Property business written by the syndicate has a short-tailed risk profile, however, the increase in premium written through the Non-Marine Liability and Marine & Energy Liability classes has lengthened the tail of the book as a whole.

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.

17. Claims development (continued)

As these tables are on an underwriting year basis, there is an apparent large increase from amounts reported for the end of the underwriting year to one year later as a large proportion of premiums are earned in the year of account's second year of development.

Balances have been translated at exchange rates prevailing at 31 December 2024 in all cases.

Gross claims development as at 31 December 2024:

Pure underwriting year	2018 $'m	2019 $'m	2020 $'m	2021 $'m	2022 $'m	2023 $'m	2024 $'m	Total $'m
Estimated gross claims								
At end of underwriting year	202.6	149.8	171.3	230.7	147.4	175.7	234.1	
One year later	319.2	281.1	354.5	423.1	296.5	350.0		
Two years later	335.5	300.9	363.3	402.9	323.6			
Three years later	342.9	314.6	384.3	438.4				
Four years later	349.7	335.0	395.0					
Five years later	379.6	356.2						
Six years later	392.8							
Estimate of gross claims reserve	392.8	356.2	395.0	438.4	323.6	350.0	234.1	2,490.1
Less gross claims paid	(327.2)	(294.8)	(288.8)	(279.7)	(168.7)	(82.0)	(27.3)	(1,468.5)
Gross claims reserve	**65.6**	**61.4**	**106.2**	**158.7**	**154.9**	**268.0**	**206.8**	**1,021.6**

Net claims development as at 31 December 2024:

Pure underwriting year	2018 $'m	2019 $'m	2020 $'m	2021 $'m	2022 $'m	2023 $'m	2024 $'m	Total $'m
Estimated net claims								
At end of underwriting year	81.6	66.5	85.6	98.8	114.6	143.9	203.2	
One year later	176.7	144.8	168.0	181.0	245.7	288.6		
Two years later	187.0	148.2	159.4	183.1	262.5			
Three years later	191.8	149.9	166.7	206.4				
Four years later	195.8	151.2	179.8					
Five years later	204.3	155.6						
Six years later	211.6							
Estimate of net claims reserve	211.6	155.6	179.8	206.4	262.5	288.6	203.2	1,507.7
Less net claims paid	(171.1)	(120.2)	(141.9)	(149.2)	(137.1)	(75.4)	(27.2)	(822.1)
Net claims reserve	**40.5**	**35.4**	**37.9**	**57.2**	**125.4**	**213.2**	**176.0**	**685.6**

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.

18. Technical provisions

The table below shows changes in the insurance contract liabilities and assets from the beginning of the period to the end of the period.

There has been no material change to the method of reserving during the year under review.

Included within net calendar year claims incurred of $413,779,000 (2023: $282,080,000) is a deterioration of $28,642,000 in claims reserves established for losses incurred at the prior year end (2023: deterioration $18,252,000).

18. Technical provisions (continued)

2024 - Claims outstanding	Gross provisions $'000	Reinsurance assets $'000	Net $'000
Balance at 1 January	901,524	(388,737)	512,787
Claims paid during the year	(392,848)	161,308	(231,540)
Expected cost of current year claims	464,119	(78,982)	385,137
Change in estimates of prior year provisions	58,972	(30,330)	28,642
Effect of movements in exchange rate	(10,154)	773	(9,381)
Balance at 31 December	**1,021,613**	**(335,968)**	**685,645**

2023 - Claims outstanding	Gross provisions $'000	Reinsurance assets $'000	Net $'000
Balance at 1 January	819,767	(442,925)	376,842
Claims paid during the year	(299,007)	152,129	(146,878)
Expected cost of current year claims	346,199	(82,371)	263,828
Change in estimates of prior year provisions	33,085	(14,833)	18,252
Effect of movements in exchange rate	1,480	(737)	743
Balance at 31 December	**901,524**	**(388,737)**	**512,787**

2024 – Unearned premium	Gross provisions $'000	Reinsurance assets $'000	Net $'000
Balance at 1 January	409,000	(60,254)	348,746
Premiums written during the year	858,260	(139,050)	719,210
Premiums earned during the year	(800,142)	127,051	(673,091)
Effect of movements in exchange rate	(5,131)	361	(4,770)
Balance at 31 December	**461,987**	**(71,892)**	**390,095**

2023 – Unearned premium	Gross provisions $'000	Reinsurance assets $'000	Net $'000
Balance at 1 January	324,883	(49,138)	275,745
Premiums written during the year	724,727	(132,754)	591,973
Premiums earned during the year	(646,635)	122,136	(524,499)
Effect of movements in exchange rate	6,025	(498)	5,527
Balance at 31 December	**409,000**	**(60,254)**	**348,746**

Refer to Note 4 for the sensitivity analysis performed over the value of insurance liabilities, disclosed in the accounts, to potential movements in the assumptions applied within the technical provisions.

19. Deposits from reinsurers

Deposits received from reinsurers are held in trust for the benefit of the syndicate and can be called upon to meet potential reinsurance recoveries arising on future events. To the extent that the funds are not called upon as paid recoveries at the balance sheet date they are held as either debt securities or cash and cash equivalents with a corresponding liability recorded as deposits received from reinsurers.

20. Creditors arising out of direct insurance operations

	2024 $'000	2023 $'000
Due within one year	2,563	749
Total	**2,563**	**749**

21. Creditors arising out of reinsurance operations

	2024 $'000	2023 $'000
Due within one year	86,692	83,308
Total	**86,692**	**83,308**

22. Other creditors including taxation and social security

	2024 $'000	2023 $'000
Inter syndicate balances	76,796	122,234
Other related party balances (non-syndicates)	1,455	-
Total	**78,251**	**122,234**

23. Cash and cash equivalents

	2024 $'000	2023 $'000
Cash at bank and in hand	34,228	23,996
Deposits with credit institutions	56,177	29,144
Total	**90,405**	**53,140**

Included within cash and cash equivalents are deposits with credit institutions which are not available for use by the syndicate because they relate to collateral received from reinsurers and held in trust. The funds, therefore, are not available to meet other liquidity requirements of the syndicate and a corresponding creditor is recognised (see note 19).

24. Related parties

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

ASML is a wholly owned subsidiary of Apollo Group Holdings Limited ("AGHL").

Metacomet LLC, a US incorporated limited company, is a shareholder of AGHL with a seat on the board. Affiliated companies of Metacomet LLC participate on the syndicate.

AGHL has provided capacity for the 2022 and subsequent years of account through Apollo No. 16 Limited ("APL16"). APL16 is a wholly owned subsidiary of AGHL which has underwritten capacity of £165m on syndicate 1969 for the 2024 year of account (2023 year of account: £135m).

In accordance with the Managing Agent's Agreement, ASML accrued managing agent's fees (0.9% of syndicate capacity) and profit commission (17.5% 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. From the 2018 year of account onwards ASML received a proportion of the consortium overriding commission for arrangements it managed on behalf of consortium partners for which the syndicate is the lead. Under this arrangement ASML received $275,000 (2023: $89,000) from the syndicate.

Apollo Partners LLP ("APL"), a wholly owned subsidiary of AGHL, employs all Apollo group staff, including underwriters, claims and reinsurance staff. APL provides the services of these staff to ASML to enable it to function as managing agent for the syndicate. APL is an appointed representative of ASML. APL also incurs a large proportion of the expenses in respect of operating the syndicate. The cost of these services and expenses is recharged to ASML which in turn recharges these to the syndicate on a basis that reflects its usage of resources, all recharges being without any mark up on cost.

The transactions and amounts outstanding at the balance sheet date are shown below:

ASML	**2024 $'000**	**2023 $'000**
Managing agent's fee	7,037	5,877
Expense recharges	63,218	57,331
Managing agent's profit commission	10,694	15,191
Other (creditor)/debtor	(1,455)	80

Until 31 December 2022, Syndicate 6133 was a SPA of the syndicate that provided a single 90% quota share reinsurance contract for the Property Treaty class, including all related expenses and investment income for each underwriting year. Syndicate 6133 operated on a funds withheld basis and the syndicate undertook all transactions on its behalf. On closure of a year of account the Syndicate 6133 distribution was settled by the syndicate.

24. Related parties (continued)

The related party transactions and amounts outstanding at the balance sheet date are shown below:

Syndicate 6133	2024 $'000	2023 $'000
Reinsurance premiums payable	-	(589)
Reinsurance paid recoveries receivable	-	27,747
Expense recharge	-	292
Allocated investment return	-	(1,190)
Other creditors	-	(9,050)

On closure of the 2020 year of account, Syndicate 6133 entered a reinsurance to close transaction with Syndicate 1969 on the 2020 and prior years of account. At 31 December 2023, Syndicate 6133 entered into a reinsurance to close transaction with Syndicate 1969 on the 2021 year of account, thus transferring the remaining syndicates liabilities and ceasing the relationship with Syndicate 6133.

Ariel Re group, backed by Pelican Ventures, provided 75% of the capacity for SPA Syndicate 6133 for the 2021 year of account through Ariel Re's corporate member. Business was written through two Ariel Re companies as cover holders under a binding authority with Syndicate 1969 (as host for SPA Syndicate 6133). This operated in a similar fashion to other cover holders, although they are related parties to Ariel Re's corporate member. The Ariel Re cover holder was remunerated with a fee based on gross written premium at normal commercial rates for these services and this was 90% ceded to Syndicate 6133. Ariel Re Limited is an appointed representative of ASML.

Ariel Re	2024 $'000	2023 $'000
Cover holder fee payable	-	3,774
Other debtors	94	358

A reinsurance with Syndicate 1910, managed by Ariel Re was put in place to cede the unexpired risk from 1 January 2022. The rationale for ASML and members of the syndicate was to transfer the risk for future events, thereby reducing volatility of the result and capital required to support SPA Syndicate 6133. The risks comprising the Property Treaty portfolio were renewed by Syndicate 1910 for the 2022 year of account.

Until 31 December 2021, Syndicate 1971 was a SPA of the syndicate that provided a quota share reinsurance contract for the ibott Rover class including all related expenses and investment income for each underwriting year. With effect from 1 January 2022, Syndicate 1971 became a stand-alone syndicate.

The quota share was 80% on the 2019 year of account and 90% on the 2020 and 2021 year of account. Syndicate 1971 operated on a funds withheld basis and the syndicate undertook all transactions on its behalf. On closure of these years of account the Syndicate 1971 distribution was settled by the syndicate.

Syndicate 1971 has provided a quota share reinsurance contract for the run-off of the ibott Rover class 2021 and prior year of account liabilities. This has the effect of maintaining the Syndicate 1969 and Syndicate 1971 share of risk that existed under the SPA relationship.

The related party transactions and amounts outstanding at the balance sheet date are shown below:

Syndicate 1971	2024 $'000	2023 $'000
Reinsurance premiums (receivable)/payable	(3)	669
Reinsurance paid recoveries receivable	53,162	64,933
Expense recharge	(2)	(455)
Allocated investment return	(3,671)	(4,841)
Other creditors	(76,796)	(113,091)

24. Related parties (continued)

Syndicate 1969 completed a split reinsurance to close of the 2018 year of account and transferred the liabilities associated with the 2017 and prior years of account to Syndicate 1994, a syndicate managed by ASML.

The related party transactions and amounts outstanding at the balance sheet date are shown below:

Syndicate 1994	2024 $'000	2023 $'000
Other creditors	-	(92)

25. Post balance sheet events

The amounts that are proposed to be transferred to members are disclosed in note 10.

26. Foreign exchange rates

	2024			2023		
	Start of period rate	End of period rate	Average rate	Start of period rate	End of period rate	Average rate
Sterling	0.79	0.80	0.78	0.83	0.79	0.81
US Dollar	1.00	1.00	1.00	1.00	1.00	1.00
Euro	0.91	0.97	0.93	0.93	0.91	0.93
Canadian Dollar	1.32	1.44	1.40	1.36	1.32	1.36

27. Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's ("FAL"). These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members' underwriting liabilities. The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on PRA requirements and resource criteria. The determination of FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these annual accounts by way of such capital resources. However, the Managing Agent is able to make a call on the Member's FAL to meet liquidity requirements or to settle losses.

Syndicate underwriting year of accounts for the 2022 year of account

Closed at 31 December 2024

Report of the directors of the managing agent

The directors of the managing agent present their report for the 2022 year of account of Syndicate 1969 for the cumulative result to 31 December 2024.

The syndicate underwriting year accounts have been prepared under The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 in accordance with the Lloyd's Syndicate Accounting Bylaw (No. 8 of 2005) and applicable accounting standards in the United Kingdom.

Principal activity

There have not been any significant changes to the syndicate's principal activity during the year, which continues to be the transaction of general insurance and reinsurance business.

Syndicate 1969 trades through Lloyd's worldwide licences and has the benefit of the Lloyd's brand and rating. Lloyd's has an A+ (Superior) rating from A.M. Best, AA- (Very Strong) from Standard & Poor's and AA- (Very Strong) from Fitch.

The syndicate's capacity for the 2022 year of account was £450m ($621m at the Lloyd's planning rate of $1.38).

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

Review of the business

The syndicate had three open years of account during 2024. The 2022 year of account is closing at 36 months. 2023 and 2024 are expected to close at the end of 2025 and 2026 respectively.

2022 closed year result

We are now closing the 2022 year of account at a profit of 4.6% on stamp capacity of $563.4m (£450.0m). This comprises profits of $61.4m on the 2022 pure year of account and a loss of $35.6m on the development of the 2018, 2019, 2020 and 2021 years of account during the 2024 calendar year. The 2022 pure year underwriting performance has not achieved the original forecast set out in the business plan. This is due to the year of account being impacted by significant losses from the natural catastrophe events that occurred in 2022 and the ongoing Russia/Ukraine conflict. The 2022 closed year result has also been impacted by adverse incurred claims development on prior accident years from a number of classes, including Aviation, Marine Hull, Offshore Energy, Non-Marine Liability, and Marine & Energy Liability.

In 2022, the syndicate underwrote nineteen classes of business, including Property D&F, Property Binders and International Property Treaty. These classes incurred losses from the natural catastrophe events that occurred in 2022, namely Hurricane Ian and Cyclone Gabrielle. Despite these losses, the Property D&F, Property Binders and International Property Treaty classes have contributed positively to the overall 2022 pure year underwriting result.

The Non-Marine Liability portfolio has undergone significant review during 2024, specifically US casualty exposures, and has not performed in line with plan for the 2022 pure year underwriting result.

The Aviation, Cargo and Marine Hull classes have specific incurred but not reported ("IBNR") allowances where there is potential for material losses arising as a result of the ongoing Russia/Ukraine conflict. Despite these losses, each of the classes has contributed positively to the overall 2022 pure year underwriting result.

Innovation, Specialty Disruption and Warranty and Indemnity classes have not performed in line with plan due to a combination of lower premium volumes and adverse claims experience.

All other classes of business contributed positively to the overall 2022 pure year result.

2023 year of account

This year of account has been impacted by losses from natural catastrophe events (Cyclone Gabrielle and Hurricane Idalia), but despite these the underlying performance of the portfolio has been positive and has been in line with or better than plan for many of our classes.

Property Binder, Property D&F and International Treaty are forecast to outperform plan following increased premium volumes and the absence of significant catastrophe events.

The Non-Marine Liability portfolio has seen adverse claims experience and undergone significant review, specifically US casualty exposures, and is therefore not expected to achieve plan levels of profitability.

The Marine Hull class has seen lower premium volumes, adverse claims experience and undergone significant review, which has resulted in lower levels of profitability currently being forecast compared to plan.

The Specialty Disruption class has incurred a large loss which has significantly impacted its performance.

The Construction Physical Damage class is forecast to be below plan due to lower premium volumes than anticipated, reflecting the first year in operation for this class in 2023.

We are at this stage forecasting a profit for the 2023 year of account but remain cautious about the range of outcomes possible in the 2025 calendar year, reflected in the range of 12.5% to 17.5%.

2024 and future years

The 2024 year of account has been impacted by several catastrophe events (Hurricanes Helene and Milton, European and Canadian floods and to a lesser extent, Hurricanes Francine and Beryl), but despite these, the underlying performance of the portfolio has been positive and has been in line with plan for a significant number of our classes.

The forecast gross written income (net of acquisition costs) for the syndicate is expected to be $689.5m, which is 90.3% of stamp capacity. We achieved a positive rate change of 3% across our renewal portfolio. At this early stage of development of the year of account, we are optimistic that the forecast profit will be satisfactory.

Looking forward to 2025, the approved plan for the syndicate is to underwrite $980.0m of gross written premium income, which equates to $716.5m gross net written premium. The stamp capacity has increased to $806.4m (£640.0m) which allows sufficient headroom should we wish to take advantage of new opportunities that may arise in 2025. We forecast rates will continue to rise in 2025 in certain lines of business, but to a lesser degree than achieved in 2023 and 2024.

For 2025 we are projecting moderate growth of $79m (just under 9%), with most classes at or near market peak following substantial growth over the last 3 years (compound annual growth rate of 19% from 2021 to 2024), which is expected to slow over the next 3 years (excluding Smart Follow and future new classes).

We will continue to focus on targeting a diversified, leadership driven model of Property, Casualty and Specialty classes; ensuring that the specialty and reinsurance classes are appropriately balanced with the property and the casualty classes, to reduce volatility and deliver sustainable profits over time for capital providers.

Directors

The directors who held office at the date of signing this report are shown on page 2.

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. The managing agent hereby gives formal notification of a proposal to re-appoint Deloitte LLP as auditor of Syndicate 1969 for a further year.

Approved by the Board.

DCB Ibeson
Chief Executive Officer
5 March 2025

Statement of managing agent’s responsibilities

Apollo Syndicate Management Limited, as managing agent, is responsible for preparing syndicate underwriting year accounts in accordance with applicable law and the Lloyd’s Syndicate Accounting Byelaw.

The Insurance Accounts Directive (Lloyd’s Syndicates and Aggregate Accounts) Regulation 2008 (the “Lloyd’s Regulations”) require the managing agent to prepare syndicate underwriting year accounts for each syndicate in respect of any underwriting year which is being closed by reinsurance to close as at 31 December 2024. These syndicate underwriting year accounts must give a true and fair view of the result of the closed year of account.

In preparing the syndicate underwriting year of accounts, the managing agent is required to:

- select suitable accounting policies which are applied consistently and where there are items which affect more than one year of account, ensure a treatment which is equitable as between the members of the syndicate affected. In particular, the amount charged by way of premium in respect of the reinsurance to close shall, where the reinsuring members and reinsured members are members of the same syndicate for different years of account, be equitable as between them, having regard to the nature and amount of the liabilities reinsured;
- take into account all income and charges relating to a closed year of account without regard to the date of receipt or payment;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in these accounts.

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

Independent auditor's report to the members of Syndicate 1969 – 2022 closed year of account

Report on the audit of the syndicate underwriting year accounts for the 2022 closed year of account for the three years ended 31 December 2024

Opinion

In our opinion the syndicate underwriting year accounts of Syndicate 1969 (the 'syndicate'):

- give a true and fair view of the profit for the 2022 closed year of account;
- 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 and in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and sections 4 and 5 of the Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's (the "Lloyd's Syndicate Accounts Instructions").

We have audited the syndicate underwriting year accounts which comprise:

- the profit and loss account;
- the statement of changes in members' balances;
- the balance sheet;
- the statement of cash flows; and
- the notes to the annual accounts 1 to 19

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", the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and the Syndicate Accounts Instructions. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the syndicate underwriting year accounts 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 underwriting year accounts 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.

Other information

The other information comprises the information included in the Syndicate underwriting year of accounts for the 2022 year of account (the "annual report"), other than the syndicate underwriting year accounts and our auditor's report thereon. The managing agent is responsible for the other information contained within the annual report. Our opinion on the syndicate underwriting year accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate underwriting year accounts or our knowledge obtained in the course of 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 this gives rise to a material misstatement themselves. 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 this regard.

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 underwriting year accounts under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), and for being satisfied that they give a true and fair view of the result, and for such internal control as the managing agent determines is necessary to enable the preparation of syndicate underwriting year accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate underwriting accounts, the managing agent is responsible for assessing the syndicate's ability to realise its assets and discharge its liabilities in the normal course of business, disclosing, as applicable, any matters that impact its ability to do so.

Auditor's responsibilities for the audit of the syndicate underwriting year accounts

Our objectives are to obtain reasonable assurance about whether the syndicate underwriting year accounts 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 underwriting year accounts.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the syndicate and its control environment, and reviewed the syndicate's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the syndicate operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the underwriting year accounts. These included the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), the Lloyd's Syndicate Accounts Instructions; and
- do not have a direct effect on the underwriting year accounts but compliance with which may be fundamental to the syndicate's ability to operate or to avoid a material penalty. These included. the requirements of Solvency II.

We discussed among the audit engagement team including actuarial specialists and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the underwriting year accounts.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- valuation of technical provisions, and specifically IBNR, includes assumptions and methodology requiring significant management judgement and involves complex calculations, and therefore there is potential for management bias. There is also a risk of overriding controls by making late adjustments to the technical provisions. In response to these risks, we performed a detailed risk assessment and focused our work on specific classes of business based on size and complexity. We involved our actuarial specialists to develop independent estimates of the technical provisions and make detailed assessments of the methodologies and assumptions used, as appropriate for the specific classes of business chosen. We tested the late journal entries to technical provisions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing underwriting year accounts disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the underwriting year accounts;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with Lloyd’s.

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 managing agent’s report for the financial year for which the syndicate underwriting year accounts are prepared is consistent with the syndicate underwriting year accounts; and
- the managing agent’s report has been prepared in accordance with the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008.

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 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 and Lloyd’s Syndicate Accounting Byelaw (no.8 of 2005) 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 or proper accounting records; or
- the syndicate underwriting year accounts are not in agreement with the accounting records or
- we have not received all the information and explanations we require for our audit; or
- the syndicate underwriting year accounts are not in compliance with the requirements of paragraph 5 of Schedule 1 of the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008.

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 6 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.

Kirstie Hanley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
5 March 2025

Profit and loss account

2022 year of account
For the 36 months ended 31 December 2024

Technical account – General business	Note	$'000
Syndicate allocated capacity		**621,000**
Gross premiums written	3	596,292
Outward reinsurance premiums		(105,173)
Earned premiums, net of reinsurance		**491,119**
Reinsurance to close premium receivable, net of reinsurance	4	**226,765**
		717,884
Allocated investment return transferred from the non-technical account	9	**23,631**
Claims paid		
Gross amount		(386,421)
Reinsurers' share		167,093
Net claims paid		**(219,328)**
Reinsurance to close premium, net of reinsurance	5	**(325,196)**
Claims incurred, net of reinsurance		**(544,524)**
Net operating expenses	6	(170,197)
Balance on the technical account - general business		**26,794**

Profit and loss account

2022 year of account
For the 36 months ended 31 December 2024

Non-technical account	**Note**	**$'000**
Balance on the technical account – general business		**26,794**
Investment income	9	22,249
Realised gains on investments	9	1,042
Unrealised gains on investments	9	1,486
Investment expenses and charges	9	(1,146)
Total investment return		**23,631**
Allocated investment return transferred to the technical account – general business		(23,631)
Loss on foreign exchange		(995)
Profit for the 2022 closed year of account		**25,799**

There are no recognised gains or losses in the accounting period other than those dealt with in the technical and non-technical accounts.

Statement of changes in members' balances

2022 year of account

For the 36 months ended 31 December 2024

	Note	$'000
Profit for the 2022 closed year of account	11	25,799
Members' agents' fees		(509)
Amounts due to members at 31 December 2024	11	**25,290**

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

Balance sheet

2022 year of account
For the 36 months ended 31 December 2024

Assets	Note	$'000
Investments		
Financial investments	10	343,340
Deposits with ceding undertakings		372
		343,712
Reinsurance recoveries anticipated on gross reinsurance to close premium	5	**254,893**
Debtors		
Debtors arising out of direct insurance operations	12	15,985
Debtors arising out of reinsurance operations	13	64,491
Other debtors	14	2,344
		82,820
Other assets		
Cash and cash equivalents		16,302
Overseas deposits	15	20,430
		36,732
Prepayments and accrued income		
Accrued interest and rent		3,077
Other prepayments and accrued income		671
		3,748
Total assets		**721,905**

Balance sheet

2022 year of account
For the 36 months ended 31 December 2024

Liabilities and members' balances	Note	$'000
Amounts due to members	11	25,290
Total members' balance		**25,290**
Reinsurance to close premium payable to close the account – gross amount	5	**574,356**
Deposits received from reinsurers		**14,218**
Creditors		
Creditors arising out of direct insurance operations	16	1,615
Creditors arising out of reinsurance operations	17	23,439
Other creditors including taxation and social security	18	82,987
		108,041
Total liabilities		**696,615**
Total liabilities and members' balances		**721,905**

The syndicate underwriting year accounts on pages 67 to 81 were approved by the Board of Apollo Syndicate Management Limited and were signed on its behalf by:

T. McHarg

TL McHarg
Chief Financial Officer
5 March 2025

Statement of cash flows

2022 year of account
For the 36 months ended 31 December 2024

	$'000
Cash flows from operating activities	
Profit for the 2022 closed year of account	25,799
Adjustments for:	
Increase in gross technical provisions	574,356
Increase in reinsurers' share of technical provisions	(254,893)
Increase in debtors	(82,820)
Increase in creditors	108,041
Increase in deposits received from reinsurers	14,218
Movement in other assets/liabilities	(3,748)
Investment return	(23,631)
Net cash flows from operating activities	**357,322**
Cash flows from investing activities	
Purchase of equity and debt instruments	(1,078,183)
Sale of equity and debt instruments	736,329
Investment income received	23,291
Movements in overseas deposits	(20,430)
Other	(1,518)
Net cash flows from investing activities	**(340,511)**
Cash flows from financing activities	
Members' agents' fees paid on behalf of members	(509)
Net cash flows from financing activities	**(509)**
Net increase/(decrease) in cash and cash equivalents	**16,302**
Cash and cash equivalents at 1 January 2022	-
Cash and cash equivalents at 31 December 2024	**16,302**

Notes to the underwriting year accounts

1. Basis of preparation

These underwriting year accounts have been prepared in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable accounting standards in the United Kingdom and Republic of Ireland, including Financial Reporting Standard 102 ("FRS 102") and Financial Reporting Standard 103 ("FRS 103") in relation to insurance contracts, and the Lloyd's Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's.

Members participate on a syndicate by reference to a year of account and each syndicate year of account is a separate annual venture. These accounts relate to the 2022 year of account which has been closed by reinsurance to close at 31 December 2024. Consequently, the balance sheet represents the assets and liabilities of the 2022 year of account at the date of closure. The profit and loss account and cash flow statement reflect the transactions for that year of account during the three-year period until closure.

These underwriting year accounts cover the three years from the date of inception of the 2022 year of account to the date of closure. Accordingly, this is the only reporting period and so comparative amounts are not shown.

As a consequence of the 2022 year of account reinsuring to close into the 2023 year of account, the residual risks to the members on the closed year have been minimised. Accordingly, the members are no longer exposed to changes in the estimates and judgements made after the balance sheet date. The risk disclosure requirements of FRS 102 and FRS 103 are therefore deemed not applicable to these underwriting year accounts. However, it should be noted that a reinsurance contract does not extinguish the primary liability of the original underwriter.

2. Accounting policies

The accounts for each year of account are normally kept open for three years before the result on that year is determined. At the end of the three-year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account.

Gross premiums written

Gross premiums are allocated to years of account based on the inception date of the policy. Premiums in respect of insurance contracts underwritten under a binding authority, lineslip or consortium arrangement are allocated to the year of account corresponding to the calendar year of inception of the arrangement.

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

Outward reinsurance premiums

Outwards reinsurance premiums are allocated to a year of account in accordance with the underlying risks being protected.

Claims paid and related reinsurance recoveries

Gross claims paid include internal and external claims settlement expenses and, together with reinsurance recoveries less amounts provided for in respect of doubtful reinsurers, are attributed to the same year of account as the original premium for the underlying policy.

Reinstatement premiums payable in the event of a claim being made are charged to the same year of account as that to which the recovery is credited.

Reinsurance to close premium payable

A reinsurance to close is a contract of insurance which, in return for a premium paid by the closing year of account, transfers, normally to the following year of account, all known and unknown liabilities arising out of transactions connected with insurance business underwritten by the closing year of account. A reinsurance to close can be payable to the next year of account of the syndicate or a third party syndicate. However, it should be noted that a reinsurance contract does not extinguish the primary liability of the original underwriter.

2. Accounting policies (continued)

Where the reinsurance to close is payable to the next year of account it is determined on the basis of estimated outstanding liabilities and related claims settlement costs (including claims incurred but not reported), net of estimated collectable reinsurance recoveries and net of future net premiums relating to the open year of account and all previous years of account reinsured therein. No credit is taken for investment earnings which may be expected to arise in the future on the funds representing the reinsurance to close.

The techniques used and assumptions made in determining outstanding claims reserves, both gross and net of reinsurance, are described within the “Key sources of estimation uncertainty” and in the accounting policy for “Claims provisions and related recoveries” section of the syndicate annual accounts.

The calculation of the reinsurance to close premium payable is determined by the directors on the basis of the information available to them at the time. However, it is implicit in the estimation procedure that the ultimate liabilities will be at a variance from the reinsurance to close so determined.

Where a reinsurance to close premium is payable to a third party syndicate, the net premium payable represents the amount agreed with the third party. The only judgement involved is whether or not to accept the third party’s price for taking on the underlying obligations, net of associated reinsurance. As a reinsurance to close, the contract is deemed to be effective on closure.

Investment return

Investment return comprises investment income, realised investment gains and losses, movements in unrealised gains and losses, investment expenses and charges and interest payable. The investment return arising in each calendar year is allocated to years of account in proportion to the average funds available for investment attributable to those years. Investment returns in respect of overseas deposits are allocated to the year of account which funded these deposits.

Net operating expenses

Net operating expenses include acquisition costs, administrative expenses and members’ standard personal expenses. Reinsurers’ commissions and profit participations and consortia income represent contributions towards operating expenses and are reported accordingly, in effect reducing the net operating expense.

Costs incurred by the managing agent on behalf of the syndicate are recognised on an accruals basis. No mark-up is applied.

Net operating expenses are charged to the year of account to which they relate.

Acquisition costs

Acquisition costs represent 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.

Reinsurers’ commissions and profit participations

Under certain outwards reinsurance contracts the syndicate receives a contribution towards the expenses incurred. The outwards reinsurance contracts may allow the ceding of acquisition costs and in certain instances an allocation of administrative expenses. Reinsurance arrangements can also pay an overriding or profit commission.

The reinsurers’ share of expenses is included with operating expenses and earned in line with the related expense. The reinsurers’ share of deferred acquisition cost liability corresponds to the gross deferred acquisition costs at the balance sheet date.

2. Accounting policies (continued)

Managing agent's fees and profit commission

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 year of account.

Profit commission is charged by the managing agent at a rate of 17.5% of the profit on a year of account basis subject to the operation of a 2-year deficit clause. Amounts charged to the syndicate become payable on closure of the year of account although the managing agent may receive payments on account of anticipated profit commission if interim profits are released to members.

Consortia share of expenses

The syndicate is the leader of a number of underwriting consortia. Under the terms of these contracts participants are required to pay fees to the syndicate, as leader, in return for the business written on their behalf. These fees represent a contribution towards the expenses incurred by the syndicate underwriting for the consortia. The syndicate accrues the consortium fee income in line with the writing of the business for each consortium, calculated in accordance with the individual contractual arrangements.

In addition the consortium arrangements include an entitlement to profit commission based on the performance of the business written by the consortium leader. The syndicate accrues profit commission in accordance with the contractual terms based on the forecast performance of each consortium. Both the accrued consortium fees and accrued profit commission are included as a credit to administrative expenses.

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. 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.

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

3. Segmental analysis - 2022 year of account after three years

An analysis of the balance on the technical account before investment return is set out below:

2022 year of account after three years	Gross premiums written $'000	RITC[1] received $'000	Gross claims incurred $'000	Gross[2] operating expenses $'000	Reinsurance balance $'000	Total $'000
Direct insurance						
Motor (third party liability)	215	7,854	(43,643)	1,729	36,118	2,273
Motor (other classes)	(23)	(149)	(239)	65	1,174	828
Marine, aviation and transport	71,417	13,526	(95,487)	(22,291)	34,533	1,698
Fire and other damage to property	142,118	73,562	(188,978)	(39,323)	21,639	9,018
Third-party liability	162,747	22,439	(307,532)	(50,455)	145,904	(26,897)
Credit and suretyship	37,803	5,667	(14,157)	(11,189)	5,628	23,752
	414,277	122,899	(650,036)	(121,464)	244,996	10,672
Reinsurance	182,015	103,866	(317,339)	(57,611)	81,560	(7,509)
	596,292	**226,765**	**(967,375)**	**(179,075)**	**326,556**	**3,163**

1 RITC received of $226,765,000 (net of anticipated reinsurance recoveries of $322,541,000) was received from the 2021 year of account.

All premiums were underwritten in the United Kingdom.

The geographical analysis of gross written premiums by situs of the risk is as follows:

	$'000
United Kingdom	99,678
European Union Member States	39,536
United States of America	317,363
Rest of the world	139,715
Total	**596,292**

4. Reinsurance to close premium receivable

	Reported $'000	IBNR $'000	Total $'000
Gross reinsurance to close premium receivable	219,676	329,630	549,306
Reinsurance recoveries anticipated	(122,706)	(199,835)	(322,541)
Reinsurance to close premium receivable, net of reinsurance	**96,970**	**129,795**	**226,765**

5. Reinsurance to close premium payable

	Total $'000
Gross reinsurance to close premium payable	580,955
Reinsurance recoveries anticipated	(255,759)
Reinsurance to close premium, net of reinsurance (at average exchange rates)	**325,196**
Foreign exchange	(5,733)
Reinsurance to close premium payable, net of reinsurance (at closing exchange rates)	**319,463**

	Reported $'000	IBNR $'000	Total $'000
Gross reinsurance to close premium payable	250,804	323,552	574,356
Reinsurance recoveries anticipated	(120,416)	(134,477)	(254,893)
Reinsurance to close premium payable, net of reinsurance	**130,388**	**189,075**	**319,463**

6. Net operating expenses

	$'000
Gross acquisition costs	136,319
Administrative expenses	28,374
Members' standard personal expenses	14,382
Reinsurers' commissions and profit participations	(8,878)
Total	**170,197**

Administrative expenses include:

	$'000
Audit Fees	
Fees payable to the syndicate's auditor for the audit of the syndicate's annual financial statements	263
Non-audit fees	
Fees payable to the Syndicate's auditor and its associates in respect of other services pursuant to legislation	125
Other non-audit fees	105
Total	**493**

7. Staff numbers and costs

All staff are employed by a related company of ASML. The following amounts were incurred by the syndicate in respect of salary costs:

	$'000
Wages and salaries	26,744
Social security costs	3,687
Other pension costs	1,554
Total	**31,985**

The average monthly number of employees employed by the managing agency or related companies but working for the syndicate each year and aggregated for the three years was as follows:

	Number
Underwriting	46
Claims and reinsurance	12
Management, administration and finance	87
Investments	1
Total	**146**

There have been nine non-executive directors on the ASML board who have allocated their time to the syndicate during the period from 1 January 2022 to 31 December 2024.

8. 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.

The directors received remuneration recharged to the syndicate of $2,494,000, for the syndicate's 2022 year of account charged as a syndicate expense.

Included in the remuneration are emoluments paid to the highest paid director amounting to $719,000. The remuneration amount recharged to the syndicate for the Active Underwriter is $506,000 which is charged as a syndicate expense.

9. Investment income

	$'000
Interest and similar income	
From financial instruments designated at fair value through profit or loss	
Interest and similar income	15,304
Interest on cash at bank	6,945
Other income from investments	
From financial instruments designated at fair value through profit or loss	
Gains on the realisation of investments	3,248
Losses on the realisation of investments	(2,206)
Unrealised gains on investments	6,570
Unrealised losses on the investments	(5,084)
Investment management expenses	(1,146)
Total investment return	**23,631**
Transferred to the technical account from the non-technical account	23,631

10. Financial investments

	Market value $'000	Cost $'000
Holdings in collective investment schemes	86,785	86,785
Debt securities and other fixed income securities	256,555	258,066
Total	**343,340**	**344,851**

11. Balance on technical account

	2021 & prior years of account $'000	2022 pure year of account $'000	Total 2022 $'000
Technical account balance before investment return & net operating expenses	(31,004)	204,364	173,360
Acquisition costs	(1,426)	(126,015)	(127,441)
	(32,430)	78,349	45,919
Allocated investment return transferred from the non-technical account			23,631
Net operating expenses other than acquisition costs			(42,756)
Loss on foreign exchange			(995)
Profit for the 2022 closed year of account			**25,799**
Members' agents' fees			(509)
Amounts due to members at 31 December 2024			**25,290**

The 2022 year of account profit balance will be distributed to members in 2025.

12. Debtors arising out of direct operations

	$'000
Due within one year	15,985

13. Debtors arising out of reinsurance operations

	$'000
Due within one year	64,491

14. Other debtors

	$'000
Consortium fee receivable	1,943
Other	401
Total	**2,344**

15. Overseas deposits

Overseas deposits are advanced as a condition of conducting underwriting business in certain countries and therefore are restricted assets.

16. Creditors arising out of direct insurance operations

	$'000
Due within one year – intermediaries	1,615

17. Creditors arising out of reinsurance operations

	$'000
Due within one year	23,439

18. Other creditors

	$'000
Inter syndicate balances	76,799
Profit commissions payable	5,472
Other related party balances (non-syndicates)	21
Consortium fee payable	695
Total	**82,987**

19. Related parties

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

ASML is a wholly owned subsidiary of Apollo Group Holdings Limited ("AGHL").

Metacomet LLC, a US incorporated limited company, is a shareholder of AGHL with a seat on the board. Affiliated companies of Metacomet LLC participate on the syndicate.

AGHL has provided capacity for the 2022 year of account through Apollo No. 16 Limited ("APL16"). APL16 is a wholly owned subsidiary of AGHL which has underwritten capacity of £105m on Syndicate 1969 for the 2022 year of account.

In accordance with the Managing Agent's Agreement, ASML accrued managing agent's fees (0.9% of syndicate capacity) and profit commission (17.5% 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. From the 2018 year of account onwards ASML received a proportion of the consortium overriding commission for arrangements it managed on behalf of consortium partners for which the syndicate is the lead. Under this arrangement ASML received $107,000 from the syndicate for the 2022 year of account.

Apollo Partners LLP ("APL") is a wholly owned subsidiary of AGHL which employs all Apollo group staff, including underwriters, claims and reinsurance staff. APL provides the services of these staff to ASML to enable it to function as managing agent for the syndicate. APL is an appointed representative of ASML. APL also incurs a large proportion of the expenses in respect of operating the syndicate. The cost of these services and expenses is recharged to ASML which in turn recharges these to the syndicate on a basis that reflects its usage of resources, all recharges being without any mark up on cost.

19. Related parties (continued)

The transactions and amounts outstanding at the balance sheet date are shown below:

ASML	$'000
Managing agent's fee	5,035
Expense recharges	51,482
Managing agent's profit commission	5,472
Other debtor/(creditor)	-

Syndicate 6133 was a SPA Syndicate that provided a single 90% quota share reinsurance contract for the Property Treaty class including all related expenses and investment income for each underwriting year.

Syndicate 6133 operated on a funds withheld basis and the syndicate undertook all transactions on its behalf. On closure of the 2021 year of account Syndicate 6133 entered into a reinsurance to close transaction with Syndicate 1969 into the 2022 year of account. The Syndicate 6133 distribution was settled by the syndicate during Q2 2024.

Until 31 December 2021 Syndicate 1971 was a SPA syndicate that provided a quota share reinsurance contract for the ibott Rover class including all related expenses and investment income for each underwriting year. With effect from 1 January 2022, Syndicate 1971 became a stand-alone syndicate.

The quota share was 80% on the 2019 year of account and 90% on the 2020 and 2021 year of account. Syndicate 1971 operated on a funds withheld basis and the syndicate undertook all transactions on its behalf. On closure of these years of account the Syndicate 1971 distribution was settled by the syndicate.

Syndicate 1971 has provided a quota share reinsurance contract for the run-off of the ibott Rover class 2021 and prior year of account liabilities. This has the effect of maintaining the Syndicate 1969 and Syndicate 1971 share of risk that existed under the SPA relationship.

The related party transactions and amounts outstanding at the balance sheet date are shown below:

Syndicate 1971	$'000
Gross written premium receivable	(3)
Gross Claims payable	53,162
Expenses payable	(2)
Allocated investment return	(3,671)
Other creditors	(76,796)

Seven year summary of underwriting results

As at 31 December 2024 (unaudited)

	2016	2017	2018	2019	2020	2021	2022
Syndicate allocated capacity (£'000)	179,509	209,123	224,516	249,989	250,000	295,000	450,000
Syndicate allocated capacity ($'000) (note 2)	228,543	277,489	306,619	338,368	302,515	375,566	563,441
Number of underwriting members	405	417	369	256	191	179	214
Aggregate net premiums ($'000)	225,044	237,816	263,567	264,847	289,368	321,650	491,119
Result for a name with an illustrative share of £10,000	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gross premiums	16,558	15,397	18,832	20,826	23,203	22,837	13,251
Net premiums	12,537	11,372	11,739	10,594	11,575	10,903	10,914
Premium for reinsurance to close an earlier year of account	4,441	6,633	8,291	3,674	6,024	6,205	4,911
Net claims	(8,366)	(8,548)	(6,899)	(3,937)	(5,424)	(5,748)	(4,874)
Reinsurance to close the year of account	(7,743)	(8,878)	(9,606)	(6,005)	(7,440)	(7,048)	(7,098)
Syndicate operating expenses	(4,633)	(4,154)	(3,753)	(3,382)	(3,967)	(3,759)	(3,463)
Profit/(Loss) on exchange	16	10	(27)	36	(74)	138	(21)
Balance on technical account	**(3,748)**	**(3,565)**	**(255)**	**980**	**693**	**691**	**369**
Investment return	100	292	402	166	(63)	313	525
Profit/(Loss) before personal Expenses	**(3,648)**	**(3,273)**	**147**	**1,146**	**630**	**1,004**	**894**
Illustrative personal expenses (note 3)	(258)	(226)	(288)	(356)	(406)	(492)	(320)
Profit/(Loss) after illustrative personal expenses	**(3,906)**	**(3,499)**	**(141)**	**790**	**224**	**512**	**574**
Capacity utilised (note 4)	84.0%	91.5%	111.5%	127.3%	160.5%	151.7%	85.8%
Net capacity utilised (note 5)	58.4%	61.2%	59.6%	51.7%	64.4%	58.0%	67.1%
Underwriting profit ratio (note 6)	(22.6)%	(23.2)%	(1.4)%	4.7%	3.0%	3.0%	2.8%
Result as a percentage of stamp capacity	(30.7)%	(26.4)%	(1.0)%	5.8%	1.9%	4.0%	4.6%

Notes to the summary:

1. the summary has been prepared from the audited accounts of the syndicate.
2. syndicate allocated capacity is expressed in US Dollars at the foreign exchange rate at the date the year of account was closed.
3. illustrative personal expenses comprise the managing agent's fee, contributions to the Central Fund, Lloyd's Annual Subscription incurred by a Name writing the illustrative share, irrespective of any minimum charge applicable to the managing agent's fee, and profit commission payable to the managing agent. This amount excludes members' agents' fees.
4. capacity utilised represents gross premium written net of acquisition costs expressed as a percentage of allocated capacity using business planning foreign exchange rates.
5. net capacity utilised represents written premium net of acquisition costs net of reinsurance expressed as a percentage of allocated capacity using business planning foreign exchange rates.
6. the underwriting profit ratio represents the balance on technical account expressed as a percentage of gross premiums written.