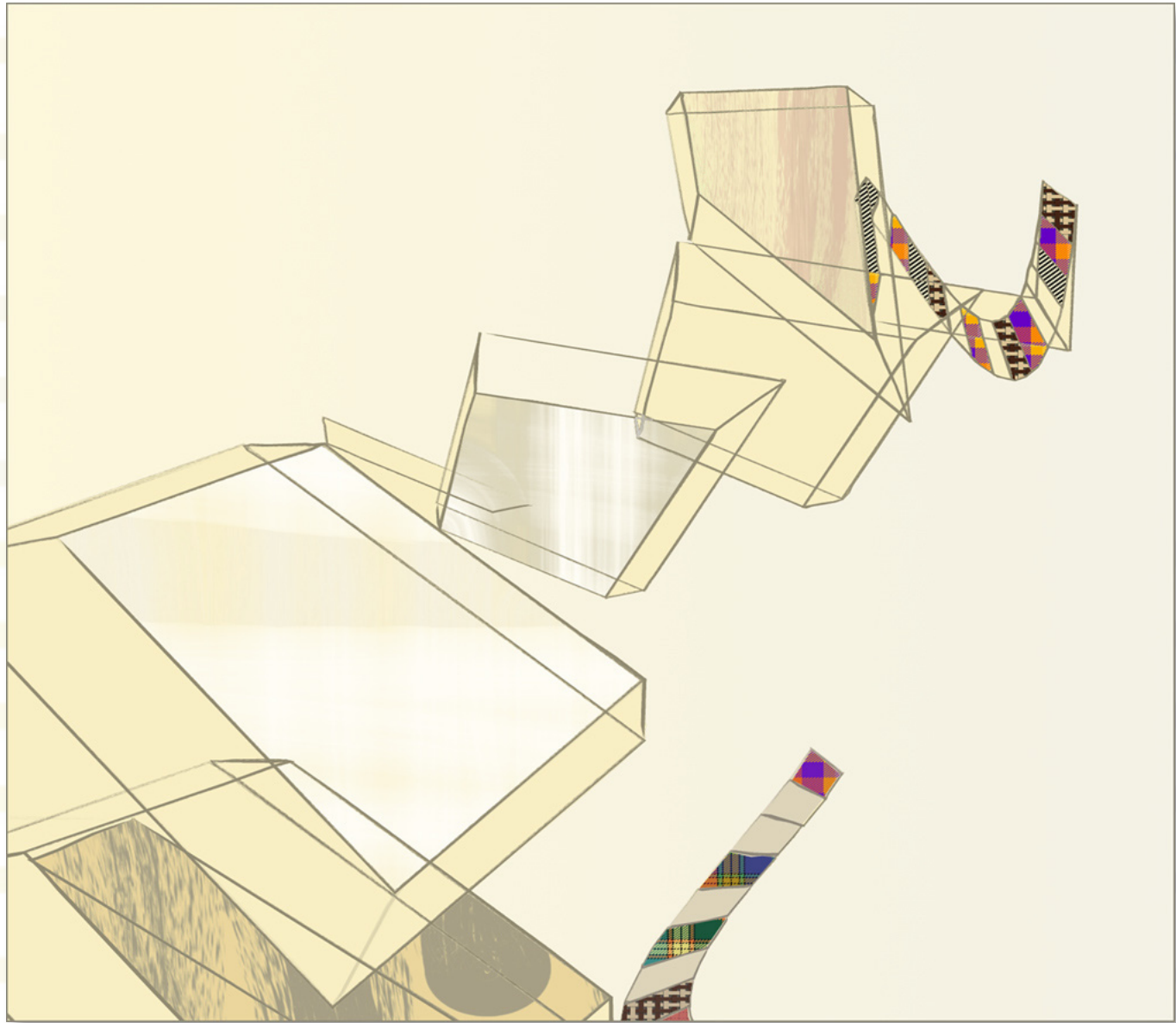


2010 annual report



Constructing the future

R. Piccart 2011

**Annual Report 2010
of the Board of Directors
and of the Statutory Auditor
to be presented at
the Annual General Meeting
on 18 April 2011**

**The company (Mutual association) is
incorporated in Luxembourg on December 11th 2008
and governed by the modified Law of December 6th
1991 on the insurance sector and the Grand-Ducal
Regulation dated December 5th 2007 issued by the
Commissariat aux Assurances and is authorised by
l'arrêté ministeriel of March 30th 2009 to do reinsurance.**

Registered Office : 15, Syrdallstrooss, L-6850 Manternach, Luxembourg

Tel. +352 267 10 031

Fax +352 263 83 135

Financial Highlights

In euro

Statement of Earnings

	2010	2009
Net Premium Earned	7.884.550	2.502.445
Claims	-2.576.348	-519.592
Rebates	-30.370	-8.294
Expenses and Taxes	-523.459	-171.823
Net Investment Result	656.025	69.587
	-----	-----
Earnings before allocation to equalisation provision	5.409.181	1.872.323

Balance Sheet

Assets	55.754.075	49.755.827
Liabilities	-18.924	-13.756.775
	-----	-----
Own funds	36.830.002	35.999.052

Contents

6 Members
7 Board of Directors
8 Committees
9 Management
10 Letter from the Chairman
11 Corporate Message
12 Corporate Governance Report
14 Report of the Directors
18 Report of the Independent Auditors
20 Balance Sheet
22 Profit and Loss Account
24 Notes to the Financial Statements

Members

NIRA m.a.

Alpiq Suisse SA	Socatri SARL
AREVA NC	Studsvik AB
Axpo AG	SVAFO AB
Belgoprocess NV	Teollisuuden Voima Oyj Ltd
BKW-FMB Energie	URENCO Ltd
British Energy	Vattenfall Europe Nuclear Energy GmbH
Bruce Power LP	Zwilag AG
CEZ a.s.	
EDF	
EGL AG	
E.ON Kernkraft GmbH	
E.ON Sverige AB	
EnBW Kernkraft GmbH	
EnBW Kraftwerke AG	
Energy Future Holdings Corp.	
EPZ NV	
Eskom Holdings Ltd	
Eurodif Production SA	
FBFC International SA	
Forsmarks Kraftgrupp AB	
Fortum Power & Heat Oy	
GKN BV	
GNS	
Kernkraftwerk Gösgen Däniken	
Kernkraftwerk Leibstadt AG	
Kernkraftwerk Obrigheim GmbH	
New Brunswick Power	
OKG Aktiebolag	
Ontario Power Generation	
PAKS Nuclear Power Plant Ltd	
Ringhals AB	
RWE Power AG	
SCK•CEN	
SKB	
Slovenske Elektrarne AS	

Board

K. Luotonen	Chairman
J.D. Treillard	Vice-Chairman
C.D. Bölle	
A. Geivaerts	
V. Hronek	
R. Jiménez-Shaw	
W. Maus	
D. Van Welkenhuyzen	

Underwriting Committee

E. Desseyn
A. Geivaerts
M. Kautonen
B. Kockum
M. Laguna
M. Kautonen
J.D. Treillard
D. Van Welkenhuyzen

Finance Committee

M. Ekman	Chairman
R. Jiménez-Shaw	
K. Luotonen	

Management Committee

D. Van Welkenhuyzen
A. Geivaerts
M. Laguna
M. Vercammen

Auditors

Deloitte S.A.
560, rue de Neudorf,
L-2220 Luxembourg,
Grand-Duchy of Luxembourg

Actuary

Nicolaï & Partners
Duboisstraat 43
B-2060 Antwerpen
Belgium

PricewaterhouseCoopers S.à.r.l.
400, route d'Esch
B.P. 1443
L-1014 Luxembourg
Grand-Duchy of Luxembourg

Letter from the Chairman

Dear Members,

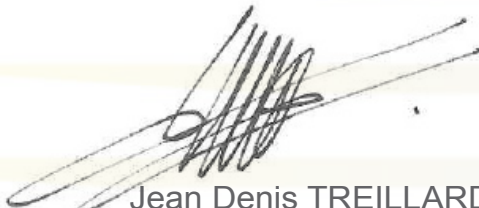
I am pleased to present the Annual Report of Nuclear Industry Reinsurance Association, NIRA m.a. Luxembourg, for its second year of operations, that covers the period from January 1st 2010 to December 31st 2010.

The registered office was changed on September 17th 2010, from 2 rue Nicolas Bové, Luxembourg to 15 Syrdallstrooss at Manternach in the Grand-Duchy of Luxembourg.

In terms of compliance, NIRA m.a. has presented the results of the QIS 4 and QIS 5 to the Commissariat Aux Assurances of Luxembourg according to Solvency II rules.

From June 28th 2010, NIRA Ltd on the Isle of Man has definitively been liquidated. The underwriting business is totally controlled out of Luxembourg from NIRA m.a.

I would like to thank all the Members for their continuous support and give special thanks to my fellow board members as well as the management team for their excellent work for the past operations that will put our Mutual in a good position to develop during the next years.



Jean Denis TREILLARD
Vice-Chairman of the Board
Acting as Chairman of the Board

Corporate Message

NIRA is a mutual reinsurance association, founded in 2008 and headquartered in Luxembourg. NIRA stands for Nuclear Industry Reinsurance Association. All of the shareholders of the company are involved in the Nuclear sector. NIRA was traditionally an industry captive re-insurer. A fresh approach has been adopted to focus on the reinsurance of nuclear risks with the advantage which has been built over the last 20 years of discipline and an intricate knowledge of underwriting and risk management in this field. Our team's extensive and successful track record means we add genuine value to customers and brokers.

A Strong Underwriting Culture

NIRA has brought a fresh approach to the reinsurance industry with focus, discipline and an intricate knowledge of underwriting and risk management in the area of nuclear risks.

Leading Expertise and Experience

We have the right team in place, underwriting and management professionals with a wealth of experience in nuclear reinsurance.

A Diverse, Balanced Book of Business

Independence gives us the freedom to write the reinsurance business we want to write, a diverse book across key lines of business in different areas of the world. We can respond quickly to market movements and developments.

Industrial & Engineering Reinsurance

NIRA provides a complete range of reinsurance services across all project phases of power plant and other nuclear projects from preconstruction to operation.

Operational Phase

Industrial All Risks (IAR) is a combined "All Risks" insurance for Property Damage (PD) and Machinery Breakdown (MB), combined with or without business interruption.

Treaty Reinsurance

Excess of loss reinsurance for Property Damage and Third Party Liability.



Corporate Governance Report

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on reinsurance.

The relevant principles of governance are applied to the mutual in the following way:

The Board

There are currently eight, Board Members, including the Chairman, six of them are representing the nuclear Members and two members of the Management.

All of the Board Members are nominated by the Annual General Meeting.

The Board meets four times a year and at other times as may be necessary, one of these meetings being held in Luxembourg.

Board Committees

The Board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the Membership of the Board and its Advisory Committees, recommendations of the strategy to be applied to the Members of the mutual, approval of the annual operating budget.

The first committee is the Management Committee .

In addition the Board has appointed two Advisory Committees. These Committees report to the Board at each of their Meetings. The terms of reference for the Finance and Investment Advisory Committee and the Underwriting Committee, which are reviewed annually, have been agreed by the Members and the Board. The nomination of members within these Committees must be approved by the Board.

Corporate Governance Report

Board and Committee Papers

Appropriate and timely management information is circulated to Directors and committee members in good time before the Meetings.

Annual General Meeting

The sections of the Articles of Association relating to the Annual General Meeting have been complied with.

Internal Control

The Board is ultimately responsible for the mutual's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against misstatements or loss.

Control Procedures

The mutual has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include reviews by Management as well as internal and external audits.

Risk Identification

The Management is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements and/or authorities.

Monitoring and Corrective Actions

The Company is producing a Code of Business Conduct, which will provide practical guidance for all staff.

Report of the Board of Directors to be presented to the Annual General Meeting of 18th April 2011

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA (“the Company”) for its second year of operations, which started 1st January 2010 and ended on 31st December 2010.

The management of NIRA is responsible for the information contained in the financial statements and other sections of the annual report. The Management considers that the financial statements and related information have been prepared in accordance with Luxembourg generally accepted accounting principles. These financial statements include amounts that are based on management’s judgment and best estimates.

NIRA maintains a system of internal accounting controls to provide reasonable assurance that our assets are safeguarded against loss from unauthorized use or disposal and that the accounting records provide a reliable basis for the preparation of the financial statements.

Deloitte SA, rue de Neudorf 560, 2220 Luxembourg, has been appointed with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. The audit report is also included in the annual report.

Activity

The Company was incorporated in Luxembourg on December 11th, 2008 and published in the official journal “Mémorial C” under reference number 358 date February 18th, 2009.

The agreement from Commissariat aux Assurances was published March 30th, 2009 by “Arrêté Ministériel”.

Following the master novation agreement signed between NIRA Ltd, domiciled in the Isle of Man, and the Company, all reinsurance business of NIRA Ltd, were novated into the Mutual dated July 1st 2009.

Earned contributions

The contributions written are reflected as net contributions written in profit and loss account. Unearned contributions represent the portion of contributions written, which are related to the next accounting years.

Net contributions increased from € 2.502.445 in 2009 to € 7.884.550 in 2010 due to the fact that, on the one hand, for 2010 the full 12 months reinsurance contributions are earned versus only 6 months in 2009

On the other hand, the once-only correction entry of the ANI ICRP (Industry Credit Rating Plan) refund fund deposit for the amount of € 2.683.473 must be taken into account. ANI has put aside approximately 77 % of each reinsurer's premium in a reserve fund. The sole purpose of which is to pay loss or loss expenses. This deposit is held by ANI in name of the reinsurer. The variation expense for the liability reserves is classified under claims.

Claims

Provisions are made for the estimated cost of incurred losses on the basis of management estimates, based where appropriate on information from ceding companies, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

The total claim cost for the period is € 2.576.348 versus € 519.592 in 2009. This amount includes € 3.160.947 actual payments and a positive change in reserve of € 584.599 related to the BNFL file.

The total outstanding claims reserve at year end amounts to € 10.116.086 versus € 10.750.684 in 2009.

The above mentioned reserve includes the ANI ICRP refund fund for the amount of € 2.227.557.

The difference between the amount mentioned in contributions of € 2.683.473 and € 2.227.557 is included in the reserves for actual claims.

Further the above mentioned reserve includes a provision for claims Incurred but Not Reported (IBNR). At this point in time, an IBNR policy in view of a 10 years prescription period in nuclear third party liability is applied.

For this period an amount of € 403.406 has been allocated which brings the total IBNR provision to € 4.179.416 and this compares to previous year with an allocation of € 507.810 and a total IBNR provision of € 3.776.010.

General expenses

General expenses increased from € 149.907 in 2009 to € 506.666 in 2010 and include acquisition costs on the re-insurance treaties amounting to € 47.295 for 2009 and € 224.091 for 2010. The administrative expenses increased from € 102.113 to € 282.575 and are mainly due to the first full year of operations, HR costs and professional fees for Solvency II experts.

Investments

The total book value of the investments amounts to € 49.583.236 and includes € 2.683.473 deposit held with ANI. The book value of the remaining investments amounts to € 46.899.763 and compares to € 49.117.067 in previous year. The market value of the investments excluding the ANI deposit is € 47.018.301 and compares to € 49.303.389 in 2009. The cash at the bank in other assets increased from € 3.055.335 in 2009 to € 5.533.672 in 2010. This brings the total market value of the investments as of 31st December 2010 at € 52.551.973.

The investment strategy at year end is 56% liquidities and 44% long term investments resulting in a net financial income of € 656.025 and no derivative products were bought.

Credit rating and duration classified by investment product as of December 31st, 2010.

<u>Euro</u>	<u>Credit ratings</u>	<u>Duration</u>
BGI Government bond fund	57% AAA, 16% AA+, 23% AA-, 2% A+, 2% BBB	6,19 year
BGI Corporate bond fund	27% AAA, 7% AA, 9,5 % AA, 8 % AA- 15% A+, 10% A, 8% A-, 4,5% BBB+, 3% BBB, 2% BBB-, 1% BB+, 5% NR	4,02 year
KBC Corporate bond fund	20,55% AAA, 6,15% AA+, 29,05% AA, 42,04% AA-, 2,2% NR	6,43 year
Money market funds ING	AAA rated fund	0,13 year
Money market funds KBC	AAA rated fund	0,08 year
Deposits	A+	0,19 year

Result

The € 5.409.181 profit before allocation and after taxes for 2010 compares with € 1.872.323 profit in 2009.

This amount will be allocated entirely to the equalization provision in accordance with the regulations applicable to reinsurance companies (The Grand Ducal Regulation of 5 December 2007 and article 99 of the modified law of 6 December 1991).

The Board of Directors proposes to the Annual General Meeting that no surplus be allocated to the guarantee fund.

Guarantee Fund

As at December 31st 2010 the subscribed capital of € 3.200.000 and the additional contributions of € 33.630.002 constitute together a fund of € 36.830.002, if you agree to our proposal.

The guarantee fund together with the equalisation provision now available to the Members to be used as reinsurance capacity, will be € 44.111.506.

Others

No research and development activities incurred.

NIRA does not face abnormal price, credit or liquidity risks.

NIRA has not purchased any of its own shares during the year and does not hold any own shares at this time.

NIRA does not have any branches or subsidiaries.

No event, nor decisions of any importance that could have any influence on the continuation of the activities of NIRA have occurred subsequently to year-end. Based on the elements in our possession, NIRA should continue a positive development in 2011.

Subsequent event

The nuclear incident happened in Japan beginning of March 2011 doesn't have an impact on the NIRA m.a. financial statements.

Recommendations

We propose that you

- Approve the annual accounts as at December 31st 2010 as presented
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended.
- Appoint a statutory auditor



Jean Denis TREILLARD
Vice-Chairman of the Board of Directors
Acting as Chairman of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES

**To the Members of
Nuclear Industry Reinsurance Association
Association d'Assurance Mutuelles
15, Syrdallstrooss
L-6850 Manternach**

Report of the Reviseur d'entreprises agréé

Report on the annual accounts

Following our appointment, we have audited the accompanying annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelles, which comprise the balance sheet as at December 31, 2010 and the profit and loss account for the year ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the réviseur d'entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelles, as of December 31, 2010, and of the results of its operations for the year ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Emphasis of Matter

We draw attention to note 4 to the annual accounts which describes the recognition of a premium fund and the related technical provisions for an amount of EUR 2.683.473 with a ceding undertaking as of December 31, 2010 and for the year then ended. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte S.A., Cabinet de révision agréé


Benjamin Lam, Réviseur d'entreprises agréé
Partner

March 31, 2011

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION **BALANCE SHEET**

As at December 31, 2010
(Currency - Euro)

<u>Assets</u>	<u>Note(s)</u>	<u>2010</u>	<u>2009</u>
Investments	3.5, 4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		46.673.532,45	41.817.367,61
Debt securities and other fixed income transferable securities		0,00	2.836.865,36
Deposits with credit institutions		226.231,17	1.407.499,16
Deposit with ceding undertakings		2.683.473,29	0,00
		49.583.236,91	46.061.732,13
Debtors	3.4		
Debtors arising out of reinsurance operations		503.286,66	565.995,73
Other debtors		12.550,00	8.250,00
		515.836,66	574.245,73
Other assets	3.1		
Tangible assets and stocks		34.968,39	19.928,18
Cash at bank and in hand	16	5.533.672,13	3.055.335,10
		5.568.640,52	3.075.263,28
Prepayments and accrued income			
Accrued interest and rent		20.829,23	44.284,50
Deferred acquisition costs		65.028,43	0,00
Other prepayments and accrued income		502,76	301,70
		86.360,42	44.586,20
Total assets		55.754.074,51	49.755.827,34
		=====	=====

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION BALANCE SHEET

As at December 31, 2010
(Currency - Euro)

<u>Liabilities</u>	<u>Note(s)</u>	<u>2010</u>	<u>2009</u>
Capital and reserves	5		
Subscribed capital		3.200.000,00	3.200.000,00
Equivalent funds		33.630.002,33	32.799.052,00
		<u>36.830.002,33</u>	<u>35.999.052,00</u>
Technical provisions	3.2		
Provision for unearned premiums		1.068.737,46	732.435,44
Claims outstanding		10.166.085,70	10.750.684,34
Provision for bonuses and rebates		285.039,00	350.702,00
Equalisation provision		7.281.503,51	1.872.322,72
		<u>18.801.365,67</u>	<u>13.706.144,50</u>
Creditors	3.4, 7		
Creditors arising out of reinsurance operations		0,00	1.308,00
Other creditors, including tax and social security		96.943,32	30.461,54
		<u>96.943,32</u>	<u>31.769,54</u>
Accruals and deferred income		25.763,19	18.861,30
Total liabilities		55.754.074,51 =====	49.755.827,34 =====

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION **PROFIT AND LOSS ACCOUNT**

For the year ended December 31, 2010
(Currency - Euro)

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS

	<u>Note(s)</u>	<u>2010</u>	<u>2009</u>
Earned premiums			
Gross premiums written	8	8.220.851,88	1.032.063,99
Change in the gross provision for unearned premiums		(336.302,02)	1.470.381,56
		<u>7.884.549,86</u>	<u>2.502.445,55</u>
Allocated investment return transferred from the non-technical account	14	656.024,84	69.587,50
Claims incurred, net of reinsurance	4		
Claims paid:			
Gross amount		(3.160.946,98)	(72.141,86)
Change in the provision for claims:			
Gross amount		584.598,64	(447.450,34)
		<u>(2.576.348,34)</u>	<u>(519.592,20)</u>
Bonuses and rebates, net of reinsurance		(30.370,00)	(8.294,00)
Net operating expenses :			
Acquisition costs		(289.119,02)	(47.294,61)
Change in deferred acquisition costs		65.028,43	0,00
Administrative expenses	11	(282.575,36)	(102.113,06)
		<u>(506.665,95)</u>	<u>(149.407,67)</u>
Other technical charges, net of reinsurance		(1.216,60)	(10,64)
Change in the equalisation provision		(5.409.180,79)	(1.872.322,73)
Balance on the technical account		<u>16.793,02</u>	<u>22.405,81</u>

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
For the year ended December 31, 2010
(Currency - Euro)

NON-TECHNICAL ACCOUNT

	<u>Note(s)</u>	<u>2010</u>	<u>2009</u>
Balance on the technical account		16.793,02	22.405,81
Investment income	9	1.170.381,16	352.119,28
Income from other investments		965.665,65	220.719,28
Gains on the realisation of investments		204.715,51	131.400,00
Investment charges		(514.356,32)	(282.531,78)
Investment management charges, including interest		(514.356,32)	(219.385,73)
Value adjustments on investments		(0,00)	(63.146,05)
		-----	-----
Allocated investment return transferred to the technical account	14	(656.024,84)	(69.587,50)
Tax on profit on ordinary activities		1.641,68	(6.405,81)
		-----	-----
Profit on ordinary activities after tax		18.434,70	16.000,00
Other taxes not shown under the preceding items	10	(18.434,70)	(16.000,00)
		-----	-----
Result for the financial period		0,00	0,00
		=====	=====

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
For the year ended December 31, 2010
(Currency - Euro)

NOTE 1 - GENERAL

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION, Association d'Assurances Mutuelles ("the Company") was incorporated in Luxembourg as a "mutual association" on December 11, 2008 and is governed by the modified Law of December 6, 1991 on the insurance sector and the Grand-Ducal Regulation dated December 5, 2007 issued by the Commissariat aux Assurances.

The Company's accounting year begins January 1 and ends December 31 each year.

The object of the Company is to carry out reinsurance activities, excluding all direct insurance operations in the Grand-Duchy of Luxembourg as well as in any other country in which the Company has members and/or where these members have their activities.

NOTE 2 - PRESENTATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in conformity with the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings, and with the accounting policies generally accepted within the insurance and reinsurance industry in Luxembourg. The accounting policies and the valuation rules are, except for those which are imposed by the law or the Commissariat aux Assurances, determined and applied by the Board of Directors.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are as follows:

3.1. Tangible assets

Due to usage and/or obsolescence, assets are amortised on a linear basis. Current amortization percentages for our tangible assets are as follows:

- Installations, machinery and IT	33,33% / Year
- Office furniture	10% / Year
- Vehicles	20% / Year

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

3.2. Technical provisions

The Company constitutes technical provisions based on contributions relating to its active, non expired outstanding treaties at the end of the accounting year.

The provision for unearned premiums consists of the amount representing the part of the premium which is to be allocated to the subsequent financial year(s).

Provisions for claims outstanding represents the total estimated cost of all claims arising from events which have occurred up to the end of the accounting year, whether reported or not, less amounts already paid in respect of such claims. Every claim is handled individually which results in individual claim provisions. The estimated cost of every incurred loss is calculated based on information received from ceding companies, nuclear pools and claim adjusters. A provision for claims incurred but not reported ("IBNR") is constituted in view of the Convention on Third Party Liability of Nuclear Energy which requires that actions for claims arriving out of a nuclear incident can be initiated within ten years. In view of this Convention and the fact that the risk of Nuclear incidents are low and very little data is available to draw definitive conclusions, the Board of Directors has adopted a ten year IBNR reserve policy.

The provision for bonuses and rebates is calculated and accrued in full at the outset of the underwriting year based on the figures provided by the ceding insurer and then paid out over a 5-year period. This accrual is assessed annually and adjusted in accordance with the ceding insurer's best estimates

The equalisation provision comprises amounts set aside in accordance with legal and administrative requirements to equalise fluctuations in loss ratios in future years or to provide for special risks.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

3.3. Foreign currency translation

The Company maintains its accounts in Euro ("EUR") and the annual accounts are expressed in this currency.

The accounts denominated in foreign currency of the income statement are converted in EUR on a monthly basis using the exchange rate in force at the last day of the previous month.

The accounts denominated in foreign currency are converted in EUR using exchange rate as of the balance sheet closing date.

Exchange gains are deferred whereas exchange losses are recorded in the income statement.

3.4. Debtors and creditors

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally unrecoverable. The value adjustments are not maintained when the reasons for which they were made cease to apply.

Creditors are recorded under liabilities at their reimbursement value. If the amount paid exceeds the initial amount, the resulting difference is reflected in the profit and loss account at the date of recognition of the liability.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

NOTES TO THE ANNUAL ACCOUNTS

As at December 31, 2010

(Currency - Euro)

3.5. Investments

Shares and other variable-yield transferable securities

Shares and other variable-yield transferable securities are valued at their acquisition cost. The incidental costs are expensed as incurred. Unrealized losses are recorded on the income statement if there will be a permanent reduction in the value of these securities. In this case, the security will be depreciated to its lower value.

Permanent impairments are determined based on the following conditions:

- Market value must be below book value for a period uninterrupted of 12 months;
- And the decrease in market value should be at least equal to 20% from the book value at the end of that period.

Debt securities and other fixed income securities

Investments in interest bearing bonds are valued at their acquisition cost. The incidental costs are expensed as incurred. The differences between acquisition cost and redemption values of the securities are amortized pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortized to the profit and loss account on a straight line basis from the date of acquisition to the date of maturity of the bond.

Unless the intention of the Company is to sell the securities in the short term, no adjustments are booked to reflect the market value, if this market value is below the net book value determined according the amortization method described above.

In case of permanent reduction in value, fixed income securities shall be depreciated in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised.

Deposits

Deposits are stated at their nominal value at year-end

3.6. Taxes

Taxes are accounted for on an accrual basis,

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

NOTE 4 - INVESTMENTS

The actual value of investments is as follows:

(In EUR)	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Shares and other variable-yield transferable securities	46.791.207	41.978.265
Debt securities and other fixed income securities	0	2.862.290
Deposits with credit institutions	226.231	1.407.499
Deposits with ceding undertakings	2.683.473	0
	<u>49.700.911</u>	<u>46.248.054</u>

As at December 31, 2010, the deposits with ceding undertakings consist of a premium deposit retained by the ceding company accumulated in virtue of an existing reinsurance agreement, since its date of inception.

The premium deposit consists of a part of the contractual premiums attributable to the Company which are retained by the ceding undertaking and allocated to a "Reserve Fund" for the sole purpose to pay loss expenses.

The Company has recognized the related accumulated premium income (EUR 2.683.473) as gross premiums in the profit and loss account for the year ended December 31, 2010.

In application of the terms of the reinsurance treaty, a provision for claims outstanding has been allocated for an amount of EUR 2.227.557 corresponding to the premium income net of provision for claims outstanding for as at December 31, 2010.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

NOTE 5 - SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS

The subscribed capital of the Company amounts to EUR 3.200.000 and has been contributed in 2009 by 3 members (EMANI, ELINI, NIRA Ltd). As of the moment of the final liquidation of NIRA Ltd, a reinsurance company domiciled in the Isle of Man and liquidated on June 28, 2010, the NIRA Ltd's shareholders became automatically members of the Mutual as successor in title, in the same proportions as they were shareholders within NIRA Ltd. At that same moment EMANI and ELINI had no longer a voting right.

The equivalent funds amounting to EUR 33.630.002 consist in additional amounts which were contributed by NIRA Ltd (in name of its 36 shareholders) and the Company's new voting members each authorised with 1 voting right.

As of the liquidation of NIRA Ltd on June 28, 2010, additional equivalent funds amounting to EUR 830.950 were transferred to the Company.

As at December 31, 2010, the subscribed capital and the equivalent funds can be split between the members as follows:

	(In EUR) Allocation as at <u>December 31, 2009</u>	(In EUR) Allocation as at <u>December 31, 2010</u>
NIRA Ltd (in name of its 36 shareholders)	35.924.052	0
EMANI	10.000	0
ELINI	10.000	0
New Brunswick Power	10.000	10.000
British Energy	10.000	10.000
AB SVAFO	5.000	5.000
Energy future holdings	10.000	10.000
CEZ	10.000	10.000
SKB	10.000	10.000

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

	<u>2009</u>	<u>2010</u>
	<u>EUR</u>	<u>EUR</u>
Alpic Suisse SA (formerly Centrales Nucléaires en Participation SA)	0	366.279
AREVA NC (formerly Cogema S.A.)	0	3.580.116
AXPO AG (formerly NOK AG)	0	2.746.281
FBFC International SA	0	608.552
B.K.W.-F.M.B. Energie S.A.	0	1.356.040
Belgoprocess NV	0	14.195
Bruce Power LP	0	14.122
EGL AG (formerly AKEB)	0	78.882
E.ON Kernkraft GmbH	0	3.249.105
E.ON Sverige AB (ex Sydkraft AB)	0	1.689.221
N.V. EPZ	0	759.881
EDF	0	44.424
EnBW Kraftwerke AG	0	1.021.498
Eskom Holding Limited	0	348.774
Eurodif Production S.A.	0	3.077.329
Forsmarks Kraftgrupp AB	0	922.316
Fortum Power & Heat Oy	0	87.488
G.K.N. BV	0	958.429
EnbW Kernkraft GmbH (formerly GKW Neckar GbH)	0	768.634
GNS Gesellschaft für Nuklear-Service mBH	0	15.556
Kernkraftwerk Leibstadt A.G. (KKL)	0	1.799.399
Kernkraftwerk Obrigheim BmbH	0	280.446
Kernkraftwerk Gösgen Däniken A.G.	0	2.084.699
O.K.G. Aktiebolag	0	2.720.060
Ontario Power Generation	0	12.761
Paks Nuclear Power Plant Ltd	0	360.946
R.W.E. Power AG	0	3.301.031
Ringhals AB	0	1.323.715
SCK•CEN	0	15.813
Slovenske Elektrarne AS	0	96.645
Socatri SARL	0	87.488
Studsvik AB	0	13.607
Teollisuuden Voima Oyj	0	2.343.742
URENCO Ltd	0	13.202
Vattenfall Europe Nuclear Energy GmbH	0	595.056
Zwischenlager Wurenlingen AG (Zwilag)	0	19.270
	35.999.052	36.830.002

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

NOTES TO THE ANNUAL ACCOUNTS

As at December 31, 2010

(Currency - Euro)

NOTE 6 - LEGAL RESERVE

In accordance with Luxembourg Company law, the Company is required to appropriate a minimum of five per cent of the profit after tax for the year to a legal reserve until the balance on such reserve equals ten per cent of the share capital. The legal reserve is not available for distribution to shareholders, except upon the dissolution of the Company. As the Company did not make any profit for the financial period ended December 31, 2010, no allocation to the legal reserve has been made.

NOTE 7 - CREDITORS

All creditors become due and payable in less than one year.

NOTE 8 - GROSS PREMIUMS WRITTEN

Gross premiums written by the Company relate to non-life business only and for the classes Material Damage and Third party Liability

NOTE 9 - INCOME FROM OTHER INVESTMENTS

As at December 31, 2010, income from other investments includes:

- An amount of EUR 31.638 of interest on bank current accounts;
- An amount of EUR 4.843 of interest on deposits with credit institutions;
- An amount of EUR 36.545 of interest on debts securities and other fixed income transferable securities;
- An amount of EUR 214.206 of interest on deposits with ceding undertakings;
- An amount of EUR 678.433 of realized exchange gains.

NOTE 10 - TAXATION

The Company is subject to income and net worth taxes applicable in the Grand-Duchy of Luxembourg to Sociétés Anonymes.

Taxes other than income tax are disclosed as other taxes.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

NOTE 11 - PERSONNEL EMPLOYED DURING THE YEAR

The Company did employ 2 staff members during the year.

For the period ended December 31, 2009, the Company did not employ any personnel.

The staff costs with respect to the financial year may be broken down as follows:

EUR	<u>2010</u>
Wages and salaries	58.578
Social security costs	15.921
Of which relating to pension	1.411

NOTE 12 - REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS

The Company did grant remuneration to 1 member of its supervisory bodies for the services rendered during the year for EUR 2.500 (2009: EUR 2.500). The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2010.

For the year ended December 31, 2010, the Company did not grant advances or credits to the members of its supervisory bodies.

NOTE 13 - FEES PAYABLE TO THE AUDIT FIRM

Fees charged to the Company by the Réviseur d'entreprises agréée and its respective entire network is analysed as follows:

EUR	<u>2010</u>	<u>2009</u>
Annual audit fees (VAT excl.)	15.375	15.000
	-----	-----
	15.375	15.000

Fees are shown on an accrual basis for the financial year.

For the year ended December 31, 2010, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular letter 09/2 issued by the Commissariat aux Assurances.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
NOTES TO THE ANNUAL ACCOUNTS
As at December 31, 2010
(Currency - Euro)

NOTE 14 - ALLOCATED INVESTMENT RETURN

In accordance with article 55 of the modified law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the whole investment income, net of corresponding charges, to the non-life insurance technical account

NOTE 15 - OTHER REGULATORY REQUIREMENTS

At all times, the Company must have an adequate solvency margin to cover the required solvency margin in respect of the Grand-Ducal regulation dated December 5, 2007, specifying the conditions governing authorisation and pursuit of reinsurance business in Luxembourg.

Following the prescribed calculation, the Solvency margin requirement applicable to the Company at December 31, 2010 amounts to EUR 3.200.000.

NOTE 16 - OFF-BALANCE SHEET COMMITMENTS

As at December 31, 2010, an amount of EUR 2.000.000 on a cash at bank account is given as a guarantee in favour of one ceding undertaking by way of a Letter of Credit.

NOTE 17 - PARENT COMPANY

As there is no other mutual/company entitled to, de jure or de facto, exert a deciding influence on the appointment of the majority of the directors or on the orientation of the management, the Company cannot be considered as a subsidiary of any other entity and consequently is not included into consolidated financial statements and is exempt to prepare consolidated financial statements under Luxembourg legislation.

2 0 1 0

Nuclear Industry
Reinsurance Association

15, Syrdallstrooss
L-6850 Manternach
Luxembourg

Tel : +352 267 10 031
Fax: +352 263 83 135

<http://www.nira.lu>

