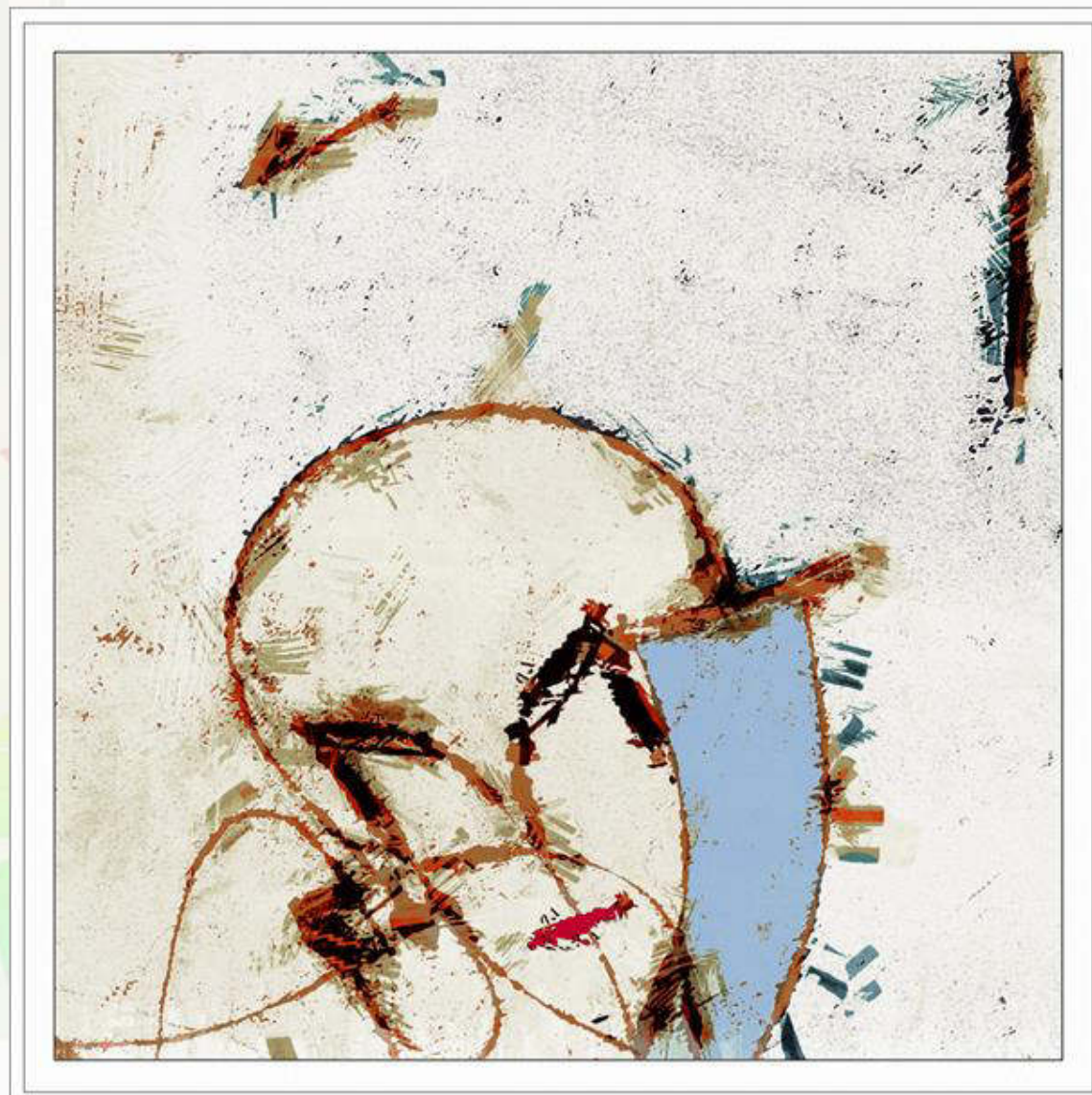


NIRA

annual report 2014





The Listening

Robert Picoart 2015

Annual Report 2014 of the Board of Directors and of the Statutory Auditor to be presented at the Annual General Meeting on 30 April 2015

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

	2014	2013	2012	2011	2010
Net Premium Earned	5.465.573	5.681.504	6.225.667	6.090.821	7.884.550
Claims	51.700	194.243	-4.270.023	-4.587.686	-2.576.348
Rebates	0	0	38.472	80.508	-30.370
Expenses and Taxes	-732.112	-663.573	-616.704	-624.028	-523.459
Net Investment Result	1.667.735	226.644	3.826.109	621.001	656.025

Earnings before allocation to the equalisation provision

6.452.897	5.438.818	5.203.521	1.580.616	5.409.181
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Balance Sheet

Assets	73.690.702	69.614.931	66.506.102	59.797.754	55.754.075
Liabilities	-36.850.700	-32.774.928	-29.676.100	-22.967.752	-18.924.073

Guarantee fund

36.840.002	36.840.002	36.830.002	36.830.002	36.830.002
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Members

NIRA m.a.

AB SVAFO
AREVA NC
Axpo Power AG
Axpo Trading AG
Belgoprocess NV
BKW Energie AG
British Energy Ltd
Bruce Power Inc
ČEZ a.s.
Centrales Nucléaires en Participation SA (CNP)
EDF
E.ON Kernkraft GmbH
E.ON Sverige AB
EnBW Energie Baden Württemberg AG
EnBW Kernkraft GmbH
Energy Future Holdings Corp.
EPZ NV
Eskom Holdings Ltd
Eurodif Production SA
FBFC
Forsmarks Kraftgrupp AB
Fortum Power & Heat Oy

Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN)
Gesellschaft für Nuklear Service mbH (GNS)
Kernkraftwerk Gösgen-Däniken AG
Kernkraftwerk Leibstadt AG
Kernkraftwerk Obrigheim GmbH
MVM Paks Nuclear Power Plant Ltd
New Brunswick Power Corporation
OKG Aktiebolag
Ontario Power Generation
Ringhals AB
RWE Power AG
SCK•CEN
SKB
Slovenské Elektrárne AS
Socatri SARL
Studsvik AB
Teollisuuden Voima Oyj (TVO)
Union Electric Company d/b/a Ameren Missouri
URENCO Ltd
Vattenfall Europe Nuclear Energy GmbH
Zwischenlager Würenlingen AG

Board of Directors

Klaus Luotonen

Chairman

Gert Jan Geertsema

Vice-Chairman

José Luis Carbonell

Ann Geivaerts

Václav Hronek

Rafael Jiménez-Shaw

Winfried Maus

Daniel Vanwelkenhuyzen

Advisory Committees

Underwriting Committee

Daniel Vanwelkenhuyzen

Chairman

Eric Desseyn

Ann Geivaerts

Mika Kautonen

Berndt Kockum

Maria Laguna

Finance and Investment Advisory Committee

Matts Ekman

Chairman

Rafael Jiménez-Shaw

Lauri Piekkari

Annemie Roefs

Marleen Vercammen

Audit Committee

Jose Luis Carbonell
Gert Jan Geertsema

Chairman

Internal Auditor

Willy Gemis

Management

Management Committee

Daniel Vanwelkenhuyzen
Ann Geivaerts
Maria Laguna
Marleen Vercammen

Staff

Daniel Vanwelkenhuyzen
Ann Geivaerts
Maria Laguna
Solange Raë
Annemie Roefs
Marleen Vercammen

Letter from the Chairman

Dear Members,

It is my pleasure to present to you the annual accounts of NIRA m.a. for the year 2014. This was the seventh year of operation in Luxembourg.

The operating activity of our mutual has developed more or less according to plan. However, we can notice reflection of changes in the business environment in our figures. Net premium earned was some 3,5% lower compared with year 2013 due to some Members reappraising down their insurance programs as result of forthcoming site closures and also some technical arrangements.

Financially year 2014 was a very good year as the combined result of the decision on the IBNR booked in 2003 and 2004, the lower level of claims and the financial income which was considerably higher than expected. Because of these facts the net investment income year 2014 ended in an all-time high amount of earnings i.e. € 6.452.700 before distribution to reserve for equalization and catastrophes.

The total funds by end of December 2014 amount to € 66.491.800 in comparison to the €36.000.000 at the moment of creation of the mutual seven years ago.

The Board and the Underwriting Committee have worked further on the question how to develop the re-insurance business of our mutual in the future and to maintain the annual re-insurance premium income satisfactory. For this purpose in 2013 a questionnaire was been sent out to the Members regarding alternative re-insurance business and needs of the Members. The board received views from the Members based on which actual plans are developed. The core business will remain the re-insurance of “nuclear” installations but on a wider range. The first ideas of how to expand our market are to be presented during our next Members Meeting in Stockholm.

This being my first year as Chairman of the Board I wish to thank the colleague Board members and the Management as well as all you Members for your support.

In particular I like to thank Mr. Klaus Luotonen for the smooth transfer of the Chairman's duties and his outstanding support thereafter.

Gert Jan Geertsema
Chairman of the Board of Directors

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 Members 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 plants 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

Treaty 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, five of them are representing the nuclear Members, one of them is independent and two of them are members of the Management.

All of the Board Members are nominated by the 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 three Advisory Committees. These Committees report to the Board at each of their Meetings. The terms of reference for the Finance and Investment Advisory Committee, the Underwriting Committee and the Audit 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.

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 Corporate Governance Memorandum, which will provide practical guidance for all staff.

Report of the Board of Directors to be presented to the Annual General Meeting of 30th April 2015

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA ("the Company") for its sixth year of operations, which started 1st January 2014 and ended on 31st December 2014.

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 Audit Société à Responsabilité Limitée, 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 Company dated July 1st 2009.

For 2014 the overall combined re- insurance capacity Material Damage and Third party liability has increased to € 60.000.000 versus € 56.000.000 previous year's capacity.

The net retention for Material Damage Treaty 2014 was maintained to € 16.000.000 but compared to previous year a quota share placement has been signed. The Third Party Liability treaty/fac retention decreased from € 28.579.847 in 2013 to € 25.411.227 in 2014. Facultative material damage Re-insurance support was offered with a net retention of maximum € 41.849.890 in 2014 and € 40.000.000 in 2013.

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 decreased from € 5.690.638 in 2013 to € 5.578.292 in 2014 due to the EMANI property damage treaty contract which was hit because of site closures of German Members and lower cessions from American Members.

Net reinsurance cost for the Property Damage contracts increased from € 9.135 in 2013 to € 112.719 in 2014 because as of 15 September 2014 a new contract has been signed with EMANI to cover material damage in excess of a first layer of €100m. NIRA is offering around €16m, plus one reinstatement. This placement is retroceded in full to Ace Bermuda. NIRA will have an override of 2,5% of the premium.

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 profit for the period is € 51.700 versus a profit of € 194.243 in 2013.

This profit is the result of € 2.942.039 actual payments of which € 18.586 are in relation to losses occurred in 2014 and an decrease in reserve or gain of € 2.993.739 of which € 140.420 is related to losses occurred in financial year 2014.

The total claim costs are mainly related to the EMANI session but the variation in reserve also includes a release from our IBNR reserve on TPL risks or a gain of € 1.436.831.

The total outstanding claims reserve at year end amounts to € 8.689.364 versus € 11.683.102 in 2013 and includes the ANI ICRP refund fund for the amount of € 2.461.451 for this year and € 2.164.664 for 2013.

Further the above mentioned reserve includes a provision for claims Incurred But Not Reported (IBNR). As from year 2015, an IBNR policy in view of a 30 years prescription period in nuclear third party liability is applied. Previous years a 10 years prescription period was applied.

For this period an amount of € 1.436.831 has been released because the 10 year prescription period for the years 2003 and 2004 was expired which brings the total IBNR provision to € 3.694.426 and this compares to previous year with an allocation of € 513.020 and a total IBNR provision of € 5.131.257.

General expenses

General expenses increased from € 644.180 in 2013 to € 707.500 in 2014 and include acquisition costs on the reinsurance treaties amounting to € 161.764 for 2013 and € 132.817 for 2014. The decrease is related to the EMANI property damage contracts. The administrative expenses increased from € 482.416 in 2013 to € 574.684 in 2014 and are due to Board fees, D&O insurance costs and HR Costs.

Investments

The total book value of the investments amounts to € 69.395.546 and compares with € 66.352.020 previous year and include investments and cash at banks.

The deposit held with ANI amounting to € 2.968.095 for 2014 and € 2.570.125 for 2013 is not included in this chapter on investments.

The market value of the investments is € 71.815.548 and compares to € 66.730.212 in 2013. All these investments are recorded at their purchase value and the unrealized gains of € 2.420.001 are not recorded in the income statement for the year.

The investment strategy at year end is 44% liquidities, 51% long term investments and 5% equity resulting in a net financial income of € 1.667.734 and compare to 52% liquidities and 48% long term investments previous year with a net income of € 226.644. No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options or swaps, were bought.

Credit rating of the investment product as at 31 December 2014

The overall weighted average credit rating of the Money Market investment funds, the corporate bonds investment funds and the Deposits and cash is A, broken down as follows:

AAA 10,56% • AA+ 1,81% • AA 2,97% • AA- 3,84% • A+ 13,75% • A 24,89% • A- 5,85% • BBB+ 7,35% • BBB 11,52% • BBB- 4,23% • BB+ 1,40% • BB 0,30% • BB- 0,41% • B+ 0,08% • Cash 0,98% • NR 10,06% •

Country Allocation and duration as at 31 December 2014

The duration of the Money Market investment funds, the corporate bonds investment funds and the Deposits and cash is 2,32 year.

The country allocation of the total investment portfolio is split as follows

AT 0,85% • BE 19,90% • CH 2,39% • CI 0,20% • DE 9,56% • DK 0,48% • ES 5,92% • FI 0,49% • FR 13,48% • GB 5,41% • IE 0,31% • IT 5,69% • LU 0,98% • NL 11,88% • NO 0,55% • PL 0,16% • PT 0,22% • RU 0,27% • SE 1,31% • Europe others 2,92% • US 7,83% • CA 0,29% • AU 1,89% • NZ 0,03% • MX 0,71% • Latin America others 0,47% • CN 1,01% • Asia others 0,07% • AE 0,83% • Africa/Middle East others 0,04% • Supranational 2,09% • Cash 0,93% • Others 0,22%

Result

The 6.452.897 € surplus before allocation and after taxes for 2014 compares with € 5.438.818 surplus in 2013.

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).

Based on the current regulation, the maximum theoretical target of the equalisation reserve amount should be 109.718.403 € which is the average earned premiums over the last 5 years multiplied by 17,5. At year end the reserve amounts to 25.957.355 € or 23,66% of the target amount.

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, 2014 the subscribed capital amounts to € 3.600.000 and the additional contributions of € 33.240.002 constitute together a fund of € 36.840.002, if you agree to our proposal.

The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity, will be € 62.797.357.

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 2015.

Recommendations

We propose that you:

- Approve the annual accounts as at December 31st 2014 as presented;
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended;
- Grant discharge to the Statutory Auditor;
- Appoint a Statutory Auditor.



Gert Jan Geertsema
Chairman of the Board of Directors
On behalf of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Members of
Nuclear Industry Reinsurance Association,
Association d'Assurance Mutuelle
15, Syrdallstrooss
L-6850 Mantemach

Report on the annual accounts

Following our appointment by the General Meeting of Members dated April 24, 2014, we have audited the accompanying annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelle, which comprise the balance sheet as at December 31, 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

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 *réviseur d'entreprises agréé's* judgement, 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 Mutuelle as of December 31, 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

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 Audit, *Cabinet de révision agréé*

Jérôme Lecoq, *Réviseur d'entreprises agréé*
Partner

March 24, 2015

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
BALANCE SHEET
As at December 31, 2014
(expressed in Euro)

ASSETS	Note(s)	2014	2013
Investments	3.2,4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		52.739.353,12	50.692.879,75
Deposits with credit institutions		7.231.821,36	6.230.001,00
		<u>59.971.174,48</u>	<u>56.922.880,75</u>
Deposits with ceding undertakings		<u>2.968.094,95</u>	<u>2.570.124,98</u>
Reinsurers' share of the technical provision	3.6		
Provision for unearned premiums		273.746,04	0,00
		<u>273.746,04</u>	<u>0,00</u>
Debtors			
Debtors arising out of reinsurance operations	3.3	837.852,99	535.975,06
Other debtors		62.121,62	37.824,97
		<u>899.974,61</u>	<u>573.800,03</u>
Other assets	3.4		
Tangible assets and stocks		73.017,57	28.150,35
Cash at bank and in hand		9.424.371,83	9.429.138,85
		<u>9.497.389,40</u>	<u>9.457.289,20</u>
Prepayments and accrued income			
Accrued interest and rent		42.533,86	46.513,87
Deferred acquisition costs		33.663,98	43.953,00
Other prepayments and accrued income		4.124,56	368,87
		<u>80.322,40</u>	<u>90.835,74</u>
TOTAL ASSETS		73.690.701,88	69.614.930,70

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

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
BALANCE SHEET
As at December 31,
(expressed in Euro)
- continued -

LIABILITIES	Note(s)	2014	2013
Capital and reserves	5		
Subscribed capital		3.600.000,00	3.400.000,00
Equivalent funds		33.240.002,33	33.440.002,33
		36.840.002,33	36.840.002,33
Technical provisions	3.5		
Provision for unearned premiums		1.528.914,90	1.335.406,08
Claims outstanding		8.689.363,65	11.683.102,58
Equalisation provision		25.957.355,18	19.504.458,66
		36.175.633,73	32.522.967,32
Creditors	3.3, 6		
Creditors arising out of reinsurance operations		455.057,84	77.587,13
Other creditors, including tax and social security		171.315,93	135.507,97
		626.373,77	213.095,10
Accruals and deferred income		48.692,05	38.865,95
TOTAL LIABILITIES		73.690.701,88	69.614.930,70

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

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
PROFIT AND LOSS ACCOUNT
For the year ended December 31, 2014
(in Euro)

	Note(s)	2014	2013
TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS			
Earned premiums			
Gross premiums written	7	5.771.801,02	5.783.528,68
Outward reinsurance premiums		(386.465,00)	(9.135,38)
Change in the gross provision for unearned premiums		(193.508,83)	(92.889,76)
Change in the provision for unearned premiums, reinsurers' share		273.746,04	0,00
		<u>5.465.573,23</u>	<u>5.681.503,54</u>
Allocated investment return transferred from the non-technical account	13	1.667.734,77	226.643,95
Claims incurred, net of reinsurance			
Claims paid:			
Gross amount		(2.942.038,64)	(2.272.819,82)
Change in the provision for claims:			
Gross amount		2.993.738,93	2.467.063,21
		<u>51.700,29</u>	<u>194.243,39</u>
Net operating expenses			
Acquisition costs		(132.189,17)	(138.606,76)
Change in deferred acquisition costs		(10.289,01)	(23.157,23)
Administrative expenses	12	(574.683,67)	(482.416,54)
Commissions received from reinsurers		9.661,00	0,00
		<u>(707.500,85)</u>	<u>(644.180,53)</u>
Change in the equalisation provision		(6.452.896,52)	(5.438.818,42)
Balance on the technical account for non-life insurance business		<u>24.610,93</u>	<u>19.391,93</u>

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
PROFIT AND LOSS ACCOUNT
For the year ended December 31, 2014
(in Euro)
- continued -

	Note(s)	<u>2014</u>	<u>2013</u>
NON-TECHNICAL ACCOUNT			
Balance on the technical account for non-life insurance business		24.610,93	19.391,93
Investment income		1.690.683,11	425.698,11
Income from other investments		725.208,43	272.509,72
Gains on the realisation of investments		965.474,68	153.188,39
Investment charges		(22.948,34)	(199.054,16)
Investment management charges, including interest		(22.948,34)	(176.004,07)
Losses on the realisation of investments		0,00	(23.050,09)
Allocated investment return transferred from the non-technical account	13	1.667.734,77	226.643,95
Tax on profit on ordinary activities		(5.537,50)	(2.209,17)
Profit on ordinary activities after tax		19.073,43	17.182,76
Other taxes not shown under the preceding items	9	(19.073,43)	(17.182,76)
Profit for the financial year		<u>0,00</u>	<u>0,00</u>

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

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2014

NOTE 1 – GENERAL

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION, Association d' Assurance Mutuelle ("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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2014
- continued -

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1. 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 profit and loss account 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 of the balance sheet are converted in EUR using exchange rate as of the balance sheet closing date.

Exchange gains and losses are recorded in the profit or loss account.

3.2. Investments

Shares and other variable-yield transferable securities

Shares and other variable-yield transferable securities are valued at their acquisition costs. The incidental costs are expensed as incurred. Unrealized losses are recorded in the profit and loss account 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 two 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% of the book value at the end of that period.

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Debt securities and other fixed income securities

Investments in interest bearing bonds are valued at their acquisition costs. The incidental costs are expensed as incurred. The differences between acquisition cost and redemption values of the securities are amortised pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortised 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 profit and loss account when the reimbursement at redemption date is partly or fully uncertain or compromised.

Deposits with credit institutions and with ceding undertakings

Deposits are stated at their nominal value at year-end.

3.3. 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 settlement.

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3.4. Tangible assets

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

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

3.5. Deferred acquisition costs

Acquisition costs related to non-life insurance policies are deferred according to a method compatible with that used for unearned premiums.

3.6. 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). It is computed on a contract by contract basis. The same principles apply to the reinsurer's share in the provision for unearned premiums.

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.

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A provision for claims incurred but not reported ("IBNR") is constituted with respect to the prevailing Conventions related to Third Party Liability of Nuclear Energy which require that actions for claims arriving out of a nuclear incident can be initiated within ten years. In view of the forthcoming revision of these Conventions and the prolongation of this period to 30 years, the Board of Directors has adopted to change the ten year IBNR policy to a thirty year IBNR reserving policy.

The change ratified by the Board of Directors will be effective for financial years starting on January 1st 2015 and onwards for the provision accounted for as at December 31, 2014.

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.

3.7. Taxes

Taxes are accounted for on an accrual basis.

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NOTE 4 – INVESTMENTS

The actual value of investments is as follows:

EUR	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Shares and other variable-yield transferable securities and units in unit trusts	55.159.354,46	51.071.072,09
Deposits with credit institutions	7.231.821,36	6.230.001,00
Deposits with ceding undertakings	2.968.094,95	2.570.124,98
	<u>65.359.270,77</u>	<u>59.871.198,07</u>

As at December 31, 2014, the Board of Directors of the Company believes that there is no permanent impairment on shares and other variable-yield securities and units in unit trusts.

As at December 31, 2014, the deposits with ceding undertakings consist of a premium deposit retained by the ceding company accumulated in virtue of an existing agreement since its date of inception and which amounts to EUR 2.968.094,95 (EUR 2.570.124,98 in 2013).

This premium deposit consists of a part of the contractual premiums attributed to the Company which are retained by the ceding undertaking and allocated to a "Reserve Fund" for the sole purpose to pay loss expenses. These premiums allocated to the "Reserve Fund" are held for 10 years, after which a portion is periodically returned to policy holders based upon historical loss experience.

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NOTE 5 – SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS

The subscribed capital of the Company amounts to EUR 3.600.000 and has been contributed in 2009 for EUR 3.200.000 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 Company 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.

At the Annual General Meeting of Members dated April 24, 2014, it was agreed to reallocate an amount of EUR 200.000 of the equivalent funds to the subscribed capital in order to align the subscribed capital of the Company with the actual requirements in terms of minimum guarantee fund following the Grand-Ducal Regulation of December 5, 2007, as amended.

The equivalent funds amounting to EUR 33.240.002,33 consist in additional amounts which were contributed by NIRA Ltd (in name of its 36 shareholders) and the Company's new voting members, each being authorised with 1 voting right.

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As at December 31, 2014, the subscribed capital and the equivalent funds can be split between the members as follows:

	Allocation as at December 31, 2014	Allocation as at December 31, 2013
	EUR	EUR
British Energy	10.000	10.000
CEZ	10.000	10.000
Energy Future Holdings	10.000	10.000
New Brunswick Power	10.000	10.000
SKB	10.000	10.000
SVAFO AB	5.000	5.000
Ameren Corporation	10.000	10.000
AREVA NC (formerly Cogema S.A.)	3.580.116	3.580.116
AXPO Power AG	2.746.281	2.746.281
Axpo Trading AG (formerly EGL AG)	78.882	78.882
B.K.W. - F.M.B. Energie S.A.	1.356.040	1.356.040
Belgoprocess NV	14.195	14.195
Bruce Power LP	14.122	14.122
Centrales Nucleaires en Participation S.A. (Alpiq Suisse S.A.)	366.279	366.279
E.ON Kernkraft GmbH	3.249.105	3.249.105
E.ON Sverige AB (ex Sydkraft AB)	1.689.221	1.689.221
EDF	44.424	44.424
EnBW Kernkraft GmbH (formerly GKW Neckar GmbH)	768.634	768.634
EnBW Kraftwerke AG	1.021.498	1.021.498
ESKOM Holding Ltd	348.774	348.774
Eurodif Production S.A.	3.077.329	3.077.329

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	Allocation as at December 31, 2014	Allocation as at December 31, 2013
	EUR	EUR
FBFC	608.552	608.552
Forsmarks Kraftgrupp AB	922.316	922.316
Fortum Power & Heat Oy	87.488	87.488
G.K.N. BV	958.429	958.429
GNS Gesellschaft für Nuklear-Service mBH	15.556	15.556
Kernkraftwerk Leibstadt A.G. (KKL)	1.799.399	1.799.399
Kernkraftwerk Obrigheim GmbH	280.446	280.446
Kernkraftwk Gösgen Däniken A.G.	2.084.699	2.084.699
N.V. Elektriciteits-Produktiemaatschappij Zuid-Nederland EPZ	759.881	759.881
O.K.G. Aktiebolag	2.720.060	2.720.060
Ontario Power Generation	12.761	12.761
Paks Nuclear Power Plant Ltd	360.946	360.946
R.W.E. Power AG	3.301.031	3.301.031
Ringhals AB	1.323.715	1.323.715
SCK-CEN	15.813	15.813
Slovenske Elektrarne AS	96.645	96.645
Socatri SARL	87.488	87.488
Studsvik AB	13.607	13.607
Teollisuuden Voima Oyj	2.343.742	2.343.742
URENCO Ltd	13.202	13.202
Vattenfall Europe Nuclear Energy GmbH	595.056	595.056
Zwischenlager Würenlingen AG (Zwilag)	19.270	19.270
	36.840.002	36.840.002

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NOTE 6 – CLAIMS OUTSTANDING

Claims outstanding include a provision of EUR 3.694.426 for claims incurred but not reported in virtue of the IBNR reserving policy applicable as at December 31, 2014. For the year ended December 31, 2014, an amount of EUR 1.476.302 has been reversed in the profit and loss account with respect to the provision for claims incurred but not reported.

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 – 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 taxes are disclosed under the caption “other taxes not shown under the preceding items” in the profit and loss account.

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NOTE 10 – PERSONNEL EMPLOYED DURING THE YEAR

For the years 2014 and 2013, the Company did employ five part time staff members and one full time staff member.

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

	2014	2013
	EUR	EUR
Wages and salaries	262.811,71	245.972,61
Social security costs	63.732,89	65.550,64
Pension scheme	32.234,87	31.753,59
Others	1.834,79	1.321,21
Total	360.614,26	344.598,05

NOTE 11 – REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS

The Company did grant remuneration to members of its supervisory bodies for the services rendered during the year amounting to EUR 18.750 (2013: Nil). The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2014.

For the year ended December 31, 2014, the Company did not grant advances or credits to the members of its supervisory bodies.

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NOTE 12 – FEES PAYABLE TO THE AUDIT FIRM

Fees charged to the Company by the *réviseur d'entreprises agréé* and its respective entire network is analysed as follows:

	2014	2013
	EUR	EUR
Annual audit fees (VAT excl.)	15.375,00	15.375,00
	<u>15.375,00</u>	<u>15.375,00</u>

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

For the year ended December 31, 2014, 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, as amended.

NOTE 13 – 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.

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NOTE 14 – OTHER REGULATORY REQUIREMENTS

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

Following the prescribed calculation, the solvency margin requirements applicable to the Company at December 31, 2014 amounts to EUR 3.400.000.

NOTE 15 – OFF-BALANCE SHEET COMMITMENTS

As at December 31, 2014, an amount of EUR 2.148.697,11 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 16 – 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.

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