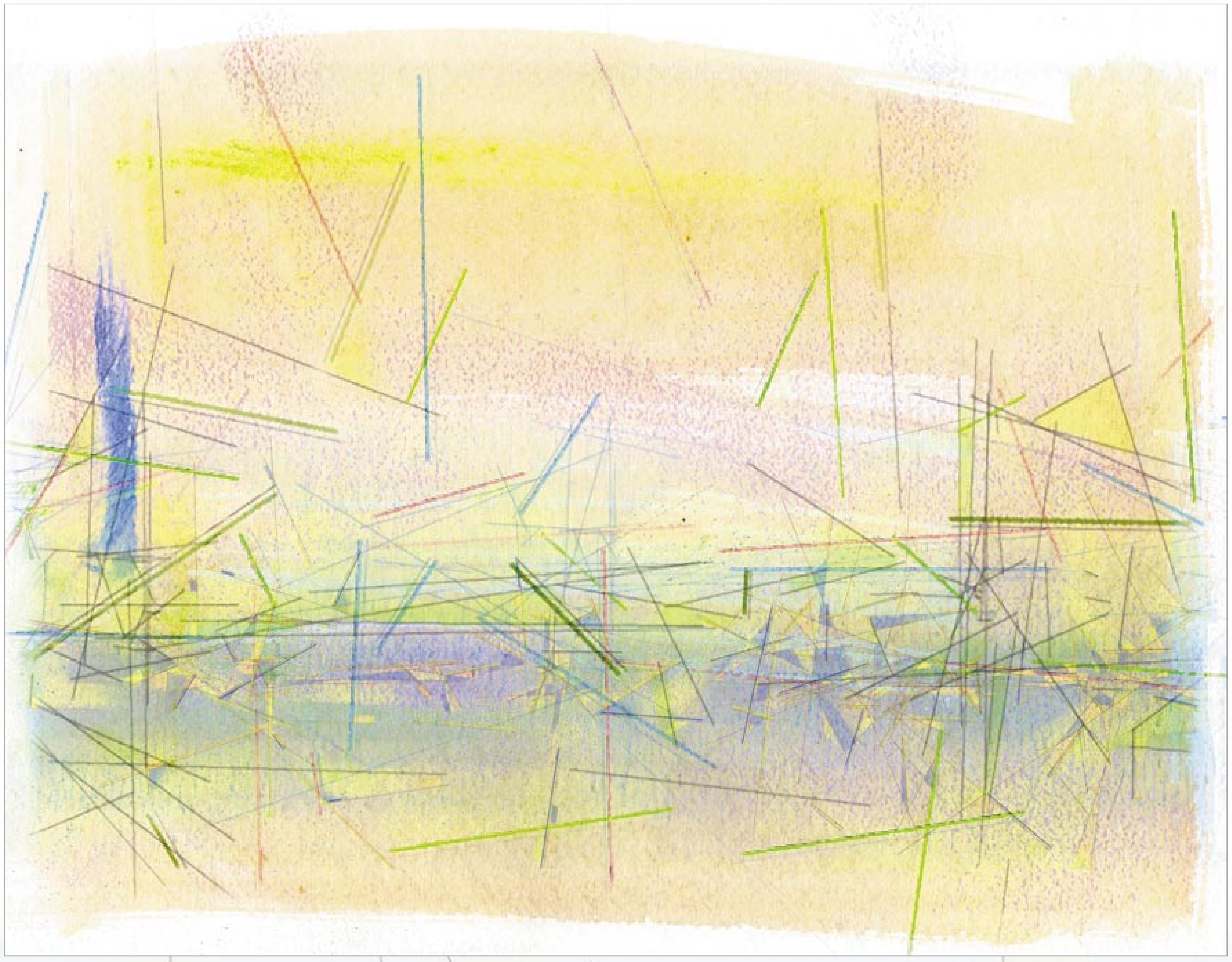
NIRA

annual report 2011



Chaos and Order : beauty II R. Piccart 2012

Annual Report 2011
of the Board of Directors
and of the Statutory Auditor
to be presented at
the Annual General Meeting
on 26 April 2012

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

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Financial Highlights

In euro

Statement of Earnings

	2011	2010
Net Premium Earned	6.090.821	7.884.550
Claims	-4.587.686	-2.576.348
Rebates	80.508	-30.370
Expenses and Taxes	-624.028	-523.459
Net Investment Result	621.001	656.025
	---------------	---------------
Earnings before allocation to equalisation provision	1.580.616	5.409.181

Balance Sheet

Assets	59.797.754	55.754.075
Liabitities	-22.967.752	-18.924.073
	----------------	----------------
Own funds	36.830.002	36.830.002

Contents

Members

NIRA m.a.

Alpiq Suisse SA
AREVA NC
Axpo AG
Belgoprocess NV
BKW-FMB Energie SA
British Energy
Bruce Power LP
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 AG
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
Socatri SARL
Studsvik AB
SVAFO AB
Teollisuuden Voima Oyj Ltd
URENCO Ltd
Vattenfall Europe Nuclear Energy GmbH
Zwilag AG

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 and Investment Advisory Committee

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

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

Deloitte Tax & Consulting
560, rue de Neudorf,
L-2220 Luxembourg
Grand-Duchy of Luxembourg

Letter from the Chairman

Dear Members,

It is my pleasure to present to you the Annual Report 2011 of Nuclear Industry Re-insurance Association, NIRA m.a. Luxembourg. This is the association's third year of operation.

Luxemburg has turned out to be a good environment for our operation and we have been able to continue our insurance business according to plan.

Total assets of our association have developed positively and for the first time have reached a level above 50 million euros. Our investment policy has continued to follow the agreed low risk approach. In last year's difficult market situation this meant keeping an ever increasing majority of assets in cash. When many institutions have had to show figures in red, we still have a modest but positive result.

The board and the management have made investigations about the new Solvency II regime and its possible effects towards our operation. The regime is supposed to come into force in 2014 and NIRA is preparing to be in compliance with this new regulation. Information about this is going to be presented to the members during this and the coming year.

I like to thank all the members for your support and give special thanks to my fellow board members as well as the management team for their work.
Looking forward of working with you in 2012 .

Klaus Luotonen
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 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 under-writing 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 accross 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

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, six of them are representing the nuclear Members and two of them are 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 Commmittees 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 sytem 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 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 26th April 2012

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA ("the Company") for its third year of operations, which started 1st January 2011 and ended on 31st December 2011.

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 Assurance 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 2011 the overall combined re- insurance capacity Material Damage and Third party liability has increased to € 48.000.000 versus € 41.000.000 previous year's capacity.

The net retention for 2011 was limited to € 16.000.000 for the Material Damage Treaty and € 20.000.000 for the Third Party Liability treaty. Facultative Re-insurance support was offered with a net retention of € 15.000.000

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 € 7.884.550 in 2010 to € 6.235.573 in 2011 due to the fact that, on the one hand, for 2010 the once-only correction entry of the ANI ICRP (Industry Credit Rating Plan) refund fund deposit for the amount of € 2.683.473 was taken into account.
On the second hand, an increase on the EMANI property damage treaty contract for € 834.118 was realised.
On the third hand, increases due to new contributions from Hungarian Pool and higher contributions from Korean Pool and ELINI. These increases counter the reduction in contributions due to the non renewal of AEGIS and Czech Pool and lower EAR premiums.

Reinsurance cost increased from € 0 in 2010 to € 144.750 in 2011 due to the fact that reinsurance was bought for the ELINI TPL Treaty.

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 € 4.587.686 versus € 2.576.348 in 2010. This amount includes
€ 2.203.083 actual payments and an increase in reserve of € 2.384.603 and are both mainly related to the EMANI session on Ringhalls AB..

The total outstanding claims reserve at year end amounts to € 12.550.689 versus € 10.116.086 in 2010.

The above mentioned reserve includes the ANI ICRP refund fund for the amount of € 2.102.215 for this year and € 2.227.557 for 2010.

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 € 81.184 has been allocated which brings the total IBNR provision to € 4.260.600.and this compares to previous year with an allocation of € 403.406 and a total IBNR provision of € 4.179.416. This lower allocation can be explained by the lower underwriting results with ANI and ELINI TPL business. For ELINI the reduced result is due to the purchase of reinsurance and for ANI the reduced result is due to an increase in claim reserves .

General expenses

General expenses increased from € 506.666 in 2010 to € 599.903 in 2011 and include acquisition costs on the reinsurance treaties amounting to € 224.091 for 2010 and € 300.774 for 2011. The administrative expenses increased from € 282.575 to € 299.130 and are mainly due to HR costs for additional staff . The reduction in premises costs covered the increase in operational costs and actuarial fee.

Investments

The total book value of the investments amounts to € 54.743.135 and includes € 2.799.917 deposit held with ANI and compares with € 49.583.236 and € 2.683.473 previous year.
The book value of the remaining investments amounts to € 51.943.218 and compares to € 46.899.763 in previous year. The market value of the investments excluding the ANI deposit is € 52.699.373 and compares to € 47.017.438 in 2010. The cash at the bank in other assets decreased from € 5.533.672 in 2010 to € 4.054.572 in 2011.
The investment strategy at year end is 71% liquidities and 29% long term investments resulting in a net financial income of € 621.001 and compare to 56% liquidities and 44% long term investments previous year. No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options or swaps, were bought.

Credit rating and duration classified by investment product as of December 31st, 2011.

Euro	**Credit ratings**	**Duration**
BGI Corporate bond fund	41,21%AAA;6,87%AA+;6,59%AA;7,95 % AA-;7,47%A+;7,72%A;8,82%A-;5,2% BBB+;4,5% BBB;2,38%BBB-;0,65% BB+;0% NR	4,15 year
KBC Corporate bond fund	15,18% AAA ;6,45%AA+; 17,26%AA; 30,88%AA-; 22,79%A+;3,06%A;4,37%NR	6,27 year
Money market funds ING	AAA rated fund	0,098 year
Money market funds KBC	AAA rated fund	0,14 year
Deposits	A+	0,30 year

Country Allocation classified by investment product as of December 31st , 2011.

BGI Corporate bond fund :

BE 0,88% ; DE 20,34% ; FI 0,6% ;FR 18,91% ;IE 0,91%; IT 4,46% ; LU 0,4%;DK 0,88%; CZ 0,45% ;HR 0,04%, GR 0,04%; LT 0,12%;NL 7,31% ;AT 2,13% ;ES 12,15% ; UK 6,93% ; NO 1,32%; SE 2,53% ; CH 1,97% ; PL 0,85%;PT 0,54%;RO 0,07%, RU 0,15% ;KY 0,23% ; AU 1,11%;NZ 0,11 ; CA 0,95% ; US 5,05% ; JP 0,35%; HK 0,14%; CN 0,03%; IN 0,03% KR0,04% ; BR 0,24% ; MX 0,31%; IL 0,14%; MA 0,06%, SA 0,07% and 6,52% Supranational and 0,64% cash.

KBC Corporate bond fund :

BE 0,92% ; DE 1,47% ; FI 0,92% ;FR 11,66% ;IE 7,78%; IT 0,87% ; LU1,10%;
NL 9,85% ;AT 0,72% ;ES 16,57% ; UK 11,91% ; NO 2,26%; SE 5,59% ; CH 2,89% ; KY 3,64% ; AU 4,93%;
NZ 0,92 ; CA 3,84% ; US 10,69% ; EU 1,48%

Money market funds ING: AU 0,37% ; AT 4,32% ;BE 3,43 % ;CN 1,78% ;DK 0,08% ;FI 2,28% ; FR 15,23% ; DE 18,11% ;IT 0,93% ; JP 3,17% ; NL 21,39% ; NZ 0,10% ;ES 11,12% ;SE 4,26% ;CH 1% ; UK 10,13% ;US 2,3%

Money market funds KBC: BE 11,64% ; DE 15,47% ; FR 26,68% ; LU 8,95% ; UK 8,34% ; SE 12,92% ;NL 9,2% ; DK 2,53% ; FI 1,88% ; AU 2,39%

Result

The € 1.580.616 surplus before allocation and after taxes for 2011 compares with € 5.409.181 surplus in 2010.

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 96.120.599 € which is the average earned premiums over the last 5 years multiplied by 17,5. At year end the reserve amounts to 8.862.120 € or 9,22% 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, 2011 the subscribed capital remains at € 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 equalization provision now available to the Members to be used as reinsurance capacity, will be € 45.692.122.

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 2012.

Post balance sheet event

"On 24 February 2012, NB Power and AECL filed documents with the Court of Queen's Bench in Saint John seeking recovery of monies under insurance policy being claimed in relation to delays to the refit of its the Point Lepreau Nuclear Generating Station. In June 2011, NB Power delivered an interim claim to its insurers. In August 2011, the insurers denied the claim and insisted that it did not fall within the coverage afforded by the policy in question. Based on legal advice the leading insurer EMANI continues to deny the claim and will defend the legal claim. NIRA has reflected a net reserve of $ 2.437.500 or € 1.844.495 in its financial statements as at 31 December 2011 in relation to the claim."

Recommendations

We propose that you

- Approve the annual accounts as at December 31st 2011 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

Klaus Luotonen
Chairman of the Board of Directors
On behalf of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES AGRÉÉ

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 annuel accounts

Following our appointment, we have audited the accompanying annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurances Mutuelles, which comprise the balance sheet as at December 31, 2011 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'Assurances Mutuelles as of December 31, 2011, 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 S.A., *Cabinet de révision agréé*

Benjamin Lam, *Réviseur d'entreprises agréé*
Partner

April 13, 2012

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
BALANCE SHEET

As at December 31, 2011
(Currency - Euro)

Assets	Note(s)	2011	2010
Investments	3.5, 4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		49.752.463,68	46.673.532,45
Deposits with credit institutions		2.190.754,04	226.231,17
Deposit with ceding undertakings		2.799.917,29	2.683.473,29
		------------------	------------------
		54.743.135,01	**49.583.236,91**
Debtors	3.4		
Debtors arising out of reinsurance operations		867.658,24	503.286,66
Other debtors		16.850,00	12.550,00
		-----------------	-----------------
		884.508,24	**515.836,66**
Other assets	3.1		
Tangible assets and stocks		27.385,68	34.968,39
Cash at bank and in hand		4.054.572,34	5.533.672,13
		------------------	------------------
		4.081.958,02	**5.568.640,52**
Prepayments and accrued income			
Accrued interest and rent		18.662,36	20.829,23
Deferred acquisition costs		68.601,19	65.028,43
Other prepayments and accrued income		889,06	502,76
		------------------	------------------
		88.152,61	**86.360,42**
Total assets		**59.797.753,88**	**55.754.074,51**
		=========	=========

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

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
BALANCE SHEET

As at December 31, 2011
(Currency - Euro)

Liabilities	Note(s)	2011	2010
Capital and reserves	5		
Subscribed capital		3.200.000,00	3.200.000,00
Equivalent funds		33.630.002,33	33.630.002,33
		36.830.002,33	**36.830.002,33**
Technical provisions	3.2		
Provision for unearned premiums		1.303.041,67	1.068.737,46
Claims outstanding		12.550.688,39	10.166.085,70
Provision for bonuses and rebates	14	101.124,00	285.039,00
Equalisation provision		8.862.119,50	7.281.503,51
		22.816.973,56	**18.801.365,67**
Creditors	3.4, 7		
Creditors arising out of reinsurance operations		0,00	0,00
Other creditors, including tax and social security		122.143,35	96.943,32
		122.143,35	**96.943,32**
Accruals and deferred income		**28.634,64**	**25.763,19**
Total liabilities		**59.797.753,88**	**55.754.074,51**

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, 2011
(Currency - Euro)

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS

	Note(s)	2011	2010
Earned premiums			
Gross premiums written	8	6.469.874,78	8.220.851,88
Outward reinsurance premiums		(144.750,00)	0.00
Change in the gross provision for unearned premiums		(234.304,21)	(336.302,02)
		6.090.820,57	**7.884.549,86**
Allocated investment return transferred from the non-technical account	15	**621.001,25**	**656.024,84**
Claims incurred, net of reinsurance	4		
Claims paid:			
Gross amount		(2.203.083,23	(3.160.946,98)
Change in the provision for claims:			
Gross amount		(2.384.602,69)	584.598,64
		(4.587.685,92)	**(2.576.348,34)**
Bonuses and rebates, net of reinsurance	14	**80.508,00**	**(30.370,00)**
Net operating expenses :			
Acquisition costs		(304.346,71)	(289.119,02)
Change in deferred acquisition costs		3.572,76	65.028,43
Administrative expenses	11	(299.129,67)	(282.575,36)
		(599.903,62)	**(506.665,95)**
Other technical charges, net of reinsurance		**0.00**	**(1.216,60)**
Change in the equalisation provision		(1.580.615,99)	**(5.409.180,79)**
Balance on the technical account		**24.124,29**	**16.793,02**

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, 2011
(Currency - Euro)

NON-TECHNICAL ACCOUNT

	Note(s)	2011	2010
Balance on the technical account		**24.124,29**	**16.793,02**
Investment income	9	**793.740,99**	**1.170.381,16**
Income from other investments		371.945,52	965.665,65
Gains on the realisation of investments		421.795,47	204.715,51
Investment charges		**(172.739,74)**	**(514.356,32)**
Investment management charges, including interest		(172.739,74)	(514.356,32)
		-------------------	-------------------
Allocated investment return transferred to the technical account	15	**(621.001,25)**	**(656.024,84)**
Tax on profit on ordinary activities		(3.528,24)	(1.641,68)
		-------------------	-------------------
Profit on ordinary activities after tax		**20.596,05**	**18.434,70**
Other taxes not shown under the preceding items	10	(20.596,05)	(18.434,70)
		-------------------	-------------------
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, 2011
(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

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.

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 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 are deferred whereas exchange losses are recorded in the profit and loss account.

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.

3.5. 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 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 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.

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

Deposits are stated at their nominal value at year-end

3.6. Taxes

Taxes are accounted for on an accrual basis,

(Currency - Euro)

NOTE 4 - INVESTMENTS

The actual value of investments is as follows:

(In EUR)	December 31, 2011	December 31, 2010
Shares and other variable-yield transferable securities	50.508.619	46.791.207
Deposits with credit institutions	2.190.754	226.231
Deposits with ceding undertakings	2.799.917	2.683.473
	------------------	------------------
	55.499.290	**49.700.911**

As at December 31, 2011 the Management 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, 2011, the deposit with ceding undertakings consist of a deposit retained by the ceding company accumulated in virtue of an existing agreement, since its date of inception and amounts to EUR 2.799.917 and compares to EUR 2.683.473 in previous year.
The premium deposit consist of a part of the contractual premiums attributed to the Company which are retained by ceding undertaking and allocated to a “Reserve Fund” for the sole purpose to pay loss expenses. These reserve premiums are held for 10 years, after which a portion is returned to policyholders bases upon historical loss experience.
In application of the terms of the reinsurance treaty, the “Reserve fund” classified under provision for claims outstanding and amounts to EUR 2.102.216 at year-end (2010: EUR 2.227.557).

(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 member 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.
During the year 2011 there were no changes in capital.

As at December 31, 2011, the subscribed capital and the equivalent funds can be split between the members as follows:

	(In EUR) Allocation as at December 31, 2011	(In EUR) Allocation as at December 31, 2010
New Brunswick Power	10.000	10.000
British Energy	10.000	10.000
SVAFO AB	5.000	5.000
Energy future holdings corp.	10.000	10.000
CEZ a.s	10.000	10.000
SKB	10.000	10.000

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	2011 EUR	2010 EUR
EGL AG	78.882	78.882
AREVA NC (formerly Cogema S.A.)	3.580.116	3.580.116
FBFC International S.A.	608.552	608.552
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
Alpiq Suisse S.A. (formerly Centrales Nucléaires en Participation 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
Elektriciteits-Produktiemaatschappij Zuid-Nederland N.V. EPZ	759.881	759.881
EDF	44.424	44.424
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
Forsmarks Kraftgrupp AB	922.316	922.316
Fortum Power & Heat Oy	87.488	87.488
G.K.N. BV	958.429	958.429
EnbW Kernkraft GmBH (formerly GKW Neckar GmbH)	768.634	768.634
GNS Gesellschaft für Nuklear-Service mBH	15.556	15.556
Kernkraftwerk Leibstadt A.G. (KKL)	1.799.399	1.799.399
Kernkraftwerk Obrigheim BmbH	280.446	280.446
Kernkraftwerk Gösgen Däniken A.G.	2.084.699	2.084.699
AXPO AG	2.746.281	2.746.281
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 Wurenlingen AG (Zwilag)	19.270	19.270
	36.830.002	**36.830.002**

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 year ended December 31, 2011, 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, 2011, income from other investments includes:

- An amount of EUR 19.834 of interest on bank current accounts;
- An amount of EUR 40.444 of interest on deposits with credit institutions;
- An amount of EUR 145.115 of interest on deposits with ceding undertakings;
- An amount of EUR 166.553 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 taxes are disclosed as other taxes.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
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NOTE 11 - PERSONNEL EMPLOYED DURING THE YEAR

The Company did employ 4 staff members during the year. All these employees have non full time contracts.
For the period ended December 31, 2010, the Company did employ 2, non full time, staff members.
The staff costs with respect to the financial year may be broken down as follows:

EUR	2011	2010
Wages and salaries	96.346	58.578
Social security costs	24.409	15.921
Of which relating to pension	7.734	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 not grant remuneration to members of its supervisory bodies for the services rendered during the year. In 2010, an amount of EUR 2.500 was granted. The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2011.
For the year ended December 31, 2011, 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 agréé and its respective entire network is analysed as follows:

EUR	2011	2010
Annual audit fees (VAT excl.)	15.375	15.375
	----------	----------
	15.375	**15.375**

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

For the year ended December 31, 2011, 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.

(Currency - Euro)

NOTE 14 - BONUSES AND REBATES

The bonuses and rebates as shown under the profit and loss account fo the year ended December 31.2011 are splitted as follows :

Bonuses and rebates paid	**(103.407)**
Change in provision for Bonuses and Rebates	183.915

Total Bonuses and Rebates, net of reinsurance	80**.508**

NOTE 15 - 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 16 - 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, 2011 amounts to EUR 3.200.000.

NOTE 17 - OFF-BALANCE SHEET COMMITMENTS

As at December 31, 2011, 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 18 - 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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