

NIRA

annual report

2021



Abstract composition n°9

R: Piccart 2021

Annual Report 2021 of the Board of Directors and of the Statutory Auditor to be presented at the Annual General Meeting on 28 April 2022.

The company (Mutual association) is incorporated in Luxembourg on December 11th 2008 and governed by the modified Law of December 7th 2015 on the insurance sector, the Grand-Ducal Regulation dated December 5th 2007 and Regulation 15/3 of December 7th 2015 issued by the Commissariat aux Assurances and is authorised by l'arrêté ministériel of March 30th 2009 to do reinsurance.

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Financial Highlights

in Euro

Statement of Earnings	2021	2020	2019	2018	2017
Net Premium Earned	9.384.237	7.967.527	8.121.664	7.010.882	6.304.918
Claims	-1.444.473	-2.960.220	-8.332.147	252.997	-25.529
Rebates	0	0	0	0	0
Expenses and Taxes	-2.092.295	-1.550.856	-1.409.659	-1.288.234	-807.613
Net Investment Result	1.429.565	256.415	705.016	504.990	302.446
Other technical income	-1.043	23.658	29.210	9.291	50.274
Earnings before allocation to the equalisation provision	7.275.992	3.736.524	-885.916	6.489.925	5.824.495
Balance Sheet					
Assets	115.437.902	106.291.632	101.183.432	94.299.217	88.427.350
Liabilities	-80.030.227	-71.062.253	-65.964.053	-59.149.838	-53.307.971
Guarantee fund	35.407.675	35.229.379	35.219.379	35.149.379	35.119.379

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Members*

NIRA m.a.

AB SVAFO

Axpo Power AG

Axpo Solutions AG

Belgoprocess NV

BKW Energie AG

EDF Energy Nuclear Generation Ltd.

Bruce Power LP

BWX Technologies, Inc.

Centrales Nucléaires en Participation SA (CNP)

ČEZ a.s.

China General Nuclear Corporation (CGN)

Comanche Peak Power Company LLC

Dominion Energy South Carolina

EDF

Electrabel s.a.

Eletronuclear

EnBW Energie Baden Württemberg AG

EnBW Kernkraft GmbH

ENEC

ENEL

Energy Solutions

EPZ NV

Eskom Holdings Ltd

Evergy Inc.

Forsmarks Kraftgrupp AB

Fortum Power & Heat Oy

Framatome

Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN)

Gesellschaft für Nuklear Service mbH (GNS)

American Electric Power

Kernkraftwerk Gösgen-Däniken AG

Kernkraftwerk Leibstadt AG

Korea Hydro & Nuclear Power Co. Ltd (KHNP)

MVM Paks Nuclear Power Plant Ltd

New Brunswick Power Corporation

Northern State Power Company-Minnesota (NSP-M)

OKG Aktiebolag

Ontario Power Generation (OPG)

Orano SA

PreussenElektra GmbH

Ringhals AB

RWE Power AG

SCK•CEN

Slovenské Elektrárne AS

Societatea Nationala NuclearElectrica SA (SNN)

Southern Company

STP (South Texas Nuclear Generating Station)

Studsvik AB

Svensk Kärnbränslehantering AB (SKB)

Sydskraft Nuclear Power AB

Teollisuuden Voima Oyj (TVO)

Union Electric Company d/b/a Ameren Missouri

URENCO Ltd

Vattenfall Europe Nuclear Energy GmbH

Zwischenlager Würenlingen AG

* status at the time of the Annual General Meeting

Board of Directors *

G.J. Geertsema

Chairman

K. Greimel

Vice-Chairman

K. Sinclair

Vice-Chairman

J.L. Carbonell

V. Hronek

M. Laguna

D. Prüske

Z. Siposova

A. Slipp

D. Vanwelkenhuyzen

* status at the time of the Annual General Meeting

Advisory Committees *

Underwriting Committee

D. Vanwelkenhuyzen	<i>Chairman</i>
E. Desseyn	
W. Gemis	
P. Haenecour	
B. Kockum	
M. Laguna	
R. Miller	
L. Robles	
K. Sinclair	
Z. Šípošová	

* status at the time of the Annual General Meeting

Finance and Investment Advisory Committee

A. Slipp	<i>Chairman</i>
L. Piekari	
A. Roefs	
J. Tasker	
M. Vercammen	

* status at the time of the Annual General Meeting

Advisory Committees *

Risk Committee

J.L. Carbonell	<i>Chairman</i>
G.J. Geertsema	
D. Prüske	
V.Hronek	

* status at the time of the Annual General Meeting

Audit Committee

K. Greimel	<i>Chairman</i>
J.L. Carbonell	
G.J. Geertsema	
D. Prüske	

Internal Auditor

C. Legrain

Compliance Officer

A. Roefs

* status at the time of the Annual General Meeting

Management *

Management Committee

D. Vanwelkenhuyzen	<i>Chairman</i>
W. Gemis	
M. Laguna	
M. Vercammen	

Auditors

Deloitte Audit s.à.r.l.
20, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand-Duchy of Luxembourg
Represented by :
Mr. L. Bardon
Réviseur d'entreprises agréé

Actuarial function

G. Levavasseur

* status at the time of the Annual General Meeting

Staff

Daniel Vanwelkenhuyzen

Wim Gemis

Maria Laguna

Grégoire Levavasseur

Solange Raë

Luis Robles

Marleen Vercammen

* status at the time of the Annual General Meeting

2021 Letter from the Chairman

Dear Members,

It is my pleasure to present to you the annual accounts of Nuclear Industry Reinsurance Association, shortened NIRA for its thirteenth year of operation in Luxemburg, which started 1st January 2021 and ended on 31st December 2021. At the same time, I will discuss the outlook for 2022.

Earned gross of reinsurance contributions increased to € 11.231.010 in 2021 from € 9.893.908 in 2020 due to the increased premium income on the new non-voting members for the non-nuclear contracts. The earned reinsurance costs for all contracts decreased from € 1.926.381 in 2020 to € 1.846.772 in 2021 and is the result of buying less reinsurance on the Russian contracts and more on the Abu Dhabi, India and new French contracts.

The total claim cost for the period is € 1.444.473 versus a claim cost of € 2.960.220 in 2020. This year's cost is composed out of € 1.150.815 actual payments on different prior year claim files, an increase in reserves net of retro-reinsurance of € 293.658. The variation in reserves is composed out of firstly the decrease on actual claims reserves of € 1.039.529 which are related to 15 claim files of which 12 are related to the EMANI contracts and include € 282.202 for 6 new losses occurred in 2021. Secondly an increase of the IBNR reserve on TPL risks of € 1.244.945 and thirdly an increase of the ANI ICRP reserve of € 147.503.

The total outstanding claims reserve at year end amounts € 18.514.100 versus € 18.161.182 in 2020 and includes the ANI ICRP refund fund for the amount of € 3.001.141 for this year and € 2.853.638 for 2020.

General expenses increased from € 1.473.709 in 2020 to € 1.815.317 in 2021 and include acquisition costs on the reinsurance treaties amounting to € 546.917 in 2020 from € 760.182 in 2021. The administrative expenses increased from € 926.792 in 2020 to € 1.055.135 in 2021 and are the result of lower IT costs but higher Board fees and HR costs.

The total book value of the investments amounts to € 109.810.504 and compares with € 99.074.513 previous year and include investments and cash at banks. The investment strategy at year end in 10% liquidities, 76% long term investments and 14% equity resulting in a net financial income of € 1.429.565 and compare with a net income of € 256.415 in previous year. The 2021 profit is the result of realized profits on investments and currency exchanges losses on the ANI deposit. No derivative products were bought. The duration of the total investment portfolio including equity is 3,87 years versus 3,88 years previous year. The off balance sheet unrealized gains on investments amount to € 10.610.342 (2020 : € 7.070.998) an increase of € 3.539.344 since 31/12/2020.

The result in this accounting year 2021 is a surplus of € 7.275.992 before allocation and after taxes and compare with € 3.736.524 surplus in 2020. The Annual General Meeting held on 28th April 2022 digitally at the NIRA offices in Luxemburg, agreed to the proposal of the Board of Directors to allocate the total surplus of € 6.823.513 to the equalization reserve and to allocate to the guarantee fund € 452.479.

As at 31st December 2021 the subscribed capital amounts to € 3.600.000 and the additional contributions of € 31.807.675 constitute together a fund of € 34.955.196 compared with € 35.229.379 previous year. This decrease can be attributed to 1 new member entering the Mutual € 10.000 and a refund of € 284.194 to an outgoing member. The Mutual Association has further acknowledged the resignation of 5 Members, who will leave in the next following years once their 5-year waiting period is reached. The current part in the undivided fund is € 10.427.124. The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity, will be € 89.647.888 versus € 82.646.080 previous year.

In order to maintain the annual re-insurance premium income at a satisfactory level it was in 2015 decided that the core business will remain the re-insurance of “nuclear” installations but on a wider range. In order to execute a wider range of activities some restrictions for Membership of our mutual were adapted in our Articles of Association by 15 September 2015. As a result, our mutual could expand its business as of year 2016. Several new members were welcomed in 2016 due to the adapted Articles of Association. In the years 2017 to 2021 Management continued this successful policy resulting in satisfactory financial outcome. NIRA welcomes not only more business but the business originates increasingly from other continents as well.

The outlook for the year 2022 was discussed during our Members Meeting in Bordeaux on 21th October 2021. At that time we forecasted gross premiums € 16.289.600 for 2022 versus € 9.998.635 in 2021 and earnings before distribution to reserve for equalisation and catastrophes i.e. € 6.504.200 in 2022 versus € 3.765.899 in 2021. This higher forecasted earnings can be explained by higher premium income following a new Project called Class B insurance contracts for non-nuclear businesses.

Following the Russian invasion in Ukraine has resulted in a number of Russian and Belarusians entities being added to the international sanction list which will result in adjustments of the outlook figures for 2022 for the contracts cancelled or suspended.

The Covid-19 pandemic starting in the beginning of 2020 was a real challenge for a small mutual association like NIRA. However, it turned out that the continuity plan was very solid. No issues or delays were noted in NIRA's operation and regulatory obligations. It proves the professionalism in NIRA's management to deal with unexpected and extraordinary circumstances. As the end of the Covid-19 pandemic is unfortunately unpredictable NIRA will continue to act in the coming period in the same way as we did before.

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



Gert Jan Geertsema
Chairman of the Board of Directors of NIRA ma

Corporate Message

NIRA is a mutual reinsurance association, founded in 2008 and headquartered in Luxembourg. NIRA stands for Nuclear Industry Reinsurance Association. All the Members of the company are involved in the nuclear and conventional energy sector. NIRA was traditionally an industry captive re-insurer. A fresh approach has been adopted to focus on the reinsurance of nuclear and conventional energy 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 and enable the Mutual to comply with the circular LC14/5 carrying modifications of the circular letter modified 99/6 relative to the annual report of the companies of reinsurance.

Following the new EU-wide regulatory regime of Solvency, NIRA's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Luxembourg regulations by the C.A.A. The Solvency Financial condition report (SFCR) can be found on our website.

All the principles are written in the document "Memorandum of Corporate Governance" and different Policy documents.

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

The Board

There are currently ten Board Members, five of them are representing the nuclear Members, three members are independent and two are representing the Management.

The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

The Board meets four times a year.

The Management Committee has full authority to undertake the daily management of the Association.

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.

In addition, the Board has appointed four specific Advisory Committees being the Finance and Investment Advisory Committee, the Audit Committee, the Risk Committee and the Underwriting Committee. These Committees are composed out of representatives of the Members of the Association.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision-making process remains in the hands of the Board. Therefore, the existence of the Committees does not replace the ultimate responsibility of the Board.

Board and Committee Papers

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

Minutes are kept of every meeting. They are signed off by the Chairman after approval.

Annual General Meeting

The General Meeting has the powers vested in it by the Law and by the Articles of Association, without any prejudice to the laws and regulations in force regarding the control of reinsurance enterprises.

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 & key functions

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.

In accordance with Articles 44, 46, 47 and 48 of Solvency II Directive, the Mutual has implemented the following key functions: risk management function, compliance function, internal audit function and actuarial function. Each key function discloses a report as well as for the year to come a plan and are in direct contact with the Board of Directors.

All key functions have a separate policy explain their role and responsibilities. Each key function needs to comply with the fit & proper policy and conduct a self-assessment. In case the key function is outsourced, a check is performed to comply with the guidelines of the outsourcing policy.

Risk Identification

The Management Committee 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.

Monitoring and Corrective Actions

The Mutual has a Procedures Manual which provides practical guidance for all staff (1st line of defense).

The second line of control performed by the risk management function & compliance function, assures the follow-up of the control of the risks and corrective actions are taken.

The internal auditor reports to the Audit committee on the effectiveness of the procedures and therefore being the 3rd line of defense.

Concerning the IT-infrastructure, a Continuity Policy and implementation process including proper securities is in place. The IT-department certifies that security, privacy and all other IT management requirements are adequately addressed by the cloud computing vendor. In respect of GDPR, personal data is mapped in a register with restricted access and a privacy policy is put into place.

Report of the Board of Directors to be presented to the Annual General Meeting of 28th April 2022

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA (“the Company”) for its thirteenth year of operations, which started 1st January 2021 and ended on 31st December 2021.

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, Boulevard de Kockelscheuer 20, 1821 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 2021 the overall combined re-insurance capacity Material Damage and Third-party liability has increased to € 81.000.000 in 2021 versus € 80.500.000 previous year's capacity.

The net retention for one single event for Material Damage Treaty and quota share 2021 were maintained at € 16.000.000 and € 5.000.000 respectively. A reinstatement of € 16.000.000 and € 5.000.000 respectively was still provided, the same as in 2021. Facultative material damage Re-insurance support was offered with a net retention for a single event of maximum € 17.500.000 in 2021 compared to € 19.250.000 in 2020.

As of September 15th ,2021 the Material Damage Treaty has been reduced to € 8.000.000 with one reinstatement included but the quota share capacity of € 5.000.000 is not in place anymore.

The Third-Party Liability treaty/fac retention was maintained at € 20.000.000 in 2021.

The maximum gross retention for one single Members in 2021 was US\$ 100.000.000 of which US\$ 60.431.500 were retroceded. In 2020 there was a gross retention of US\$ 100.000.000 of which US\$ 65.475.000 were retroceded.

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.

Earned gross of reinsurance contributions increased to € 11.231.010 in 2021 from € 9.893.908 in 2020 due to the increased income on new non-nuclear contracts.

The earned reinsurance costs for all contracts decreased to € 1.846.772 in 2021 from € 1.926.381 in 2020 and is the result of buying less reinsurance on the Russian contracts but more on the Abu Dhabi ,India and new French contracts.

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 € 1.444.473 versus a cost of € 2.960.220 in 2020. This loss is composed out of € 1.150.815 actual payments on different prior year claim files and an increase in claim reserves net of reinsurance of € 293.658. For the second year in a row, an amount is recuperated via retro reinsurers of € 59.260,14 versus last year € 28.762.

The total claims movements gross of reinsurance € 352.918 includes an increase for the allocation to the IBNR reserve on TPL risks of € 1.244.945 , An increase of the ANI ICRP fund of € 147.503 and a release of € 1.039.529 on variations of 15 actual claims of which 12 relate to the EMANI treaty and that variation includes € 282.202 related to 6 new losses occurred in 2021.

The total outstanding claims reserve at year end amounts to € 18.514.100 versus € 18.161.182 in 2020 and includes the ANI ICRP “reserve fund” for the amount of € 3.001.141 for this year and € 2.853.638 for 2020. For the ANI ICRP fund we have a matching deposit held with the ceding undertaking mentioned on the asset side of our balance sheet. The deposit with ceding undertaking’s consists of a premium deposit retained by the ceding company accumulated in virtue of an existing agreement since its date of inception and consists of a part of the contractual premium attributed to the Company which are retained by the ceding undertaking and allocated to the “reserve fund” for the sole purpose to pay loss expenses. These premiums allocated to the “reserve fund” are held 10 years, after which a portion is periodically returned to policy holders based upon historical loss experience.

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. The years before 2015 a 10 years prescription period was applied. And as of 2021 onwards, a 10 year reserving period was re-introduced. For the non-nuclear third-party liability contracts prior to 2021 a 10 year reserving policy was applied and as of 2021 onwards the period was reduced to 3 years.

For this period an amount of € 1.244.945 was allocated to the IBNR versus € 1.119.368 in 2020 which brings the total IBNR provision to € 9.661.005 and this compares to previous year’s IBNR provision of € 8.416.060. This leaves the amount for the actual claims outstanding at 31/12/2021 to € 5.851.954 for 11 different claim files.

General expenses

The net operating expenses increased from € 1.473.709 in 2020 to € 1.815.317 in 2021 and include acquisition costs on the reinsurance treaties amounting to € 546.917 for 2020 and € 760.182 in 2021. This results that the administrative expenses increased from € 926.792 in 2020 to € 1.055.135 in 2021 and are the result of lower IT costs but higher HR costs and Board fees.

Investments

The total book value of the investments to € 109.810.504 and compares with € 99.074.513 previous year and include investments and cash at banks.

The deposit held with ANI amounting to € 3.008.947 for 2021 and € 2.862.393 for 2020 is not included in this chapter on investments. The amount has increased mainly due to the exchange rate of the USD.

The market value of the investments and cash at banks is € 117.411.899 and compares to € 106.145.514 in 2020. All these investments are recorded at their purchase value and the unrealized gains of € 10.610.342 (2020: € 7.070.998) are not recorded in the income statement for the year. The weighted actual return on investments for 2021 is 3,82%. (in 2020 it was 2,50%) and is composed out of 2,65% on the equity portion, 1,18% on the fixed income portion and -0,01% out of the Money market and cash portion.

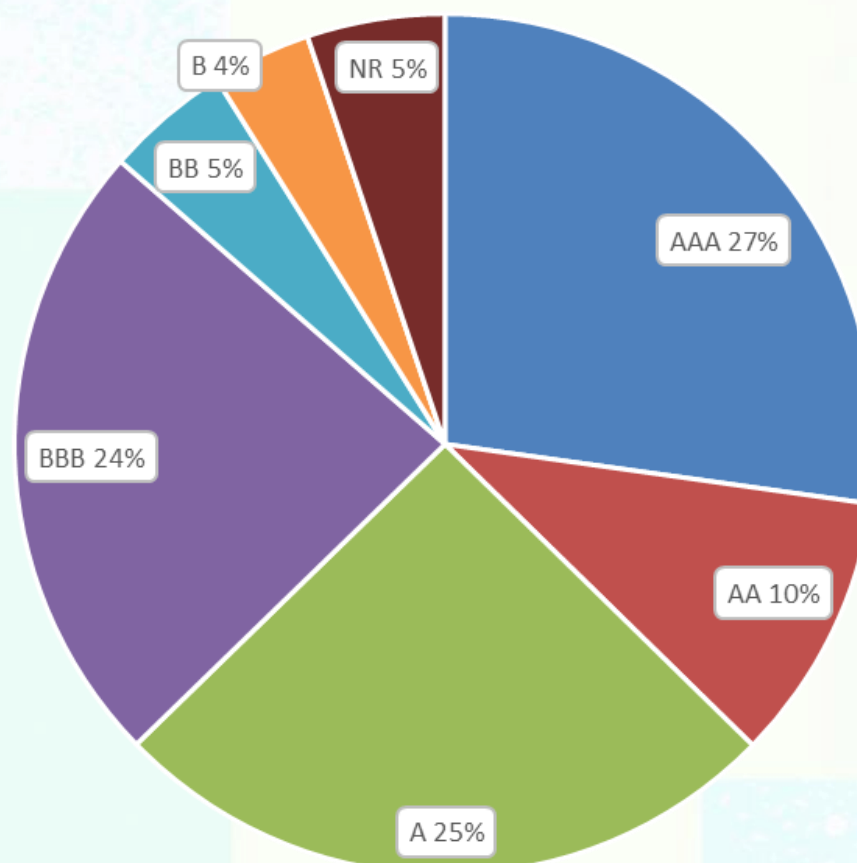
The investment strategy at year end is 10% liquidities, 76% long term investments and 14% equity resulting in a net financial income of € 1.429.565 and compare to 11% liquidities and 79% long term investments and 10% equity previous year with a net income of € 256.415. The financial income in the financial statements can be explained by realised profits following the sale of investment funds by our asset managers who then are replaced by other funds which align better with the asset manager's discretionary mandate view on the financial market and exchange difference gains.

No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options or swaps, were directly bought.

Credit rating of the investment product as at 31 December 2021:

The overall weighted average credit rating of the total portfolio is A, broken down as follows:

NIRA Credit quality of total portfolio 31/12/2021



Country Allocation and Duration as at 31 December 2021.

The duration of the total investment portfolio including equity & cash is 3,87 years.

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

AT 0,67% • AU 1,19% • BE 11,46% • CH 0,36% • DE 14,32% • DK 0,26% • ES 2,44% • EU 1,02% • FI 0,61% • FR 8,96% • GB 8,34% • IE 2,61% • IT 3,46% • LU 3,61% • NL 4,86% • NO 0,57% • Europe others 1,69% • US 25,66% • BM 0,05% • CA 1,29% • MX 1,36% • Latin America others 0,95% • CN 1,47% • JP 0,36% • Asia others 1,78% • AE 0,13% • Africa/Middle East others 0,53% •

Result

The 7.275.992 € surplus before allocation and after taxes for 2021 compares with € 3.736.524 loss in 2020.

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 allocation to the equalisation provision is the full technical result of € 6.123.405 and a part of the Financial surplus because as at December 31,2021 the amount of the equalisation reserve reached more than the 30% limit of the ceiling equalisation provision amount.

Based on the above referred regulation, the maximum theoretical target of the equalization reserve amount should be 135.559.886 € which is the average earned premiums net of reinsurance over the last 5 years multiplied by 17,5. At year end the reserve amounts to 54.240.214 € or 40,01% of the target amount.

With respect to the financial result of the company for the year ended December 31,2021 the allocation to the equalisation provision cannot exceed the balance corresponding the technical rate of 1% mentioned in the Circular Letter CAA 16/10 applicable as from December 1st ,2016, multiplied by the technical provisions of the Company as at December 31,2020 or € 700.108. As the actual financial income for the year 2021 is € 1.429.565 we therefore do not fall below the regulatory limit and therefore we can only allocate the limited maximum amount to the equalisation reserve. This bringing the total allocation to the equalisation reserve to € 6.823.513.

Following the above-mentioned regulation, the Board of Directors proposes to the Annual General Meeting that the remaining surplus of € 452.479 be allocated to the guarantee fund.

Guarantee Fund

As at December 31st,2021 the subscribed capital amounts to € 3.600.000 and the additional contributions of € 31.355.196 constitute together a fund of € 34.955.196 compared to € 35.229.379 previous year. This decrease can be attributed to the refund to one Member leaving the Mutual and the addition of one new Member joining the Mutual. Also one of the two leaving Members ,which 5 year waiting period ended 31/12/20 have withdrawn their resignation resulting in maintaining of their current part in the undivided fund within the Mutual.

The Mutual Association has further acknowledged the resignation of 5 Members, which no longer have an insurable interest and who will leave in the forthcoming years once their 5-year waiting period has expired. Their current part in the undivided fund is € 10.427.124 but this remains at risk until departure at the end of the 5-year waiting period.

The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity, will be € 89.647.888 versus € 82.646.080 previous year.

Others

No research and development activities incurred.

NIRA does not faceNo 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.

Covid-19

Further to the developments as a result of the pandemic, the Board of Directors will continue to closely monitor the potential impact of COVID-19 on the business and development/performance of the Company, in particular in terms of the impact on its operations, development in claims experience, variations in the value of assets held and compliance with regulatory requirements in terms of solvency requirements. Based on the elements in our possession, NIRA had no impacts in 2021 and should continue a positive development in 2022.

Sustainable entrepreneurship

At NIRA we stand for corporate social responsibility (CRS) or sustainable entrepreneurship that is based on the triple-P approach to economic performance (Profit) with respect for the social side (People) within the ecological preconditions (Planet). Both internally and externally, we try to work according to the philosophy of those three values as much as possible.

Here are a few examples of how we contribute to a more sustainable policy and a liveable working environment:

- The major part of the Reinsurance products are related to nuclear so zero emission industry. The other products not related to nuclear are monitored closely.
- Diversified recruitment policy: At NIRA we attach importance to the diversification of talent. Within the company, employees are encouraged to work independently and show their talents. We are open to multi-employability and on the job training.
- Feel good employees: We think it is important that our employees feel at home in the workplace. We use short lines to make everyone feel involved and thus strengthen the team.

- Environmentally conscious: as a small insurer we cannot move mountains in this area, but we also try to contribute we try to work as paperless as possible and offer employees the opportunity to work from home as much as possible. Organizing remote meetings also prevents trips that are harmful to the environment.

- Charity: for example, through "Ondernemers voor Ondernemers", we choose a sustainable project to which we give our support.

- Investing: NIRA's commitment to Sustainable investing starts by working together with Asset Managers who comply with the sustainable standards of the United Nations Global Compact and/or United Nations Principles of Responsible Investing, and/or who consider high-level sustainability-related issues in the general process. NIRA cooperates with asset managers whose funds are selected taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard of the UN Global Compact. They all have proper internal guidelines that reflect their ESG Policy in terms of governance, strategy, risk and the actions they undertake in the ESG space. In relation to the new EU SFDR (Sustainable Finance Disclosure Regulation) which came into effect in March 2021 and is part of a new wave of European regulation aimed at building sustainable economy we need to disclose our investment funds following the framework of categorizing products into three tier hierarchies:

- * EU SFDR Article 6 products; applies to those strategies which are neither Article 8 or 9 strategies, and which either integrate ESG considerations or explain why sustainability risk is not relevant

- *EU SFDR Article 8 products: applies to those strategies that are ESG integrated, but which also promote, among other characteristics, environmental or social characteristics

- *EU SFDR Article 9 products: applies to those strategies to those strategies that have sustainable investment as its objective

The investment mandate we gave to our two Asset Managers is eligible to be classified SFDR article 6 however already 9 investment funds, with a market value of € 45.351.883 are labelled SFDR article 8.

Recommendations

We propose that you:

- Approve the annual accounts as at December 31st, 2021 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.



Danny Van Welkenhuyzen

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
4, Däichwee L-6850 Mantemach

Report on the Audit of the annual accounts

Opinion

We have audited the annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelle (the "Company"), which comprise the balance sheet as at December 31, 2021, and the profit and loss account for the year then ended December 31, 2021, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at December 31, 2021, and of the results of its operations for the year then ended December 31, 2021 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not identified any key audit matters for communication in our report.

Emphasis of matter

We draw attention to note 17 of these annual accounts, which describes the impact of the unfolding situation resulting from the Russian invasion of Ukraine on the operations of the Company. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Director's report but does not include the annual accounts and our report of the réviseur d'entreprises agréé thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance 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 and presentation 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.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control,
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors,
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern,
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter. As further described in the “Key Audit Matters” section, we have not identified any key audit matters for communication in our report.

Report on Other Legal and Regulatory Requirements

We have been appointed as “réviseur d'entreprises agréé” by the General Meeting of the Shareholders on April 29, 2021, and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 13 years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

For Deloitte Audit, Cabinet de révision agréé

For Deloitte Audit, *Cabinet de Révision Agréé*

A handwritten signature in dark ink, appearing to be 'LB', is written over a light blue circular background.

Ludovic Bardon, *Réviseur d'Entreprises Agréé*
Partner

Ludovic Bardon, Réviseur d'entreprises agréé
Partner

April 27th, 2022

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
Association d'Assurance Mutuelle
BALANCE SHEET
As at December 31, 2021
(expressed in EUR)

ASSETS	Note(s)	2021	2020
Investments	4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		95.692.608,68	90.456.219,54
Debt securities and other fixed income transferable securities		0,00	0,00
Deposits with credit institutions		0,16	0,16
		<u>95.692.608,84</u>	<u>90.456.219,70</u>
Deposits with ceding undertakings	4	3.008.947,11	2.862.393,03
Reinsurers' share of the technical provision			
Provision for unearned premiums		907.385,57	1.068.737,02
Claims Outstanding		88.022,36	28.762,22
		<u>995.407,93</u>	<u>1.097.499,24</u>
Debtors			
Debtors arising out of reinsurance operations		4.047.499,38	2.850.299,30
Other debtors		75.900,57	47.955,92
		<u>4.123.399,95</u>	<u>2.898.255,22</u>
Other assets			
Tangible assets and stocks		194.528,44	85.386,30
Cash at bank and in hand		11.108.948,63	8.618.296,30
		<u>11.303.477,07</u>	<u>8.703.682,60</u>
Prepayments and accrued income			
Accrued interest and rent		22.166,82	22.087,85
Deferred acquisition costs		287.128,62	250.016,78
Other prepayments and accrued income		4.765,32	1.477,90
		<u>314.060,76</u>	<u>273.582,53</u>
TOTAL ASSETS		115.437.901,66	106.291.632,32

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, 2021

(expressed in EUR)

- continued -

LIABILITIES	Note(s)	2021	2020
Capital and reserves	5		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		31.355.195,55	31.629.379,46
Profit for the financial year		452.479,33	0,00
		35.407.674,88	35.229.379,46
Technical provisions			
Provision for unearned premiums		5.741.512,49	4.432.933,13
Claims outstanding	6	18.514.100,00	18.161.181,62
Equalisation provision		54.240.213,70	47.416.700,99
		78.495.826,19	70.010.815,74
Creditors	7		
Creditors arising out of reinsurance operations		1.032.996,20	803.311,80
Other creditors, including tax and social security		471.459,39	227.382,32
		1.504.455,59	1.030.694,12
Accruals and deferred income		29.945,00	20.743,00
TOTAL LIABILITIES		115.437.901,66	106.291.632,32

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, 2021
(expressed in EUR)

	Note(s)	2021	2020
TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS			
Earned premiums			
Gross premiums written	8	12.539.588,96	10.905.314,58
Outward reinsurance premiums		(1.685.421,01)	(1.762.598,88)
Change in the gross provision for unearned premiums		(1.308.579,36)	(1.011.406,23)
Change in the provision for unearned premiums, reinsurers' share		<u>(161.351,45)</u>	<u>(163.782,11)</u>
		9.384.237,14	7.967.527,36
Allocated investment return transferred from the non-technical account	13	1.429.565,06	256.414,53
Claims incurred, net of reinsurance			
Claims paid:			
Gross amount		(1.150.814,63)	(2.532.235,24)
Change in the provision for claims:			
Gross amount		(352.918,38)	(456.747,21)
Reinsurer's share		<u>59.260,14</u>	<u>28.762,22</u>
		(1.444.472,87)	(2.960.220,23)
Net operating expenses			
Acquisition costs		(886.842,16)	(840.413,68)
Change in deferred acquisition costs		37.111,84	188.264,42
Administrative expenses		(1.055.135,34)	(926.792,39)
Reinsurance commissions and profit participation		<u>89.548,70</u>	<u>105.232,54</u>
		(1.815.316,96)	(1.473.709,11)
Other technical income		(1.042,51)	23.657,75
Change in the equalisation provision		(6.823.512,71)	(3.736.523,70)
Balance on the technical account for non-life insurance business		729.457,15	77.146,60

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, 2021
(expressed in EUR)

- continued -

	Note(s)	2021	2020
NON-TECHNICAL ACCOUNT			
Balance on the technical account for non-life insurance business		729.457,15	77.146,60
Investment income		1.589.707,45	1.119.654,02
Income from other investments		815.757,74	255.713,39
Gains on the realisation of investments		773.949,71	863.940,63
Investment charges		(160.142,39)	(863.239,49)
Investment management charges, including interest		(116.783,06)	(855.442,76)
Losses on the realisation of investments		(43.359,33)	(7.796,73)
Allocated investment return transferred to the technical account	13	(1.429.565,06)	(256.414,53)
Tax on profit on ordinary activities		(211.093,07)	(22.155,67)
Profit on ordinary activities after tax		518.364,08	54.990,93
Other taxes not shown under the preceding items	9	(65.884,75)	(54.990,93)
Profit or loss for the financial year		<u>452.479,33</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, 2021

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 amended Law of December 7, 2015 on the insurance sector.

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

The object of the Association is to reinsure, excluding all direct insurance operations, in the Grand-Duchy of Luxembourg as well as in any other country in which the Association has Members and / or where these Members have their activities:

- EMANI (called Material Damage Reinsurance EMANI), against material damage and business interruption due to fire, nuclear risks and natural forces and other damage to property to their nuclear installations and associated real-estate and movables adjacent to these installations, and / or
- ELINI (called Nuclear Third Party Liability Reinsurance ELINI) against third party liability within the scope of and limited to civil liability in the field of nuclear energy, as specified in the national legislations of countries where the Paris Convention signed on July 29, 1960 (as amended from this time) is applicable and/or the Vienna Convention signed on May 21, 1963 (as amended from this time) is applicable or as specified in the national legislation of countries where the Paris Convention and/or the Vienna Convention is not applicable, and / or
- any (re)insurance company willing to contract reinsurance with NIRA for as long as the underlying insured risks concern nuclear and / or conventional energy risks.

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, 2021
- 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 and units in unit trusts.

Shares and other variable-yield transferable securities and units in unit trusts 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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021
- continued -

Debt securities and other fixed income transferable 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 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 to the amortization method described above.

In case of permanent reduction in value, fixed income securities shall be subject to value adjustments 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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021
- continued -

3.4. Tangible assets

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

Installations, machinery and IT	33,33% / Year
Software (upon evaluation management committee by project)	20% or 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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021

- continued -

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 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. During the year ended December 31, 2014, 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 has become effective for financial years starting on January 1, 2015 and onwards. During the year ended December 31, 2021, the Board of Directors has adopted to rechange back to a ten-year IBNR policy for the nuclear policies and to adopt a three-year IBNR policy for the non-nuclear policies. This change has become effective for the financial year starting January 1, 2021 and onwards.

This IBNR reserving policy is based on a lump sum method in accordance with article 74 of the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings.

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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021
- continued -

NOTE 4 – INVESTMENTS

The actual value of investments is as follows:

EUR	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Shares and other variable-yield transferable securities and units in unit trusts	106.302.950,54	97.527.217,74
Debt securities and other fixed income transferable securities	0,00	0,00
Deposits with credit institutions	0,16	0,16
Deposits with ceding undertakings	3.008.947,11	2.862.393,03
	<u>109.311.897,81</u>	<u>100.389.610,93</u>

As at December 31, 2021, 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, 2021, 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 3.008.947,11 (2020: EUR 2.862.393,03).

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021

- continued -

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.

NOTE 5 – SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS

The subscribed capital of the Company amounts to EUR 3.600.000,00 and has been contributed in 2009 for EUR 3.200.000,00 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 Meetings of Members dated April 25, 2013 and April 24, 2014, it was agreed to reallocate each time an amount of EUR 200.000,00 of the equivalent funds to the subscribed capital.

The equivalent funds amounting to EUR 31.355.195,55 (2020: EUR 31.629.379,46) 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 authorized with 1 voting right.

As at December 31, 2021, equivalent funds include additional contributions of one new members (EUR 10.000,00), a refund to one outgoing member (EUR 284.183,91) and counts a total Members up to 55.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021
- continued -

As at December 31, 2021, the subscribed capital and the equivalent funds can be split between the members as follows:

	Allocation as at December 31, 2021 EUR	Allocation as at December 31, 2020 EUR
AEP (American Electric Power)	10.000	10.000
Ameren Corporation	19.704	19.704
ORANO Cycle (formerly AREVA NC & Cogema S.A.)	3.892.261	3.892.261
AXPO Power AG	2.747.667	2.747.667
Axpo Trading AG (formerly EGL AG)	90.607	90.607
B.K.W. Energy Ltd.	1.357.200	1.357.200
Belgoprocess NV	27.010	27.010
British Energy Ltd	20.768	20.768
Bruce Power LP	28.818	28.818
BWX Technologies	10.000	10.000
Centrales Nucléaires en Participation S.A. (c/o Alpiq Suisse S.A)	378.956	378.956
CEZ	100.396	100.396
Comanche Peak Power Company LLC.	25.940	25.940
CGN	132.903	132.903
EDF	136.906	136.906
Electrabel	62.692	62.692
Elektriciteits-Produktiemaatschappij Zuid-Nederland (EPZ) N.V	763.796	763.796
Electronuclear	10.000	10.000
EnbW Kernkraft GmbH (formerly GKW Neckar GmbH)	800.227	800.227
EnBW Energy Baden Württemberg AG	1.038.099	1.038.099
Eskom Holding Ltd	365.477	365.477
ENEC	50.000	50.000
ENEL	10.000	10.000
Energy Solutions	10.000	10.000
Evergy Inc.	10.000	10.000

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2021
- continued -

	Allocation as at December 31, 2021 EUR	Allocation as at December 31, 2020 EUR
Framatome	608.983	608.983
Forsmarks Kraftgrupp AB	956.985	956.985
Fortum Power & Heat Oy	92.507	92.507
G.K.N. BV	960.388	960.388
GNS (Gesellschaft für Nuklear-Service) mBH	24.056	24.056
Kernkraftwerk Leibstadt A.G. (KKL)	1.804.830	1.804.830
Kernkraftwerk Obrigheim GmbH	-	284.184
Kernkraftwk Gösgen Däniken A.G.	2.088.567	2.088.567
KHNP	50.000	50.000
O.K.G. Aktiebolag	2.739.175	2.739.175
Ontario Power Generation (OPG)	37.565	37.565
MVM Paks Nuclear Power Plant Ltd	382.776	382.776
New Brunswick Power Nuclear Corporation	15.012	15.012
NSP (Nothorn State Power Company)	10.000	10.000
Preussen Elektra GmbH (ex E.ON Kernkraft GmbH)	3.367.418	3.367.418
R.W.E. Power AG	3.324.395	3.324.395
Ringhals AB	1.359.148	1.359.148
SCK-CEN	23.740	23.740
Dominion Energy South Carolina (Formerly SCE&G)	26.023	26.023
SKB	11.446	11.446
Slovenske Elektrarne AS	146.098	146.098
SNN	10.000	10.000
Southern Company (Georgia Power)	10.000	-
STP (South Texas Nuclear Generating Station)	10.000	10.000
Studsvik AB	15.201	15.201
SVAFO AB	5.752	5.752
Sydkraft Nuclear Power AB	1.714.201	1.714.201
Teollisuuden Voima Oyj	2.372.551	2.372.551
URENCO Ltd	69.246	69.246
Vattenfall Europe Nuclear Energy GmbH	599.846	599.846
Zwischenlager Wurenlingen AG (Zwilag)	19.859	19.859
	34.955.195	35.229.379

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTE 6 – CLAIMS OUTSTANDING

Claims outstanding include a provision of EUR 9.661.004,61 for claims incurred but not reported in virtue of the IBNR reserving policy applicable as at December 31, 2021 (2020: EUR 8.416.060,00) and described in note 3.6.

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

During 2021, the Company did employ six part time staff members and one full time staff member which represent 3,52 full time equivalent (2020: five part time staff members and 1 full time staff member).

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

	2021	2020
	EUR	EUR
Wages and salaries	604.492,70	514.252,23
Social security costs	64.394,85	50.305,42
Pension scheme	57.408,53	37.434,55
Others	2.137,18	441,59
Total	728.433,26	602.433,79

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 50.397,38 (2020: EUR 30.552,00). The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2021 (2020: EUR nil).

For the year ended December 31, 2021, the Company did not grant advances or credits to the members of its supervisory bodies (2020: EUR nil).

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As at December 31, 2021
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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 network are as follows:

	2021 EUR	2020 EUR
Annual audit fees (VAT excl.)	18.200,00	17.000,00
Tax services (VAT excl.)	0,00	3.500,00
Other services (VAT excl.)	3.000,00	0,00
	21.200,00	20.500,00

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

For the year ended December 31, 2021, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular Letter 22/7 issued by the Commissariat aux Assurances.

Other services relate to services provided in connection with training sessions.

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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As at December 31, 2021
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NOTE 14 – OFF-BALANCE SHEET COMMITMENTS

As at December 31, 2021, an amount of EUR 998.355,83 (2020: EUR 998.762,27) on a cash at bank account is given as a guarantee in favor of one ceding undertaking by way of a Letter of Credit.

NOTE 15 – 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.

NOTE 16 – IMPACT OF COVID-19 EVOLUTION

In response to the Covid-19 event, the Company has taken a number of measures to ensure the maintenance of its operational continuity. As a reinsurer with specific types of businesses, the Company has no direct exposure that can be linked to the Covid-19 disease. Therefore, the Board of Directors does not foresee any complications over the next twelve months on the Company's financial position and ability to continue as a going concern.

The Board of Directors will continue to monitor the overall evolution of Covid-19 in order to assess the potential impacts on its operations and will continue to implement any necessary risk mitigation measures.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
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NOTE 17 - SUBSEQUENT EVENTS

The Russian invasion in Ukraine has resulted in a number of Russian and Belarusian entities being added to the international sanctions lists as from 28 February 2022. Some of these entities are business partners of NIRA with either NIRA being reinsured by these parties or these parties being reinsured by NIRA.

In accordance with a 'sanction clause' included in the reinsurance contracts with these entities, no reinsurer shall be deemed to provide cover and no reinsurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that reinsurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America. As a result, NIRA is no longer exposed to any underwriting risk on these reinsurance contracts.

NIRA is negotiating with these entities to seek a solution for the gross premiums written and outward reinsurance premiums arising from these reinsurance contracts in relation to current underwriting year extending after 31 December 2021, and for which reinsurance coverage has been suspended by the sanction clause after 1st March 2022.

Depending on the outcome of the negotiations and the time the sanctions remain in place, unearned premiums and reinsurer's share in unearned premiums in relation to the aforementioned contracts as at 31 December 2021 will either be frozen, reimbursed or considered definitively acquired.

Provision for unearned premiums and reinsurer's share in provision for unearned premiums in the balance sheet as at 31 December 2021 in relation to these reinsurance contracts, for the coverage period subsequent to 1st March 2022, amount respectively to EUR 655.791 and EUR 119.404 (foreign exchange rate of 85,30 RUB/EUR as at 31 December 2021). As at 31 December 2021, debtors arising out of reinsurance operations and creditors arising out of reinsurance operations in relation to these entities amount respectively to EUR 345.094 and EUR 88.484 (foreign exchange rate of 85,30 RUB/EUR as at 31 December 2021).

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