



EMANI ANNUAL REPORT 2004



Annual Report 2004
of the Board of Directors
and of the Statutory Auditor
to be presented at
The Annual General Meeting
on 3rd June 2005

Company authorised by Royal Decrees of
20.10.1978 and 07.12.1999

To underwrite "Fire and Natural Hazards"
"Other Property Damage" and "Liability"

(Moniteur Belge 14.11.1978 - 29.12.1999 Code 0921)

Registered Office: Av. Jules Bordet, 166 - B 4

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Belgium

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Financial Highlights

In euro

years ended december 31,

Statement of Earnings

	2004	2003	2002
Net premium earned	16.653.614	13.350.124	11.583.827
Claims	-18.667.727	-6.124.763	-25.243.126
Expenses	-1.747.874	-1.825.545	-1.727.408
Other income	6.337	6.725	6.719
Net investment result	2.567.484	2.173.423	-723.883
Earnings before distribution to reserve for equalisation and catastrophies	-1.188.166	7.579.964	-16.103.871

Balance Sheet

Assets	100.111.352	77.851.170	78.853.122
Liabilities	28.760.775	5.359.304	11.777.797
Guarantee fund (including reserve for equalisation and catastrophies)	71.350.577	72.491.866	67.075.325

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Members

AKEB
Belgoprocess NV
BKW FMB Energie
British Energy Plc
British Nuclear Fuels Plc
Bruce Power L.P.
CCR , Ispra
CNP
COGEMA
EDF
EPZ NV
EnBW Kraftwerke AG
E.ON Kernkraftwerk GmbH
ESKOM Act
Eurodif Production
FBFC
FBFC International SA
Forsmarks Kraftgrupp AB
Fortum Power & Heat Oy
Gemeenschappelijk Centrum voor Onderzoek
Gemeenschappelijke Kernenergiecentrale Nederland NV
Gemeinschaftskernkraftwerk Grohnde GmbH
Gemeinschaftskraftwerk Neckar GmbH
GNS
Hamburgische Electricitäts-Werke AG
Institute for Transuranium Elements
Kernkraftwerk Gösgen-Däniken
Kernkraftwerk Leibstadt
Kernkraftwerk Lippe-Ems GmbH
Kernkraftwerk Obrigheim GmbH
Magnox Electric Ltd
NOK
OKG Aktiebolag
Paks Nuclear Power Plant Ltd
PURAM
Ringhals AB
RWE Power AG
SCK-CEN
SKB AB
Slovenske Elektrarne AS
Socatri
Studsvik AB
Sydkraft AB
Teollisuuden Voima Oy
ZWILAG

Member Representatives

Member

Representative

Substitute

Belgium

Belgoprocess NV
FBFC International SA
SCK-CEN

A. Boven
F. Goens
C. Legrain

G. Ferriot

Canada

Bruce Power L.P

D. Bishop

Finland

Fortum Power & Heat Oy
Teollisuuden Voima Oy

H. Raumolin
K. Luotonen

M. Kautonen
P. Hyvönen

France

COGEMA
EDF
Eurodif Production SA
FBFC
Socatri

Ph. Obert
J. L. Thébault
J.L. Carbonell
G. Ferriot
M. Saléra-Cordier

J.D Treillard
Y. Colleu
M. Saléra-Cordier
P.E. Michel
J.L. Carbonell

Germany

EnBW Kraftwerke AG
E.ON Kernkraftwerk GmbH
Gemeinschaftskernkraftwerk Grohnde GmbH
Gemeinschaftskernkraftwerk Neckar GmbH
GNS
Hamburgische Electricitäts-Werke AG
Institute for Transuranium Elements
Kernkraftwerk Lippe-Ems GmbH
Kernkraftwerk Obrigheim GmbH
RWE Power AG

C.D. Bülle
K. Greimel
K. Greimel
W. Heni
H. Näser
H.H. Fahrenkamp
J.P Michel
J. Haaf
E. Ehrmann
J. Haaf

H. Watermann
H. Watermann
G. Erös

J. Böning
R. Lüdascher
J. Böning

Member Representatives

Member

Representative

Substitute

Great Britain

British Energy Plc

J. Jackson

K.Sinclair

British Nuclear Fuels Plc

A.J. Shuttleworth

D.C. Rodliffe

Magnox Electric Ltd

D.C. Rodliffe

A.J. Shuttleworth

Hungary

Paks Nuclear Power Plant Ltd

L. Molnar

PURAM

I. Barnabas

G. Buday

Italy

CCR , Ispra

G. Brugnani

The Netherlands

EPZ NV

H. Schoenmakers

Gemeenschappelijke Kernenergiecentrale
Nederland NV

J.J. Post

G.J. Mensink

Gemeenschappelijke Centrum
voor Onderzoek

P. Lemaître

Slovak Republic

Slovenske Elektrarne AS

S. Haring

South Africa

ESKOM Act

K.Darbourm

Sweden

Forsmarks Kraftgrupp AB

B. Kockum

S. Ordéus

OKG Aktiebolag

R. Danielsson

Ringhals AB

M.P. Ekman

O. Fröberg

Svensk Kärnbränslehantering AB

B. Sundman

Studsvik AB

R. Atmer

J. Ericsson

Sydkraft AB

B. Svensson

T. Andersson

Switzerland

AKEB

J. Marti

BKW FMB Energie

U. Bircher

N.Spahr

CNP

P. Schaer

P. Enderli

Kernkraftwerk Gösgen Däniken

K. Rahm

Kernkraftwerk Leibstadt

T. Erb

NOK

T. Erb

P. Enderli

ZWILAG

T. Erb

Board of Directors

Berndt Kockum
Chairman

Jose Luis Carbonell (2)
Vice-Chairman

Alvin J. Shuttleworth
Vice-Chairman

Claus- Dieter Bölle

Jean-Marie Boudier (1)

Alisdair Currie
Management Committee

Nick Feldman
External Director

Klaus Greimel

John Jackson

Danny Van Welkenhuyzen
Management Committee

Léon Vigneron
External Director

(1) until 09/04
(2) until 11/04

Management

Danny Van Welkenhuyzen
General Manager

Alisdair Currie
Office Manager

Eric Desseyen
Loss Control Manager

Christine Gouennou
Executive Secretary

Marleen Vercammen
Accountant

Auditors

Deloitte & Partners
Berkenlaan 8b
B 1831 Diegem

Represented by
Mr. Rik Neckebroeck
Réviseur d'Entreprise





Letter from the Chairman

Dear EMANI members,

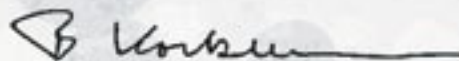
Once again it is an honour to introduce the Annual Report of EMANI, for 2004.

2004 saw further constructive developments for our Mutual, with the focus concentrating further on Property Damage and Terrorism insurance. This evolution, in the light of the birth of ELINI, was undertaken with a view to providing greater security and capacity for our Members.

2004 brought significant changes for the management staff, with Solange Raë joining the Accounting department, and a relocation to new offices in the summer. The Centre Mercure had been EMANI's home since 1999, but 2004 saw a relocation to new premises at 166 Avenue Jules Bordet, not far from the previous offices.

Modified reinsurance structures were put in place in 2004, in order to further guarantee the financial security and efficiency of the Mutual, throughout the coming year. This progression is just one aspect of the continuing work of EMANI, in providing a unique and valuable source of Nuclear Insurance capacity for its Members.

We look forward to putting our considerable experience, motivation, and expertise at your disposal over the coming year, and on behalf of the Board and all the staff of EMANI, I offer my best wishes to all our members.



Berndt Kockum
Chairman of the Board

Description of activities

EMANI is a mutual insurance association which offers cover for certain insurance risks relating to nuclear power stations and other companies in the nuclear industry. The present members of EMANI include nuclear facilities in Belgium, Canada, Finland, France, Germany, Hungary, Italy, The Netherlands, The Slovak Republic, South Africa, Sweden, Switzerland and United Kingdom.

The capacity provided by EMANI is independent of that provided by the various nuclear pools.

The main benefits to members of EMANI include:

Additional or alternative insurance capacity for material damage, business interruption, and nuclear liability risks.

Potential for contribution savings.

Potential for distribution of guarantee fund.

Loss control and engineering evaluations.

Information exchange and data centre for nuclear insurance matters.

Underwriting & Claims Handling

EMANI's current portfolio is principally based on property damage cover but the proportion of nuclear liability risks insured by the Association has decreased this year in view of the creation of ELINI.

Whether EMANI is acting as leading underwriter or as coinsurer, the Member is entitled to a rebate on his contribution as determined by the Board of Directors. Increasingly, Members are electing to take advantage of the comprehensive cover embraced by the EMANI wording and the EMANI rating structure.

In the event of a claim, EMANI will generally follow the recommendations and assessment made by the loss adjustor appointed by the Nuclear Pool, however in certain cases, the Management will decide whether EMANI should appoint independent adjustors. Additionally, where EMANI acts as leading underwriter, the loss settlement is done in cooperation with an international independent loss adjustor.

Article 26 of the Articles of Association provides for additional contributions from Members if required to meet claims.

Reinsurance

EMANI purchases reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate.

Management Structure

EMANI is a mutual association constituted in Brussels under Belgian law and authorised by Royal Decree on 20th October 1978.(MB 14/11/1978)

The strategic management of the Association is the responsibility of the Board of Directors which, with the exception of those powers expressly reserved for the Annual General Meeting, has full managerial authority.

The administration , underwriting, claims handling and day to day management of the association is the responsibility of the General Manager together with the Executive Committee.

Membership

A member must be a company or authority in the public or private sector, operating nuclear installations.

Election of a new member shall be submitted to the Board of Directors and shall become effective upon approval by the General Meeting.

A new member shall underwrite at least one insurance policy with the Association and shall unconditionally accept the Articles of Association.

Report of the Board of Directors To be presented to the Annual General Meeting of 3rd June 2005

Dear Member,

At the close of the 26th financial year, we are pleased to report to you on the business of your Mutual for the financial year and to set out below the balance sheet and the income statements for the year ended December 31st, 2004.

The Management of the Company is responsible for all 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 generally accepted accounting principles appropriate in the circumstances. These financial statements include amounts that are based on Management's judgement and best estimates.

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

Deloitte & Partners has been engaged, with the approval of members, 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. Their report is set forth on page 21.

Capacity

The insurance capacity in the first year of operation amounted to € 8.924.167. In 2004 the capacity was € 700.000.000 and is exactly the same as last year.



Contributions

Contributions written and reinsurance premiums ceded are reflected in earnings on a pro-rata basis over the term of each policy. Unearned contributions represent the portion of contributions written which are applicable to the non-expired terms of the policies in force.

Net contributions increased from € 30.248.613 in 2003 to € 33.410.992 in 2004 due to higher contributions for terrorism cover.

Reinsurance cost has decreased from € 16.898.488 in 2003 to € 16.757.378 in 2004 due to the fact that EMANI's share in the excess of loss reinsurance has been increased.

For the purpose of the calculations, contribution is defined as original contribution less rebate.

General expenses

General expenses decreased from € 1.825.544 to € 1.747.874 mainly due to lower acquisition commissions to insurance brokers and lower office rent charges due to the convention between EMANI and ELINI.

Claims

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

The total claim charges net of reinsurance for 2004 are € 18.667.727 .

Investments

Book value and estimated fair market value of investments as of December 31, 2004

Euro	Book value	Unrealised capital gains/(losses)	Market value
Shares	0	0	0
Foreign government bonds	37.982.785	792.437	38.775.222
Foreign companies bonds	17.728.356	179.494	17.907.850
International organisms bonds	757.406	26.481	783.887
Cash investment funds	24.764.374	1593	24.765.967
Convertible bond investment fund	1.119.233	55.093	1.174.326
Deposits	5.587.281	0	5.587.281
	<hr/>		
	87.939.435	1.055.098	88.994.533

Book value and estimated fair market value of investments classified by maturity as of December 31, 2004.

Euro	Book value	Market value
Due in one year or less	35.156.063	35.224.929
Due after 2 years through 3 years	17.763.558	17.965.958
Due after 3 years through 5 years	18.800.742	18.921.226
Due after 5 years through 10 years	10.472.791	10.710.264
Due after 10 years	8.836.281	6.172.156
	<hr/>	
	87.939.435	88.994.533

Net Investment Income

Euro	2004	2003
Gains/(losses)	967.732	690.540
Interests and dividend securities	1.827.794	1.787.718
Interests term deposits	119.203	278.609
Interests cash and cash equivalents	110.990	60.530
Adjustements to investement values	-25.421	-238.520
Banking expenses	-92	-1.933
Withholding taxes	-315.534	-287.528
Investment management fee	-117.188	-115.993
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Net investment income	2.567.484	2.173.423

Result

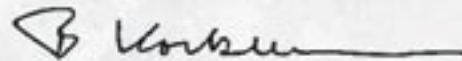
The € 1.188.166 loss for 2004 compares with € 7.579.964 surplus in 2003 (before allocation to reserve for equalisation and catastrophies) as a result of major claims this year.

The technical loss for 2004 of € 3.755.650 is deducted from the reserve for equalisation and catastrophies.

The Board of Directors recommends to the Annual General Meeting that the financial surplus of € 2.567.484 be allocated to the guarantee fund.

Guarantee Fund

The guarantee fund and reserve for equalisation now available to the members to be used as insurance capacity amounts to € 71.350.577.



Berndt Kockum
Chairman of the Board

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 insurance business and enable the mutual to comply with the Royal Decree of 12 August 1994 and the communication D171 of 31 March 1999.

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

The Board

There are currently eleven board members, including the chairman and two vice-chairmen, seven of them are representing the nuclear members, two non executive directors and two members of the executive committee.

All of the board members are nominated by the Annual General Meeting for a three-year period and eligible for re-appointment.

The board meets four times a year and at other times as may be necessary.

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 committees, recommendations of the strategy to be applied to the members of the association, approval of the annual operating budget.

In addition the board has appointed four standing committees. These committees report to the board at each of their meetings. The terms of reference for the executive committee, audit committee, finance committee and 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.

Board and committee papers

Appropriate and timely management information is circulated to directors in good time before the meetings.

Annual General Meeting

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

Internal control

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

Control procedures

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

Risk identification

The executive 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 EMANIs' own loss control service and regulatory requirements and/or authorities.

Monitoring and corrective actions

The mutual has produced a Code of Business Conducts, which provides practical guidance for all staff.

The internal auditor reports to the internal audit committee on the effectiveness of the procedures.

Statutory Auditor's Report

EUROPEAN MUTUAL ASSOCIATION FOR NUCLEAR INSURANCE

To the Members of European Mutual Association for Nuclear Insurance (E.M.A.N.I.).

In accordance with the legal and statutory requirements, we are pleased to report to you on our audit assignment which you have entrusted to us.

We have examined the financial statements for the year ended December 31, 2004, which have been prepared under the responsibility of the Board of Directors and which shows a balance sheet total of € 100.111 (000) and an income statement resulting in a profit of the year of € 2.567 (000). In addition, we have performed specific additional audit procedures.

Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of the "Institut des Reviseurs d'Entreprises/ Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement taking into account the legal and statutory requirements applicable to financial statements on insurance companies in Belgium.

In accordance with these standards we have taken into account the administrative and accounting organization of your association as well as the procedures of internal control. The responsible officers of the association have clearly replied to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the accounting policies used, the significant estimates made by the association and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a fair and true view of the association's assets, liabilities and financial position as of December 31, 2004, and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.

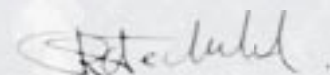
Additional certifications

We supplement our report with the following certifications which do not modify our audit opinion on the financial statements:

- Regardless of formal aspects of minor importance the books and records of the association are maintained and the financial statements are established in conformity with the applicable Belgian law and regulations on insurance companies.
- Our examinations did not make us aware of any transactions or decisions which would represent a violation of the association's bylaws.
- The proposed distribution of the results for the year ended December 31, 2004 is in conformity with the association's bylaws and applicable law.

February 15, 2005

The Statutory Auditor,
Deloitte & Partners
Reviseur d'entreprises
Rik Neckebroek



Balance sheet as of December 31, 2004 & 2003

(Currency – Euro)

A s s e t s	31/12/2004	31/12/2003
C. Investments		
III. Other financial investments		
1. Shares and other non-fixed income securities	0	0
2. Bonds and other fixed income securities	56.468.547	49.967.659
3. Parts in investment funds	25.883.607	10.222.790
6. Term deposits with financial institutions	3.704.008	6.054.262
7. Others	0	30.245
	86.056.162	66.274.956
<hr/>		
D.bis Part of reinsurers in the technical reserves		
I. Reserve for non-earned premiums and current risks	973.101	882.107
III. Reserve for claims receivable	4.251.239	142.330
	5.224.340	1.024.437
<hr/>		
E. Receivables		
I. Receivables resulting from direct insurance		
1. Insureds	64.692	421.693
2. Intermediaries	1.041.907	394.629
II. Receivables resulting from reinsurance	4.232.499	2.478.673
III. Other receivables	456.637	390.915
	5.795.735	3.685.910
<hr/>		
F. Other assets		
I. Tangible assets	78.625	72.244
II. Liquidities	1.883.273	5.984.002
	1.961.898	6.056.246
<hr/>		
G. Transitory accounts		
I. Interests and rent	1.073.217	809.621
	1.073.217	809.621
	100.111.352	77.851.170

The accompanying notes are an integral part of these balance sheets

Balance sheet as at December 31, 2004 & 2003

(Currency – Euro)

Liabilities	31/12/2004	31/12/2003
A. Equity		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund	58.183.352	55.568.991
V. Retained earnings		
1. Surplus/(deficit) of the period	0	0
	58.183.352	55.568.991
<hr/>		
C. Technical reserves		
I. Reserve for unearned premiums and for unexpired risks	2.130.925	1.704.767
III. Reserve for claims payable	23.041.944	359.071
V. Reserve for equalisation and catastrophies	13.167.225	16.922.875
	38.340.094	18.986.713
<hr/>		
G. Payables		
I. Payables resulting from direct reinsurance business	471.248	316.571
II. Payables resulting from reinsurance business	358.132	49.052
V. Other payables		
1. Fiscal and social payables		
a) Taxes	278.655	264.130
b) Social Payables	134.591	105.697
2. Other	1.947.856	2.267.594
	3.190.482	3.003.044
<hr/>		
H. Transitory accounts	397.424	292.422
	100.111.352	77.851.170

The accompanying notes are an integral part of these balance sheets

Income statement for the years ended December 31, 2004 & 2003
(Currency – Euro)

	2004	2003
1. Earned premiums net of reinsurance		
a) Gross premiums		
- Premiums written	37.148.391	36.787.619
- Rebate to members	-3.311.241	-6.360.918
	33.837.150	30.426.701
b) Reinsurance premiums	-16.848.372	-17.020.527
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)	-426.158	-178.088
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease-)	90.994	122.038
	16.653.614	13.350.124
2. bis Investment income		
b) Income from other investments.	2.057.986	2.126.857
c) Write-back of adjustments on investments	166.732	133.518
d) Realised capital gains	2.359.557	3.260.481
	4.584.275	5.520.856
3. Other technical income net of reinsurance	6.337	6.725
4. Cost of claims, net of reinsurance (-)		
a) Net amount paid		
aa) gross amount	-114.932	-8.744.941
bb) part of reinsurers	21.169	1.633.653
	-93.763	-7.111.288
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)		
aa) variation of the reserve for claims gross of reinsurance (increase -, decrease +)	22.682.872	1.206.720
bb) variation of the reserve for claims part of reinsurance (increase +, decrease -)	-4.108.908	-220.196
	18.573.964	986.524
	-18.667.727	-6.124.764

The accompanying notes are an integral part of these income statement

Income statement for the years ended December 31, 2004 & 2003
(Currency – Euro)

	2004	2003
7. Net operating expenses (-)		
a) Acquisition expenses	-167.190	-316.918
b) Administrative expenses	-1.580.684	-1.508.626
	-1.747.874	-1.825.544
7.bis Expenses relating to investments (-)		
a) Expenses for managing Investments	-432.814	-405.453
b) Adjustments to investment values	-192.152	-372.039
c) Realised less values	-1.391.825	-2.569.941
	-2.016.791	-3.347.433
9. Variation in the reserve for equalisation and catastrophies, net of reinsurance	3.755.650	-5.406.541
Surplus of the period available for distribution	2.567.484	2.173.423

The accompanying notes are an integral part of these income statement

Notes to the financial statements as of December 31, 2004 & 2003

(Currency – Euro)

1. Activity of the association and summary of the main accounting principles

The purpose of the Mutual Association is to indemnify those of its insured members that have suffered property and/or business interruption damage to their nuclear installations and/or contents thereof. In certain cases, the Association also insures non-nuclear risks.

At December 31, 2004, the total insurance capacity of EMANI per installation was 700.000.000 of which :

- 84,17 % of 268.470.000 was reinsured by way of “excess of loss” contracts.
- 18,45 % of 86.750.000 was reinsured by way of “quota shares” contract.
- 100% of any amount in excess of 355.220.000 was reinsured by way of facultative reinsurance contracts.

The risk for EMANI is thus limited to 113.244.625 as of December 31, 2004.

EMANI also subscribes Nuclear Liability insurance. 100% is reinsured by way of “quota shares” contracts. EMANI received fronting fees for contracts subscribed.

The accounting principles of EMANI can be summarized as follows:

a) Overview of the amortization rates applied

Other assets - tangible fixed assets:

- Installations, electronic equipment and office tools: 33,33% per year
- Furniture: 10% per year
- Vehicles: 20% per year

b) Technical provisions

The association constitutes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, unreleased member's rebates relating to an expired policy, claims payable and the reserve for equalisation and catastrophies in accordance with articles 10 and 11 of the Royal Decree of February 22,1991.

c) Fixed income securities

The fixed income securities (straight and convertible bonds) are valued at their acquisition cost. The incidental costs are expensed as incurred.

The differences, if material, between acquisition cost and redemption value of the securities are amortized pro rata to maturity of the securities.

At December 31, the investments denominated in foreign currencies are converted in euro using the year-end exchange rate. The exchange gains are deferred whereas the exchange losses are recorded in the income statement. Less value on fixed interest securities shall be recorded in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised.

d) Shares and other non-fixed income securities

As of December 31, the investments denominated in foreign currencies are converted into euro using the year-end exchange rate. The exchange gains are deferred whereas the exchange losses are recorded in the income statement.

Shares and other non-fixed interest securities are recorded at acquisition cost. The incidental costs are expensed as incurred. Unrealised losses are recorded if the Board of Directors evaluates that there is a permanent less value on those securities. Such less values are recorded in the income statement.

(Currency – Euro)

e) Foreign exchange rate contracts

Foreign exchange rate contracts are converted in euro using the exchange rate as of the balance sheet date. The exchange gains are deferred whereas the exchange losses are recorded in the income statement.

f) Accounts payable and receivable in foreign currency

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

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

Except for the unrealized exchange gains on the shares and other non-fixed interest securities, the bonds and other fixed interest securities, and the foreign exchange rate contracts, as mentioned in point c), d) and e), the unrealized exchange gains and losses are recorded in the income statement under the caption "Investment income" and "Expenses relating to investments".

2. Guarantee fund

The Board of Directors proposes to the Annual General Meeting to transfer the surplus of the year 2004, 2.567.484, to the Guarantee Fund.

The evolution of the Guarantee Fund over 2004, is as follows:

Guarantee Fund at December 31, 2003 :	55.568.991
Transfer of the surplus of the year:	2.567.484
Additional Dotations from Members:	46.877
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Guarantee fund at December 31, 2004	58.183.352

3. Representative assets

The assets that represent the technical provisions have to be invested in accordance with the rules set out in Art. 10 of the Royal Decree of February 22, 1991.

As at December 31, 2004 and 2003, the Mutual had invested its assets as follows:

	31/12/2004	31/12/2003
International organism bonds	783.887	0
Foreign States Securities	10.949.917	18.557.903
Foreign Companies Bonds	0	0
Investment funds	24.765.967	214.467
Cash (cash and term deposits)	2.317.761	433.623
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	38.817.532	19.205.993

(Currency – Euro)

4. Reserve for equalisation and catastrophies

In application to Article 11, §1, 3° of the Royal Decree dated February 22, 1991 on the general rules on the control of insurance companies, the association started in 1996 to build a reserve for equalisation and catastrophies. The purpose thereof is to create a reserve that would iron out variations in claims or would cover exceptional risks. Based on the current regulation, the associations' equalisation and catastrophies reserve should reach 113.244.625. The yearly movement however depends on the income or loss of the association before (net) investment income. An income results in an addition to the reserve for the amount of the income, and a loss results in a usage of the reserve for the amount of the loss. The application of this rule resulted in an addition of 5.406.541 for the year 2003 and a usage of 3.755.650 for the year 2004.

5. Management

The investment management of the Association have been outsourced.

The investment management fee is recorded under caption "Expenses relating to investments " and amounts to 115.993 for the year 2003 and 117.188 for the year 2004.

The broker reinsurance handling fee amounts to 184.200 for the year 2003 and 167.190 for 2004.

Reinsurance commissions refunded to EMANI are 38.479 for 2003 and 70.804 for the year 2004 and are deducted from the reinsurance premium charges.

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ASSOCIATION
FOR NUCLEAR INSURANCE

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