

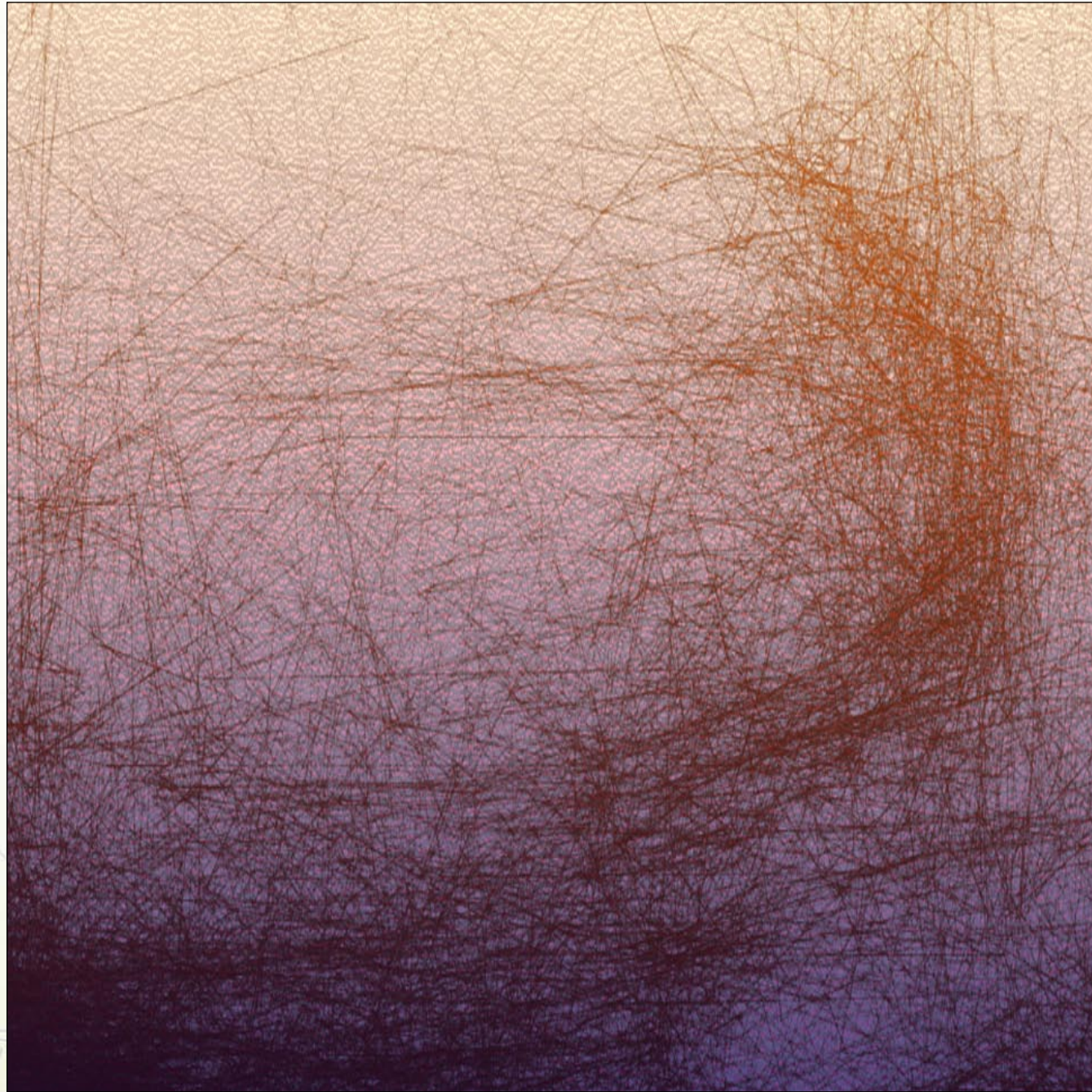
2011

annual report



**EMANI**





Dynamics of chaos and order : beauty

Robert Piccart



**Annual Report 2011**  
**of the Board of Directors**  
**and of the Statutory Auditor**  
**to be presented at**  
**the Annual General Meeting**  
**on 8th June 2012**

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

B 1140 Brussels

Belgium

Tel. +32 (0)2 702 90 10

Fax. +32 (0)2 705 72 92

## Financial Highlights

In euro

years ended December 31

### Statement of Earnings

	2011	2010	2009
Net premium earned	25.115.821	23.959.107	22.255.225
Claims	-14.737.044	3.157.056	-3.337.548
Expenses	-3.005.782	-3.163.109	-2.814.456
Other income	75.803	83.596	31.829
Net investment result	1.587.603	2.595.356	4.571.328
Earnings before distribution to reserve for equalisation and catastrophies	<b>9.036.401</b>	<b>26.632.007</b>	<b>20.706.378</b>
Earnings after distribution to reserve for equalisation and catastrophies	<b>1.587.603</b>	<b>2.595.356</b>	<b>4.571.328</b>

### Balance Sheet

Assets	205.142.493	187.491.585	171.981.367
Liabilities	52.635.731	44.527.766	56.164.474
Guarantee fund (including reserve for equalisation and catastrophies )	152.506.762	142.963.819	115.816.893

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## Members

Advanced Nuclear Fuels GmbH  
AREVA NC  
AREVA NP Inc.  
AXPO AG (Nordostschweizerische Kraftwerke AG)  
Belgoprocess NV  
BKW FMB Energie SA  
British Energy Plc  
Bruce Power L.P.  
CEZ a.s.  
Centrales Nucléaires en Participation SA  
EDF  
EGL AG (AG für Kernenergie-Beteiligungen AKEB)  
Elektricitets-Productiemaatschappij Zuid-Nederland NV EPZ  
EnBW Kraftwerke AG  
EnBW Kernkraft GmbH (GKW Neckar GmbH)  
ENEL \*  
Energie Future Holdings Corp.  
E.ON Kernkraft GmbH  
E.ON Sverige AB  
Eskom Holdings Ltd  
Eurodif Production SA  
European Commission - JRC - Geel Site  
European Commission - JRC - Ispra Site  
European Commission - JRC - Karlsruhe Site  
European Commission - JRC - Petten Site  
FBFC  
FBFC International SA  
Forsmarks Kraftgrupp AB  
Fortum Power & Heat Oy  
Gemeenschappelijke Kernenergiecentrale Nederland BV  
Gemeinschaftskernkraftwerk Grohnde GmbH  
GNS Gesellschaft für Nuklear-Service mbH  
Kernkraftwerk Gösgen-Däniken AG  
Kernkraftwerk Leibstadt AG (KKL)  
Kernkraftwerk Lippe-Ems GmbH  
Kernkraftwerk Obrigheim GmbH  
New Brunswick Power Nuclear Corporation  
OKG Aktiebolag  
Ontario Power Generation  
Paks Nuclear Power Plant Ltd  
Ringhals AB  
RWE Power AG  
SCK-CEN  
Slovenske Elektrarne AS  
Socatri SARL  
Societatea Nationala Nuclearelectrica SA  
Studsvik AB  
SVAFO AB  
Svensk Kärnbränslehantering AB  
Teollisuuden Voima Oyj  
Urenco Ltd.  
Vattenfall Europe Nuclear Energy GmbH (HEW AG)  
Zwischenlager Würenlingen AG (ZWILAG)

\* Non Insured Members

## Member Representatives

Member	Representative	Substitute
<b>Belgium</b>		
Belgoprocess NV	A. Roefs	
European Commission - JRC - Geel Site	J.P. Michel	F. Siniscalchi
FBFC International SA	B. Imschoot	P. Daurès
SCK-CEN	C. Legrain	
<b>Canada</b>		
Bruce Power L.P.	K. Kelly	
New Brunswick Power Nuclear Corporation	M. Gorman	
Ontario Power Generation	J. Floras	C. Sidford
<b>Czech Republic</b>		
CEZ a.s.	V. Hronek	J. Ortman
<b>Finland</b>		
Fortum Power & Heat Oy	M. Kautonen	M. Huopainen
Teollisuuden Voima Oyj	K. Luotonen	P. Hyvönen
<b>France</b>		
AREVA NC	Ph. Obert	J.D. Treillard
EDF	J.L. Thébault	
Eurodif Production SA	R. Jimenez-Shaw	M. Saléra-Cordier
FBFC	J.D. Treillard	P. Daurès
Socatri SARL	M. Saléra-Cordier	R. Jimenez-Shaw
<b>Germany</b>		
Advanced Nuclear Fuels GmbH	R. Heskamp	A. Stoll
EnBW Kraftwerke AG	K. Dziedzina	C.D. Bülle
EnBW Kernkraft GmbH (GKW Neckar GmbH)	K. Dziedzina	C.D. Bülle
E.ON Kernkraft GmbH	K. Greimel	W. Seewöster
European Commission - JRC - Karlsruhe Site	J.P. Michel	F. Siniscalchi
Gemeinschaftskernkraftwerk Grohnde GmbH	K. Greimel	W. Seewöster
GNS Gesellschaft für Nuklear-Service mbH	H. Näser	
Kernkraftwerk Lippe-Ems GmbH	J. Haaf	J. Grundmann
Kernkraftwerk Obrigheim GmbH	K. Dziedzina	C.D. Bülle
RWE Power AG	J. Haaf	J. Grundmann
Vattenfall Europe Nuclear Energy GmbH (HEW)	B. Kockum	M. Reissner

\* Non Insured Members



## Member Representatives

Member	Representative	Substitute
<b>Hungary</b>		
Paks Nuclear Power Plant Ltd	A.Csanadi	S. Nagy
<b>Italy</b>		
European Commission - JRC - ISPRA Site	J.P. Michel	F. Siniscalchi
ENEL *	R. Muscogiuri	R. Melandri
<b>The Netherlands</b>		
Elektriciteits-Productiemaatschappij Zuid Nederland NV EPZ	B.P. Jobse	
Gemeenschappelijke Kernenergiecentrale Nederland BV	G.J. Geertsema	
European Commission - JRC - Petten Site	J.P. Michel	F. Siniscalchi
<b>Romania</b>		
Societatea Nationale Nuclearelectrica SA	P. Budulan	A. Havris
<b>Slovak Republic</b>		
Slovenske Elektrarne AS	R. Muscogiuri	B. Strýcek
<b>South Africa</b>		
Eskom Holdings Ltd	K. Darbourn	M. Molelekoa
<b>Sweden</b>		
E.ON Sverige AB	B. Svensson	
Forsmarks Kraftgrupp AB	B. Kockum	K. Block
OKG Aktiebolag	R. Danielsson	
Ringhals AB	B. Kockum	O. Fröberg
Studsvik AB	R. Atmer	J. Ericsson
SVAFO AB	S. Ordéus	
Svensk Kärnbränslehantering AB	A. Ingman	B. Sundman

\* Non Insured Member



## Member Representatives

### Member

### Representative

### Substitute

#### Switzerland

AXPO AG (Nordostschweizerische Kraftwerke AG)

T. Erb

BKW FMB Energie SA

U. Bircher

M. Mooser

Centrales Nucléaires en Participation SA

M. Plaschy

C. Vessiller

EGL AG (AG für Kernenergie-Beteiligungen AKEB)

T. Erb

Kernkraftwerk Gösgen Däniken AG

F. Schwabe

Kernkraftwerk Leibstadt AG (KKL)

T. Erb

Zwischenlager Würenlingen AG (ZWILAG)

T. Erb

#### United Kingdom

British Energy Plc

A. Russell

K. Sinclair

Urenco Ltd.

D. Slater

#### USA

AREVA NP Inc

Ph. Obert

L. Harris

Energy Future Holdings Corp.

R. Moussaid

K. Rogers

## Board of Directors

Berndt Kockum  
Chairman

Klaus Greimel  
Vice-Chairman

Alastair Russell  
Vice-Chairman

Urs Bircher

Claus-Dieter Bölle

Alisdair Currie  
Executive Committee

Matts Ekman  
External Director

Nick Feldman  
External Director

Bram-Paul Jobse

Philippe Obert

Colleen Sidford

Branislav Strýcek

Danny Van Welkenhuyzen  
Executive Committee



## Advisory Committees

### Underwriting Committee

Ivan	Annezer
Hervé	Loisy
Alisdair	Currie
Eric	Desseyn
André	Detemmerman
Thomas	Erb
Nick	Feldman
Paavo	Hyvönen
Berndt	Kockum
Stefan	Kurz
Riccardo	Melandri
Robert	Moussaid
Philippe	Obert
Franck	Orset
Kathleen	Sinclair
Danny	Van Welkenhuyzen

### Finance and Investment Advisory Committee

Matts	Ekman
Rafaël	Jimenez-Shaw
Kevin	Kelly
Klaus	Luotonen
Alastair	Russell
Jean-Louis	Thébault
Marleen	Vercammen

### Audit Committee

Matts	Ekman
Bram-Paul	Jobse
Alastair	Russell

## Staff

Danny Van Welkenhuyzen  
Managing Director  
Executive Committee

Alisdair Currie  
Underwriter & Claims Manager  
Executive Committee

André Detemmerman  
Senior Underwriter

Annabelle Luzeka  
Underwriting Assistant

Marleen Vercammen  
Financial Manager

Véronique Durieux  
Accountant

Solange Raë  
Assistant accounting

Ann Geivaerts  
Legal Manager

Tom Houben  
Corporate Operations Assistant

Eric Desseyn  
Senior Loss Control Manager

Ivan Annezer  
Loss Control Manager

Franck Orset  
Loss Prevention Engineer

Christine Gouennou  
PA Managing Director & Board

Cathy Mortelmans  
PA Managing Director & Board

## Auditors

Deloitte  
Berkenlaan 8b  
B-1831 Diegem  
Represented by  
Mr. Yves Dehogne  
Réviseur d'Entreprise

## Actuary

Nicolaï & Partners  
Duboisstraat 43  
B-2060 Antwerpen



## Letter from the Chairman

Dear members,

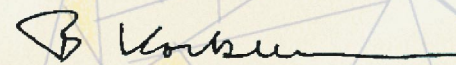
2011 was an *annus horribilis* for nuclear power. The earthquake and the ensuing terrible tsunami in Japan caused major losses and consequences for the Japanese nuclear industry and for the Japanese nation. The incident also had political consequences in Germany, who has decided to phase out nuclear power completely until 2022.

It is therefore interesting to notice how the reinsurance industry looks at nuclear power in terms of insurable risks. Apparently, reinsurers are quite relaxed, and it is quite reassuring how they feel that Emani is a good and welcome example of stability in a market, otherwise plagued by catastrophe losses.

The mutual concept strengthens this perception, as the risk sharing principle, the engineering program and the screening procedure for potential new members are looked upon as guarantees for sound business.

Finally, I wish again to remind all members of the EAR/CAR facility that Emani provides. It is in members' interest to utilise this, as the product protects both the member directly and Emani. Do not forget that Emani is an integrated part of all our companies, and therefore, what is good for Emani is good for you!

I wish all members a good and prosperous 2012 !



**Berndt Kockum**  
Chairman of the Board

## Description of activities

EMANI is a Mutual insurance Association which offers cover for a wide range of insurance risks relating to nuclear power stations and other companies in the nuclear industry. At present, EMANI covers in excess of 100 nuclear sites for its Members of EMANI in Belgium, Canada, Czech Republic, Finland, France, Germany, Hungary, Italy, Rumania, The Netherlands, The Slovak Republic, South Africa, Sweden, Switzerland, United Kingdom and USA.

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, machinery breakdown, terror and erection all risk covers.

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.

EMANI can act either as the leading underwriter or as a coinsurer. 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, where EMANI acts as leading underwriter, the loss settlement is done in cooperation with an international independent loss adjustor.

In cases where EMANI acts as a coinsurer, 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.

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 General Meeting, has full managerial authority.

The administration, underwriting, claims handling and day to day management of the Association is the responsibility of the Managing Director together with the Executive Committee.

## Membership

Only companies or authorities in the private or public sector of operating / controlling / owning nuclear installations or their representatives can be Members of the Association.

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.

## Loss Control Services

The EMANI loss control engineers , assisted by the Technical Advisory Committee (which is drawn from senior engineering staff and from the EMANI Members utilities and report to the Underwriting Committee), have the ability to identify the potential for losses to occur at the Members' property and to control such losses through risk detection and a preventative program.

The loss control services provide the Members with detailed reports, customized for the risk involved and in conjunction with the Underwriting team a thorough assessment of each Member's assets is established.

Based on the on-site evaluation, a comprehensive list of suggestions and recommendations is drawn up with a view to improve safety and to prevent or mitigate losses. The reports also assist the Members' management to quantify and develop appropriate measures to minimise their level of risk.

The loss control services make an invaluable contribution to the EMANI underwriting process.

## **Report of the Board of Directors to be presented to the Annual General Meeting of 8 June 2012**

### **Dear Member,**

At the close of the 33rd financial year, we are pleased to report to you on the business of your Mutual Association on for the financial year and to set out below the balance sheet and the income statements for the year ended 31 December 2011.

The Board of Directors of the association is responsible for all information contained in the financial statements and other sections of the annual report. The Board considers that the financial statements and related information have been prepared in accordance with Belgian generally accepted accounting principles. These financial statements include amounts that are based on Board's judgment and best estimates.

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

Deloitte 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 joint with the annual accounts.

### **Capacity**

The insurance capacity for Material Damage in 2011 is € 600.000.000 and remained unchanged versus last year. The insurance capacity for Terrorism cover in 2011 has increased to € 600.000.000 versus € 500.000.000 last year's capacity.

The own retention 2011 was limited to € 171.652.635 for Material Damage insurance policies and to € 217.833.258 for Terrorism insurance policies and this compared to € 180.152.722 and € 172.000.000 for previous 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 € 44.790.506 in 2010 to € 46.474.121 in 2011. A significant reduction in contributions due to site closures in Germany has been compensated for by increased shares ceded to the mutual association from other Members.

Reinsurance cost increased from € 20.848.218 in 2010 to € 22.259.061 in 2011 due to the fact that the NIRA share in the Material Damage and Terrorism primary treaty increased from € 7.500.000 in 2010 to € 16.000.000 in 2011.

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

The refund of contributions net of reinsurance amounts to a gain of € 900.761 versus a gain of € 16.820 in 2010. The gain is the result of the actual amounts released to members of € 1.102.663 minus the recuperation from reinsurers of € 103.407 or € 999.256 and the net of reinsurers reduction of the technical reserve constituted in 2008 for the Members rebate distributions on the policies of 2008 of € 1.900.017.

The amount reversed out of reserves being higher than the actual amount can be explained by the fact that an adjustment on the outstanding reserve was needed and this due to the claim costs of 2011.

This reduction results at 31 December 2011 in an outstanding gross reserve of € 1.179.359 and a reserve part of reinsurers of € 101.124 compared to € 3.263.291 and € 285.039 in 2010. This reserve shall be further released to the members in 2012 and 2013.

## General expenses

General expenses decreased from € 3.163.109 in 2010 to € 3.005.782 or 5% in 2011 mainly due to decrease in insurance taxes payable by insurer of 8% and Solvency II and reinsurance fees of 5%. But on the other hand an increase in human resources 6% and increased subsistence expenses of 2%

## 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 cost net of reinsurance for 2011 is € 14.737.044 and include € 7.612.405 actual payments of which € 7.163.647 are in relation to losses occurred in 2011 and € 7.124.639 adjustments to reserves of which € 7.946.448 is related to losses occurred in financial year 2011.

## Investments

Book value and estimated fair market value of investments as at 31 December 2011.

<b>Euro</b>	Book value	Unrealized capital gains/(losses)	Market value
Shares	0	0	0
Government bonds	0	0	0
Corporate bonds	0	0	0
Money Market investment funds	105.881.318	11.333	105.892.651
Corporate bond investment fund	53.169.934	5.776.439	58.946.373
Deposits and cash	19.753.732	0	19.753.732
<b>Total</b>	<b>178.804.984</b>	<b>5.787.772</b>	<b>184.592.756</b>

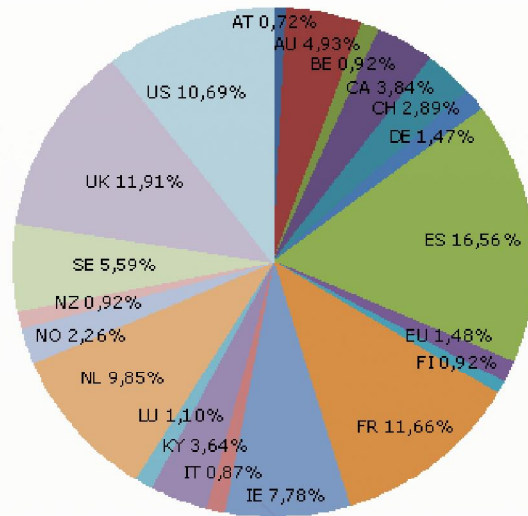
Credit rating and maturity classified by investment product as at 31 December 2011.

<b>Euro</b>	Credit ratings	Duration
Corporate bond fund KBC	15,18% AAA ;6,45%AA+; 17,26%AA; 30,88%AA- 22,79%A+;3,06%A;4,37%NR	6,27 year
Money Market funds ING	AAA rated funds	0.098 year
Money Market funds KBC	AAA rated funds	0.14 year
Deposits and cash	A+	0 year
Other	NR	0 year

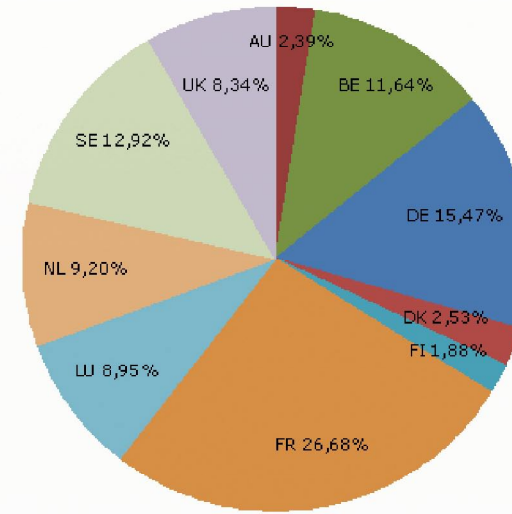


Country Allocation classified by investment product as at 31 December 2011.

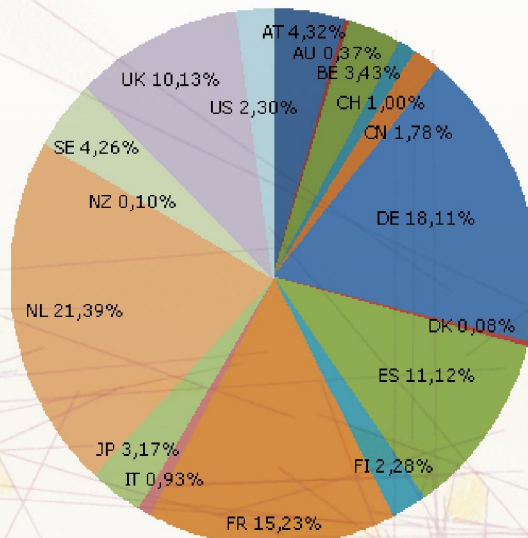
Corporate bond fund KBC



Money market funds KBC



Money market funds ING



## Net Investment Income

<b>Euro</b>	<b>2011</b>	<b>2010</b>
Gains/(losses)	1.308.460	1.598.879
Interests and dividend securities	0	406.800
Interests term deposits	167.671	8.917
Interests cash and cash equivalents	55.416	82.722
Adjustments to investment values	93.425	573.172
Withholding taxes	-37.369	-75.135
Net investment income	1.587.603	2.595.355

## Result

The € 9.036.401 surplus for 2011 compares with € 26.632.006 surplus in 2010 (before allocation to reserve for equalization and catastrophes). This result is due to increased claim costs in 2011.

The technical surplus for 2011 of € 7.448.799 is allocated to the reserve for equalization and catastrophes following the rules of the Belgian insurance regulator National Bank of Belgium (formerly CBFA).

The Board of Directors recommends to the Annual General Meeting that the financial surplus of € 1.587.603 be allocated to the guarantee fund.

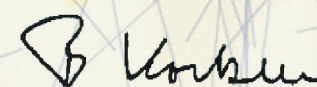
## Guarantee Fund

The guarantee fund plus the reserve for equalization now available to the members to be used as insurance capacity amounts to € 152.506.762.

At year end the gross reserve for withheld members rebate amounts to € 1.179.359 of which half will be released in 2012 and the other half can be used for the next year as insurance capacity.

## Post balance sheet event

On 24 February 2012, NB Power and AECL filed documents with the Court of Queen's Bench in Saint John seeking recovery of monies under insurance policy being claimed in relation to delays to the refit of its the Point Lepreau Nuclear Generating Station. In June 2011, NB Power delivered an interim claim to its insurers. In August 2011, the insurers denied the claim and insisted that it did not fall within the coverage afforded by the policy in question. Based on the losses alleged in the court papers, EMANI's maximum net financial exposure in relation to policy written with NB Power is c\$ 0. Based on legal advice EMANI continues to deny the claim and will defend the legal claim. EMANI has reflected a net reserve of c\$ 9.901.790 or € 7.492.843 in its financial statements as at 31 December 2011 in relation to the claim.



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 , the NBB (formerly CBFA ) communications D171 + D172 and the Circular PPB-2007-6-CPB-CPA.

All the principles are written in the document “Memorandum of good governance”. In addition the Executive committee presents annually to the Board the Report on internal control.

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

### The Board

There are currently thirteen Board members, including the Chairman and the Vice-Chairmen, nine of them are representing the nuclear Members, two external 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 and Investment Advisory 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 and Committee members in good time before the meetings.

### Annual General Meeting

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

### **Internal control**

The Board is ultimately responsible for the Mutual's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against 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 risks underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including EMANI's own loss control service and regulatory requirements and/or authorities.

### **Monitoring and corrective actions**

The Mutual has produced an Internal procedures manual, which provides practical guidance for all staff.  
The internal auditor reports to the Audit Committee on the effectiveness of the procedures.



## **Statutory Auditor's Report for the year ended 31 December 2011 to the members**

EUROPEAN MUTUAL ASSOCIATION FOR NUCLEAR INSURANCE (E.M.A.N.I.)

### **To the Members**

As required by law and the Mutual Association's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments and information.

### **Unqualified audit opinion on the financial statements**

We have audited the financial statements of E.M.A.N.I. (a mutual insurance association) for the year ended 31 December 2011, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 205.142 (000) EUR and a profit for the year of 1.588 (000) EUR.

The board of directors of the Mutual Association is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the “Institut des Réviseurs d’Entreprises/Instituut der Bedrijfsrevisoren”. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Mutual Association’s preparation and fair presentation of the financial statements 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 Mutual Association’s internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the Mutual Association and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the Mutual Association have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2011 give a true and fair view of the Mutual Association’s assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.



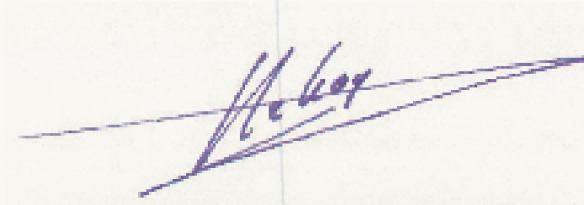
## Additional attestations

The Mutual Association's compliance with the requirements of the applicable Belgian law and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments which do not change the scope of our audit opinion on the financial statements:

- Regardless of formal aspects of minor importance the books and records of the Mutual 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 Mutual Association's bylaws.
- The proposed distribution of the results for the year ended 31 December 2011 is in conformity with the Mutual Association's bylaws and applicable law.

Diegem, 23 March 2012



The Statutory Auditor,  
Deloitte  
Reviseurs d'Entreprises SC s.f.d SCRL  
Represented by Yves Dehogne

## Balance sheet as of December 31, 2011 & 2010

(Currency – Euro)

<b>Assets</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>C. Investments</b>		
III. Other financial investments		
1. Parts in investment funds	159.051.252	147.878.500
6. Term deposits with financial institutions	15.439.183	8.842.337
	<u>174.490.435</u>	<u>156.720.897</u>
<b>D.bis Part of reinsurers in the technical reserves</b>		
I. Reserve for non-earned premiums and current risks	3.873.876	3.015.933
III. Reserve for claims receivable	18.385.439	17.352.198
IV. Reserve for profit sharing and refunds	101.124	285.039
	<u>22.360.439</u>	<u>20.653.170</u>
<b>E. Receivables</b>		
I. Receivables resulting from direct insurance		
1. Insurers	745.423	585.350
2. Intermediaries of insurers	668.492	69.707
II. Receivables resulting from reinsurance	1.812.693	2.628.937
III. Other receivables	264.866	47.623
	<u>3.491.475</u>	<u>3.331.617</u>
<b>F. Other assets</b>		
I. Tangible assets	201.445	196.323
II. Liquidities	4.314.549	6.351.046
	<u>4.515.994</u>	<u>6.547.370</u>
<b>G. Transitory accounts</b>		
I. Interests and rent	284.151	238.532
	<u>284.151</u>	<u>238.532</u>
<b>TOTAL ASSETS</b>	<u>205.142.493</u>	<u>187.491.585</u>

The accompanying notes are an integral part of these balance sheets prepared in accordance with the Royal Decree of 17 November 1994 with regard to the annual accounts of insurance companies.



## Balance sheet as at December 31, 2011 & 2010

(Currency – Euro)

<b>Liabilities</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>A . Equity</b>		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	68.011.355	65.917.211
	68.011.355	65.917.211
 <b>C. Technical reserves</b>		
I. Reserve for unearned premiums and for unexpired risks	9.512.128	9.041.076
III. Reserve for claims payable	38.308.925	30.151.044
IV. Reserve for profit sharing and refunds	1.179.359	3.263.291
V. Reserve for equalisation and catastrophies	84.495.407	77.046.608
	133.495.819	119.502.019
 <b>G. Payables</b>		
I. Payables resulting from direct insurance business	2.268.494	1.035.571
II. Payables resulting from reinsurance business	907.380	555.123
V. Other payables		
1. Fiscal and social payables		
a) Taxes	0	8.186
b) Social Payables	249.791	220.000
2. Other	74.547	83.238
	3.500.211	1.902.118
<b>H. Transitory accounts</b>	<b>135.109</b>	<b>170.237</b>
 <b>TOTAL LIABILITIES</b>		
	<b>205.142.493</b>	<b>187.491.585</b>

The accompanying notes are an integral part of these balance sheets prepared in accordance with the Royal Decree of 17 November 1994 with regard to the annual accounts of insurance companies.

## Income statement for the years ended December 31, 2011 & 2010

(Currency – Euro)

	2011	2010
1. Earned premiums net of reinsurance		
a) Gross premiums	46.945.174	46.175.353
- Premiums written	47.883.240	47.105.412
- Rebates to Members	-938.067	-930.059
b) Reinsurance premiums	-23.117.005	-21.936.307
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)	-471.052	-1.384.847
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease-)	857.943	1.088.089
	24.215.060	23.942.288
2. bis Investment income		
b) Income from other investments.	223.087	498.439
c) Write-back of adjustments on investments	93.425	573.172
d) Realised capital gains	1.541.069	2.399.497
	1.857.580	3.471.109
3. Other technical income net of reinsurance	75.803	83.596
	75.803	83.596
4. Cost of claims, net of reinsurance (-)		
a) Net amount paid	-7.612.405	-12.791.295
aa) gross amount	-17.574.684	-17.616.019
bb) part of reinsurers	9.962.280	4.824.724
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)	-7.124.639	15.948.351
aa) variation of the reserve for claims gross of reinsurance (increase -, decrease +)	-8.157.881	11.979.263
bb) variation of the reserve for claims part of reinsurance (increase +, decrease -)	1.033.241	3.969.088
	-14.737.044	3.157.056



## Income statement for the years ended December 31, 2011 & 2010

(Currency – Euro)

	<b>2011</b>	<b>2010</b>
6. Cost of refund of contribution, net of reinsurance(-)		
a) Net amount paid	-999.256	-1.009.611
b) Variation of the refunds reserve, net of reinsurance (increase.-, decrease.+)	1.900.017	1.026.431
	900.761	16.819
7. Net operating expenses (-)		
a) Acquisition expenses	-275.253	-241.023
b) Administrative expenses	-2.730.530	-2.922.086
	-3.005.782	-3.163.109
7.bis Expenses relating to investments (-)		
a) Expenses for managing Investments	-37.369	-75.135
c) Realised less values	-232.609	-800.618
	-269.977	-875.753
<b>Surplus / (Deficit) of the period before variation reserve for equalisation and catastrophies</b>	9.036.401	26.632.007
9. Variation in the reserve for equalisation and catastrophies, net of reinsurance	-7.448.799	-24.036.651
<b>Surplus / (Deficit) of the period available for distribution</b>	1.587.603	2.595.356

The accompanying notes are an integral part of these balance sheets prepared in accordance with the Royal Decree of 17 November 1994 with regard to the annual accounts of insurance companies

# Notes to the financial statements as of December 31, 2011 & 2010

(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 Mutual Association also insures non-nuclear risks.

At 31 December 2011 the total insurance capacity of E.M.A.N.I. was 600.000.000 EUR of which:

- 16% of 5.000.000 EUR was reinsured by way of “quota share” contracts;
- 26,336% of 95.000.000 EUR in excess of 5.000.000 EUR was reinsured by way of “quota share” contracts;
- 79,7383% of 440.000.000 EUR in excess of 100.000.000 EUR was reinsured by way of “excess of loss” contracts and 10,336% was reinsured by way of “quota share” contracts;
- 10,336% of 60.000.000 EUR in excess of 540.000.000 EUR was reinsured by way of “quota share” contracts;

The risk for E.M.A.N.I. is thus limited to 171.652.635 EUR as of 31 December 2011.

At 31 December 2011 the total insurance capacity of E.M.A.N.I. for terrorism was 600.000.000 EUR of which:

- 16% of 100.000.000 EUR was reinsured by way of “quota share” contracts;
- 75,2667% of 250.000.000 EUR in excess of 100.000.000 EUR was reinsured by way of “excess of loss” contracts;
- 75,25 % of 200.000.000 EUR in excess of 350.000.000 EUR was reinsured by way of “excess of loss” contracts;
- 47,6744% of 43.000.000 EUR in excess of 550.000.000 EUR was reinsured by way of “excess of loss” contracts;
- 100% of 7.000.000 EUR in excess of 593.000.000 EUR was reinsured by way of “excess of loss” contracts.

The risk for E.M.A.N.I. for terrorism is thus limited to 217.833.258 EUR as of 31 December 2011.

The accounting principles of E.M.A.N.I. 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 Mutual Association constitutes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, unreleased members' 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 22 February 1991.

### c) Fixed income securities

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

The differences, if material, between acquisition cost and redemption value of the securities are amortized pro rata to maturity of the securities. Unless the intention of the association is to sell the securities in the short term, no adjustment is booked to reflect the market value if this market value is below the net book value determined according to the method described above.

At 31 December, 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.

Reduction in value on fixed income securities shall be recorded in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised.



## Notes to the financial statements as of December 31, 2011 & 2010

(Currency – Euro)

### d) Shares and other non-fixed income securities

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.

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.

### e) Foreign exchange rate contracts

The 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 bonds and other fixed interest securities, the shares and other non-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 evolution of the Guarantee Fund over 2011 is as follows:

Guarantee Fund at December 31, 2010	65.917.211
Transfer of the profit of the year:	1.587.603
Donation of Members rebates	506.541

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Guarantee Fund at December 31, 2011	68.011.355
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## 3. Covering assets

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

As of 31 December 2011 and 2010, the Mutual Association had invested its representative assets as follows:

	31/12/2011	31/12/2010
International organisms bonds	0	0
Foreign States Securities	0	0
Foreign Companies Bonds	0	0
Investment funds	123.913.050	118.743.401
Cash (cash and term deposits)	17.475.757	7.434.033
	<hr/>	<hr/>
	141.388.807	126.177.434



#### **4. Reserve for equalisation and catastrophies**

In application to Article 11, §1, 3° of the Royal Decree dated 22 February 1991 on the general rules on the control of insurance companies, The Mutual 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 regulations, the theoretical target amount that should be provided for within the Mutual Associations' equalisation and catastrophies reserve is 217.833.258 EUR. The yearly movement however depends on the income or loss of the Mutual 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 24.036.651 EUR for the year 2010 and an addition of 7.448.799 EUR for the year 2011.

#### **5. Management**

The investment management of the Mutual Association has been outsourced.

The investment management fee is included in the net asset value of the investment funds.

The broker reinsurance handling fee amounts to 214.195 EUR for the year 2011 and 420.000 EUR for 2010.

Reinsurance commissions refunded to E.M.A.N.I. are 487.789 EUR for 2011 and 454.343 EUR for the year 2010 and are deducted from the reinsurance premium charges.

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EUROPEAN MUTUAL  
ASSOCIATION  
FOR NUCLEAR INSURANCE

ASSOCIATION  
D'ASSURANCES  
MUTUELLES

AV. JULES BORDET, 166 - B4  
B 1140 BRUSSELS  
BELGIQUE

Tel. + 32 (0)2 702 90 10  
Fax. + 32 (0)2 705 72 92  
<http://www.emani.be>