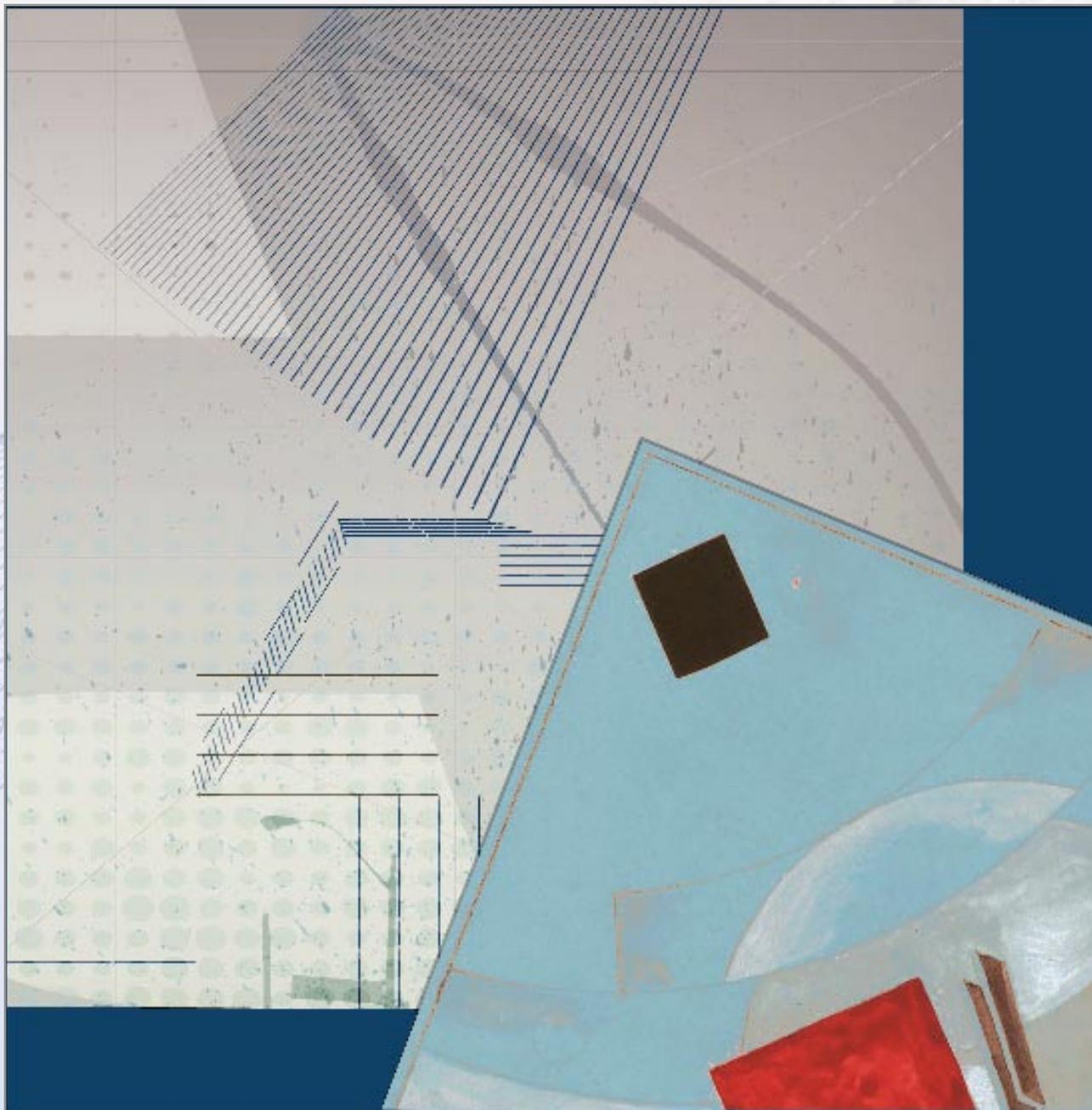


annual report 2012



Constructing the world

Robert Piccart 2013

Annual Report 2012  
of the Board of Directors  
and of the Statutory Auditor  
to be presented at  
the Annual General Meeting  
on 25th April 2013

Insurance company authorised by decision of the Management committee NBB (formerly CBFA) on the 6th November 2003.

To underwrite "Liability" (branch 13)

(Moniteur Belge 04.12.2003 - Code 2275)

Registered Office: Av. Jules Bordet, 166 - B 3

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Belgium

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## Financial Highlights

In euro

<b>Statement of Earnings</b>	<b>2012</b>	<b>2011</b>
Net premium earned	2.783.412	2.291.446
Claims	- 38.637	- 34.445
Expenses	- 1.066.659	- 835.294
Other income	155.166	175.538
Net investment result	2.224.312	430.032
Earnings before distribution to reserve for equalisation and catastrophies	4.057.595	2.027.278

### Balance Sheet

Assets	50.835.317	41.933.065
Liabilities	- 1.110.006	- 874.199
Guarantee fund (including reserve for equalisation and catastrophies)	49.725.311	41.058.866

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## Members

AECL  
AREVA  
AXPO Power AG  
Belgoprocess NV  
BKW FMB Energie AG  
Bruce Power  
CEZ a.s.  
EDF  
Electrabel SA  
EnBW Kernkraft GmbH  
ENDESA  
ENEL SpA  
E.ON Kernkraftwerke GmbH  
E.ON Sverige AB  
EPZ N.V.  
Eskom  
Eurodif SA  
FBFC International NV  
Forsmarks Kraftgrupp AB  
Fortum Power & Heat Oy  
GKN B.V.  
Kernkraftwerk Gösgen-Däniken AG  
New Brunswick Power  
OKG Aktiebolag  
Ontario Power Generation  
Paks Nuclear Power Plant Ltd  
RHK Puram  
Ringhals AB  
RWE Power AG  
SCK•CEN  
SKB  
Slovenské Elektrárne a.s.  
Studsvik AB  
SVAFO AB  
Teollisuuden Voima Oyj  
URENCO Enrichment Co. Ltd.  
Vattenfall Europe

## Member Representatives & Status

Member	Representative	Status
<b>Belgium</b>		
Belgoprocess	A. Roefs	Insured
Electrabel	M. Hecq	Non Insured
FBFC International	M. Van den Eynde	Insured
SCK•CEN	C. Legrain	Insured
<b>Canada</b>		
AECL	D. Mills	Non Insured
Bruce Power	K. Kelly	Non Insured
New Brunswick Power	A. Slipp	Non Insured
Ontario Power Generation	J. Floras	Non Insured
<b>Czech Republic</b>		
CEZ	V. Hronek	Insured
<b>Finland</b>		
Fortum Power & Heat Oy	M. Kautonen	Insured
Teollisuuden Voima Oyj	K. Luotonen	Insured
<b>France</b>		
AREVA	P. Obert	Insured
EDF	J.L. Thébault	Insured
Eurodif	R. Jiménez-Shaw	Insured

## Member Representatives & Status

Member	Representative	Status
<b>Germany</b> EnBW E.ON RWE Power Vattenfall Europe	K. Dzedzina K. Greimel J. Haaf A. Brachem	Non Insured Non Insured Non Insured Supportive
<b>Great-Britain</b> URENCO	A. Dick	Non Insured
<b>Hungary</b> Paks RHK Puram	C. Szinger I. Barnabas	Non Insured Insured
<b>Italy</b> ENEL	R. Muscogiuri	Non Insured
<b>Slovak Republic</b> Slovenske Elektrarne	R. Muscogiuri	Insured
<b>South Africa</b> Eskom	M. Molelekoa	Insured
<b>Spain</b> ENDESA	M. Tembory Molina	Non Insured

## Member Representatives & Status

Member	Representative	Status
<b>Sweden</b>		
E.On Sverige	B. Svensson	Insured
Forsmarks Kraftgrupp	B. Kockum	Insured
OKG Aktiebolag	R. Danielsson	Insured
Ringhals	B. Kockum	Insured
SKB	A. Ingman	Insured
Studsvik	R. Atmer	Insured
SVAFO	S. Ordéus	Insured
<b>Switzerland</b>		
BKW FMB Energie	U. Bircher	Non Insured
Kernkraftwerk Gösgen-Däniken	F. Bähler	Non Insured
Axpo Power AG	T. Erb	Non Insured
<b>The Netherlands</b>		
EPZ N.V.	B.P. Jobse	Non Insured
GKN B.V.	G.J. Geertsema	Insured

## Board of Directors

**José Luis Carbonell**

Chairman

**Joachim Haaf**

Vice-Chairman

**Bengt Svensson**

Vice-Chairman

**Christian Legrain**

**Daniel Martenet**

External Director

**Roberto Muscogiuri**

**Alvin Shuttleworth**

External Director

**Jean-Louis Thébault**

**Danny Vanwelkenhuyzen**

Executive Committee

**Marleen Vercammen**

Executive Committee

## **Advisory Committees**

### **Insurance Advisory Committee**

B. Svensson                      Chairman  
T. Erb  
J. Floras  
A. Geivaerts  
K. Greimel  
J. Haaf  
V. Hronek  
B.P. Jobse  
M. Kautonen  
B. Kockum  
M. Laguna  
H. Loisy  
M. Mooser  
S. Yvon

### **Legal Advisory Committee**

A. Shuttleworth                  Chairman  
D. Berger  
M. Beyens  
R. Danielsson  
E. de Lempdes  
A. Dümmerling  
P. Funari  
A. Geivaerts  
A.S. Herzog  
M. Laguna  
J. Lasry  
P. Murphy  
J. Ortman  
D. Micinská  
R. Siilos  
L. Veuchelen

## **Advisory Committees**

### **Finance and Investment Advisory Committee**

M. Ekman                      Chairman  
K. Kelly  
B. Rifaï  
C. Sidford  
M. Vercammen

### **Audit Committee**

D. Martenet                      Chairman  
J.L. Carbonell  
C. Legrain

### **Internal Auditor**

W. Gemis

## **Executive Committee**

Danny Vanwelkenhuyzen  
Managing Director

Marleen Vercammen  
Financial Manager

## **Staff**

Ann Geivaerts  
Corporate Organisation & Legal Manager

Maria Laguna  
Underwriter

Wim Buysse  
Loss Prevention Manager

Jo Machtelinckx  
Deputy Financial Manager

## **Auditors**

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

## **Actuary**

Nicolaï & Partners  
Duboisstraat 43  
2060 Antwerpen

## Letter from the Chairman

Dear Members,

I am delighted to present the Annual Report for our ninth year of operations.

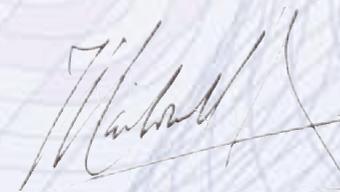
This year, the financial results of the mutual have improved markedly, with a surplus of 1.77 million euros, more than triple the figure for 2011. Total assets also grew from 41.9 to 50.8 millions, as a result of EDF's increased capitalisation and the capitalisations of our Canadian colleagues OPG and Bruce Power, who could finally begin insuring their sites with ELINI.

This growth, together with the gearing up of BlueRe, move us closer to our objectives of making a substantial contribution to providing the higher levels of coverage which will be needed in the near future in order to comply with the nuclear liability insurance requirements of the Revised Paris Convention, and effectively acting as lead or co-insurer in most of your nuclear liability insurance policies.

This year we also kept improving our cross-border web based CHS24/24 Claims Handling System.

The Board is up for renewal at the end of its three year term and I would like to express our recognition to them and to our Management team for their excellent work. As for me, I am stepping down as Chairman after the three mandates which you entrusted me with, and wanted to thank you for giving me the opportunity to serve you throughout these eventful and satisfying years.

Please accept my wishes of an excellent tenth year of operations, working together to strengthen and improve ELINI.



**José Luis Carbonell**  
Chairman of the Board of Directors

## Description of Activities

ELINI is a Belgian mutual insurance association formed in December 2002 to provide insurance capacity for nuclear liability risks to its Members. The present Members of ELINI include nuclear facilities in Belgium, Canada, Czech Republic, Finland, France, Germany, Great-Britain, Hungary, Italy, Slovak Republic, South Africa, Spain, Sweden, Switzerland and the Netherlands.

The capacity provided by ELINI is independent of that provided by the various nuclear Pools.

The main benefits to Members of ELINI include:

Additional insurance capacity in view of the Revised Paris and Brussels Supplementary Conventions.

Alternative insurance capacity for terrorism cover and 30 years prescription period.

Potential for contribution savings.

Information exchange and data centre for nuclear insurance matters.

## Underwriting & Claims Handling

ELINI's current portfolio is based on nuclear liability risks cover, in accordance with the decision of the Member, with the existing Pools and any other markets as coinsurer, reinsurer or leader with the exception in those countries where a 100 % policy is taken out by the Member.

The prices of the insurance coverages are in accordance with own rating tables so that Members of the Mutual will derive immediate benefit from reduced contributions.

Since a few years ELINI is working on a rating model, based on TPL surveys on-site. In 2011 the Board of Directors agreed to link the results obtained from these surveys to the contribution calculation. The strengths and weaknesses of a site will be incorporated in the contribution calculation and will represent an incentive for each Member to improve the site safety. This model is applied as of January 1st, 2012.

If there is an incident of offsite release of radiation, ELINI will offer its services to, and in close collaboration with the local competent Authority and its Member, and act in accordance to the instructions given and the expectations formulated by them. It is ELINI's view that, in such a crisis situation, the entire insurance market should show solidarity.

As an insurer, ELINI will contribute to the cost in accordance with the provisions of the Member's insurance policy.

In order to be prepared for a potential nuclear incident, ELINI decided to develop a unique web based platform for claim handling allowing to register claims, manage claims and report in a detailed way to all parties involved and this both on a national and trans boundary basis.

ELINI contracted with highly specialised companies for the set-up of dedicated call centres and dispatching of claim experts and loss adjusters. The individual approach of the Members allows ELINI to take into consideration their expectations.

The implementation of the system is realised in close collaboration with the Member having decided to organise its post incidental management together with ELINI.

Article 25 of the Articles of Association provides for additional contributions from Members if required to meet claims.

## **Reinsurance**

ELINI can purchase reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate.

## **Management Structure**

ELINI is a mutual association constituted in Brussels under Belgian law and authorised by decision of the Management Committee of the NBB (formerly CBFA) on the 6th November 2003.

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 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 operating, controlling or owning nuclear installations, or their representatives, and which have an insurable interest, can be Members of the Association.

Election of a new Member shall be submitted to the Board of Directors and shall become effective when ratified by the General Meeting.

A new Member must take out or have the intention to take out at a later stage at least one insurance policy with unreserved acceptance of the rights and obligations included in the Articles of Association.

There are three kind of Members:

- Non Insured Members who do not take part in the constitution of the Guarantee Fund but pay an Administration Fee;
- Non Insured Members who take part in the constitution of the Guarantee Fund (Supportive Members);
- Insured Members who have an insurance policy and have contributed to the constitution of the Guarantee Fund.

## Loss Control Services

The ELINI loss prevention division supports the underwriting team as well as the Members to identify potential loss exposures and to assess the adequacy of existing loss prevention measures. Based on on-site evaluations, review of technical documentation and discussions with site responsables and technical staff, detailed risk reports are made up. The surveyor will evaluate and compare the facility with good engineering practices, legal requirements, insurance standards and similar risks. Strengths and weaknesses of each site will be highlighted. Where required a comprehensive list of suggestions and recommendations will be drawn up with a view to improve safety and to prevent or mitigate losses. An in-house developed grading system supports the underwriting process by contribution rate adjustment and can support the Members' loss prevention programs through contribution reduction.

## **Report of the Board of Directors to be presented to the Annual General Meeting of 25th April 2013**

Dear Member,

We are pleased to present for your approval the financial statements of our Mutual for its tenth year of operations, which ended on 31st December 2012.

The Management of ELINI 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 generally accepted accounting principles appropriate in the circumstances. These financial statements include amounts that are based on Management's judgment and best estimates.

ELINI 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.

We engaged Deloitte, 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. Their report is joint with the annual accounts .

### **Capacity**

The maximum insurance capacity per policy for the year 2012 remains at € 89.000.000 and our own retention increased from € 39.000.000 in 2011 to € 42.500.000 in 2012.

## Contributions

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

Net contributions increased from € 3.091.182 in 2011 to € 3.666.584 in 2012 and is due to both increased shares being ceded to the mutual from some of our insured Members and the increase in our own retention.

Reinsurance costs increased from € 799.736 € to € 883.172 as a proportion of the increase in ceded shares fell above the own retention.

## Claims

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

The total claim costs net of reinsurance for 2012 is € 38.637 and include € 6.875 actual payments . The variation in reserves of € 31.761 include on the one hand the notification of one new incident for which a reserve after reinsurance of € 35.399 has been booked and on the second hand the reductions for the actual payments made in respect of the 2008 incident . The total outstanding claim reserve, at the end of the year amounts to € 653.977 and includes the reserve for the 2008 incident € 579.019, the reserve of € 3.500 dating from the year 2005, the opening reserves for 2010 and 2011 of € 36.059 and the new notified incident.

## General expenses

General expenses increased from € 835.294 in 2011 to € 1.066.659 or +28% in 2012 and are mainly due to higher HR costs.

## Investments

The total book value of the investments increased from € 41.589.909 in 2011 to € 50.342.201 in 2012.

The investment strategy of 30% long term corporate bonds and 70% liquidities has changed in stages to 70% long term corporate bonds and 30% liquidities resulting in a financial income of € 2.408.385.

**Book value and estimated fair market value of investments as of December 31st, 2012**

<b>Euro</b>	<b>Book value</b>	<b>Unrealized capital gains/(losses)</b>	<b>Market value</b>
Gouvernement bond fund	0	0	0
Corporate bond fund	32.097.419	100.357	32.197.776
Money Market funds	8.836.622	284	8.836.906
Deposits	26.383	0	26.383
Others / Cash	9.381.776	0	9.381.776
	-----	-----	-----
<b>Total</b>	<b>50.342.200</b>	<b>100.641</b>	<b>50.442.841</b>

**Credit rating and duration classified by investment product as of December 31st, 2012**

<b>Euro</b>	<b>Credit ratings</b>	<b>Duration</b>
BGI Corporate bond fund	AAA 30,74% • AA+ 12,5% • AA 4,68% • AA- 3,83% • A+ 6,9% • A 7,9% • A- 12,58% • BBB+ 7,41% • BBB 7,03% • BBB- 5,39% • BB+ 0,35% • Not Rated 0,69%	4,41 year
KBC IF Upper Grade Corp Bond fund	AAA 17,71% • AA+ 4,88% • AA- 32,04% • AA 12,03% • A+ 13,28% • A- 5,1% • A 7% • NR 7,96%	6,34 year
Money market funds	AAA rated funds	0,098 year
Deposits	A+	0,01 year

**Country Allocation classified by investment product as of December 31st , 2012**

**BGI Corporate bond fund :**

AE 0,17% • AN 0,01% • AT 1,95% • AU 1,35% • BE 1% • BM 0,02% • BR 0,23% • BU 0,05% • CA 0,71% • CH 1,32% • CN 0,02% • CI 0,07% • CZ 0,49% • DE 18,84% • DK 0,77% • ES 10,89% • FI 0,71% • FR 20,27% • FX 0,69% • GB 6,95% • GR 0,03% • HK 0,19% • HR 0,07% • IE 0,72% • IL 0,09% • IN 0,03% • IT 4,69% • JI 0,03% • JP 0,25% • KR 0,04% • LT 0,1% • LU 0,29% • MA 0,05% • MX 0,32% • NL 6,9% • NO 1,43% • NZ 0,16% • PL 0,93% • PT 0,12% • RO 0,16% • RU 0,12% • SE 3,01% • SG 0,03% • Supranational 9,29% • US 4,39% • ZA 0,05%

KBC IF Upper Grade Corp Bond fund :

AT 1% • AU 5,5% • BE 3,87% • CA 2,27% • CH 1,66% • CI 5,14% • DE 0,84% • ES 6,76% • EU 8,62% • FI 0,54% • FR 12,24% • GB 8,99% • IE 5,16% • IT 5,47% • LU 2,14% • NL 10,08% • NO 2,45% • NZ 1,15% • SE 6,48% • US 9,64%

ING Liquid (MM fund) :

AE 2,63% • BE 2,69% • CN 4,05% • DE 21,14% • FI 2,25% • FR 32,38% • JP 3,54% • LU 9,99% • NL 11,29% • SE 4,05% • GB 5,61% • US 0,38%

## **Result**

The € 4.057.595 surplus of 2012 before allocation, compares with a € 2.027.278 surplus before allocation for 2011.

The technical profit for 2012 of € 1.833.283 plus the part of the financial surplus earned on the technical reserves amounting to € 453.315 will be allocated to the reserve for equalization and catastrophes.

In accordance with our Articles of Association, the Board of Directors proposes to the Annual General Meeting that the financial surplus for 2012 of € 1.770.997 shall be allocated to the guarantee fund.

## **Guarantee Fund**

The guarantee fund and reserve for equalization now available to the members to be used as insurance capacity, if you agree to our proposal, will be € 49.725.311.

We look forward to a good operational year in 2013 and I would like to take this opportunity to thank you for your support.



**José Luis Carbonell**  
Chairman of the Board of Directors

## **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 communication 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 Board**

There are currently 10 Board Members, including the Chairman and the two Vice-Chairmen, two External Directors and the 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 as often as the interest of the Association requires, and whenever five or more Directors make a written request for such a meeting.

### **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 five Advisory Committees which report to the Board at their meetings. The terms of reference for the Executive Committee, Audit Committee, Finance and Investment Advisory Committee, Legal Advisory Committee, Insurance Advisory Committee, which are reviewed annually, have been agreed by the Members and the Board. The nomination of members within these Committees must be approved by the Board.

## **Board and Committee Papers**

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

## **Annual General Meeting**

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

## **Internal Control**

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

## **Control Procedures**

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

## **Risk Identification**

The 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 regulatory requirements and/or authorities.

## **Monitoring and Corrective Actions**

The Mutual has a 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 2012 to the members

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

To the Members

As required by law and the 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.

## Unqualified audit opinion on the financial statements

We have audited the financial statements of E.L.I.N.I. (a mutual insurance association) for the year ended 31 December 2012, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 50.835 (000) EUR and a profit for the year of 1.771 (000) EUR.

The board of directors of the 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 van de 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 judgment, 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 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 association's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the association and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the 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 2012 give a true and fair view of the association's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

## Statutory Auditor's Report for the year ended 31 December 2012 to the members

EUROPEAN LIABILITY INSURANCE FOR THE NUCLEAR INDUSTRY

### Additional attestations

The 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 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 31 December 2012 is in conformity with the association's bylaws and applicable law.

Diegem, 25 March 2013

The Statutory Auditor



Deloitte SC s.f.d. SCRL Reviseurs d'Entreprises  
Represented by Yves Dehogne

## ELINI Balance sheet as of December 31, 2012 and 2011

(Currency - Euro)

<b><u>ASSETS</u></b>	<u>31/12/2012</u>	<u>31/12/2011</u>
C. Investments		
III. Other financial investments		
1. Parts in investment funds	40.934.042	36.408.739
2. Other	26.383	3.800.000
	-----	-----
	40.960.425	40.208.739
D. bis. Part of reinsurance in the technical reserves		
I. Reserve for non-earned premiums and current risks	3.834	3.538
III. Reserve for claim receivable	1.860	1.860
	-----	-----
	5.694	5.398
E. Receivables		
I. Receivables from direct insurance		
1. Insurers	0	0
2. Intermediaries of insurers	4.465	0
II. Receivables resulting from reinsurance	2.723	772
III. Other receivables	294.303	159.019
	-----	-----
	301.491	159.791
F. Other assets		
I. Tangible Assets	147.929	134.426
II. Liquidities	9.381.776	1.381.170
	-----	-----
	9.529.705	1.515.596
G. Transitory accounts		
I. Interests and rent	38.002	43.541
	-----	-----
	38.002	43.541
<b>TOTAL ASSETS</b>	<b>50.835.317</b>	<b>41.933.065</b>

The accompanying notes are an integral part of these balance sheets.

## ELINI Balance sheet as of December 31, 2012 and 2011

(Currency - Euro)

<b>LIABILITIES</b>	<u>31/12/2012</u>	<u>31/12/2011</u>
A. Equity		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	39.795.507	33.415.659
V. Retained earnings		
1. Surplus (Deficit) of the period	0	0
	-----	-----
	39.795.507	33.415.659
C. Technical reserves		
I. Reserve for unearned premiums and unexpired risks	94.604	80.157
III. Reserve for claims payable	653.977	622.216
V. Reserve for equalisation and catastrophies	9.929.804	7.643.206
	-----	-----
	10.678.385	8.345.579
G. Payables		
I. Payables resulting from direct insurance business	32.464	7.543
II. Payables resulting from reinsurance business	0	0
V. Other payables		
1. Fiscal and Social Payables		
a) Property tax and VAT	5.688	4.645
b) Social Payables	66.644	39.904
2. Other	83.629	77.222
	-----	-----
	188.425	129.313
H. Transitory accounts	173.000	42.514
	-----	-----
	173.000	42.514
<b>TOTAL LIABILITIES</b>	<b>50.835.317</b>	<b>41.933.065</b>

The accompanying notes are an integral part of these balance sheets.

## ELINI Income statement as of 31 December 2012 and 2011

(Currency - Euro)

	<u>31/12/2012</u>	<u>31/12/2011</u>
1. Earned premiums net of reinsurance		
a) Gross premiums	3.681.031	3.098.141
- Premiums written	3.681.031	3.098.141
- Rebates to members	0	0
b) Reinsurance premiums	-883.468	-799.465
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance ( increase -, decrease +)	-14.446	-6.959
d) Variation of the reserve for unearned premiums and unexpired risks reinsurers part ( increase +, decrease -)	296	-271
	-----	-----
	2.783.412	2.291.446
2bis. Investment income		
b) Income from other investments	17.630	74.763
c) Write-back of adjustments on investments	0	4.576
d) Realized capital gains	2.421.798	456.267
	-----	-----
	2.439.428	535.606
3. Other technical income net of reinsurance	155.166	175.538
	-----	-----
	155.166	175.538
4. Cost of claims, net of reinsurance (-)		
a) Net amount paid		
aa) Gross amount	-8.371	-95.542
bb) Part of reinsurers	1.496	0
b) Variation of claims services reserve, net of reinsurance (increase -, decrease +)		
aa) Variation of the reserve for claims gross of reinsurance (increase - , decrease +)	-31.761	59.237
bb) Variation of the reserve for claims part of reinsurance (increase +, decrease -)	0	1.860
	-----	-----
	-38.637	-34.445

The accompanying notes are an integral part of this income statement.

**ELINI Income statement as of 31 December 2012 and 2011**  
(Currency - Euro)

	<u>31/12/2012</u>	<u>31/12/2011</u>
7. Net operating expenses (-)		
a) Acquisition expenses	-95.913	-100.374
c) Administrative expenses	-970.746	-734.919
	-----	-----
	-1.066.659	-835.294
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-31.043	-45.491
b) Adjustments to investment values	-182.065	0
c) Realized less values	-2.008	-60.082
	-----	-----
	-215.116	-105.574
<b>Surplus / (deficit) of the period before variation reserve for equalisation and catastrophies</b>	4.057.595	2.027.278
9. Variation in the reserve for equalisation and catastrophies, net of reinsurance (increase -, decrease +)	-2.286.598	-1.682.654
	-----	-----
<b>Surplus / (Deficit) of the period available for distribution</b>	<b>1.770.997</b>	<b>344.624</b>

The accompanying notes are an integral part of this income statement.

## Notes to the Financial statements as of December 31, 2012 and 2011

(Currency - Euro)

### **1. Activity of the Association and Summary of the main accounting principles**

The association's objective is to insure the civil liability (Branch 13) of its insured members in the context of and limited to the responsibility specified in the Convention of Paris on civil liability in the area of nuclear energy and/or specified in the national legislations of the countries where the Convention of Paris is not applicable.

By a decision of the Belgian Prudential Authority taken on 6 November 2003, the association has been granted the agreement to execute insurance activities of the branch "Civil Liability" (Branch 13).

At 31 December 2012, the maximum insurance capacity of E.L.I.N.I. is 89.000.000 of which:

- 100% of any amount in excess of 42.500.000 up to 62.500.000 is reinsured by way of treaty reinsurance contract
- 100% of any amount in excess of 62.500.000 is reinsured by way of a facultative reinsurance contract, with the exception of five policies for which a part is reinsured by way of quota share.

The risk for E.L.I.N.I. is thus limited to 42.500.000 as of 31 December 2012.

The accounting principles of E.L.I.N.I. can be summarized as follows:

#### **a. Overview of the amortization rates applied**

<b>Other assets-tangible fixed assets:</b>	<b>% per year</b>
- Installations, electronic equipment and office tools	33,33
- Furniture	10
- Vehicles	20

**b. Technical provisions**

The association constitutes technical provisions based on premiums received not earned, claims payable and a reserve for equalization and catastrophies in accordance with Articles 10 and 11 of the Royal Decree of 22 February 1991 relating to regulations applicable to insurance companies.

**c. 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 income 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.

**d. 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.

**e. 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.

The unrealized exchange gains and losses are recorded in the income statement under the caption “Investment income” and “Expenses relating to investments”, except for the unrealized exchange gains on the foreign exchange rate contracts as mentioned in point d.

## 2. Guarantee Fund

The Board of Directors proposes to the Annual General Meeting to allocate 1.770.997 €, the surplus of the year 2012, to the Guarantee Fund.

The evolution of the Guarantee Fund over 2012 is as follows:

Guarantee Fund at 31 December 31 2011	33.415.659
Transfer of the surplus of the year 2012	1.770.997
Additional dotations from Members	4.608.851
	-----
<b>Guarantee Fund at December 31, 2012</b>	<b>39.795.507</b>

## 3. Representative 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 2012 and 2011, the Mutual association had invested its representative assets as follows:

	<b>31/12/2012</b>	<b>31/12/2011</b>
Investment funds	----- 10.722.251 -----	----- 8.390.655 -----
	<b>10.722.251</b>	<b>8.390.655</b>

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

In application to Article 11, §1, A, 3° of the Royal Decree dated 22 February 1991 on the general rules on the control of insurance companies, the association started in 2004 to build a reserve for equalization and catastrophes. 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 Associations' equalization and catastrophes reserve is 42.500.000 €. 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 2.286.598 € for the year 2012 and an addition of 1.682.654 € for the year 2011.

#### **5. Management**

The investment management of the Association has been outsourced.

Reinsurance commissions refunded to E.L.I.N.I. are 51.717 € for 2012 and 51.007 € for the year 2011 and are deducted from the reinsurance premium charges.

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E L I N I

EUROPEAN LIABILITY  
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NUCLEAR INDUSTRY

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