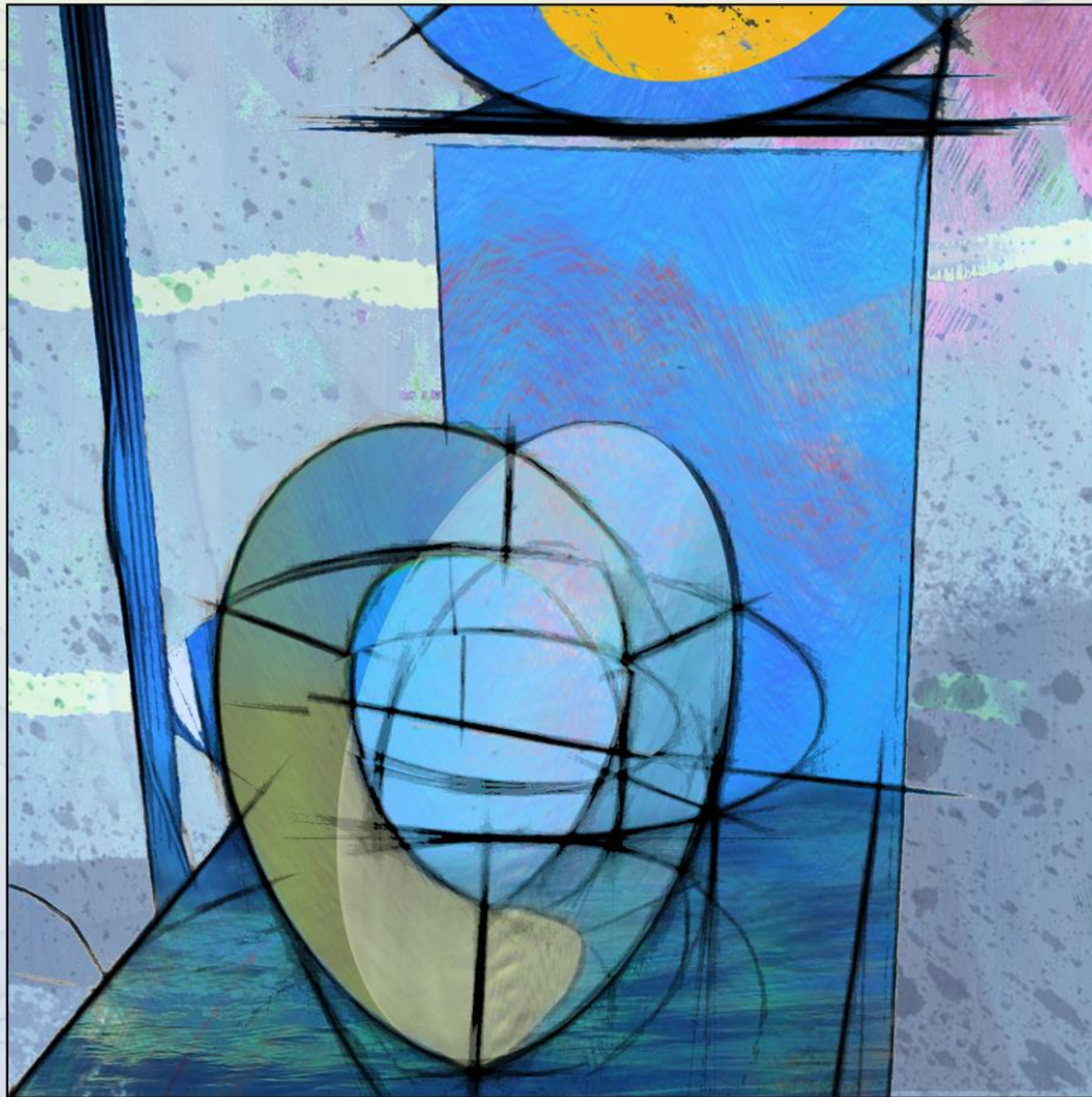




ELI N I | annual report

2015



Dynamics

Robert Piccart 2016

**Annual Report 2015
of the Board of Directors and
of the Statutory Auditor
to be presented at
the Annual General Meeting
on 28th April 2016**

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
B 1140 Brussels
Belgium

Tel. +32 (0)2 702 90 10
Fax. +32 (0)2 726 19 63

Financial Highlights

In euro

Statement of Earnings

	2015	2014	2013	2012	2011
Net premium earned	4.995.260	4.921.570	3.144.445	2.783.412	2.291.446
Claims	16.871	-195.549	2	-38.637	-34.445
Expenses	-1.741.989	-1.452.231	-1.167.688	-1.066.659	-835.294
Other income	152.405	197.802	150.174	155.166	175.538
Net investment result	9.461	961.173	1.535	2.224.312	430.032
Earnings before distribution to reserve for equalisation and catastrophes	3.432.008	4.432.764	2.128.468	4.057.594	2.027.277
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-3.457.960	-3.776.172	-2.169.630	-2.286.598	-1.682.654
Taxes	-348	-21,41	-284	0	0
Earnings after distribution to reserve for equalisation and catastrophes	-26.300	656.570	-41.446	1.770.996	344.623

Balance Sheet

Assets	78.016.247	76.363.388	71.742.994	50.835.317	41.933.065
Liabilities	-1.475.830	-3.265.344	-2.983.181	-1.110.006	-874.199
Guarantee fund <i>(including reserve for equalisation and catastrophes)</i>	76.540.417	73.098.044	68.759.813	49.725.311	41.058.866

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Members

AB SVAFO
AREVA
Axpo Power AG (*)
Belgoprocess NV
BKW Energie AG (*)
British Energy Ltd
Bruce Power Inc.
ČEZ, a. s.
EDF
Electrabel SA (*)
Elektricitets-Produktiemaatschappij Zuid-Nederland NV (EPZ) (*)
EnBW Kernkraft GmbH (*)
Endesa (*)
ENEL (*)
E.ON Kernkraft GmbH (*)
Eskom Holdings SOC Ltd
EURODIF SA
FBFC International SA
Forsmarks Kraftgrupp AB

Fortum Power and Heat Oy
Kernkraftwerk Gösgen-Däniken AG (*)
Kernkraftwerk Leibstadt AG (KKL) (*)
MVM PAKS Nuclear Power Plant Ltd. (*)
New Brunswick Power Corporation (*)
OKG Aktiebolag
Ontario Power Generation (OPG)
RHK Puram
Ringhals AB
RWE Power AG (*)
SCK • CEN
Slovenské Elektrárne AS
Societatea Nationala Nuclearelectrica SA (SNN) (*)
Sogin S.p.A. (*)
Studsvik AB
Svensk Kärnbränslehantering AB (SKB)
Sydkraft Nuclear Power AB
Teollisuuden Voima Oyj (TVO)
Urenco Ltd. (*)
Zwischenlager Würenlingen AG (ZWILAG) (*)

(*) non insured member

Member Representatives & Status

Member

Representative

Status

Belgium

Belgoprocess NV
Electrabel SA
FBFC International NV
SCK • CEN

Ph. Lannoy
P. Haenecour
E. Laugier
C. Legrain

Insured
Non Insured
Insured
Insured

Canada

Bruce Power Inc.
New Brunswick Power Corporation
Ontario Power Generation (OPG)

K. Kelly
A. Slipp
J. Lee

Insured
Non Insured
Insured

Czech Republic

ČEZ a.s.

J. Ortman

Insured

Finland

Fortum Power & Heat Oy
Teollisuuden Voima Oyj

M. Huopalainen
L. Noukka

Insured
Insured

France

AREVA
EDF
Eurodif SA

E. Laugier
B. Alleman
R. Jiménez-Shaw

Insured
Insured
Insured

Member Representatives & Status

Member

Representative

Status

Germany

EnBW Kernkraft GmbH
E.ON Kernkraft GmbH
RWE Power AG

E. Wissmann
D. Prüske
J. Haaf

Non Insured
Non Insured
Non Insured

Great-Britain

British Energy Ltd
URENCO Ltd

K. Sinclair
I. Mance

Insured
Non Insured

Hungary

MVM Paks Nuclear Power Plant Ltd
RHK Puram

C. Szinger
I. Barnabas

Non Insured
Insured

Italy

ENEL S.p.A.
Sogin S.p.A.

G. Frea
F. Speranza

Non Insured
Non Insured

Romania

Societatea Nationala Nuclearelectrica SA (SNN)

A. Havris

Non Insured

Slovak Republic

Slovenské Elektrárne a.s.

Z. Siposová

Insured

South Africa

Eskom Holdings SOC Ltd

M. Molelekoa

Insured

Spain

ENDESA

E. Pérez Ferreiro

Non Insured

Member Representatives & Status

Member

Sweden

AB SVAFO
 Forsmarks Kraftgrupp AB
 OKG Aktiebolag
 Ringhals AB
 Svensk Kärnbränslehantering AB (SKB)
 Studsvik AB
 Sydkraft Nuclear Power AB

Switzerland

Axpo Power AG
 BKW Energie AG
 Kernkraftwerk Gösgen-Däniken AG
 Kernkraftwerk Leibstadt AG
 Zwischenlager Würenlingen AG (Zwilag)

The Netherlands

EPZ NV

Representative

S. Ordéus
 T. Hallqvist
 R. Danielsson
 T. Hallqvist
 A. Ingman
 T. Samuelsson
 B. Svensson

T. Erb
 M. Mooser
 M. Plaschy
 T. Erb
 T. Erb

B.P. Jobse

Status

Insured
 Insured
 Insured
 Insured
 Insured
 Insured
 Insured

Non Insured
 Non Insured
 Non Insured
 Non Insured
 Non Insured

Non Insured

Board of Directors

Bengt Svensson

Chairman

Joachim Haaf

Vice-Chairman

Gabriele Frea

Vice-Chairman

Brice Alleman

Christian Legrain

Daniel Martenet

Independent Director

Mabaeti Molelekoa

Alvin Shuttleworth

Independent Director

Danny Vanwelkenhuyzen

Executive Committee

Marleen Vercammen

Executive Committee

Advisory Committees

Insurance Advisory Committee

Bengt Svensson

Chairman

Thomas Erb

Nick Feldman

Ann Geivaerts

Joachim Haaf

Martine Hecq

Václav Hronek

Bram-Paul Jobse

Mika Kautonen

Berndt Kockum

Maria Laguna

Hervé Loisy

Markus Mooser

Laura Noukka

Stéphane Yvon

Legal Advisory Committee

Alvin Shuttleworth

Chairman

Marc Beyens

Rickard Danielsson

Etienne de Lempdes

Annette Dümmerling

Katarína Labanc Lenártová

Pia Maria Funari

Ann Geivaerts

Antje-Susann Herzog

Maria Laguna

Jane Lasry

Pat Murphy

Jiri Ortman

Risto Siilos

Advisory Committees

Finance and Investment Advisory Committee

Kevin Kelly *Chairman*
Jo Machtelinckx
Lauri Piekkari
Bénédicte Rifai
Annemie Roefs
Marleen Vercammen

Audit Committee

Daniel Martenet *Chairman*
Gabriele Frea
Christian Legrain

Internal Auditor

Willy Gemis

Management

Executive Committee

Danny Vanwelkenhuyzen
Marleen Vercammen

Managing Director
Financial Manager

Staff

Wim Buysse
Ann Geivaerts
Maria Laguna
Henk Nuyts
Annemie Roefs
Jo Machtelinckx
Sven Tackaert
Heiner Hefti

Loss Prevention Manager
Corporate Organisation & Legal Manager
Senior Underwriter
Underwriter
Asset Manager & Compliance Officer
Deputy Finance Manager
Accountant
General Manager Swiss Branch

Auditors

Deloitte
Réviseurs d'Entreprises
Berkenlaan 8b
BE - 1831 Diegem
Represented by
Mr. Rik Neckebroeck

Actuary

Nicolai & Partners
Duboisstraat 43
BE - 2060 Antwerpen
Mrs. Veerle Nicolai

Letter from the Chairman

Dear Members,

It is a pleasure to present ELINI's 2015 Annual Report.

First of all, it would be fair to give a special tribute to the work performed by the Management of ELINI in making sure that Solvency II requirements are implemented within the Mutual. Those matters are a major part of our agendas during the different committees and the Management is committed on those aspects to allow ELINI to stand at a World Class position with regard to its internal governance and the control of their Members' financial securities.

On the business activity, 2015 has shown two major trends:

- The first one is an ongoing growth of activity, which has a positive impact on the capacity. Several Members have increased their respective participation in ELINI, which increased the capacity available for the Members who are using the Mutual in their Nuclear Third Party Liability insurance scheme. Moreover, some Non-Insured Members have also decided to become Insured Members and ELINI is also proud to have seen its membership growing.
- The second trend relates to the heart of ELINI's business, which is Loss Prevention and Claims Handling, both aspects being the two faces of a same coin.

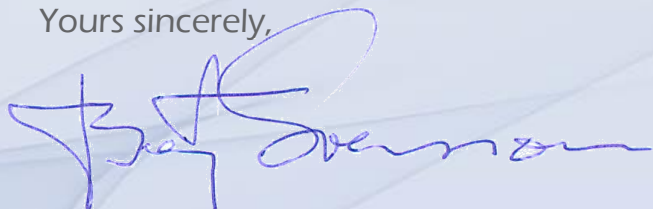
ELINI has developed a specific loss prevention program, which aims to be systematically sued amongst the candidates and existing Members, in order to preserve the Mutual as a whole, and each Member's participation individually.

ELINI has been recognised as having one of the most advanced Claims Handling System of the Nuclear Third Party Liability insurance market. This aspect is key in the ongoing discussions with some national authorities.

Beside the mere business activities, ELINI is continuously recognised as one of the major actors representing the World's Nuclear Industry Community with regard to Nuclear Third Party Liability matters.

2016 will be a challenging year to face more and more governments' decisions to increase the limits of liability for their national nuclear operators, for which ELINI represents one of the key actors.

Yours sincerely,



Bengt Svensson
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.

Few years ago, ELINI has been 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 are incorporated in the contribution calculation and 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 resulting in 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 Prevention 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 28th April 2016

Dear Member,

We are pleased to present for your approval the financial statements of our Mutual for its thirteenth year of operations, which ended on 31st December 2015.

The financial statements include the figures from the ELINI branch in Switzerland.

The Board of Directors of ELINI is responsible for the 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 generally accepted accounting principles appropriate in the circumstances. These financial statements include amounts that are based on the Board'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 increased from € 100.000.000 in 2014 to € 116.900.000 in 2015 and our own retention also increased from € 72.500.000 in 2014 to € 77.500.000 in 2015.

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 € 6.153.238 in 2014 to € 6.501.907 in 2015. This growth can be attributed to increased shares ceded to the mutual association from certain members.

Reinsurance costs also increased from € 1.231.668 to € 1.506.647 of which € 657.773 was attributed to BlueRe (from € 419.925 in 2014) after higher reinsurance capacity was bought from BlueRe (from € 8.400.000 to € 14.600.000).

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 outstanding claims reserve at the end of the year amounts to € 771.292, a decrease of € 76.087 from € 847.379 at the end of 2014. The claims reserve relates to the same 9 notified incidents at the end of 2014. Only the reserves for the 2008 incident were decreased by € 58.528 after this amount was paid during the year, and therefore now amounts to € 518.346. Another € 17.558 calculated as 30% on this payment of € 58.528 was deducted from the claims provision. This deduction relates to the management decision in 2014 to create an additional reserve amounting to 30% of the total reserve for all claims notified - representing an estimate of 15% for internal claim handling costs and another 15% for external claim handling fees. The calculation of this additional reserve remains subject to an annual review.

During the financial year 2015, one new claim was advised. After a net payment of € 687, the claim file was closed, hence having no impact on the claims provision at the end of the year.

The variation in claim reserve, a decrease of € 76.087, together with total amount of claims paid amounting to € 59.216 result in a net claim surplus of € 16.871.

General expenses

General expenses increased from € 1.452.231 in 2014 to € 1.741.989 or +20% in 2015. This increase can be explained by increases in HR costs after additional staff was hired (61%), consultancy fees related to the setup for the Solvency II ORSA (Own Risk Self-Assessment) policies and a market study to check the possibilities for an increase of the ELINI capacity by means of a subordinated bond issue (28%), and IT & other general overhead costs (11%).

Investments

The total book value of the investments and liquidities increased from € 66.079.048 in 2014 to € 72.569.118 in 2015. The investment strategy of 47,5% corporate bonds, 42,5% liquidities and 10% in shares was changed to respectively 60%, 30% and 10% around mid-year, resulting in a financial income of € 9.461, unrealized capital gains not included.

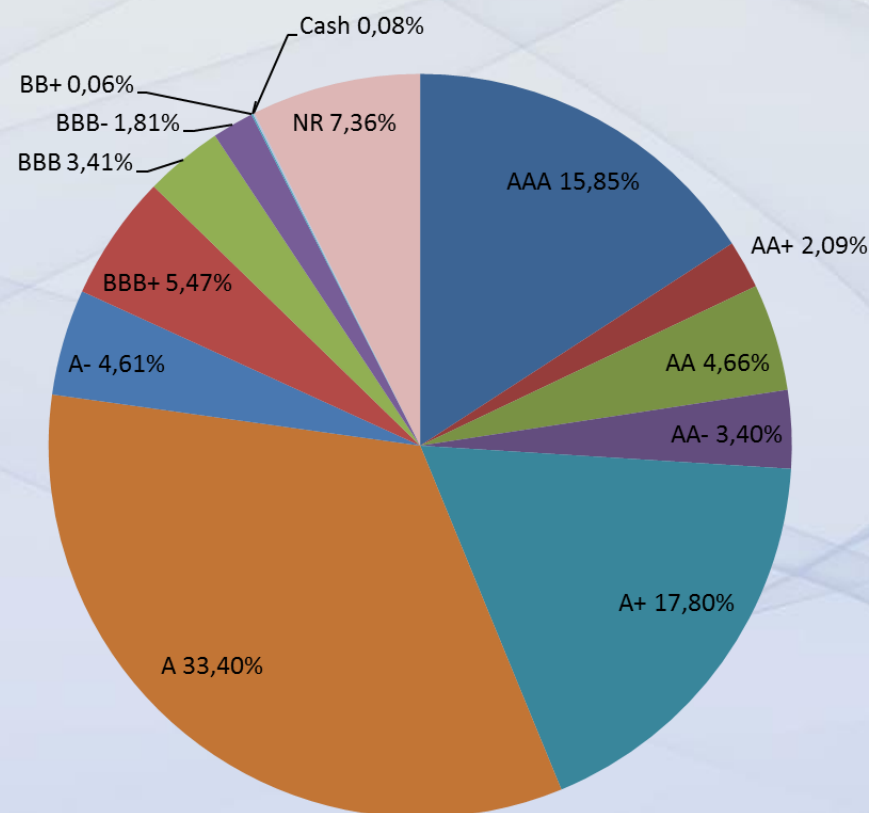
Book value and estimated fair market value of investments as of 31 December 2015 :

Euro	Unrealized capital gains/losses		
	Book value		Market value
Corporate bond funds	20.244.902	1.620.720	21.865.622
Money market funds	21.913.553	18.139	21.931.692
Fixed interest investments	5.000.000	0	5.000.000
Deposits	9.706.198	0	9.706.198
Cash	9.939.296	0	9.939.296
Equity fund	5.765.169	823.472	6.588.641
	<u>72.569.118</u>	<u>2.462.332</u>	<u>75.031.449</u>

Weighted average credit rating of the Money Market (including cash and deposits) and Bonds portfolio as of 31 December 2015 :

The overall average credit rating of the portfolio excluding equity is A+.

ELINI Total portfolio (excl. equity) credit allocation 31/12/2015



Country Allocation and average duration by investment class as of 31 December 2015.

Corporate Bond funds:

AT 1,43% • BE 1,31% • BM 0,01% • CH 1,81% • CI 0,49% • DE 14,85% • DK 0,83% • ES 7,32% • FI 1,00% • FR 19,83% • GB 6,17% • IE 0,97% • IT 5,69% • LU 0,16% • NL 7,74% • NO 1,40% • PL 0,90% • PT 0,31% • SE 2,45% • Europe others 1,07% • US 7,71% • CA 1,22% • AU 2,01% • NZ 0,14% • MX 0,68% • Latin America others 0,29% • CN 0,11% • Asia others 0,35% • AE 0,33% • Africa/Middle East others 0,27% • Supranational 10,68% • Cash 0,01%

Average duration : 4,87 years

Money Market funds:

AT 0,93% • BE 10,71% • CH 2,40% • DE 8,19% • DK 0,17% • ES 2,19% • FR 14,29% • GB 6,99% • IE 0,61% • IT 1,16% • LU 19,29% • NL 3,85% • SE 1,37% • Europe others 2,85% • US 6,00% • CA 15,91% • AU 0,55% • CN 1,13% • AE 0,46% • Africa/Middle East others 0,35% • Cash 0,36%

Average duration : 0,54 years

Equity funds:

AT 0,59% • BE 4,79% • DE 30,10% • ES 10,52% • FI 2,99% • FR 32,30% • IE 1,33% • IT 7,80% • NL 9,53% • PT 0,50% •

Overall portfolio:

Country allocation:

AT 0,80% • BE 23,11% • CH 1,73% • CI 0,14% • DE 9,91% • DK 0,30% • ES 3,84% • FI 0,55% • FR 13,74% • GB 4,31% • IE 0,62% • IT 2,76% • LU 6,97% • NL 11,17% • NO 0,41% • PL 0,26% • PT 0,14% • SE 1,21% • Europe others 1,34% • US 4,40% • CA 6,08% • AU 0,78% • NZ 0,04% • MX 0,20% • Latin America others 0,09% • CN 0,44% • Asia others 0,10% • AE 0,26% • Africa/Middle East others 0,21% • Supranational 3,11% • Cash 0,80% •

The overall average weighted duration of the portfolio (excluding equity) is 1,78 years

Result

The € 3.431.660 surplus for 2015 before allocation to the equalization fund compares with a € 4.432.743 surplus for 2014.

The technical profit for 2015 of € 3.452.977 plus the part of the financial surplus earned on the technical reserves amounting to € 4.983 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 related to the Belgian activities for 2015 of € 12.833 shall be allocated to the guarantee fund, whereas the loss of € 39.133 in the Swiss branch is deferred to the next financial year, in accordance with the local regulations.

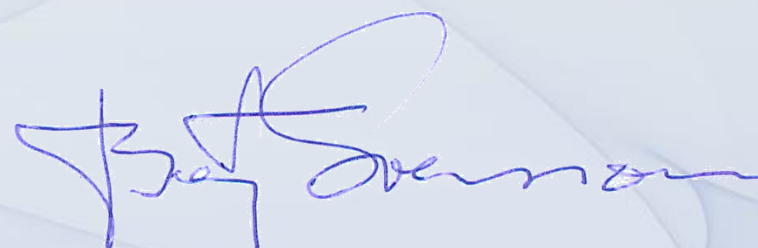
Guarantee Fund

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 € 76.540.417 compared to € 73.176.507 at the end of the previous year. The Guarantee Fund includes the subscribed but not paid capital amounting to € 4.965.984 which is due half in 2016 and the other half in 2017.

Discharge from liabilities

The Board of Directors recommends to the Annual General Meeting to grant discharge to each member of the Board of Directors and to the Statutory Auditor from all liability in respect of the exercise of their duties during the financial year 2015.

We look forward to a good operational year in 2016 and I would like to take this opportunity to thank you for your support.



Bengt Svensson
Chairman of the Board of Directors
On behalf 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 D172 and the Circulars PPB-2006-8-CPA and PPB-2007-6-CPB-CPA. All the principles are written in the document "Memorandum of good governance".

As of the 1st January 2016, being the inception date of the Solvency II regime, ELINI's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Belgian regulations by the local Supervisor.

The Board

There are currently 10 Board Members, including the Chairman and the two Vice-Chairmen, two Independent 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 composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

The actual Board of Directors has been appointed by the Annual General Meeting of April 25th 2013 (with publication in the Moniteur Belge) and will be reappointed at the General Meeting to be held April 28th 2016.

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

Board Committees

The Board of Directors has created five specialized committees being the Audit Committee, Risk Committee, Finance and Investment Advisory Committee, Legal Advisory Committee and Insurance Advisory Committee. These Committees are composed by representatives of the Members of the Association and have an advisory task.

The mission of these Committees is to analyze specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision making process remains the competence of the Board. The existence of the Committees does not decrease the responsibility of the Board as a whole.

Board and Committee Papers

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

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

Annual General Meeting

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

Internal Control

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

Control Procedures

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 (1st line of defence).

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

The internal auditor reports to the Audit committee on the effectiveness of the procedures as 3rd line of defence.

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2015

European Liability Insurance for the Nuclear Industry (E.L.I.N.I.)

To the Members

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2015 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of E.L.I.N.I. ("the company"), prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 78.016 (000) EUR and a loss for the year of 26 (000) EUR.

Board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the annual accounts of E.L.I.N.I. give a true and fair view of the company's net equity and financial position as of 31 December 2015 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, as well as for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company's compliance with the Companies Code and the company's articles of association.

As part of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- There are no transactions undertaken or decisions taken in violation of the company's articles of association or the Companies Code that we have to report to you.

Diegem, 11 March 2016

The statutory auditor
DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by



Rik Neckebroeck

Balance sheet as of 31 December 2015 and 2014

(Currency - Euro)

ASSETS	<u>31/12/2015</u>	<u>31/12/2014</u>
C. Investments		
III. Other financial investments		
1. Parts in investment funds	47.923.623	48.895.313
2. Bonds and other fixed interests	5.000.000	0
6. Term deposits	9.706.198	7.195.884
	<u>62.629.821</u>	<u>56.091.197</u>
D. bis. Part of reinsurance in the technical reserves		
I. Reserve for non-earned premiums and current risks	55.446	35.166
III. Reserve for claim receivable	1.860	1.860
	<u>57.306</u>	<u>37.026</u>
E. Receivables		
I. Receivables from direct insurance		
1. Insurers	48.379	1.979.914
2. Intermediaries	14.950	540.804
II. Receivables resulting from reinsurance	0	0
III. Other receivables	174.052	52.497
IV. Subscribed capital, not paid	4.965.984	7.448.976
	<u>5.203.366</u>	<u>10.022.191</u>
F. Other assets		
I. Tangible Assets	112.000	149.617
II. Liquidities	9.939.296	9.987.851
	<u>10.051.296</u>	<u>10.137.468</u>
G. Transitory accounts		
I. Interest and rent	74.458	75.506
	<u>74.458</u>	<u>75.506</u>
TOTAL ASSETS	78.016.247	76.363.388

Balance sheet as of 31 December 2015 and 2014

(Currency - Euro)

LIABILITIES	<u>31/12/2015</u>	<u>31/12/2014</u>
A. Equity		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	57.324.446	57.300.900
V. Retained earnings		
1. Surplus (Deficit) of the period (Belgium)	0	0
2. Surplus (Deficit) of the period (Switzerland)	-117.596	-78.463
	<u>57.206.850</u>	<u>57.222.437</u>
C. Technical reserves		
I. Reserve for unearned premiums and unexpired risks	194.578	1.932.610
III. Reserve for claim payable	771.292	847.379
V. Reserve for equalisation and catastrophes	19.333.567	15.875.607
	<u>20.299.437</u>	<u>18.655.596</u>
G. Payables		
I. Payables resulting from direct insurance business	65.882	144.815
II. Receivables resulting from reinsurance business	0	0
V. Other payables		
1. Fiscal and Social payables		
a) Property tax and VAT	23.732	14.219
b) Social payables	119.763	75.416
2. Other	109.539	177.533
	<u>318.916</u>	<u>411.982</u>
H. Transitory accounts	191.045	73.373
	<u>191.045</u>	<u>73.373</u>
TOTAL LIABILITIES	78.016.247	76.363.388

Income Statement as of 31 December 2015 and 2014

(Currency - Euro)

	<u>31/12/2015</u>	<u>31/12/2014</u>
1. Earned premiums, net of reinsurance		
a) Gross premiums	4.763.874	6.347.578
• Premiums written	4.763.874	6.347.578
• Rebates to Members	0	0
b) Reinsurance Premiums	-1.526.928	-1.264.214
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)	1.738.033	-194.340
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)	20.281	32.546
	<u>4.995.260</u>	<u>4.921.570</u>
2bis. Investment Income		
b) Income from other investments	82.710	118.013
c) Write-back of adjustments on investments	0	0
d) Realized capital gains	292.443	1.178.961
	<u>375.153</u>	<u>1.296.974</u>
3. Other technical income net of reinsurance	152.405	197.802
4. Costs of claims, net of reinsurance		
a) Net amount paid		
aa) Gross amount	-59.475	0
bb) Part of reinsurers	259	0
b) Variation of the claims services reserve, net of reinsurance		
aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +)	76.087	-195.549
bb) Variation of the reserve for claims, part of reinsurance (increase -, decrease +)	0	0
	<u>16.871</u>	<u>-195.549</u>
7. Net operating expenses (-)		
a) Acquisition expenses	-144.526	-184.467
c) Administrative expenses	-1.597.463	-1.267.763
	<u>-1.741.989</u>	<u>-1.452.231</u>

Income Statement as of 31 December 2015 and 2014

(Currency - Euro)

- continued -

	<u>31/12/2015</u>	<u>31/12/2014</u>
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-52.645	-93.052
b) Adjustments to investment values	-291.527	-11.111
c) Realized less values	-21.520	-231.638
	<u>-365.692</u>	<u>-335.801</u>
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES	3.432.008	4.432.764
9. Variation in the reserve for egalization and catastrophes, net of	-3.457.960	-3.776.172
Surplus/(DEFICIT) of the period available for Distribution	-25.952	656.592
15. Taxes	-348	-21
Result of the period	-26.300	656.570

The accompanying notes are an integral part of this income statement

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2015 AND 2014 (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 or Vienna on civil liability in the area of nuclear energy and/or specified in the national legislations of the countries where the Convention of Paris or Vienna is not applicable but follow the same principles.

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).

During the year 2015, the maximum insurance capacity of E.L.I.N.I. is 116.900.000 EUR of which:

- For those Members not using the BlueRe capacity :
 - 100% of any amount in excess of 77.500.000 EUR upto 97.500.000 EUR is reinsured by way of treaty reinsurance contract;
 - 100% of any amount in excess of 97.500.000 EUR is reinsured by way of facultative reinsurance contracts.
- For those Members using the BlueRe capacity :
 - The first layer of 30.000.000 EUR is covered by E.L.I.N.I.
 - 100% of any amount in excess of 30.000.000 EUR upto 44.600.000 EUR is reinsured by way of treaty by BlueRe;
 - 100% of any amount in excess of 44.600.000 EUR upto 92.100.000 EUR is covered by the E.L.I.N.I. capacity;
 - 100% of any amount in excess of 92.100.000 EUR upto 112.100.000 EUR is reinsured by way of treaty.
 - 100% of any amount in excess of 112.100.000 EUR upto 116.900.000 EUR is reinsured by way of facultative reinsurance contracts.

The risk for E.L.I.N.I. is limited to 77.500.000 EUR as of 31 December 2015.

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

a. Overview of the amortization rates applied

Other assets – tangible fixed assets	% per year
Software (upon evaluation executive committee by project)	20% or 33,33%
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 catastrophes 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 reduction in those securities. Such impairments 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 above-mentioned unrealized exchange gains.

f. Integration of Swiss branch:

The assets and liabilities of the Swiss branch in foreign currency are integrated at the closing foreign exchange rate of the period, while the income statement is converted at prevailing average foreign exchange rate of the related period. The difference is recorded in foreign exchange revenues and charges in the income statement.

2. GUARANTEE FUND

The Board of Directors proposes to the Annual General Meeting to allocate 12.833 EUR, the financial non-technical profit of the year 2015, to the Guarantee fund. Note that the result of the year 2015 of the Swiss branch will not be transferred to the Guarantee Fund, but will be reported separately as retained earnings (-39.133 EUR).

The evolution of the Guarantee Fund over 2015 is as follows:

Guarantee fund at 31 December 2014	57.300.900
Capitalisation members	10.713
Transfer of the Surplus of the year	12.833
<i>Guarantee fund at 31 December 2015</i>	<i>57.324.446</i>

Retained earnings at 31 December 2014	-78.463
Loss of the Swiss branch	-39.133
<i>Retained earnings at 31 December 2015</i>	<i>-117.596</i>

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 2015 and 2014, the Mutual association had invested its representative assets as follows:

	31/12/2015	31/12/2014
Investment funds	20.387.160	18.718.193
Cash	441.377	49.419
	<i>20.828.537</i>	<i>18.767.612</i>

4. RESERVE FOR EGALIZATION 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 smooth 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 77.500.000 EUR. The yearly movement however depends on the income or loss of the association before (net) investment income (exclusive the result from the Swiss Branch). 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 3.457.960 EUR for the year 2015 which brings the total reserve up to 19.333.567 EUR.

It should however be noted that at the end of 2015 the guarantee fund amounts to 57.324.446 EUR (excluding the result of the Swiss branch) and can be used to cover the obligation of the association. Additionally, the association may call under certain circumstances for additional funds of the members (article 25 of the Articles of Associations) to be used to cover the obligations of the association.

5. MANAGEMENT

The investment management of the Association is outsourced.

Reinsurance commissions refunded to E.L.I.N.I. are 67.303 EUR for 2015 and 60.450 EUR for 2014 and are deducted from the reinsurance premium charges.

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E L I N I

EUROPEAN LIABILITY
INSURANCE FOR THE
NUCLEAR INDUSTRY

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