

# BLUJERE

annual report 2014



creative scribling

Robert Piccart 2015

Annual Report 2014  
of the Board of Directors and of the  
Statutory Auditor to be presented at  
the Annual General Meeting  
on 30 April 2015

**The company (Mutual association) is incorporated in  
Luxembourg on June 17<sup>th</sup>, 2011 and governed by the modified  
Law of December 6<sup>th</sup> 1991 on the insurance sector and the  
Grand-Ducal Regulation dated December 5<sup>th</sup> 2007 issued by the  
Commissariat aux Assurances and is authorised by l'arrêté  
ministeriel of March 30<sup>th</sup> 2009 to do reinsurance.**

**Registered Office :**

**14, Syrdallstrooss, L-6850 Manternach, Luxembourg**

**Tel. +352 267 10 031**

**Fax +352 263 83 135**

## Financial Highlights

*In euro*

### Statement of Earnings

	2014	2013	2012
Net premium earned	375.031	0	0
Claims	0	0	0
Expenses and taxes	-130.620	-56.797	-236.462
Net investment result	25.649	22.206	61.522
Other income	70.000	52.500	210.000
	-----	-----	-----
Earnings before allocation to the equalisation provision	<b>340.060</b>	<b>17.909</b>	<b>35.060</b>
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-340.060	0	0
	-----	-----	-----
Earnings after distribution to reserve for equalisation and catastrophes	<b>0</b>	<b>17.909</b>	<b>35.060</b>

### Balance Sheet

Assets	7.397.703	7.084.698	6.996.895
Liabilities	-624.733	-311.728	-241.834
	-----	-----	-----
<b>Own funds</b>	<b>6.772.970</b>	<b>6.772.970</b>	<b>6.755.061</b>

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## Members

AB SVAFO  
AREVA NC  
British Energy Ltd  
Bruce Power  
CEZ a.s.  
EDF  
Electrabel SA  
Endesa  
E.ON Sverige AB  
EPZ NV  
Forsmarks Kraftgrupp AB  
Fortum Power and Heat Oy  
Kernkraftwerk Gösgen-Däniken AG  
OKG Aktiebolag  
Ontario Power Generation Inc. (OPG)  
Ringhals AB  
SCK•CEN  
SKB  
Slovenské Elektrárne a.s.  
Studsvik AB  
Teollisuuden Voima Oyj (TVO)

## **Board of Directors**

Michaël Plaschy

*Chairman*

Mikko Huopalainen

*Vice-Chairman*

Kevin Kelly

*Vice-Chairman*

Ann Geivaerts

Elena Pérez Ferreiro

Radim Sladkovský

Daniel Vanwelkenhuyzen

Caroline Verwijs

Stéphane Yvon

## Advisory Committees

### Reinsurance Advisory Committee

Daniel Vanwelkenhuyzen *Chairman*

Berndt Kockum

John Floras

Ann Geivaerts

Václav Hronek

Maria Laguna

Laura Noukka

Juan Rincón

Kitty Sinclair

Bengt Svensson

### Legal Advisory Committee

Ann Geivaerts *Chairman*

Dieter Berger

Marc Beyens

Rickard Danielsson

Etienne de Lempdes

Pablo De Mena Pernil

Henrik Hinders

Anders Ingman

Jane Lasry

Jiri Ortman

Godelieve Vandeputte

Daniel Vanwelkenhuyzen

## **Finance and Investment Advisory Committee**

Kevin Kelly  
Matts Ekman  
Bram-Paul Jobse  
Christophe Madec  
Lauri Piekkari  
Alastair Russell  
Zuzana Šípošová  
Daniel Vanwelkenhuyzen  
Marleen Vercammen

*Chairman*

## Management

### Management Committee

Danny Vanwelkenhuyzen      *Chairman*  
Ann Geivaerts  
Maria Laguna  
Marleen Vercammen

### Auditors

Deloitte Audit s.à.r.l.  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand-Duchy of Luxembourg  
*Represented by :*  
Mr. Jérôme Lecoq  
*Réviseur d'entreprises agréé*

### Actuary

Deloitte Tax & Consulting  
560, rue de Neudorf,  
L-2220 Luxembourg  
Grand-Duchy of Luxembourg  
*Represented by :*  
Mr. Thierry Flamand  
*Partner*

## Letter from the Chairman

Dear Members,

It's my pleasure to present you the Annual Report 2014 of BlueRe m.a. Luxembourg. This was the associations' third year of existence and its first year of operations.

The BlueRe capacity offered was quite limited in its first year of operations, but this capacity is nearly doubled for the year 2015, which will also result in higher premium income. Since no claims were reported, almost the total premium income was allocated to the equalization provision. As a result, total assets of our association increased by 4,5% compared to the end of 2013.

With respect to boost BlueRe's business, we are still waiting for the ratification of the Revised Paris Convention in many countries. Nevertheless, we stick to our view that starting BlueRe's operations was the best option in order to anticipate to and be ready for these future developments.

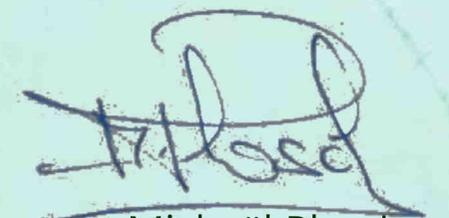
Meanwhile, BlueRe is able to grow at a moderate pace, to become an important player in the nuclear liability reinsurance market.

This year promises to be an interesting one. Not only to further develop the reinsurance business, but also because of the implementation of the Solvency II regulations which will already be in effect for the reporting of the financial statements for the full year 2015.

Financial markets were challenging but our main objectives of preserving capital and beating inflation in the euro area were however both achieved.

I thank all the members for their support and give special thanks to my fellow board members as well as to the management team for their work.

Looking forward to working with you in 2015 !



Michaël Plaschy  
*Chairman of the Board*

## **Corporate Message**

BlueRe is a mutual reinsurance association, founded in 2011 and headquartered in Luxembourg. All of the Members of the company are involved in the Nuclear sector. BlueRe focuses on the reinsurance of nuclear liability risks aiming to add genuine value to customers and brokers.

## **Leading Expertise and Experience**

We have the right team in place, underwriting and management professionals with a wealth of experience in nuclear reinsurance.

## **A Diverse, Balanced Book of Business**

Independence gives us the freedom to write the reinsurance business we want to write, a diverse book across key lines of business in different areas of the world. We can respond quickly to market movements and developments.

## **Industrial & Engineering Reinsurance**

BlueRe provides TPL reinsurance services for nuclear power plants and other nuclear projects.

## **Corporate Governance Report**

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on reinsurance.

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

### **The Board**

There are currently nine Board Members, including the Chairman, seven of them are representing the nuclear Members and two of them are members of the Management.

All of the Board Members are nominated by the General Meeting.

The Board meets four times a year and at other times as may be necessary, one of these meetings being held in Luxembourg.

### **Board Committees**

The Board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the Membership of the Board and its Advisory Committees, recommendations of the strategy to be applied to the Members of the mutual, approval of the annual operating budget.

The first committee is the Management Committee.

In addition the Board has appointed three Advisory Committees. These Committees report to the Board at each of their Meetings. The terms of reference for the Finance and Investment Advisory Committee, the Legal Advisory Committee and the Reinsurance 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 Management is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements and/or authorities.

## **Monitoring and Corrective Actions**

The Company is producing a Corporate Governance Memorandum, which will provide practical guidance for all staff.

# Report of the Board of Directors to be presented to the Annual General Meeting of 30<sup>th</sup> April 2015

Dear Member,

We are pleased to present for your approval the financial statements of BlueRe ("the Company") for its third financial year and its first year of operations, which started 1<sup>st</sup> January 2014 and ended on 31<sup>st</sup> December 2014.

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

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

Deloitte Audit Société à Responsabilité Limitée, rue de Neudorf 560, 2220 Luxembourg, has been appointed with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, and results of operations. The audit report is also included in the annual report.

## Activity

The Company was incorporated in Luxembourg on June 17<sup>th</sup>, 2011 and published in the official journal Mémorial C Recueil des Sociétés et Associations under reference number 2284 on September 27<sup>th</sup>, 2011.

The agreement from Commissariat aux Assurances was published December 20<sup>th</sup>, 2011 by "*Arrêté Ministériel*".

As from 1<sup>st</sup> January 2014, BlueRe started its re-insurance activity with a total reinsurance capacity of € 8.440.000.

## **Earned contributions**

The contributions written are reflected as net contributions written in Profit and Loss account. Unearned contributions represent the portion of contributions written, which are related to the next accounting years.

Net contributions amounted to € 375.031 in 2014, all from ELINI. Seven Members are using the BlueRe capacity.

## **Claims**

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

At December 31<sup>st</sup>, 2014 no provisions were made.

## **General expenses**

The general expenses in 2014 amount to € 108.908 and compare to € 35.297 in 2013. Part of the increase is due to acquisition costs on the reinsurance business amounting to € 10.063. The increase in administrative expenses is mainly due to an increase in audit-, actuarial- and consultancy fees, higher D&O insurance costs, and the costs related to the Members Meetings.

Those Members not using the BlueRe reinsurance capacity have contributed for a total of € 70.000 in the administration fees during 2014.

## **Investments**

The total book value of the investments and cash amounts to € 7.353.572.

The market value of the investments and cash is € 7.357.972. The unrealized gains are not included in the income statement.

The investment strategy at year end remained at 100% money market products and cash investments, resulting in a net financial income of € 25.649 during the financial year. The unrealised gains at the end of the financial year amount to € 4.400.

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

Credit rating and duration classified by investment product as of December 31st 2014

<i>Euro</i>	<u>Credit ratings</u>	<u>Duration</u>
Money market funds	AAA rated fund	0,19 year
Deposits & Cash	A	0,01 year

Country Allocation classified by investment class as of December 31st, 2014

Money market funds:

AE 0,58% • AU 3,94% • BE 5,86% • CH 3,4% • CI 1,17% • CN 2,47% • DE 7,03% • Europe others 23,75% • FI 1,04% • FR 23,32% • GB 7,11% • JP 0,54% • LU 3,25% • NL 9,3% • SE 4,82% • US 2,42%

## **Result**

The surplus before allocation and after taxes for the year 2014 amounts to € 340.060.

This entire amount will be allocated to the equalization provision in accordance with the regulations applicable to reinsurance companies (The Grand Ducal Regulation of 5 December 2007 and article 99 of the modified law of 6 December 1991).

The Board of Directors proposes to the Annual General Meeting that no surplus will be allocated to the guarantee fund.

## **Guarantee Fund**

As at December 31<sup>st</sup>, 2014 the subscribed capital of € 3.600.000 and the additional contributions of € 3.120.000 constitute together a fund of € 6.720.000. The profit brought forward amounts to € 52.970.

The difference in subscribed capital and the additional contributions compared to the previous financial year, is the result of the AGM decision of 24<sup>th</sup> April, 2014 to reallocate the amount of € 200.000 of the equivalent fund to the subscribed capital in order to align the subscribed capital of the Company with the actual requirement in terms of minimum guarantee fund following the Grand-Ducal Regulation of December 5<sup>th</sup>, 2007 as amended.

## Others

No research and development activities incurred.

BlueRe does not face abnormal price, credit or liquidity risks.

BlueRe has not purchased any of its own shares during the year and does not hold any own shares at this time.

BlueRe does not have any branches or subsidiaries.

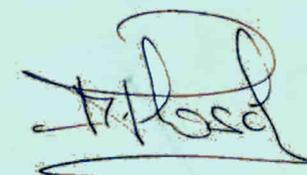
No event, nor decisions of any importance that could have any influence on the continuation of the activities of BlueRe have occurred subsequently to year-end.

Based on the elements in our possession, BlueRe should continue a positive development in 2015.

## Recommendations

We propose that you

- Approve the annual accounts as at December 31<sup>st</sup>, 2014 as presented;
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended;
- Grant discharge to the Statutory Auditor;
- Appoint a statutory auditor.



Michael Plaschy  
Chairman of the Board of Directors  
*On behalf of the Board of Directors*

# REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Members of  
BlueRe m.a.  
Association d'Assurance Mutuelle  
14, Syrdallstrooss  
L-6850 Manternach

## Report on the annual accounts

Following our appointment by the General Meeting of Members dated April 24, 2014, we have audited the accompanying annual accounts of BlueRe m.a., which comprise the balance sheet as at December 31, 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Responsibility of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the réviseur d'entreprises agréé*

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 as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 *réviseur d'entreprises agréé's* judgement, 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 *réviseur d'entreprises agréé* considers internal control relevant to the entity'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 entity'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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

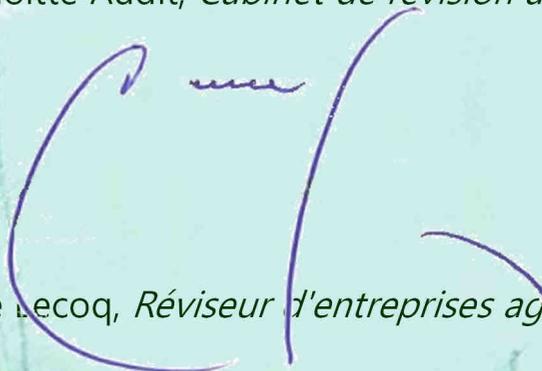
### *Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of BlueRe m.a. as of December 31, 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

### **Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*

  
Jérôme Lecoq, *Réviseur d'entreprises agréé*  
Partner

March 24, 2015

BlueRe m.a.  
Association d'Assurance Mutuelle  
BALANCE SHEET  
As of December 31, 2014  
(in Euro)

<b>ASSETS</b>	<b>Note(s)</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>Investments</b>	3.2,4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		1.765.441,14	1.765.441,14
Deposits with credit institutions		5.000.000,00	5.000.000,00
		<b>6.765.441,14</b>	<b>6.765.441,14</b>
<b>Debtors</b>	3.3		
Other debtors		36.890,00	8.898,35
		<b>36.890,00</b>	<b>8.898,35</b>
<b>Other assets</b>			
Cash at bank and in hand		588.131,22	299.223,50
		<b>588.131,22</b>	<b>299.223,50</b>
<b>Prepayments and accrued income</b>			
Accrued interest and rent		6.553,28	11.135,03
Deferred acquisition costs	3.4	687,00	0,00
		<b>7.240,28</b>	<b>11.135,03</b>
<b>TOTAL ASSETS</b>		<b>7.397.702,64</b>	<b>7.084.698,02</b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
**BALANCE SHEET**  
As of December 31, 2014  
(in Euro)  
- continued -

<b>LIABILITIES</b>	<b>Note(s)</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>Capital and reserves</b>	5		
Subscribed capital		3.600.000,00	3.400.000,00
Equivalent funds		3.120.000,00	3.320.000,00
Profit brought forward		52.969,76	35.060,40
Profit for the financial year		0,00	17.909,36
		<b>6.772.969,76</b>	<b>6.772.969,76</b>
<b>Technical provisions</b>	3.5		
Provision for unearned premiums		27.479,00	0,00
Equalisation provision		340.059,83	0,00
		0,00	0,00
		<b>367.538,83</b>	<b>0,00</b>
<b>Creditors</b>	3.3, 6		
Other creditors, including tax and social security		62.081,55	134.478,26
		<b>62.081,55</b>	<b>134.478,26</b>
<b>Accruals and deferred income</b>		<b>195.112,50</b>	<b>177.250,00</b>
<b>TOTAL LIABILITIES</b>		<b>7.397.702,64</b>	<b>7.084.698,02</b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
PROFIT AND LOSS ACCOUNT  
For the year ended December 31, 2014  
(in Euro)

	Note(s)	31.12.2014	31.12.2013
<b>TECHNICAL ACCOUNT NON-LIFE</b>			
INSURANCE BUSINESS			
<b>Earned premiums</b>			
Gross premiums written	7	402.510,00	0,00
Change in the gross provision for unearned premiums		(27.479,00)	0,00
		<b>375.031,00</b>	<b>0,00</b>
<b>Allocated investment return transferred from the non-technical account</b>			
	13	(25.649,03)	(22.205,97)
		<b>(25.649,03)</b>	<b>(22.205,97)</b>
<b>Net operating expenses</b>			
Acquisition costs		(10.063,00)	0,00
Change in deferred acquisition costs		687,00	0,00
Administrative expenses	11, 12	(99.532,46)	(35.296,57)
		<b>(108.908,46)</b>	<b>(35.296,57)</b>
Change in the equalisation provision		(340.059,83)	0,00
		<b>(340.059,83)</b>	<b>0,00</b>
<b>Balance on the technical account for non-life business</b>		<b>(48.288,26)</b>	<b>(13.090,60)</b>

The accompanying notes form an integral part of these annual accounts.

Association d'Assurance Mutuelle  
**PROFIT AND LOSS ACCOUNT**  
 For the year ended December 31, 2014  
 (in Euro)

	Note(s)	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>NON-TECHNICAL ACCOUNT</b>			
<b>Balance on the technical account for non-life insurance business</b>		<b>(48.288,26)</b>	<b>(13.090,60)</b>
<b>Investment income</b>		<b>25.673,89</b>	<b>23.969,45</b>
Income from other investments	8	25.673,89	22.567,48
Gains on the realisation of investments		0,00	1.401,97
<b>Investment charges</b>		<b>(24,86)</b>	<b>(1.763,48)</b>
Investment management charges, including interest		(24,86)	(1.763,48)
<b>Allocated investment return transferred from the non-technical account</b>	<b>13</b>	<b>(25.649,03)</b>	<b>(22.205,97)</b>
<b>Other income</b>	<b>5</b>	<b>70.000,00</b>	<b>52.500,00</b>
Tax on profit on ordinary activities	9	(4.441,74)	(5.835,04)
<b>Profit on ordinary activities after tax</b>		<b>17.270,00</b>	<b>33.574,36</b>
Other taxes not shown under the preceding items	9	(17.270,00)	(15.665,00)
<b>Profit for the financial year</b>		<b><u>0,00</u></b>	<b><u>17.909,36</u></b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2014

**NOTE 1 - GENERAL**

BlueRe m.a. ("the Company"), was incorporated in Luxembourg as a "mutual association" on June 17, 2011 and is governed by the modified Law of December 6, 1991 on the insurance business as amended and the Grand-Ducal Regulation dated December 5, 2007 issued by the Commissariat aux Assurances.

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

The object of the Company is to carry out reinsurance activities, excluding all direct insurance operations in the Grand-Duchy of Luxembourg as well as in any other country in which the Company has members and/or where these members have their activities.

The Company has been authorized by the Minister on December 20, 2011. Nevertheless, the Company has started to carry out reinsurance activities as from January 1, 2014.

**NOTE 2 - PRESENTATION OF THE ANNUAL ACCOUNTS**

The annual accounts have been prepared in conformity with the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings, and with the accounting policies generally accepted within the insurance and reinsurance industry in Luxembourg. The accounting policies and the valuation rules are, except for those which are imposed by the law or the Commissariat aux Assurances, determined and applied by the Board of Directors.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2014  
- continued -

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by the Company are as follows:

3.1. Foreign currency translation

The Company maintains its accounts in Euro ("EUR") and the annual accounts are expressed in this currency.

The accounts denominated in foreign currency of the profit and loss account are converted in EUR on a monthly basis using the exchange rate in force at the last day of the previous month.

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

Exchange gains and losses are recorded in the profit and loss account.

3.2. Investments

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

Shares and other variable-yield transferable securities and units in unit trusts are valued at their acquisition costs. The incidental costs are expensed as incurred. Unrealized losses are recorded on the income statement if there will be a permanent reduction in the value of these securities. In this case, the security will be depreciated to its lower value.

Permanent impairments are determined based on the two following conditions:

- Market value must be below book value for a period uninterrupted of 12 months;
- And the decrease in market value should be at least equal to 20% of the book value at the end of that period.

*Deposits with credit institutions*

Deposits are stated at their nominal value at year-end.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2014  
- continued -

3.3. Debtors and creditors

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally unrecoverable. The value adjustments are not maintained when the reasons for which they were made cease to apply.

Creditors are recorded under liabilities at their reimbursement value. If the amount paid exceeds the initial amount, the resulting difference is reflected in the profit and loss account at the date of settlement.

3.4. Deferred acquisition costs

Acquisition costs related to non-life insurance policies are deferred according to a method compatible with that used for unearned premiums.

3.5. Technical provisions

The Company constitutes technical provisions based on contributions relating to its active, non expired outstanding treaties at the end of the accounting year.

The provision for unearned premiums consists of the amount representing the part of the premium which is to be allocated to the subsequent financial year(s). It is computed on a contract by contract basis.

The equalisation provision comprises amounts set aside in accordance with legal and administrative requirements to equalise fluctuations in loss ratios in future years or to provide for special risks.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2014  
- continued -

3.6. Taxes

Taxes are accounted for on an accrual basis.

**NOTE 4 - INVESTMENTS**

The actual value of investments is as follows:

<b>EUR</b>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Shares and other variable-yield transferable securities and units in unit trusts	1.769.840,99	1.767.124,69
Deposits with credit institutions	5.000.000,00	5.000.000,00
	<u><b>6.769.840,99</b></u>	<u><b>6.767.124,69</b></u>

As at December 31, 2014, the Board of Directors of the Company believes that there is no permanent impairment on shares and other variable-yield securities and units in unit trusts.

**NOTE 5 - SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS**

The subscribed capital of the Company amounts to EUR 3.600.000 and has been contributed in 2011 for EUR 3.200.000 by 21 members.

At the Annual General Meetings of Members dated April 25, 2013 and April 24, 2014, it was agreed to reallocate an amount of EUR 200.000 each of the equivalent funds to the subscribed capital in order to align the subscribed capital of the Company with the actual requirements in terms of minimum guarantee fund following the Grand-Ducal Regulation of December 5, 2007 as amended.

The equivalent funds amounting to EUR 3.120.000 consist in additional amounts which were contributed by its 21 members.

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As at December 31, 2014, the subscribed capital and the equivalent funds can be split between the members as follows:

	<b>Allocation as at December 31, 2014</b>	<b>Allocation as at December 31, 2013</b>
	<b>EUR</b>	<b>EUR</b>
AREVA	320.000,00	320.000,00
British Energy Limited	320.000,00	320.000,00
Bruce Power Inc.	320.000,00	320.000,00
CEZ a.s.	320.000,00	320.000,00
EDF S.A.	320.000,00	320.000,00
Electrabel S.A.	320.000,00	320.000,00
Endesa S.A.	320.000,00	320.000,00
E.ON Sverige AB	320.000,00	320.000,00
EPZ N.V.	320.000,00	320.000,00
Forsmarks Kraftgrupp AB	320.000,00	320.000,00
Fortum Power and Heat OY	320.000,00	320.000,00
KKW Gösgen Däniken AG	320.000,00	320.000,00
OKG Aktiebolag	320.000,00	320.000,00
Ontario Power Generation Inc	320.000,00	320.000,00
Ringhals AB	320.000,00	320.000,00
SCK•CEN	320.000,00	320.000,00
Svensk Kärnbräns-lehantering	320.000,00	320.000,00
Slovenské Elektrárne a.s.	320.000,00	320.000,00
Studsvik AB	320.000,00	320.000,00
SVAFO AB	320.000,00	320.000,00
TVO	320.000,00	320.000,00
	<b>6.720.000,00</b>	<b>6.720.000,00</b>

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For the year ended December 31, 2014, the 14 members not using the BlueRe reinsurance capacity have collectively paid administration fees amounting in aggregate to EUR 70.000 related to the administrative costs of the Company. These administration fees are accounted for under "other income" in the profit and loss account.

**NOTE 6 – CREDITORS**

All creditors become due and payable in less than one year.

**NOTE 7 – GROSS PREMIUMS WRITTEN**

Gross premiums written by the Company relate to non-life business only and for the class Third Party Liability.

**NOTE 8 - INCOME FROM OTHER INVESTMENTS**

For the year ended December 31, 2014, income from other investments mainly includes interest on deposits with credit institutions, amounting to EUR 25.673,89 (2013: EUR 22.552,15).

**NOTE 9 – TAXATION**

The Company is subject to income and net worth taxes applicable in the Grand-Duchy of Luxembourg to *Sociétés Anonymes*.

Taxes other than income taxes are disclosed under the caption "other taxes not shown under the preceding items" in the profit and loss account.

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As at December 31, 2014  
- continued -

**NOTE 10 - PERSONNEL EMPLOYED DURING THE YEAR**

For the year ended December 31, 2014, the Company did not employ any staff members (2013: nil).

**NOTE 11 - REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS**

The Company did not grant remuneration to members of its supervisory bodies for the services rendered during the year. Previous year nothing was granted either. The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2014.

For the year ended December 31, 2014, the Company did not grant advances or credits to the members of its supervisory bodies.

**NOTE 12 - FEES PAYABLE TO THE AUDIT FIRM**

Fees charged to the Company by the *réviseur d'entreprises agréé* and its respective entire network is analysed as follows:

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Annual audit fees (VAT excl.)	6.000,00	6.000,00
	<b><u>6.000,00</u></b>	<b><u>6.000,00</u></b>

Fees are shown on an accrual basis for the year.

For the year ended December 31, 2014, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular Letter 09/2 issued by the Commissariat aux Assurances, as amended.

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**NOTE 13 - ALLOCATED INVESTMENT RETURN**

In accordance with Article 55 of the modified Law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the whole investment income, net of corresponding charges, to the non-life insurance technical account.

**NOTE 14 - OTHER REGULATORY REQUIREMENTS**

At all times, the Company must have an adequate solvency margin to cover the requirements in respect of the Grand-Ducal regulation dated December 5, 2007, specifying the conditions governing authorisation and pursuit of reinsurance business in Luxembourg, as amended.

Following the prescribed calculation, the solvency margin requirements applicable to the Company at December 31, 2014 amount to EUR 3.400.000.

**NOTE 15 - PARENT COMPANY**

As there is no other mutual/company entitled to, de jure or de facto, exert a deciding influence on the appointment of the majority of the Directors or on the orientation of the Management, the Company cannot be considered as a subsidiary of any other entity and consequently is not included into consolidated financial statements and is exempt to prepare consolidated annual accounts under Luxembourg legislation.

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**BlueRe m.a.**

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