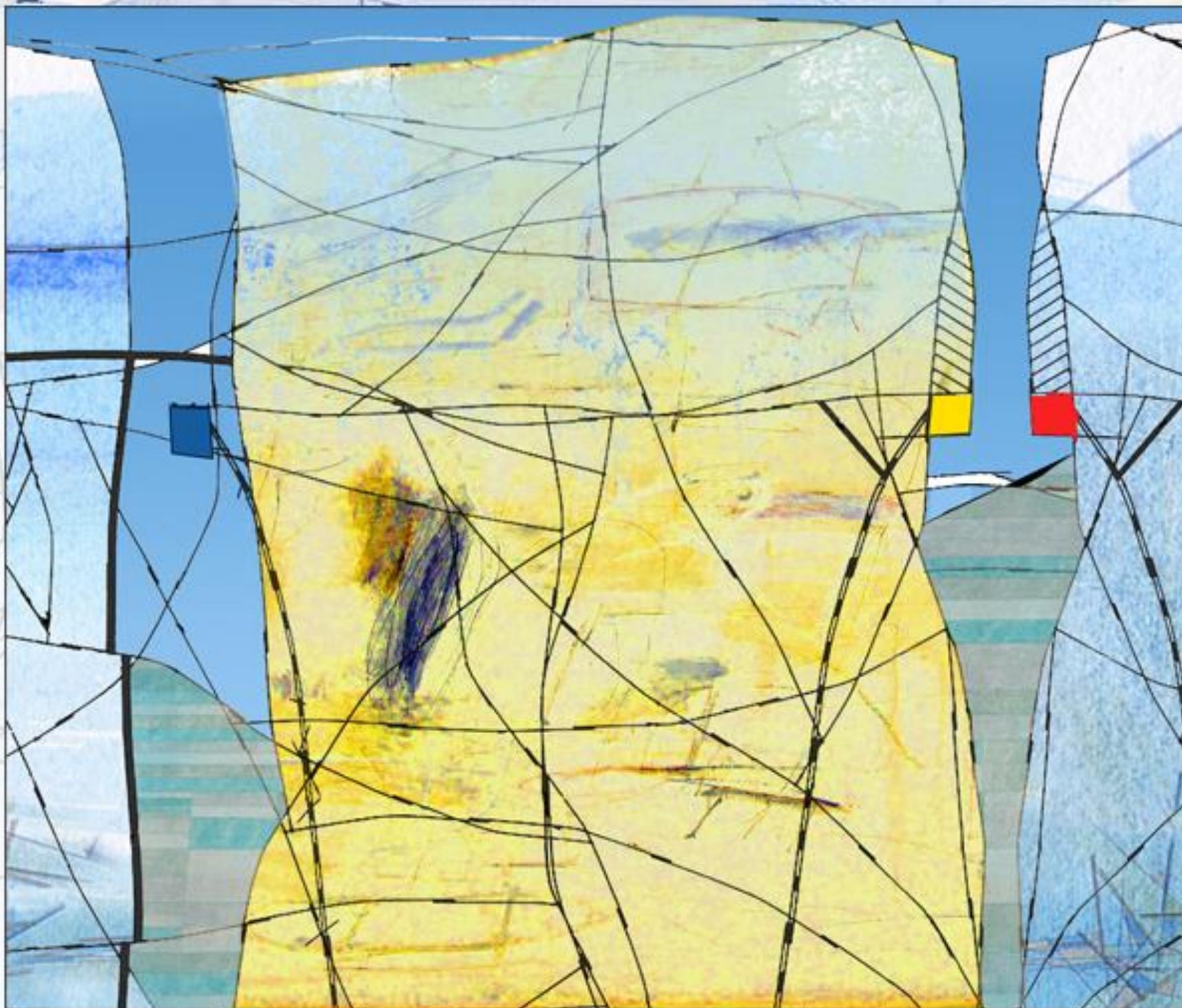




Blue Re
annual report 2017



joy / scribbling a landscape

R. PICCART 2018

Annual Report 2017
of the Board of Directors and of the
Statutory Auditor to be presented at
the Annual General Meeting
on 26 April 2018

**The company (Mutual association) is incorporated in
Luxembourg on June 17th, 2011 and is governed by the
modified Law of December 7th 2015 on the insurance sector ,
the Grand-Ducal Regulation dated December 5th 2007 and the
Regulation 15/03 of December 7th 2015 issued by the
Commissariat aux Assurances and is authorised by l'arrêté
ministériel of December 20th 2011 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

	2017	2016	2015	2014	2013
Net premium earned	1.226.828	1.068.864	656.569	375.031	0
Claims	0	0	0	0	0
Expenses and taxes	-211.278	-195.049	-213.940	-130.620	-56.797
Net investment result	18.308	22.427	26.034	25.649	22.206
Other income	55.000	70.000	227.500	70.000	52.500
	-----	-----	-----	-----	-----
Earnings before allocation to the equalisation provision	1.088.858	966.242	696.163	340.060	17.909
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-1.088.858	-966.242	-696.163	-340.060	0
	-----	-----	-----	-----	-----
Earnings after distribution to reserve for equalisation and catastrophes	0	0	0	0	17.909

Balance Sheet

Assets	9.958.060	8.868.249	7.928.423	7.397.703	7.084.698
Liabilities	-3.185.090	-2.095.279	-1.155.453	-624.733	-311.728
	-----	-----	-----	-----	-----
Own funds	6.772.970	6.772.970	6.772.970	6.772.970	6.772.970

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Members

AB SVAFO

British Energy Ltd

Bruce Power LP

ČEZ a.s.

EDF

Electrabel SA

Elektricitets-Produktiemaatschappij Zuid-Nederland (EPZ)

Endesa

Forsmarks Kraftgrupp AB

Fortum Power and Heat Oy

Kernkrafwerk Gösgen-Däniken AG

OKG Aktiebolag

Ontario Power Generation (OPG)

Orano

Ringhals AB

SCK•CEN

Slovenské Elektrárne a.s.

Studsvik AB

Svensk Kärnbränslehantering AB (SKB)

Sydskraft Nuclear Power AB

Teollisuuden Voima Oyj (TVO)

Board of Directors *

M. Plaschy

Chairman

M. Huopalainen

Vice-Chairman

S. Guerrero Miro

P. Haenecour

A. Ingman

B. Kockum

J. Tasker

J.D. Treillard

D. Vanwelkenhuyzen

S. Yvon

M. Zenáhlik

* status at the time of the Annual General Meeting

Advisory Committees *

Reinsurance Advisory Committee

D. Vanwelkenhuyzen *Chairman*

A. De Bruycker

S. Guerrero-Miro

P. Haenecour

V. Hronek

J. Javanainen

B. Kockum

M. Laguna

K. Sinclair

B. Svensson

J.D. Treillard

Legal Advisory Committee

J.D. Treillard *Chairman*

R. Danielsson

P. De Mena Pernil

S. Elhaut

J. Lasry

J. Ortman

C. Palmgren

A. Sandberg

G. Vandeputte

D. Vanwelkenhuyzen

* status at the time of the Annual General Meeting

Advisory Committees *

Finance and Investment Advisory Commi

J. Machtelinckx *Chairman ad hoc*
B.P. Jobse
C. Madec
L. Piekkari
A. Roefs
A. Russell
Z. Šípošová
D. Vanwelkenhuyzen
M. Vercammen

Internal Auditor

W. Gemis

Risk Management Officer

I. Annezer

Compliance Officer

A. Roefs

* status at the time of the Annual General Meeting

Management *

Management Committee

D. Vanwelkenhuyzen *Chairman*
M. Laguna
J. Machtelinckx
A. Roefs

Auditors

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

Actuarial function

G. Levavasseur

* status at the time of the Annual General Meeting

Letter from the Chairman

Dear Members,

It's my pleasure to present you the Annual Report 2017 of BlueRe m.a. Luxembourg. This was the associations' sixth year of existence and its fourth year of operations.

The year 2017 was again a successful year for BlueRe. Although the reinsurance capacity only slightly increased from 22,7 million EUR in 2016 to 23 million Euros in 2017, the net earned contributions increased almost 15% to 1.227.000 Euros. This increase can be explained by the increased capacity on the one hand and three Swiss Members who started to use the BlueRe reinsurance capacity as from the beginning of 2017 on the other hand. This means that already ten out of twenty-one Members are now reinsured with BlueRe.

Since the start of operations, the BlueRe capacity offered has grown steadily from 8,8 million in 2014 to 23 million Euros in 2017. For 2018, it was agreed to offer 27 million Euros to the Members.

Since no claims were reported, the bulk of the premium income could have been allocated to the equalization provision (+ 1.089.000 EUR). As a result, total assets of our association increased by over 12% compared to the previous year end.

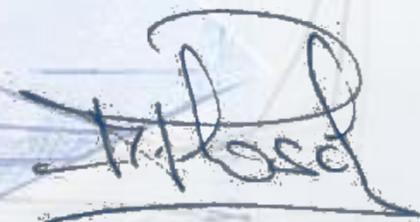
Our aim remains to meet this Members' growing demand for higher capacity as much as possible while working to improve the capital basis of our association.

The yield on financial assets was calculated at -0,96% well underperforming the benchmark of Euro Area inflation which came out at +1,4%. This negative result is totally due to negative returns in fixed income investments. It remains a challenge to pick yields in markets with negative interest rates, rising inflation and central banks with a wait-and-see attitude. BlueRe however maintains its prudent approach of capital preservation and will keep the bulk of its assets invested in money market products.

We continue to work hard to develop BlueRe steadily to become a fully-fledged reinsurance company that can offer an ever-increasing added value to its Members. Some new processes like Solvency II or GDPR can be seen as important challenges for our still pretty new company, but the entire BlueRe team is facing such requirements with very high competencies.

I would like to 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 keep on working with you all in 2018 !



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 and enable the Mutual to comply with the circular LC14/5 carrying modifications of the circular letter modified 99/6 relative to the annual report of the companies of reinsurance.

Following the new EU-wide regulatory regime of Solvency, BlueRe's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Luxembourg regulations by the C.A.A. The Solvency Financial condition report (SFCR) can be found on our website.

All the principles are written in the document "Memorandum of good governance". In addition, the Management Committee presents annually to the Board the Report on internal control.

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

The Board

There are currently eleven Board Members, eight of them are representing the nuclear Members, one is an independent Director and two are members of the Management.

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 Board meets four times a year.

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

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 budget.

In addition, the Board has appointed 3 specific Advisory Committees being the Finance and Investment Advisory Committee, the Legal Advisory Committee and the Reinsurance Advisory Committee. These Committees are composed out of representatives of the Members of the Association.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision-making process remains in the hands of the Board. Therefore, the existence of the Committees does not replace the responsibility of the Board.

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 off 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 Management Committee is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements.

Monitoring and Corrective Actions

The Mutual has a Procedures Manual which provides practical guidance for all staff (1st line of defense).

The second line of control performed 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 being the 3rd line of defense.

Report of the Board of Directors to be presented to the Annual General Meeting of April 26th, 2018

Dear Member,

We are pleased to present for your approval the financial statements of BlueRe ("the Company") for its sixth financial year and its fourth year of operations, which started January 1st, 2017 and ended on December 31st, 2017.

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 17th, 2011 and published in the official journal *Mémorial C Recueil des Sociétés et Associations* under reference number 2284 on September 27th, 2011.

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

As from January 1st, 2014, BlueRe started its re-insurance activity with a total reinsurance capacity of € 8.440.000. Reinsurance capacity increased over the years to € 14.600.000 in 2015, € 22.700.00 in 2016 and € 23.000.000 in 2017.

Earned contributions

The contributions written are reflected as net contributions written in the Profit and Loss account. Unearned contributions represent the portion of contributions written, which are related to the next accounting year. The acquisition costs are listed separately as part of the net operating expenses. The deferred acquisition costs relate to unearned premiums and are transferred to the next financial year.

Net earned contributions amounted to € 1.226.828 in 2017 compared to € 1.068.864 in 2016, all from ELINI. Already ten Members used the BlueRe capacity, a number that gradually increased from seven when BlueRe started its activities in 2014.

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 31st, 2017, no provisions were taken as no incidents have been reported.

General expenses

The general expenses in 2017 amount to € 178.826 and compare to € 171.892 in 2016. Acquisition costs related to the financial year increased from € 26.697 in 2016 to € 29.495 as a result of the higher capacity offered and the consequent higher premium amount. Other small increases in administrative expenses can be found in travel expenses and consultancy fees.

Those Members not using the BlueRe reinsurance capacity at the beginning of the year have contributed for a total of € 55.000 in the administration fees, a decrease of € 15.000 compared to 2016 as three extra Members used the BlueRe capacity throughout the year.

Investments

The total book value of the investments and cash amounts to € 9.865.615.

The market value of the investments and cash is € 9.795.933, accrued interest not included.

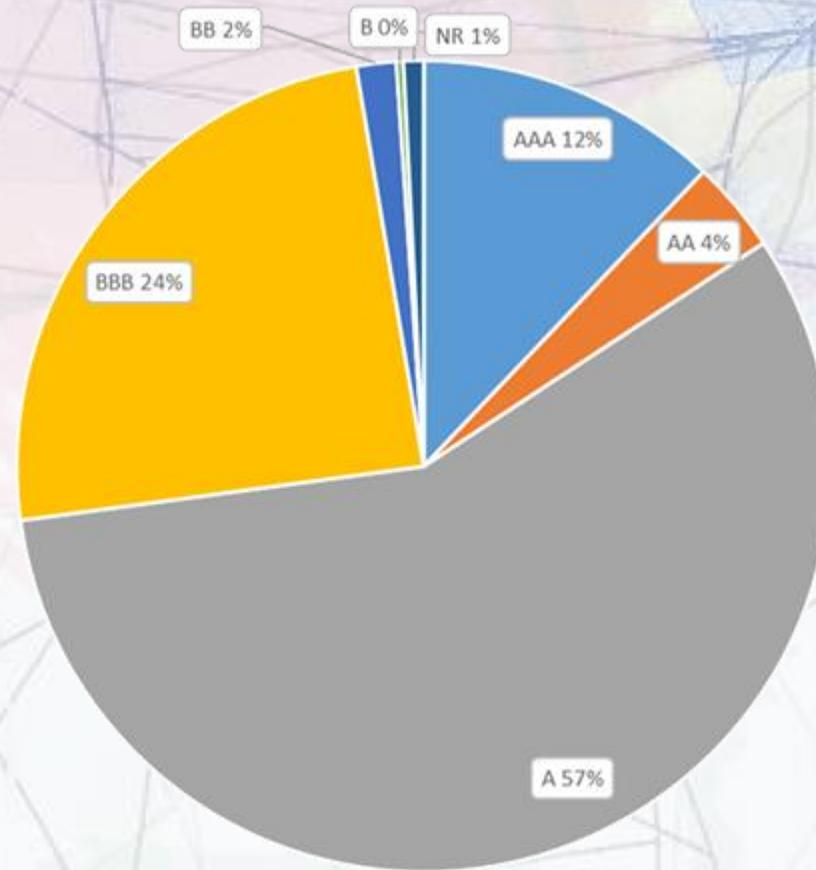
The investment strategy at year end was 50% investments in cash and money market products and 50% in fixed income products, compared to 70% investments in cash and money market products and 30% in fixed income products the previous year. These investments resulted in a realized net financial income of € 18.308 during the financial year. The unrealised losses at the end of the financial year, amounting to € -69.682, are not included in the income statement. This negative result is fully attributable to the fixed income part of the portfolio.

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, 2017

- The overall weighted average credit rating of the portfolio is A.

BlueRe Credit quality of total portfolio 31/12/2017



- Country Allocation on the overall portfolio as of December 31st, 2017.

BE 0,47% • CA 1,11% • CN 0,60% • DE 4,96% • DK 0,02% • ES 0,31% • FI 0,04% • FR 1,69% • GB 1,69% • IE 0,05% • IT 0,29% • LU 54,75% • NL 1,09% • NO 0,80% • Europe others 0,08% • US 10,69% • MX 0,28% • AU 1,22% • JP 0,21% • Asia others 19,59

- The overall average weighted duration of the portfolio is 3,13 years
- Breakdown of credit quality and duration by asset class :

	Credit rating (weighted average)	Duration (weighted average)
Money market products	A	0,90 year
Fixed income funds	A	5,70 year
Deposits & Cash	A	0,00 year

Result

The surplus before allocation and after taxes for the year 2017 amounts to € 1.088.858 and compares to € 966.242 for 2016.

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

Following the above-mentioned regulation, the Board of Directors proposes to the Annual General Meeting allocating no surplus to the Guarantee Fund.

Guarantee Fund

As at December 31st, 2017 the subscribed capital of € 3.600.000 and the additional contributions of € 3.172.970 constitute together a fund of € 6.772.970.

The equalization reserve at the end of the year amounts to € 3.091.323 compared to € 2.002.465 at the end of 2016.

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 2018.

Recommendations

We propose that you

- Approve the annual accounts as at December 31st 2017 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



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 Audit of the Annual Accounts

Opinion

We have audited the annual accounts of BlueRe m.a. (the "Company"), which comprise the balance sheet as at December 31, 2017, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at December 31, 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier (CSSF)*. Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Annual accounts" section of our report. We are also independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Based on our professional judgment, we have determined that there are no Key Audit Matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Directors' report but does not include the annual accounts and our report of the *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance 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 and presentation 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.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the annual accounts

The objectives of our audit are to obtain a reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as *Réviseur d'Entreprises Agréé* by the General Meeting of the Members on April 27, 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The Directors' report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014, on the audit profession were not provided and that we remain independent of the Company in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



Jérôme Lecoq, *Réviseur d'Entreprises Agréé*
Partner

March 30, 2018

BlueRe m.a.
Association d'Assurance Mutuelle
BALANCE SHEET
As at 31.12.2017
(in EUR)

ASSETS	Note(s)	31.12.2017	31.12.2016
Investments	3.2, 4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		4.657.644,45	2.348.034,80
Debt securities and other fixed income transferable securities		5.070.000,00	5.000.000,00
		9.727.644,45	7.348.034,80
Debtors	3.3		
Debtors arising out of reinsurance operations		0,00	5.000,00
Other debtors		38.359,02	36.890,00
		38.359,02	41.890,00
Other assets			
Tangible assets and stocks	3.4	52.590,27	44.968,07
Cash at bank and in hand		137.970,16	1.390.584,62
		190.560,43	1.435.552,69
Prepayments and accrued income			
Accrued interest and rent		221,49	6.717,81
Deferred acquisition costs	3.5	603,90	1.191,62
Other prepayments and accrued income		670,69	34.861,69
		1.496,08	42.771,12
TOTAL ASSETS		9.958.059,98	8.868.248,61

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

BlueRe m.a.
Association d'Assurance Mutuelle
BALANCE SHEET
As at 31.12.2017
(in EUR)
- continued -

LIABILITIES	Note(s)	31.12.2017	31.12.2016
Capital and reserves	5		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		3.172.969,76	3.172.969,76
Profit for the financial year		0,00	0,00
		6.772.969,76	6.772.969,76
Technical provisions	3.6		
Provision for unearned premiums		24.139,97	47.659,09
Equalisation provision		3.091.322,56	2.002.464,87
		3.115.462,53	2.050.123,96
Creditors	3.3, 6		
Other creditors, including tax and social security		40.346,14	20.208,84
		40.346,14	20.208,84
Accruals and deferred income		29.281,55	24.946,05
TOTAL LIABILITIES		9.958.059,98	8.868.248,61

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 31.12.2017
(in EUR)

	Note(s)	31.12.2017	31.12.2016
TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS			
Earned premiums			
Gross premiums written	7	1.203.309,00	1.068.368,00
Change in the gross provision for unearned premiums		23.519,12	495,78
		1.226.828,12	1.068.863,78
Allocated investment return transferred from the non-technical account	13	18.307,55	22.427,16
Net operating expenses			
Acquisition costs		(30.083,00)	(26.709,00)
Change in deferred acquisition costs		(587,72)	(12,25)
Administrative expenses	11, 12	(148.155,44)	(145.170,58)
		(178.826,16)	(171.891,83)
Change in the equalisation provision		(1.088.857,69)	(966.241,87)
Balance on the technical account for non-life business		(22.548,18)	(46.842,76)

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 31.12.2017
 (in EUR)
 - continued -

	Note(s)	31.12.2017	31.12.2016
NON-TECHNICAL ACCOUNT			
Balance on the technical account for non-life insurance business		(22.548,18)	(46.842,76)
Investment income		22.370,19	29.181,73
Income from other investments	8	17.674,71	29.181,73
Gains on the realisation of investments		4.695,48	0,00
Investment charges		(4.062,64)	(6.754,57)
Investment management charges, including interest		(4.062,64)	(6.754,57)
Allocated investment return transferred to the non-life insurance technical account	13	18.307,55	22.427,16
Other income	5	55.000,00	70.000,00
Tax on profit on ordinary activities	9	(14.361,82)	(4.997,24)
Profit on ordinary activities after tax		18.090,00	18.160,00
Other taxes not shown under the preceding items	9	(18.090,00)	(18.160,00)
Profit for the financial year		0,00	0,00

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, 2017

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 Law of December 7, 2015 on the insurance business.

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. 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.

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NOTES TO THE ACCOUNTS
As at December 31, 2017
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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 in the profit and loss account 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.

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NOTES TO THE ACCOUNTS
As at December 31, 2017
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Debt securities and other fixed income transferable securities

Investments in interest bearing bonds are valued at their acquisition costs. The incidental costs are expensed as incurred. The differences between acquisition cost and redemption values of the securities are amortised pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortised to the profit and loss account on a straight line basis from the date of acquisition to the date of maturity of the bond. Unless the intention of the Company is to sell the securities in the short term, no adjustments are booked to reflect the market value, if this market value is below the net book value determined according the amortization method described above. In case of permanent reduction in value, fixed income securities shall be subject to value adjustments in the profit and loss account when the reimbursement at redemption date is partly or fully uncertain or compromised.

Deposits with credit institutions

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

3.3. Debtors and creditors

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally irrecoverable. 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.

BlueRe m.a.
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NOTES TO THE ACCOUNTS
As at December 31, 2017
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3.4. Tangible assets

Due to usage and/or obsolescence, assets are amortised on a linear basis. Current amortization percentages for tangible assets are as follows:

Installations, machinery and IT	33,33% / Year
Office furniture	10,00% / Year
Vehicles	20,00% / Year
Software	20,00% or 33,33% / Year

3.5. Deferred acquisition costs

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

3.6. 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.

3.7. Taxes

Taxes are accounted for on an accrual basis.

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NOTES TO THE ACCOUNTS
As at December 31, 2017
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NOTE 4 - INVESTMENTS

The actual value of investments is as follows:

EUR	31.12.2017	31.12.2016
Shares and other variable-yield transferable securities and units in unit trusts	4.587.427,31	2.377.275,42
Debt securities and other fixed income transferable securities	5.070.000,00	5.000.000,00
	<u>9.657.427,31</u>	<u>7.377.275,42</u>

As at December 31, 2017 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 and on debt securities and other fixed income transferable securities.

As at December 31, 2017, the actual value of debt securities and other fixed income transferable securities corresponds to the book value and nominal value of these investments. As such, there are no premiums or discounts amortised in the profit and loss account for the year ended December 31, 2017.

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.

The equivalent funds amounting to EUR 3.172.969,76 consist in additional amounts which were contributed by its 21 members (EUR 3.120.000,00), and the profits for the years 2012 and 2013 that were brought forward (EUR 52.969,76) and have been allocated to the equivalent funds according to the decision of the Annual General Meeting dated April 28, 2016.

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 NOTES TO THE ACCOUNTS
 As at December 31, 2017
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As at December 31, 2017, the subscribed capital and the equivalent funds can be split between the members as follows:

	Allocation as at 31.12.2017	Allocation as at 31.12.2016
	EUR	EUR
AREVA	322.522,37	322.522,37
British Energy Limited	322.522,37	322.522,37
Bruce Power Inc.	322.522,37	322.522,37
CEZ a.s.	322.522,37	322.522,37
EDF S.A.	322.522,37	322.522,37
Electrabel S.A.	322.522,37	322.522,37
Endesa S.A.	322.522,37	322.522,37
EPZ N.V.	322.522,37	322.522,37
Forsmarks Kraftgrupp AB	322.522,37	322.522,37
Fortum Power and Heat OY	322.522,37	322.522,37
KKW Gösgen Däniken AG	322.522,37	322.522,37
OKG Aktiebolag	322.522,37	322.522,37
Ontario Power Generation Inc.	322.522,37	322.522,37
Ringhals AB	322.522,37	322.522,37
SCK•CEN	322.522,37	322.522,37
Slovenské Elektrárne a.s.	322.522,37	322.522,37
Studsvik AB	322.522,37	322.522,37
SVAFO AB	322.522,37	322.522,37
Svensk Kärnbräns-lehantering AB	322.522,37	322.522,37
Sydskraft Nuclear Power AB	322.522,37	322.522,37
TVO	322.522,36	322.522,36
	6.772.969,76	6.772.969,76

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As at December 31, 2017
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For the year ended December 31, 2017, the 11 members not using the BlueRe reinsurance capacity have collectively paid administration fees amounting in aggregate to EUR 55.000 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, 2017, income from other investments mainly includes interest on debt securities and other fixed income transferable securities and deposits with credit institutions, amounting to EUR 17.674,71 (2016: EUR 29.181,73).

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.

BlueRe m.a.
 Association d'Assurance Mutuelle
 NOTES TO THE ACCOUNTS
 As at December 31, 2017
 - continued -

NOTE 10 - PERSONNEL EMPLOYED DURING THE YEAR

For the year ended December 31, 2017, the Company employed one staff member on a part time contract basis (2016: 1).

The total staff costs with respect to the financial year may be broken down as follows:

	2017	2016
	EUR	EUR
Wages and salaries	8.739,55	8.256,60
Social security costs	2.053,33	2.138,43
Pension scheme	823,36	1.293,76
Others	850,24	868,07
Total	<u>12.466,48</u>	<u>12.556,86</u>

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

The Company granted remuneration to members of its supervisory bodies for the services rendered during the year amounting to EUR 11.250 taxes inclusive (2016: EUR 9.000).

The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2017.

For the year ended December 31, 2017, the Company did not grant advances or credits to the members of its supervisory bodies.

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 NOTES TO THE ACCOUNTS
 As at December 31, 2017
 - continued -

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:

	2017	2016
	EUR	EUR
Annual audit fees (VAT excl.)	10.000,00	10.000,00
	10.000,00	10.000,00

Fees are shown on an accrual basis for the year.

For the year ended December 31, 2017, 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.

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 - 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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