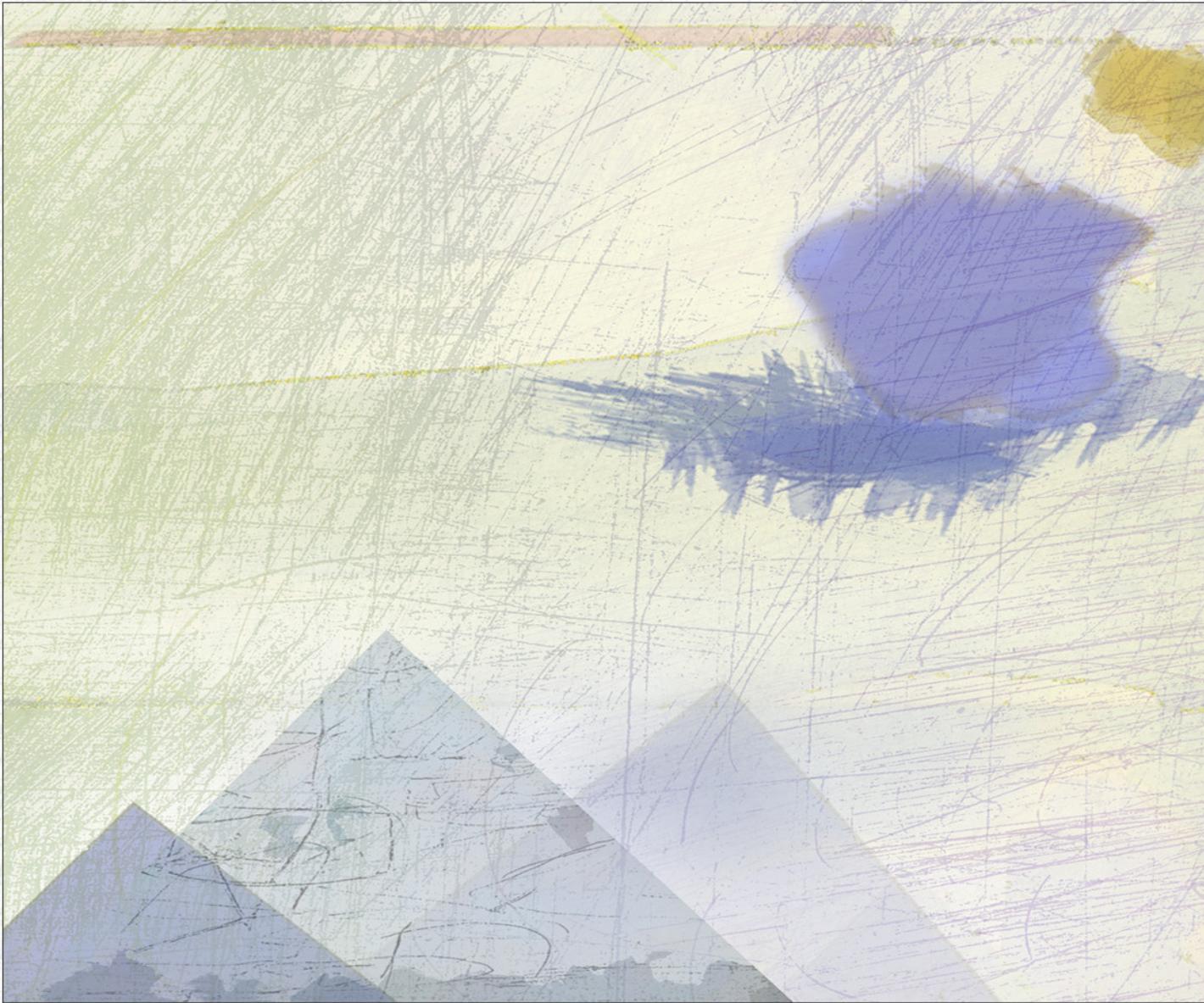


The background features a dense pattern of fine, overlapping lines in shades of yellow, orange, red, and purple, creating a textured, hand-drawn effect. Overlaid on this are several semi-transparent geometric shapes: a large purple diamond, a green square, and a blue square, all with thin orange outlines. The text is centered horizontally and partially overlaid by these shapes.

# Bluer

annual report 2018



Peacefull landscape

R. Piccart 2019

Annual Report 2018  
of the Board of Directors and of the Statutory  
Auditor to be presented at  
the Annual General Meeting  
on 25 April 2019

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

	2018	2017	2016	2015	2014
Net premium earned	1.524.911	1.226.828	1.068.864	656.569	375.031
Claims	0	0	0	0	0
Expenses and taxes	-215.378	-211.278	-195.049	-213.940	-130.620
Net investment result	-150.979	18.308	22.427	26.034	25.649
Other income	55.000	55.000	70.000	227.500	70.000
	-----	-----	-----	-----	-----
Earnings before allocation to the equalisation provision	<b>1.213.554</b>	<b>1.088.858</b>	<b>966.242</b>	<b>696.163</b>	<b>340.060</b>
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-1.213.554	-1.088.858	-966.242	-696.163	-340.060
	-----	-----	-----	-----	-----
Earnings after distribution to reserve for equalisation and catastrophes	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Balance Sheet

Assets	11.498.108	9.958.060	8.868.249	7.928.423	7.397.703
Liabilities	-4.405.138	-3.185.090	-2.095.279	-1.155.453	-624.733
	-----	-----	-----	-----	-----
<b>Own funds</b>	<b>7.092.970</b>	<b>6.772.970</b>	<b>6.772.970</b>	<b>6.772.970</b>	<b>6.772.970</b>

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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  
ESKOM  
Forsmarks Kraftgrupp AB  
Fortum Power and Heat Oy  
Kernkraftwerk Gösgen-Däniken AG  
OKG Aktiebolag  
Ontario Power Generation (OPG)  
Orano  
Ringhals AB  
SCK•CEN  
Slovenské Elektrárne a.s.  
Studsvik AB  
Svensk Kärnbränslehantering AB (SKB)  
Sydkraft Nuclear Power AB  
Teollisuuden Voima Oyj (TVO)

## Board of Directors \*

M. Plaschy	<i>Chairman</i>
M. Huopalainen	<i>Vice-Chairman</i>
M. Zenáhlik	<i>Vice-Chairman</i>
S. Guerrero Miro	
P. Haenecour	
A. Ingman	
B. Kockum	
J. Tasker	
J. Treillard	
D. Vanwelkenhuyzen	
S. Yvon	

\* 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 Committee**

J. Tasker

*Chairman*

B.P. Jobse

J. Machtelinckx

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. L. Bardon  
*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 2018 of BlueRe m.a. Luxembourg. This was the associations' seventh year of existence and its fifth year of operations.

I am happy to see that BlueRe can continue its steady growth with a capacity offered increasing from € 23 million in 2017 to € 27 million in 2018.

I am also happy to welcome Eskom Holdings as the 22nd Member of our Mutual.

Compared to the previous year, the net contributions increased by almost 25% whereas the cost base remained more or less at the same level. As 2018 was again free of claims, almost 80% of the earned contributions could be added to the capital base, even though the financial result was negative resulting from financial losses of the last two years that have all been realized during 2018.

The total assets now amount to nearly 11,5 million euros.

BlueRe's Solvency II ratio remains solid at a level of 218,6%.

Ratification of the revised Paris convention is still being postponed. Nevertheless, the management and the Board continue to work hard to be ready for the moment this revised convention comes into force.

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 2019 !



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 25<sup>th</sup>, 2019

Dear Member,

We are pleased to present for your approval the financial statements of BlueRe ("the Company") for its seventh financial year and its fifth year of operations, which started January 1st, 2018 and ended on December 31st, 2018.

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, € 22.700.000 in 2016, € 23.000.000 in 2017 and € 27.000.000 in 2018.

## 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 amount to € 1.524.911 in 2018 compared to € 1.226.828 in 2017, 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 based on management estimates, and, if appropriate, on information from ceding companies, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

At December 31st, 2018, no provisions were taken as no incidents have been reported.

## General expenses

The general expenses in 2018 amount to € 186.579 and compare to € 178.826 in 2017. Acquisition costs related to the financial year increased from € 30.671 in 2017 to € 38.123 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 and meeting expenses while the amount of consultancy fees and taxes has decreased slightly.

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, unchanged from the previous year.

## Investments

The total book value of the investments and cash amounts to € 11.396.140.

The market value of the investments and cash is also € 11.396.140. There is no accrued interest recognized in the balance sheet or income statement.

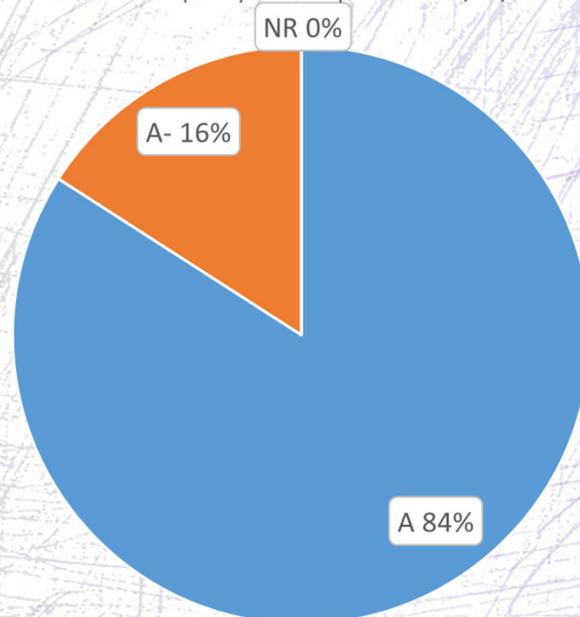
The investment strategy at year end was 100% investments in cash and money market products, compared to 50% investments in cash and money market products and 50% in fixed income products at the end of the previous year. These investments resulted in a realized net financial loss of € -150.979 during the financial year after fixed income investments have been sold and the unrealised losses of the previous and the current year on these investments have been realized. There are therefore no latent capital gains or losses that are not included in the financial statements.

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 31<sup>st</sup>, 2018

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

BlueRe Credit quality of total portfolio 31/12/2018



- Country Allocation on the overall portfolio as of December 31<sup>st</sup>, 2018.

BE 16,30% • LU 83,70%

- The overall average weighted duration of the portfolio is 0,43 years
- Breakdown of credit quality and duration by asset class :

	<b>Credit rating</b> <i>(weighted average)</i>	<b>Duration</b> <i>(weighted average)</i>
Money market products	A	0,90 year
Fixed income funds	-	0,00 year
Deposits & Cash	A	0,12 year

## Result

The surplus before allocation and after taxes for the year 2018 amounts to € 1.213.554 and compares to € 1.088.858 for 2017.

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, 2018 the subscribed capital of € 3.600.000 and the additional contributions of € 3.492.970 constitute together a fund of € 7.092.970. The increase from € 6.772.970 at the end of the previous year results from the capitalization of a new Member (Eskom) that was agreed upon by the EGM dated 19 October 2018. The equalization reserve at the end of the year amounts to € 4.304.876 compared to € 3.091.323 at the end of 2017.

## 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.

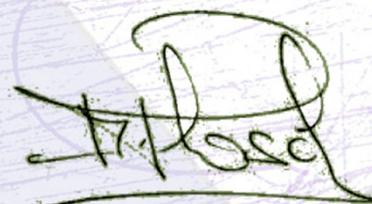
No event, nor decisions of any importance that could have any influence on the continuation of the activities of BlueRe have occurred subsequently to year-end.

Based on the elements in our possession, BlueRe should continue a positive development in 2019.

## Recommendations

We propose that you

- Approve the annual accounts as at December 31<sup>st</sup> 2018 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
- Nominate the Statutory Auditor for the financial year 2019



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, 2018, 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, 2018, 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 26, 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 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*

A handwritten signature in dark ink, appearing to be 'LB', is written over a light blue background. The signature is fluid and cursive.

Ludovic Bardon, *Réviseur d'Entreprises Agréé*  
Partner

March 29, 2019

BlueRe m.a.  
Association d'Assurance Mutuelle  
BALANCE SHEET  
As at December 31, 2018  
(expressed in EUR)

<b>ASSETS</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
<b>Investments</b>	<b>3.2, 4</b>		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		0,00	4.657.644,45
Debt securities and other fixed income transferable securities		4.500.000,00	5.070.000,00
Deposits with credit institutions		4.501.117,73	0,00
		<b>9.001.117,73</b>	<b>9.727.644,45</b>
<b>Debtors</b>	<b>3.3</b>		
Debtors arising out of reinsurance operations		0,00	0,00
Other debtors		6.982,90	38.359,02
		<b>6.982,90</b>	<b>38.359,02</b>
<b>Other assets</b>			
Tangible assets and stocks	3.4	62.909,83	52.590,27
Cash at bank and in hand		2.395.022,34	137.970,16
		<b>2.457.932,17</b>	<b>190.560,43</b>
<b>Prepayments and accrued income</b>			
Accrued interest and rent		0,00	221,49
Deferred acquisition costs	3.5	1.695,70	603,90
Other prepayments and accrued income		30.379,57	670,69
		<b>32.075,27</b>	<b>1.496,08</b>
<b>TOTAL ASSETS</b>		<b>11.498.108,07</b>	<b>9.958.059,98</b>

BlueRe m.a.  
 Association d'Assurance Mutuelle  
 BALANCE SHEET  
 As at December 31, 2018  
 (expressed in EUR)  
 - continued -

<b>LIABILITIES</b>	<b>Note(s)</b>	<b>2018</b>	<b>2017</b>
<b>Capital and reserves</b>	<b>5</b>		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		3.492.969,76	3.172.969,76
		<b>7.092.969,76</b>	<b>6.772.969,76</b>
<b>Technical provisions</b>	<b>3.6</b>		
Provision for unearned premiums		67.814,38	24.139,97
Equalisation provision		4.304.876,17	3.091.322,56
		<b>4.372.690,55</b>	<b>3.115.462,53</b>
<b>Creditors</b>	<b>3.3, 6</b>		
Other creditors, including tax and social security		19.131,76	40.346,14
		<b>19.131,76</b>	<b>40.346,14</b>
<b>Accruals and deferred income</b>		<b>13.316,00</b>	<b>29.281,55</b>
<b>TOTAL LIABILITIES</b>		<b>11.498.108,07</b>	<b>9.958.059,98</b>

BlueRe m.a.  
Association d'Assurance Mutuelle  
**PROFIT AND LOSS ACCOUNT**  
For the year ended December 31, 2018  
(expressed in EUR)

	Note(s)	2018	2017
<b>TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS</b>			
<b>Earned premiums</b>			
Gross premiums written	7	1.568.585,00	1.203.309,00
Change in the gross provision for unearned premiums		(43.674,41)	23.519,12
		<b>1.524.910,59</b>	<b>1.226.828,12</b>
<b>Allocated investment return transferred from the non-technical account</b>			
	<b>13</b>	<b>(150.979,12)</b>	<b>18.307,55</b>
<b>Net operating expenses</b>			
Acquisition costs		(39.215,00)	(30.083,00)
Change in deferred acquisition costs		1.091,80	(587,72)
Administrative expenses	11, 12	(148.455,67)	(148.155,44)
		<b>(186.578,87)</b>	<b>(178.826,16)</b>
<b>Change in the equalisation provision</b>		<b>(1.213.553,61)</b>	<b>(1.088.857,69)</b>
<b>Balance on the technical account for non-life business</b>		<b>(26.201,01)</b>	<b>(22.548,18)</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, 2018  
(expressed in EUR)  
- continued -

	Note(s)	2018	2017
<b>NON-TECHNICAL ACCOUNT</b>			
<b>Balance on the technical account for non-life insurance business</b>		<b>(26.201,01)</b>	<b>(22.548,18)</b>
<b>Investment income</b>		<b>6.940,93</b>	<b>22.370,19</b>
Income from other investments	8	6.382,46	17.674,71
Gains on the realisation of investments		558,47	4.695,48
<b>Investment charges</b>		<b>(157.920,05)</b>	<b>(4.062,64)</b>
Investment management charges, including interest		(744,43)	(4.062,64)
Losses on the realisation of investments		(157.175,62)	0,00
<b>Allocated investment return transferred to the non-life insurance technical account</b>	<b>13</b>	<b>(150.979,12)</b>	<b>18.307,55</b>
<b>Other income</b>	<b>5</b>	<b>55.000,00</b>	<b>55.000,00</b>
Tax on profit on ordinary activities	9	(10.916,26)	(14.361,82)
<b>Profit on ordinary activities after tax</b>		<b>17.882,73</b>	<b>18.090,00</b>
Other taxes not shown under the preceding items	9	(17.882,73)	(18.090,00)
<b>Profit for the financial year</b>		<b>0,00</b>	<b>0,00</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, 2018

**NOTE 1 - GENERAL**

BlueRe m.a. Association d'Assurance Mutuelle (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.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2018  
- 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 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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Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2018  
- continued -

*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 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.

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Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2018  
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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.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2018  
- continued -

**NOTE 4 - INVESTMENTS**

The actual value of investments is as follows:

<b>EUR</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Shares and other variable-yield transferable securities and units in unit trusts	-	4.587.427,31
Debt securities and other fixed income transferable securities	4.500.000,00	5.070.000,00
Deposits with credit institutions	4.501.117,73	-
	<b>9.001.117,73</b>	<b>9.657.427,31</b>

As at December 31, 2018 the Board of Directors of the Company believes that there is no permanent impairment on shares and other variable-yield transferable securities and units in unit trusts and on debt securities and other fixed income transferable securities.

As at December 31, 2018, 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, 2018.

**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 each time an amount of EUR 200.000 of the equivalent funds to the subscribed capital.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2018  
- continued -

The equivalent funds amounting to EUR 3.492.969,76 (2017: 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.

As at December 31, 2018, equivalent funds include additional contributions of a new member (EUR 320.000,00).

BlueRe m.a.  
 Association d'Assurance Mutuelle  
 NOTES TO THE ACCOUNTS  
 As at December 31, 2018  
 - continued -

As at December 31, 2018, the subscribed capital and the equivalent funds can be split between the members as follows:

	<b>Allocation as at December 31, 2018</b>	<b>Allocation as at December 31, 2017</b>
	<b>EUR</b>	<b>EUR</b>
British Energy Limited	322.522,37	322.522,37
Bruce Power LP	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
Eskom	320.000,00	0,00
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
Orano	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
Studsвик 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
Teollisuuden Voima Oyj	322.522,36	322.522,36
	<b>7.092.969,76</b>	<b>6.772.969,76</b>

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2018  
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For the year ended December 31, 2018, 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, 2018, income from other investments mainly includes interest on debt securities and other fixed income transferable securities and deposits with credit institutions, amounting to EUR 6.382,46 (2017: EUR 17.674,71).

**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, 2018  
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**NOTE 10 - PERSONNEL EMPLOYED DURING THE YEAR**

During 2018, the Company employed one staff member on a part time contract basis (2017: 1).

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

	<b>2018</b>	<b>2017</b>
	<b>EUR</b>	<b>EUR</b>
Wages and salaries	9.567,59	8.739,55
Social security costs	1.953,03	2.053,33
Pension scheme	1.232,70	823,36
Others	884,73	850,24
<b>Total</b>	<b><u>13.638,05</u></b>	<b><u>12.466,48</u></b>

**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 8.437,50 taxes inclusive (2017: EUR 11.250,00).

The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2018 (2017: EUR nil).

For the year ended December 31, 2018, the Company did not grant advances or credits to the members of its supervisory bodies (2017: EUR nil).

BlueRe m.a.  
 Association d'Assurance Mutuelle  
 NOTES TO THE ACCOUNTS  
 As at December 31, 2018  
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**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>2018</b>	<b>2017</b>
	<b>EUR</b>	<b>EUR</b>
Annual audit fees (VAT excl.)	10.000,00	10.000,00
Tax services (VAT excl.)	<u>3.500,00</u>	<u>3.500,00</u>
	<b><u>13.500,00</u></b>	<b><u>13.500,00</u></b>

Fees are shown on an accrual basis

For the year ended December 31, 2018, 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 financial statements under Luxembourg legislation.

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**BlueRe m.a.**

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