



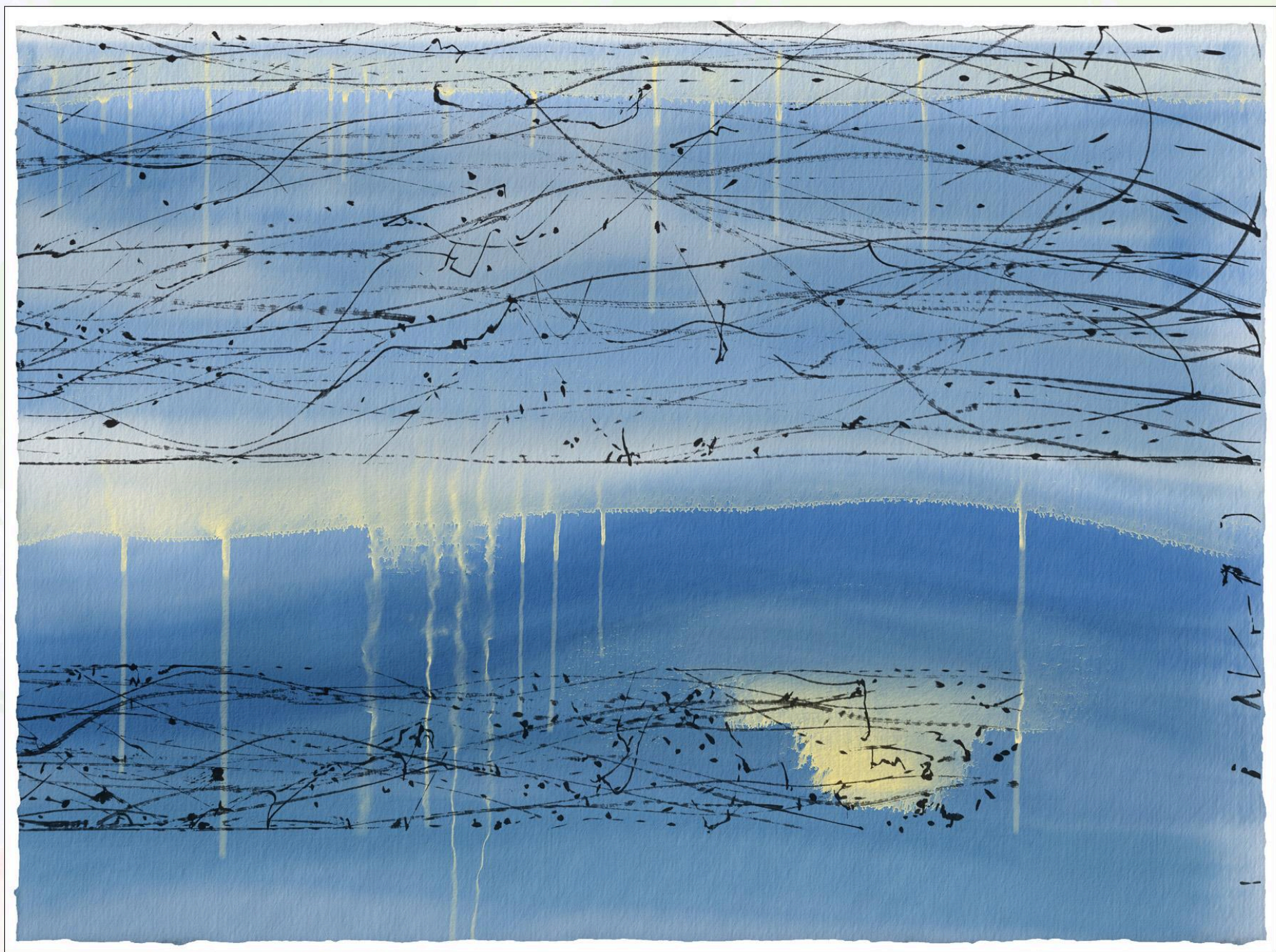
annual report

# ELINI

2023

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Signs in a landscape

R. PICCART 2024



**Annual Report 2023  
of the Board of Directors and  
of the Statutory Auditor  
presented at  
the Annual General Meeting  
on 25<sup>th</sup> April 2024**

Insurance company authorised by decision of the Management  
Committee NBB (formerly CBFA) on the 6<sup>th</sup> November 2003.  
to underwrite "Liability" (branch 13)  
(Moniteur Belge 04.12.2003 - Code 2275)

Registered Office:  
Av. Jules Bordet, 166  
B 1140 Brussels  
Belgium

Tel. +32 (0)2 702 90 18

## Financial Highlights

*In euro*

### Statement of Earnings

	2023	2022	2021	2020	2019
Net premium earned	13.980.591	12.941.561	9.172.944	8.136.248	7.956.582
Claims	0	-1.141	1.950	0	341.626
Expenses	-3.772.159	-3.274.306	-2.844.763	-2.653.145	-2.382.027
Other income	111.888	109.858	146.437	126.494	160.389
Net investment result	-1.558.569	-1.572.857	6.633.048	212.766	4.426.301
Earnings before distribution to reserve for equalisation and catastrophes	8.761.752	8.203.115	13.109.616	5.822.363	10.502.870
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-10.129.147	-10.519.537	-8.927.179	-5.824.210	-7.647.837
Taxes	-3.197	-2.683	-1.794	-1.363	-908
Earnings after distribution to reserve for equalisation and catastrophes	-1.370.592	-2.319.104	4.180.643	-3.209	2.854.124

### Balance Sheet

Assets	163.749.742	153.402.654	139.966.733	126.234.200	120.065.386
Liabilities	-5.744.978	-5.626.451	-1.626.004	-1.144.294	-1.023.629
Guarantee fund <i>(including reserve for equalisation and catastrophes)</i>	158.004.764	147.776.204	138.340.729	125.089.906	119.041.757

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## Members

### Belgium

Belgoprocess NV  
Electrabel s.a.  
European Atomic Energy Community (Euratom)  
Institute for Radioelements (IRE) (\*)  
SCK•CEN  
Transnubel

### Brazil

Eletronuclear

### Canada

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

### Czech Republic

ČEZ a.s.

### Finland

Fortum Power & Heat Oy  
Teollisuuden Voima Oyj (TVO)

### France

Andra  
EDF  
Framatome  
ORANO

### Great Britain

EDF Energy Nuclear Generation Limited  
Urenco Ltd (\*)

### Hungary

MVM Paks Nuclear Power Plant Ltd (\*)  
RHK Puram

### Italy

Deposito Avogadro SpA  
ENEA  
Enel SpA  
Sogin S.p.A.

### Romania

Societatea Nationala Nuclearelectrica SA (SNN)

### Slovak Republic

Slovenské Elektrárne a.s.

### South Africa

Eskom Holdings Soc Ltd.

### Spain

Endesa (\*)

### Sweden

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

### Switzerland

Axpo Power AG  
Kernkraftwerk Gösgen-Däniken AG  
Kernkraftwerk Leibstadt AG  
Zwischenlager Würenlingen AG (ZWILAG)

### The Netherlands

Elektriciteits-Produktie maatschappij Zuid-Nederland NV (EPZ) (\*)

## Board of Directors \*

ELINI				External mandates					
Name	Surname	Function	Start date	Company	Registered office	Industry	Stock market listed	Mandate	Start date
Lukáš	Maršálek	Board Member, Chairman	19/03/2020	Slovenské elektrárne, a.s. Energotel, a.s.	Mlynské nivy 47, 821 09 Bratislava 2, SK Miletičova 7, 821 08 Bratislava, SK	electricity production telecommunications operator	No No	Board member Member of Supervisory Board	01/08/2016 01/01/2019
Ruth Anne Kristina	Sandberg	Board Member, Vice-Chairman	25/04/2019						
Jarkko Kalevi	Toroska	Board Member, Vice-Chairman	28/04/2016	Steveco Oy	Kirkkokatu 1, 48100 Kotka, FI	Stevedoring and cargo related services	No	Board member	01/04/2019
Christian Maria S M	Legrain	Board Member	04/12/2002						
Roberto	Muscogiuri	Board Member	28/04/2016						
Jiri	Ortman	Board Member	23/09/2019						
Alvin Joseph	Shuttleworth	Board Member	29/04/2010						
Bengt Anders Börje	Svensson	Board Member	29/04/2003						
Stéphane Jean Daniel	Yvon	Board Member	22/09/2020	Wagram Insurance Company DAC Oceane Re SA	9 Clanwilliam Terrace, Dublin 2, D02 H266, IE 25B Boulevard Royal, Luxembourg City, 2449, LU	Insurance (Re)insurance	No No	Board member Board member	20/07/2011 20/07/2011
Jo	Machtelinckx	Board Member, Executive Committee	15/11/2017	BlueRe MIRIS	4 Däichwee, 6850 Manternach, LU Avenue Jules Bordet 166 B3, 1140 Brussels, BE	(Re)insurance (Re)insurance	No No	Member Management Committee Member Executive Committee	11/06/2015 13/04/2022
Jean-Denis Marie	Treillard	Board Member, Executive Committee	01/01/2020	BlueRe GEIE CHS	4 Däichwee, 6850 Manternach, LU Tour W, 102 Jardins Boieldieu, Puteaux, FR	(Re)insurance Claims Management	No No	Board member Board member	26/04/2018 30/03/2021

\* Status at the time of the Annual General Meeting (25/04/2024)



## **Advisory Committees \***

### **Insurance Advisory Committee**

B. Svensson *Chairman*  
E. Ago  
M. Chagnon  
T. Counotte  
D. De Nardis  
T. Erb  
P. Haenecour  
V. Hronek  
B.P. Jobse  
B. Kockum  
M. Laguna  
T. Mukkala  
J.D. Treillard

### **Legal Advisory Committee**

A. Shuttleworth *Chairman*  
L. Antal  
N. Calzone  
R. Danielsson  
S. Elhaut  
B.R. Hilbers  
M. Laguna  
J. Ortman  
V. Rémy-Blanc  
A. Sandberg  
M. Schoch  
J.D. Treillard  
G. Vandeputte

\* Status at the time of the Annual General Meeting



## **Advisory Committees \***

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

L. Maršálek  
M. Avagliano  
J. Machtelinckx  
L. Piekkari  
R. Saurel  
J. Tasker  
M. Vercammen

*Chairman*

### **Audit Committee**

C. Legrain  
R. Muscogiuri  
J. Toroska

*Chairman*

### **Risk Committee**

J. Toroska  
R. Muscogiuri  
J. Ortman  
A. Sandberg

*Chairman*

\* Status at the time of the Annual General Meeting

## **Management \***

### **Executive Committee**

J.D. Treillard

M. Laguna

J. Machtelinckx

*Managing Director*

*Deputy Managing Director*

*Financial Manager*

### **Auditors**

Deloitte

Réviseurs d'Entreprises SRL

Gateway Building, Luchthaven Brussel Nationaal 1 J

B-1930 Zaventem

*Represented by*

Mr. Y. Dehogne

### **Internal Auditor**

BDO – Represented by N. Renard

### **Actuarial function**

Nicolai & Partners

Duboisstraat 43

BE - 2060 Antwerpen

Mrs. V. Nicolai

\* Status at the time of the Annual General Meeting

## Letter from the Chairman

Dear members,

It is an honour to present ELINI's 2023 Annual Report.

After a significant increase in premiums volume following the ratification of the revised Paris Convention in 2022, ELINI continues its growth thanks to new members, new potential candidates and to decisions taken by existing members to increase capacity bought from ELINI.

ELINI successfully achieved the opening of its UK Branch, as the Temporary Permission regime under which ELINI was authorised to operate from Brussels with a European passport after Brexit, has ended on the 31/12/2023. License for the UK Branch was granted to ELINI on the 23/06/2023 and from the 01/01/2024, ELINI UK insurance policies will be issued by ELINI UK Branch.

ELINI Swiss Branch has seen a change in the Management as Heiner Hefti has decided to retire, and we welcomed David Mösch as the new ELINI Swiss Branch Manager.

Despite ongoing geopolitical tensions, calm seems to have returned to the European markets with stagnant energy prices and inflation that has returned closer to target levels in 2023. Since rising interest rates appear to have come to an end and interest rate cuts may return, let's hope 2024 will be a quieter year in terms of economic developments.

ELINI's participation in different international associations and institutions allowed more visibility to ELINI, which is especially important in those days where nuclear energy has been included in European new taxonomy and where nuclear industry is foreseeing large developments with the announcement of new builds, SMR, MMR and advanced technologies.


I would like to thank the management and staff for their effort and commitment in a professional and dedicated way, especially with regard to the demanding compliance and legal context.

Thanks to the support of its Members, ELINI is playing an increasingly important role in the field of nuclear liability insurance. ELINI celebrated its 20th anniversary in 2023 which is already a significant history of mutual nuclear liability insurance.

ELINI will continue to make sure of its readiness in case of a nuclear accident, through its recognised global Claims Handling System (CHS), as it has been for the last 14 years.

Finally, I would like to thank my fellow Board Members. I look forward to continue working with them to put ELINI at the best position in the Nuclear Insurance market, to the benefit of all Members of our Mutual.

Best regards



Lukáš Maršálek  
*Chairman of the Board of Directors*



## Description of Activities

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

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

The main benefits to Members of ELINI include:

- o Additional insurance capacity in view of the Revised Paris and Brussels Supplementary Conventions.
- o Alternative insurance capacity for terrorism cover and 30 years prescription period.
- o Potential for contribution savings.
- o Information exchange and data center for nuclear insurance matters.

## Underwriting & Claims Handling

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

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

ELINI has developed a rating model, based on TPL surveys that took place on-site. In 2011 the Board of Directors agreed to link the results obtained from these surveys to the contribution calculation. As such the strengths and weaknesses of a site are incorporated in the contribution calculation and represent an incentive for each Member to improve the site safety. This model is applied as of January 1st, 2012.

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

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

In order to be prepared for a potential nuclear incident, ELINI decided to develop a unique web-based platform for claim handling allowing to register claims, manage claims and report in a detailed way to all parties involved and this both on a national and trans boundary basis. ELINI contracted with highly specialized companies for the set-up of dedicated call centers and dispatching of claim experts and loss adjusters. The individual approach of the Members allows ELINI to take into consideration their expectations. The implementation of the system is realized in close collaboration with the Members having decided to organize their post incidental management together with ELINI.

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

## **Reinsurance**

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

## **Management Structure**

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

The strategic management of the Association is the responsibility of the Board of Directors which, except for those powers expressly reserved for the General Meeting, has full managerial authority.

The Board of Directors has created five specialized Committees who have an advisory task. The mission of these Committees is to analyze specific topics, to prepare matters for consideration and recommendation towards the Board.

The administration and day to day management of the Association is the responsibility of the Executive Committee.

## **Membership**

Only companies or authorities in the private or public sectors which have an insurable interest relating to a nuclear installation or installations, directly or indirectly, or their representatives, can be Members of the Association. Election of a new Member shall be submitted to the Board of Directors and shall become effective when ratified by the General Meeting.

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

There are three kinds of Members:

- o Non-Insured Members who do not take part in the constitution of the guarantee fund but pay an administrative fee.
- o Non-Insured Members who take part in the constitution of the guarantee fund (Supportive Members).
- o Insured Members who have an insurance policy and have contributed to the constitution of the guarantee fund.

## Loss Prevention Services

The ELINI loss prevention division supports the underwriting team as well as the Members to identify potential loss exposures and to assess the adequacy of existing loss prevention measures.

Based on on-site and desktop evaluations, review of technical documentation and discussions with site managers and technical staff, detailed risk reports are made up. The surveyor will evaluate and compare the facility with good engineering practices, legal requirements, insurance standards and similar risks. Strengths and weaknesses of each site will be highlighted. Where required a comprehensive list of suggestions and recommendations will be drawn up with a view to improving safety and to prevent or mitigate losses.

An in-house developed grading system supports the underwriting process by contribution rate adjustment and can support the Members' loss prevention programs through contribution reduction.



## **Report of the Board of Directors to be presented to the Annual General Meeting of 25<sup>th</sup> April 2024**

Dear Member,

We are pleased to present for your approval the financial statements of our Mutual for its twenty-first year of operations, which ended on 31st December 2023.

The financial statements include the figures from the ELINI Branches in Switzerland and the UK.

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

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

We engaged Deloitte, with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. Their report is joint with the annual accounts.

### **Capacity**

The maximum insurance capacity per policy, including the Treaty and Facultative contracts with NIRA and BlueRe, increased from € 237.500.000 in 2022 to € 260.000.000 in 2023. Our own retention increased from € 130.00.000 to € 135.000.000 in the same period.

Alternative capacity was ceded to other reinsurers amounting to a maximum of € 80.000.000 in 2023. As a result, the maximum gross capacity for one single Member amounted to € 332.087.838 in 2023.

### **Contributions**

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

Gross earned contributions increased from € 22.616.575 in 2022 to € 24.871.015 in 2023. This growth can be attributed to the elevated gross insurance capacity and the fact that more Members use an elevated capacity from ELINI in their insurance program. On top, ELINI provided D&O insurance to those Members requiring such a cover and having spare on the maximum insured limit.

Net earned Reinsurance costs – excluding acquisition costs – increased from € 9.675.013 to € 10.650.509 of which € 7.386.109 was attributed to BlueRe compared to € 6.071.344 in 2022. € 187.669 of this amount related to the Swiss Branch and was therefore charged to the Branch. The maximum capacity bought by ELINI from BlueRe for one single risk increased from € 57.500.000 in 2022 to € 80.000.000 in 2023.

## Claims

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

The total outstanding claims reserve at the end of the year remained unchanged at € 48.750 in 2023.

No new claims have been notified to Elini during the financial year 2023

The claims reserve hence still relates to 4 notified incidents with occurrences in 2016, 2017, 2018 and 2019.

On the reinsurance side, the provision for claims receivables remains at zero.

The total claims cost as at 31 December 2023 was therefore nil, as reported in the income statement.

## General expenses

General expenses increased from € 3.274.306 in 2022 to € 3.772.159 or an increase of +15%. The main drivers behind the increase of € 497.852 in administrative expenses are the high inflation in Belgium at the end of 2022, by which most of the expenses increased by around 11%. higher rental costs after the move to a bigger office space, as well as higher travel costs related to the Washington meetings..

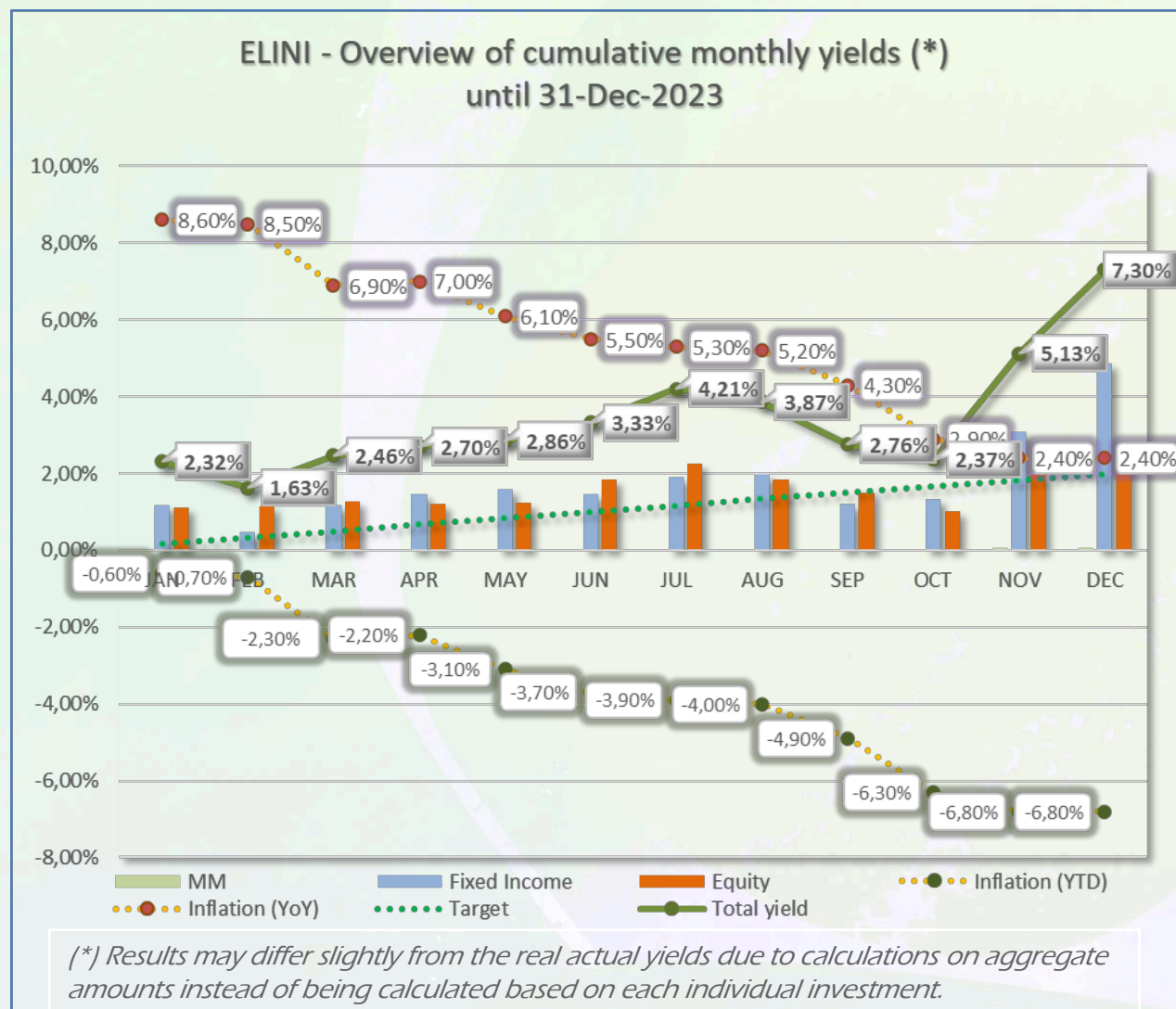
The increase in expenses is anyway fully in line with the Budget 2023, as approved by the Board.

## Investments

The total book value of the investments and liquidities increased from € 149.088.967 in 2022 to € 159.073.498 in 2023.

The investment strategy of maximum 25% in equity related investments, maximum 5% in real estate related investments and the remainder in a mix of fixed income and money market products remained unchanged.

The investment yield on the portfolio was calculated at +7,31% for 2023, well but not yet fully recovering from -11,03% for 2022, thanks to positive yields in all asset classes (money market, fixed income and equity).



Despite the positive yield on investments, a negative financial result is reported in the financial statements as a result of the realization of latent losses that were accrued during the year 2022 but realized in 2023.

The accounting financial income amounted to € -1.558.569 (compared to € -1.572.857 in 2022). The non-realized investment result turned again positive to € +727,893 from € -11.898.885 at the end of the previous year. In accordance with Belgian GAAP accounting standards, the unrealized results are not reported in the balance sheet, nor in the income statement.

It should also be noted that the options reported on the asset side (Other financial investments on the statutory balance sheet; derivatives on the Solvency II balance sheet) are a full hedge for a fiscal-friendly social liability that is also a derivative on the same underlying asset. A change in the market value is therefore undeniably accompanied by a simultaneous and equal change in the relevant liability item. These capital gains are therefore not regarded as enriching the assets of the Mutual, neither considered when calculating the yield on investments.



### Book value and estimated fair market value of investments as of 31 December 2023 :

Euro	Book value	Unrealized capital gains/losses	Market value
Fixed Income funds	111.833.753	-2.022.554	109.811.199
Money market funds	247.381	6.473	253.854
Equity funds	26.931.753	2.743.974	29.675.726
Deposits	100.226	0	100.226
Cash	19.801.876	0	19.801.876
Options (*)	158.510	30.657	189.167
	159.073.498,18	758.549,96	159.832.048,14

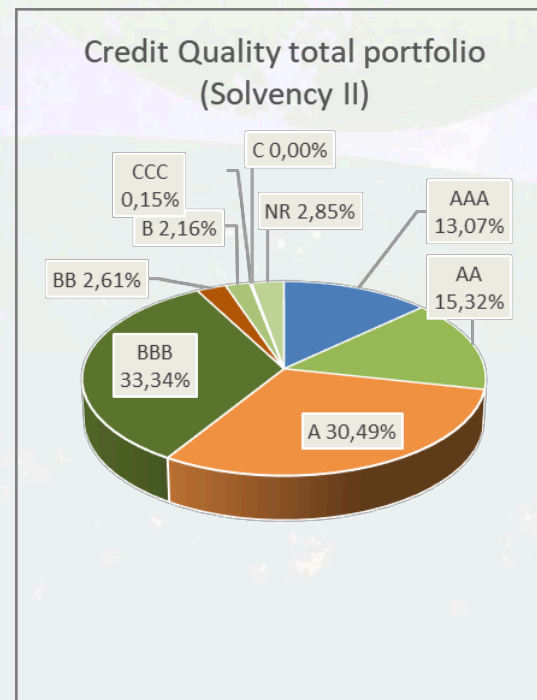
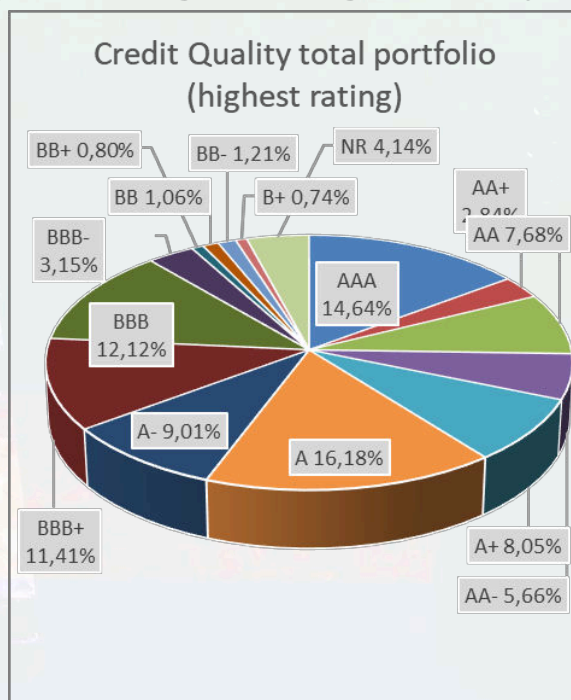
(\*) 100% hedge of a social liability

### Weighted average credit rating and duration of the portfolio as of 31 December 2023 :

The weighted average duration of all financial assets is 3,60 years, slightly up from 2,83 years a year earlier. The weighted average duration of the Fixed Income segment is 5,23 years (previous: 4,41 years).

The overall average credit rating of the portfolio (including equities and deposits) is A, based on the highest available issuer's credit rating.

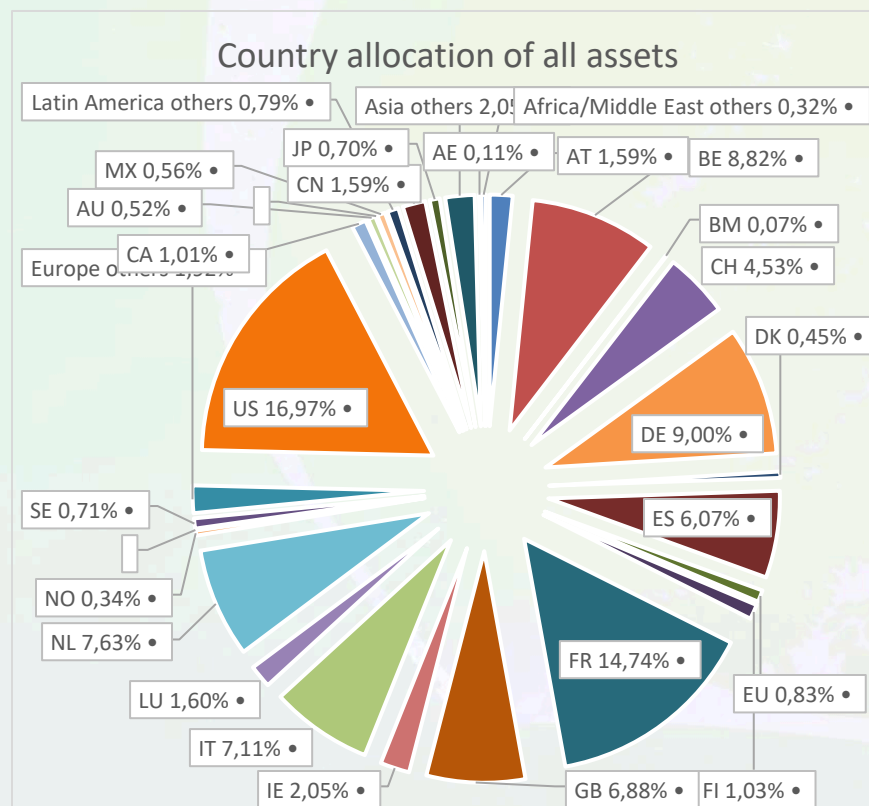
According to Solvency II principles, the issuer's second best rating has to be taken into account. The weighted average credit rating considering this Solvency II approach remains however at the same level (A).



## Country Allocation as of 31 December 2023.

### Overall portfolio:

AT 1,59% • BE 8,82% • BM 0,07% • CH 4,53% • DE 9,00% • DK 0,45% • ES 6,07% • EU 0,83% • FI 1,03% • FR 14,74% • GB 6,88% • IE 2,05% • IT 7,11% • LU 1,60% • NL 7,63% • NO 0,34% • SE 0,71% • Europe others 1,92% • US 16,97% • CA 1,01% • AU 0,52% • MX 0,56% • Latin America others 0,79% • CN 1,59% • JP 0,70% • Asia others 2,05% • AE 0,11% • Africa/Middle East others 0,32%



## Sustainable entrepreneurship

At ELINI we stand for corporate social responsibility (CSR) or sustainable entrepreneurship that is based on the triple-P approach to economic performance (Profit) with respect for the social side (People) within the ecological preconditions (Planet). Both internally and externally, we try to work according to the philosophy of those three values as much as possible.

Here are a few examples of how we contribute to a more sustainable policy and a liveable working environment:

- Diversified recruitment policy: At ELINI we attach importance to the diversification of talent. Within the company, employees are encouraged to work independently and show their talents. We are open to multi-employability and on the job training.
- Feel good employees: We think it is important that our employees feel at home in the workplace. We use short lines to make everyone feel involved and thus strengthen the team.
- Environmentally conscious: as a small insurer we cannot move mountains in this area, but we also try to contribute: we try to work as paperless as possible and motivate employees to work from home on a regular basis. Organizing remote meetings also prevents trips that are harmful to the environment.
- Charity: every year, for example through "Ondernemers voor Ondernemers", the "Red Cross" or other non-profit organisations, we choose a sustainable project to which we give our support.
- ELINI only cooperates with counterparties in countries that respect human rights, social rights, labor rights and respect for democratic rights
- Investing : ELINI's commitment to Sustainable investing starts by working together with Asset Managers who comply with the sustainable standards of the United Nations Global Compact and/or United Nations Principles of Responsible Investing. All our investment funds are selected by our Asset Managers taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard of the UN Global Compact. They all have proper internal guidelines that reflect their ESG Policy in terms of governance, strategy, risk and the actions they undertake in the ESG space.

## Result

The € 8.758.555 surplus after taxes and before allocation to the equalization fund for 2023 compares with a surplus of € 8.200.432 for 2022.

The technical surplus that is fully allocated to the reserve for equalization and catastrophes amounts to € 10.129.147 for 2023. This amount includes the financial surplus earned on the technical reserves, unfortunately amounting to zero this year since the financial result is negative. Part of the change in the Reserve for Equalization and Catastrophes (€ +234.328) is resulting from the positive FX effect on the conversion of the equalization reserve in the Swiss Branch amounting to 3.640.000 CHF.

In accordance with our Articles of Association, the Board of Directors proposes to the Annual General Meeting that the non-technical result from the Belgian activities amounting to € -1.637.239 shall be allocated to the Guarantee Fund, whereas the result of € +266.647 in the Branches is deferred to the next financial year, hence added to the deficit carried forward, in accordance with the local regulations.

## Guarantee Fund

The Guarantee Fund and reserve for equalization now available to the members to be used as insurance capacity, if you agree to our proposal, will be € 158.004.764 compared to € 147.776.204 at the end of the previous year.

Since the Swiss regulator has granted ELINI a license to carry out nuclear TPL direct insurance on 15 November 2019, the capital from the Swiss Members is available for insurance purposes to all ELINI Members.



However, the equalization reserve held within the Swiss Branch is ringfenced and available to the Members insured by the Swiss Branch only. This amount of € 3.930.886 (equivalent of 3.640.000 CHF) must be withdrawn from the capacity available for all non-Swiss Members.

Since the UK regulator authorized ELINI to carry out nuclear TPL direct insurance on 23 June 2023, the vested capital held within the UK Branch is ringfenced and available to the Members insured by the UK Branch only. This amount, calculated as 25% of the MCR hence approx. £ 869.050 (equivalent of € 1.000.000) must be withdrawn from the capacity available for all non-UK Members.

The maximum available capacity for all non-Swiss and non-UK Members of ELINI is hence limited to € 153.073.878. The amount of the Guarantee Fund also includes subscribed but not paid capital amounting to € 1.183.973, up from € 902.030 last year. This amount of subscribed but not paid capital was called in 2022 and 2023 and is fully due over the next three years, in accordance with the decision taken by the Board.

## **Impact of Covid-19 and geopolitical developments on the balance sheet**

In respect of the Corona Virus event, ELINI has taken a number of measures to ensure the maintenance of operational continuity of the Mutual. As a monoline Nuclear Third-Party Liability insurer, ELINI has no direct exposure that can be linked to the Covid-19 disease. We therefore do not foresee any complications over the next 12 months on the liabilities side of our balance sheet.

As to regards of the assets, ELINI also closely monitors the financial situation of its investment portfolio.

Market volatility has had a negative impact on the market value of its investments throughout several months in 2020 and 2022, but no permanent impairments were ever identified that should have prompted ELINI to record unrealized financial losses in its 2020, 2021, 2022 or 2023 Financial Statements.

ELINI also regularly checks the creditworthiness of its Members in order to meet their contingent liability to make additional contributions in the event of a major incident.

More specifically, it is examined whether the possible rating downgrade of a Member can be explained by a change in its liquidity position resulting from the Covid-19 crisis, and whether this change can adversely affect its ability to fulfil its contingent liabilities.

During the pandemic, ELINI has consistently complied with the Regulator's frequent requests to provide both qualitative and quantitative information and analysis regarding the impact the pandemic has had or could have on both day-to-day operation and the outlook for the future. None of these reports have uncovered any problem that could endanger ELINI's operations.

ELINI's prudent business model operates with a Solvency II buffer providing headroom to absorb such unforeseen events.

## **Subsequent Event**

No significant event has occurred subsequent the closing of the Financial Statements at 31/12/2023 that could compromise the financial position or liquidity of ELINI.

ELINI not only monitors developments related to its insurance activities, to its Members or to Covid-19, but also to geopolitical developments.

## Discharge from liabilities

The Board of Directors recommends to the Annual General Meeting to

- approve the financial statements for the year ended 31 December 2023 as presented
- grant discharge to
  - o each member of the Board of Directors
  - o the Statutory Auditor

from all liability in respect of the exercise of their duties and functions related to the financial year 2023.

We look forward to a good operational year in 2024 and we would like to take this opportunity to thank you for your support and hope that everyone can stay safe.

A handwritten signature in blue ink, appearing to read 'Lukas Maršálek', is positioned above the printed name and title.

Lukas Maršálek  
Chairman of the Board of Directors  
*On behalf of the Board of Directors*

# Corporate Governance Report

## Corporate Governance structure

ELINI continues to believe that Corporate Governance is extremely useful and effective in stimulating the use of best governance practices.

All the principles described are covered in the document “Corporate Governance Memorandum”. A yearly revision is desirable to account for the changing legal and cultural environment, the new aspirations of our stakeholders and the conduct of Members, Directors and Staff. This Corporate Governance Report is entirely applicable for ELINI and the Swiss Branch.

Following the new EU-wide regulatory regime, known as Solvency II, the company also needs to disclose specific information on their Corporate Governance in the framework in particular the Solvency Financial condition report (SFCR) and Regular Supervisory Report (RSR). The SFCR is a public document and can be found on our website.

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

## Management structure

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

The Board of Directors is the management body who jointly oversees the activities of the Mutual. There are currently eleven Board members being five representing the Members, four independent non-Executive Directors and two members are Executive Directors representing the Executive Committee.

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

In addition, the Board has appointed specific Advisory Committees being the Risk Committee, Audit Committee, Finance & Investment Advisory Committee, Insurance Advisory Committee and Legal Advisory Committee. These Committees are composed of representatives of the Members and members of staff. All Advisory Committees have charters that explain their purpose and role as well as their responsibilities.

The mission of these Committees is to analyze specific topics, to prepare matters for consideration and recommendation towards the Board. The existence of the Committees does not replace the ultimate responsibility of the Board.



The Board of Directors and the Committees meet as frequently as the interests of the Mutual require. For instance, the Board normally meets four times a year. Minutes are kept of every meeting.

In line with the requirements applicable in the fit and proper policy, both Board of Directors and other Committees perform annually a self-assessment.

## **Operational structure and key functions**

In accordance with Articles 44, 46, 47 and 48 of Solvency II Directive, the Mutual has implemented the following key functions: risk management function, compliance function, internal audit function and actuarial function. Each key function discloses a report as well as for the year to come a plan and are in direct contact with the Board of Directors.

The Board of Directors and Executive Committee decide on the risk strategy and design of the risk structure. The Risk Management function deploys practices to identify, assess, monitor and mitigate various risks to ELINI's business.

The Compliance Officer function ensure that the company is following its outside regulatory and legal requirements as well as internal policies and bylaws.

The scope of work of the Internal Audit function is to determine whether ELINI's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and sufficient.

The Actuarial function oversees the control of the calculations made by the ELINI and to give a level of comfort to the Board of Directors on actuarial processes.

All key functions have a separate policy explaining their role and responsibilities. Each key function needs to comply with the fit & proper policy and conducts a self-assessment. In case the key function is being outsourced, the internal person in charge reviews the performance and conducts a control on compliance with the guidelines of the outsourcing policy.

## **Monitoring and corrective actions**

The Mutual has internal procedures and manuals which provides practical guidance for all staff in support of the 1st line of defense.

The second line of control is executed by the actuarial function, risk management function & compliance function who 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 third line of defense.

In achieving its business objectives, ELINI emphasizes the adherence to the highest standards of business integrity and ethics, as well as the respect of and compliance with all applicable national and supra-national laws and regulations.

Employees have the obligation to inform rightful concerns or threats on violation of these values and codes and about unethical or unlawful behavior to the management. Denunciators will be protected against any disciplinary measures.

ELINI has also put in place efficient and transparent procedures for handling complaints. Complaints are considered a vital and essential source of information to improve the internal control systems. Therefore, they are recorded and managed accordingly.

Concerning the IT infrastructure, a business continuity policy and implementation process including proper securities is in place. The IT department certifies that security, cyber resilience, privacy and all other IT management requirements are adequately addressed by the cloud computing vendor.

In respect of GDPR, personal data is mapped in a register with restricted access and a privacy policy is in place. The Data Protection Officer is responsible for tracking compliance with the GDPR regulation.

# **Statutory auditor's report to the annual general meeting of European Liability Insurance for the Nuclear Industry AAM for the year ended 31 December 2023 - Annual accounts**

In the context of the statutory audit of the annual accounts of European Liability Insurance for the Nuclear Industry AAM (the "association"), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the annual general meeting of 28 April 2022, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the annual general meeting deliberating on the annual accounts for the year ending 31 December 2024. We have performed the statutory audit of the annual accounts of European Liability Insurance for the Nuclear Industry AAM for 21 consecutive periods.

## **Report on the annual accounts**

### **Unqualified opinion**

We have audited the annual accounts of the association, which comprises the balance sheet as at 31 December 2023 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of 163 750 (000) EUR and the income statement shows a loss for the year ended of 1 371 (000) EUR.

In our opinion, the annual accounts give a true and fair view of the association's net equity and financial position as of 31 December 2023 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

### **Basis for the unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the annual accounts" section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the association's officials the explanations and information necessary for performing our audit.

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



## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>The valuation of investments and their accounting treatment</b></p> <p>Per 31 December 2023, the other financial investments amount to 139 272 (000) EUR and represent 85% of the total balance sheet.</p> <p>The investments are valued at acquisition cost, which is based on the information received from the investments bank.</p> <p>Taking into account the importance of these financial investments on the balance sheet, we consider that the financial investments are a key audit matter.</p> <p>We refer to « C.III.Other financial investments » of the balance sheet, disclosure « N° 3 Market value of the investments » and disclosure « N° 20 Valuation rules - 6. Other »</p>	<p>We have conducted audit procedures over the valuation and accounting treatments of the financial investments held by the association in accordance with the association's valuation rules and the accounting principles applicable in Belgium.</p> <p>For a sample of purchase transactions, we have tested the acquisition value based on the reports provided by the investment banks in order to assess the valuation of the financial investments.</p> <p>Additionally, for a sample of transactions, the results accounted for are validated with the settlement documents received from the investment banks, in order to verify the accuracy of the gains and losses recorded.</p> <p>The market value of the financial investments, which is based on the valuation reports provided by the investment managers, are compared against the acquisition value in the association's books, in order to verify if there is any impairment risk.</p> <p>The market value reports provided by the investment managers were validated with readily, external and independent market information.</p>

Key audit matters	How our audit addressed the key audit matters
<p><b>The methodology and assumptions used in setting the insurance reserves</b></p> <p>The insurance reserves includes the association's nuclear claims for 49 (000) EUR. The determination of the insurance reserves requires judgements in the selection of assumptions and methodologies.</p> <p>Due to the chosen assumptions and the methodologies in determining the amount of the reserves, we consider these assumptions and methodologies to be a key audit matter.</p> <p>We refer to « C.III. Provisions for insurance claims » of the balance sheet and disclosure « N° 20 Valuation rules – 3. Reserve for risks and charges ».</p>	<p>We have identified and tested the relevant key internal controls with respect to the insurance reserve business cycle to assess the appropriateness of the insurance reserves and the claims being recognized.</p> <p>We have tested all outstanding claims with the underlying documentation to support the insurance reserves, which has been accounted for.</p> <p>The insurance reserves are set up based on the available information from external parties, which are considered as experts in the field, and management estimates and assumptions. For all new nuclear claims, we have:</p> <ul style="list-style-type: none"> <li>• analyzed the appropriateness and validity of the assumptions used by management to determine the provision;</li> <li>• challenged the management estimates with the report from the experts;</li> <li>• reviewed consistency of the procedures with respect to the calculation of the insurance reserves from year to year.</li> </ul> <p>For outstanding reserves, we examined the updated external parties' reports and discussed with the management the changes in the insurance reserves.</p> <p>In addition, we requested all members to confirm the outstanding claim(s) towards ELINI. We performed an examination of these confirmations and compared the confirmed claims with the current insurance reserve.</p>

### **Responsibilities of the board of directors for the preparation of the annual accounts**

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the 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 association's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the statutory auditor for the audit of the annual accounts**

Our objectives are to obtain 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 statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the association nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the association's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism 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 an 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 association'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 the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report 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 statutory auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, amongst 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 the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, 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 any public disclosure about the matter.

## **Other legal and regulatory requirements**

### **Responsibilities of the board of directors**

The board of directors is responsible for the documents to be filed according to the legal and regulatory requirements, for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Code of companies and associations and the company's articles of association.

### **Responsibilities of the statutory auditor**

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, those documents to be filed according to the legal and regulatory requirements and compliance with certain obligations referred to in the Code of companies and associations and the articles of association, as well as to report on these matters.

### Statement on the social balance sheet

The social balance sheet, to be filed at the National Bank of Belgium in accordance with article 3:12, § 1, 8° of the Code of companies and associations, includes, both in form and in substance, all of the information required by this Code, including those relating to wages and training, and is free from any material inconsistencies with the information available to us in the context of our mission.

### Statements regarding independence

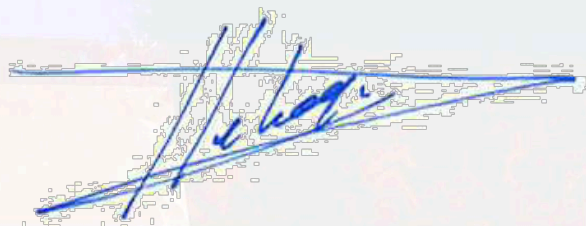
- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the association during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the annual accounts.

### Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association and the Code of companies and associations, except for:
  - The appointment of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL as statutory auditor which was not published correctly as stipulated in article 2:14 of the Code of companies and associations.
- This report is consistent with our additional report to the audit committee according to article 79 in the Law of 13 March 2016 relating to the statute and controls of insurance or reinsurance companies, referred to in article 11 of Regulation (EU) N° 537/2014.

Signed at Zaventem.

### The statutory auditor



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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL  
Represented by Yves Dehogne

## Balance sheet as at 31 December 2023 and 31 December 2022

(Currency - Euro)

<b>ASSETS</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
C. Investments		
III. Other financial investments		
1. Parts in investment funds	139.012.886	130.492.275
2. Bonds and other fixed interests	0	0
6. Term deposits	100.226	5.100.226
7. Other	158.510	114.330
	<u>139.271.622</u>	<u>135.706.831</u>
D. bis. Part of reinsurance in the technical reserves		
I. Reserve for non-earned premiums and current risks	2.165.617	2.197.841
III. Reserve for claim receivable	0	0
	<u>2.165.617</u>	<u>2.197.841</u>
E. Receivables		
I. Receivables from direct insurance		
1. Insurers	38.331	47.898
2. Intermediaries	383.819	492.559
II. Receivables resulting from reinsurance	0	0
III. Other receivables	36.696	37.172
IV. Subscribed capital, not paid	1.183.973	902.030
	<u>1.642.820</u>	<u>1.479.659</u>
F. Other assets		
I. Tangible Assets	634.051	454.875
II. Liquidities	19.801.876	13.382.136
	<u>20.435.927</u>	<u>13.837.011</u>
G. Transitory accounts		
I. Interest and rent	233.756	181.313
	<u>233.756</u>	<u>181.313</u>
<b>TOTAL ASSETS</b>	<b>163.749.742</b>	<b>153.402.654</b>

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



## Balance sheet as at 31 December 2023 and 31 December 2022

(Currency - Euro)

<b>LIABILITIES</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
A. Equity		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	83.297.842	83.465.069
V. Retained earnings		
1. Surplus (Deficit) of the period (Belgium)	0	0
2. Surplus (Deficit) of the period (Switzerland)	-3.461.097	-3.727.738
	<b>79.836.745</b>	<b>79.737.332</b>
C. Technical reserves		
I. Reserve for unearned premiums and unexpired risks	4.768.387	4.528.473
III. Reserve for claim payable	48.750	48.750
V. Reserve for equalisation and catastrophes	78.168.019	68.038.872
	<b>82.985.156</b>	<b>72.616.095</b>
G. Payables		
I. Payables resulting from direct insurance business	2.720	24.454
II. Receivables resulting from reinsurance business	25.396	201.391
IV. Debt versus financial institutions	0	0
V. Other payables		
1. Fiscal and Social payables		
a) Property tax and VAT	61.904	58.199
b) Social payables	354.394	290.383
2. Other	348.616	372.978
	<b>793.030</b>	<b>947.405</b>
H. Transitory accounts	134.810	101.823
	<b>134.810</b>	<b>101.823</b>
<b>TOTAL LIABILITIES</b>	<b>163.749.742</b>	<b>153.402.654</b>

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

# Income Statement for the period ending 31 December 2023

(Currency - Euro)

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS				31/12/2023	31/12/2022
1.	Earned premiums, net of reinsurance				
	a)	Gross premiums		24.871.015	26.124.458
		• Premiums written	24.871.015 26.124.458		
		• Rebates to Members	0 0		
	b)	Reinsurance Premiums		-10.618.286	-11.506.961
	c)	Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)		-239.915	-3.507.883
	d)	Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)		-32.223	1.831.948
				<u>13.980.591</u>	<u>12.941.561</u>
2.	Allocated investment return transferred from the non-technical account			<u>0</u>	<u>0</u>
				0	0
2bis.	Investment Income				
	b)	Income from other investments		0	0
	c)	Write-back of adjustments on investments		0	0
	d)	Realized capital gains		0	0
				<u>0</u>	<u>0</u>
3.	Other technical income net of reinsurance			111.888	109.858
4.	Costs of claims, net of reinsurance				
	a)	Net amount paid			
		aa)	Gross amount	0	0
		bb)	Part of reinsurers	0	0
	b)	Variation of the claims services reserve, net of reinsurance (increase -, decrease +)			
		aa)	Variation of the reserve for claims, gross of reinsurance (increase -, decrease +)	0	718
		bb)	Variation of the reserve for claims, part of reinsurance (increase -, decrease +)	0	-1.860
				<u>0</u>	<u>-1.141</u>

# Income Statement for the period ending 31 December 2023

(Currency - Euro)

- continued -

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS		
	31/12/2023	31/12/2022
6. Cost of refund of contribution. net of reinsurance (-)		
a) Net amount paid	0	0
b) Variation of the refunds reserve. net of reinsurance (incr - decr +)	0	0
	<u>0</u>	<u>0</u>
7. Net operating expenses (-)		
a) Acquisition expenses	-382.212	-481.667
b) Administrative expenses	-3.389.947	-2.792.639
	<u>-3.772.159</u>	<u>-3.274.306</u>
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	0	0
b) Adjustments to investment values	0	0
c) Realized less values	0	0
	<u>0</u>	<u>0</u>
8. Other re-insurance charges	0	0
<b>SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES</b>	<b>10.320.320</b>	<b>9.775.972</b>
9. Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +)	-10.129.147	-10.519.537
<b>Balance on the technical account for non-life insurance business</b>	<b>191.173</b>	<b>-743.565</b>

The accompanying notes are an integral part of this income statement



# Income Statement for the period ending 31 December 2023

(Currency - Euro)

NON TECHNICAL ACCOUNT		
	31/12/2023	31/12/2022
1. Balance on the technical account for non-life insurance	191.173	-743.565
3. Investment income		
b) Income from other investments	165.273	14.155
c) Write-back of adjustments on investments	176.186	152.302
d) Realized capital gains	375.427	254.523
	<u>716.886</u>	<u>420.979</u>
5. Expenses relating to investments (-)		
a) Expenses for managing investments	-35.046	-15.090
b) Adjustments to investment values	0	-8.274
c) Realized less values	-2.240.409	-1.970.473
	<u>-2.275.455</u>	<u>-1.993.836</u>
6. Allocated investment return transferred to the non-life insurance technical account	<u>0</u>	<u>0</u>
	0	0
7. Other income	<u>0</u>	<u>0</u>
	0	0
15. Tax on profit on ordinary activities	-3.197	-2.683
<b>Profit on ordinary activities after tax</b>	<b>-1.370.592</b>	<b>-2.319.104</b>
<b>Surplus / (deficit) of the period available for distribution</b>	<b>-1.370.592</b>	<b>-2.319.104</b>

The accompanying notes are an integral part of this income statement

## Income Statement for the period ending 31 December 2023

(Currency - Euro)

ALLOCATION OF THE SURPLUS / DEFICIT		
	31/12/2023	31/12/2022
<b>A. Profit to be allocated</b>	<b>-5.098.330</b>	<b>-5.292.321</b>
1. Surplus / Deficit of the period	-1.370.592	-2.319.104
2. Retained earnings	-3.727.738	-2.973.217
<b>B. Withdrawal from own funds</b>	<b>1.637.239</b>	<b>1.564.583</b>
1. Withdrawal from the guarantee fund	1.637.239	1.564.583
2. Withdrawal from the reserves	0	0
<b>C. Allocation to the own funds</b>	<b>0</b>	<b>0</b>
1. Allocation to the guarantee fund	0	0
<b>D. Result to carry forward</b>	<b>3.461.091</b>	<b>3.727.738</b>
1. Surplus to carry forward	0	0
2. Deficit to carry forward	3.461.091	3.727.738
<b>F. Result to be distributed</b>	<b>0</b>	<b>0</b>

The accompanying notes are an integral part of this income statement

## NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Currency - Euro)

### 1. ACTIVITY OF THE ASSOCIATION AND SUMMARY OF THE MAIN ACCOUNTING PRINCIPLES

The object of the Association is the insurance of civil liability, in Branch 13, of its Insured Members. This is within the framework of and limited to civil liability in the nuclear industry:

- as specified in the national legislations of countries who have signed the Paris Convention of July 29th 1960 (current and amended),
- or the Vienna Convention of May 21st 1963 (current and amended),
- or those countries who have not signed the Paris Convention nor the Vienna Convention but apply the same principles in their national legislations;
- or based on Common Law and/or Civil Law ('droit commun').

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

During the year 2023, the maximum insurance capacity of E.L.I.N.I. is 332.087.838 EUR of which:

- For those Members not using the BlueRe capacity :
  - The first layer of 135.000.000 EUR is covered by E.L.I.N.I.;
  - 100% of any amount in excess of 135.000.000 EUR up to 185.000.000 EUR is reinsured by way of treaty reinsurance contract;
  - 100% of any amount in excess of 185.000.000 EUR is reinsured by way of facultative reinsurance contracts.
- For those Members using the BlueRe capacity :
  - The first layer of 50.000.000 EUR is covered by E.L.I.N.I.;
  - 100% of any amount in excess of 50.000.000 EUR up to 107.500.000 EUR is reinsured by way of treaty by BlueRe;
  - 100% of any amount in excess of 107.500.000 EUR up to 192.500.000 EUR is covered by the E.L.I.N.I. capacity;
  - 100% of any amount in excess of 192.500.000 EUR up to 237.500.000 EUR is reinsured by way of treaty;
  - For two contracts, an alternative 80.000.000 EUR is reinsured by way of a facultative reinsurance Quota Share contract as part of a total insured limit of 332.087.838 EUR.

The risk for E.L.I.N.I. is limited to 135.000.000 EUR as per 31 December 2023.

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

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

Other assets – tangible fixed assets	% per year
Software (upon evaluation executive committee by project)	20% or 33,33%
Installations, electronic equipment and office tools	33,33
Furniture	10
Vehicles	20



b. Technical provisions

The association constitutes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, claims payable increased with best estimate of the internal and external claim handling costs and the reserve for equalization and catastrophes in accordance with Articles 10 and 11 of the Royal Decree of 22 February 1991.

c. Fixed Income securities

The fixed income securities (straight and convertible bonds) are valued at their acquisition cost. The incidental costs are expensed as incurred.

The differences, if material, between acquisition cost and redemption value of the securities are amortized pro rata to maturity of the securities.

Unless the intention of the association is to sell the securities in the short term, no adjustment is booked to reflect the market value if this market value is below the net book value determined according to the method described above.

Reduction in value on fixed income securities shall be recorded in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised

d. Shares and other non-fixed income securities

Shares and other non-fixed interest securities are recorded at acquisition cost. 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.

e. Foreign exchange rate contracts

The foreign exchange rate contracts are converted in Euro using the exchange rate as of the balance sheet date.

f. Foreign currency translation

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

The foreign currency denominated accounts, on the balance sheet, are converted in Euro using the exchange rate as of the balance sheet date.

The foreign currency denominated accounts of the income statement are converted into Euro on a monthly basis using the exchange rate in force at the beginning of the month as proxy for the daily foreign exchange rate over the related month.

All exchange gains and losses are recorded in the income statement, as foreign exchanges revenues and charges.

- g. The integration of assets and liabilities of branches in foreign currencies:

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

## 2. GUARANTEE FUND

The Board of Directors proposes to the Annual General Meeting to allocate -1.637.239,26 EUR, i.e. the financial non-technical result of the year 2023, to the Guarantee fund. Note that the result of the year 2023 of the Swiss and UK branch will not be transferred to the Guarantee Fund but will be reported separately as retained earnings (+ 266.640,67 EUR).

The evolution of the Guarantee Fund over 2023 is as follows:

Guarantee fund at 31 December 2022	83.465.069,37
Capitalisation members	1.470.012,23
Transfer of the Surplus of the year 2023	-1.637.239,26
<b>Guarantee fund at 31 December 2023</b>	<b>83.297.842,34</b>

Retained earnings at 31 December 2022	-3.727.737,86
Surplus (+) / Deficit (-) of the Branches	266.640,67
<b>Retained earnings at 31 December 2023</b>	<b>-3.461.097,19</b>

## 3. RESERVE FOR EQUALIZATION AND CATASTROPHES

In application to Article 11, §1, A, 3° of the Royal Decree dated 22 February 1991 on the general rules on the control of insurance companies, the association started in 2004 to build a reserve for equalization and catastrophes. The purpose thereof is to create a reserve that would smooth out variations in claims or would cover exceptional risks. Based on the current regulations, the theoretical target amount that should be provided for within the Associations' equalization and catastrophes reserve is 135.000.000 EUR. The yearly movement however depends on the income or loss of the association before (net) investment income (exclusive the result from the Swiss and UK Branch). An income results in an addition to the reserve for the income amount, and a loss results in a usage of the reserve for the amount of the loss. The application of this rule resulted in an addition of 10.129.146,98 EUR for the year 2023, including the increase of 234.328,20 EUR within the Swiss Branch due to foreign currency revaluation.

This brings the total Reserve for Equalization and Catastrophes up to 78.168.019,06 EUR.

It should however be noted that at the end of 2023 the guarantee fund amounts to 79.836.745,15 EUR (including the result of the Swiss and UK Branch) and can also be used to cover the obligation of the association.

Furthermore, the unrealised losses on investments amounting to +727.893,02 EUR at 31 December 2023 (2022 : - 11.898.884,55 EUR) are not reported in the Balance Sheet but can also be realised in case of a catastrophe. Unrealised gains on financial instruments (options) are not included since these are a full microhedge for a social liability and can therefore not be used to cover other obligations of the association.

Additionally, the association may call under certain circumstances for additional funds of the members (article 25 of the Articles of Association) to be used to cover the obligations of the association.

#### 4. MANAGEMENT

The investment management of the Association is outsourced.

Reinsurance commissions refunded to E.L.I.N.I. are 299.053,80 EUR for 2023 and compare to an amount of 253.576,00 EUR for 2022 and are deducted from the reinsurance premium charges.

#### 5. PERSONNEL EMPLOYED

At year end 31 December 2023 and including the Swiss branch, E.L.I.N.I. employed 14 staff members corresponding to a full time equivalent of 8,2. Previous year, the Association employed 14 staff members with a full time equivalent of 8,1. Executive Directors are self-employed as from 01 January 2021 in accordance with the regulatory requirements.



## Solvency II

With Solvency II gaining importance, ELINI is proud to be in compliance with the regulatory requirements. The Solvency II ratio stood at 230,36% at the end of the year 2023 and compares with a ratio of 235,88 % a year earlier. This decrease is fully due to Elini's growth since the increase in gross earned premiums expectations is reflected in a higher Catastrophe risk.

### Audit

The Solvency II figures are also subject to an audit by the Statutory Auditor in accordance with the financial reporting framework applicable in Belgium and applied in the Solvency II calculations ("the financial reporting framework"). For the period ending 31/12/2023, the Statutory Auditor has made no recommendations and issued an unqualified opinion.

### ORSA

### Solvency Financial Condition Report (SFCR)

The company needs to disclose specific information on their Corporate Governance in the framework in particular the Solvency Financial condition report (SFCR) and Regular Supervisory Report (RSR). Both documents are to be disclosed to the Regulatory Instance. The SFCR is a public document and can be found on ELINI's website. The SFCR report is pursuant to Articles 51, 53, 54, 256 and 256a of Directive 2009/138/EC, as amended (the "Directive") and Articles 290 to 298 and 359 to 364 of Delegated Regulation (EU) 2015/35, as amended (the "Regulation" and, together with the Directive, the "Solvency II Regulations").

The SFCR 2024 contains details of the financial figures for the period ending 31/12/2023.

### Capital base

As explained in this SFCR, ELINI shows a very strong capital base. Unlike the figures reported in compliance with the Belgian GAAP accounting standards, under the Solvency II regulation, the own funds are defined differently. An undertaking's own funds consist of Basic Own Funds (BOF) and Ancillary Own Funds (AOF).

The basic own funds consist of (i) the excess of assets over liabilities, and (ii) subordinated liabilities. Examples of basic own-fund items are paid-up share capital, share premium reserve and the reconciliation reserve. The quality of the BOF can be Tier1, Tier2 or Tier3. Ancillary own funds consist of items other than basic own funds which can be called up to absorb losses. These are therefore items that have not yet been paid in or called up. The quality of AOF can be Tier2 or Tier3.

As at 31/12/2023, ELINI's own funds consist of Basic Own Funds only and amounted to € 155.502.681, of which € 155.471.131 are qualified as Tier1 and € 31.550 qualified as Tier2. An amount of € 1.152.423 is considered non-eligible because it does not meet the Solvency II requirements to be classified as eligible own funds.

ELINI has made a comparison between the Belgian GAAP accounting standards and the Solvency II results to highlight its strong capital base.

## Capital base comparison Belgian GAAP - Solvency II as at 31/12/2023

(Currency - Euro)

LIABILITIES	BE Gaap	Solvency II	Difference
A. Equity			
I. Subscribed capital or equivalent fund, net of uncalled capital			
1. Guarantee fund securities	83.297.842,34	83.297.842,34	0,00
V. Retained earnings	-3.461.097,19	-3.461.097,19	0,00
Asset adjustments	0,00	732.550,97	732.550,97
Liabilities adjustments	0,00	82.985.156,26	82.985.156,26
Technical provisions adjustment	0,00	-8.051.771,61	-8.051.771,61
TOTAL OWN FUNDS	<u>79.836.745,15</u>	<u>155.502.680,77</u>	<u>75.665.935,62</u>
Non-eligible Own Funds	0,00	-1.152.423,00	-1.152.423,00
TOTAL ELIGIBLE OWN FUNDS (EOF)	<u>79.836.745,15</u>	<u>154.350.257,77</u>	<u>74.513.512,62</u>

The main differences between both standards can be explained by :

- Solvency II shows an 'economic balance sheet' at market values whereas Belgian GAAP reports book values
- The Reserve for Equalization and Catastrophes, available to cover ELINI's liabilities in case of nuclear incidents, is not recognized as a separate liability on the Solvency II balance sheet and is therefore added to the amount of the 'Excess of Assets over Liabilities' or the Own Funds.

The strong capital base is also reflected in ELINI's Long Term Issuer Credit Rating (a-) which was last affirmed by AM Best on 5 October 2023. A link to AM Best's latest report is always available on the [ELINI](#) website.

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E L I N I

EUROPEAN LIABILITY  
INSURANCE FOR THE  
NUCLEAR INDUSTRY

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