

Activity Report 2011

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# Preface

Financial unrest and instability plagued large parts of Europe in 2011. Many portfolio managers have had difficulties achieving their goals. Against this background it is of course gratifying that the Nuclear Waste Fund is able to report a very good result. The nominal return was 9.4 percent, which is equivalent to a real return of 7.1 percent. As the new chairman, I am very happy to be able to present such a positive result.

These good historical figures are the result not only of skilful management, but also sharply falling market rates. Interest rates are now at a very low level historically. Of course, this limits the potential future returns for a fund that is only allowed to invest in Swedish treasury bonds and covered mortgage bonds.

At the same time, falling interest rates also mean

that the present value of the costs for final disposal of nuclear fuel and safe decommissioning of nuclear facilities which the Fund has to finance have increased more than the value of the Fund. This means that the financing system as a whole is on less solid ground than at the beginning of the year.

In December 2011, the Government instructed the Swedish Radiation Safety Authority (SSM) to review the regulatory framework and analyze the effects of a broadening of the Nuclear Waste Fund's investment rules. This assignment will be carried out in consultation with the Fund and the National Debt Office. We at the Fund will take an active part in the analysis work, which I assume will also provide valuable information as a basis for the Fund's strategic investment decisions.

Stockholm, February 2012



Susanne Lindh  
Chairman

# A few words about the Nuclear Waste Fund 2011

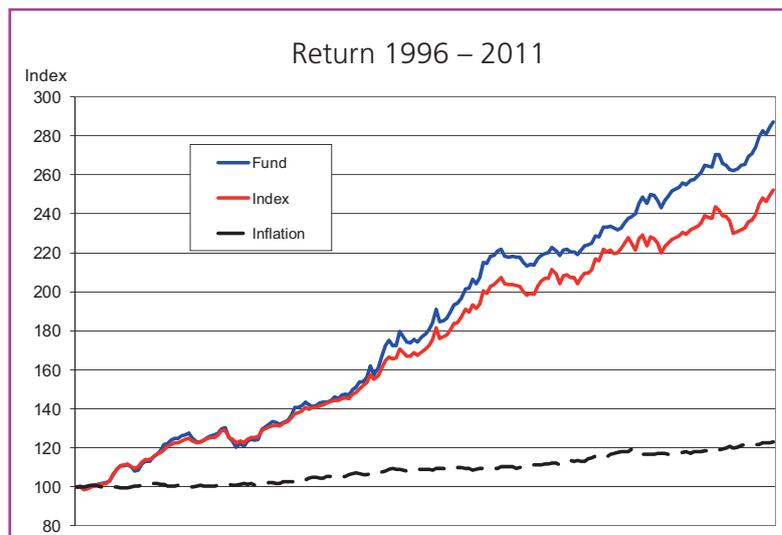
- The rate of return was 9.4 percent, which was 0.3 percentage point lower than the comparison index. Since the inflation rate was 2.3 percent, the real rate of return was 7.1 percent.
- The Fund capital increased by SEK 3,730 million, amounting to SEK 47,966 million at the end of the year.
- Fund management costs continued to be very low, amounting to 0.020 percent of the Fund capital at the end of 2011, consisting of 0.013 percent for asset management and 0.007 percent for administration.

All figures in the following are based on measurement of the Fund's investments at fair value (market value).

# Return 1996 – 2011

The following graph shows the change in value of SEK 100 that was paid into the Nuclear Waste Fund on 1 January 1996. For comparison, the change in value of SEK 100 with the comparison index return is also shown, along with how much has been used to compensate for inflation during the period.

- SEK 100 in the Nuclear Waste Fund has grown to SEK 287.
- SEK 100 invested at the comparison index has grown to SEK 252.
- SEK 22 of the return has been used to compensate for inflation.



Year	Nominal return (%)	Comparison index (%)	Active return (%)	Inflation (%)	Real return (%)
1996	10.6	10.8	-0.2	0.1	10.5
1997	9.9	7.4	2.5	1.9	8.0
1998	3.3	4.7	-1.4	-0.6	3.9
1999	-0.8	-0.6	-0.2	1.2	-2.0
2000	12.9	9.8	3.1	1.4	11.5
2001	3.5	4.7	-1.2	2.9	0.6
2002	14.9	11.8	3.1	2.3	12.6
2003	6.7	5.8	0.9	1.4	5.3
2004	13.2	11.2	2.0	0.4	12.8
2005	8.2	7.5	0.7	0.9	7.3
2006	1.2	2.5	-1.3	1.6	-0.4
2007	3.3	3.3	0.0	3.5	-0.2
2008	8.9	6.0	2.9	0.9	8.0
2009	2.5	0.0	2.5	0.9	1.6
2010	3.0	3.0	0.0	2.3	0.7
2011	9.4	9.7	-0.3	2.3	7.1
<b>Average per year<sup>1)</sup></b>	<b>6.8</b>	<b>6.0</b>	<b>0.8</b>	<b>1.5</b>	<b>5.4</b>

<sup>1)</sup> Calculated as the geometric mean of the annual values.

The **nominal return** consists of the sum of realized and unrealized value changes in the Fund's investments as well as interest received (including inflation compensation on index-linked investments).

The **Comparison index** has been

70% OMRX REAL, 15% Stockholm Stock Exchange's bond index all total and 15% the Money Market Index 30 days from 1 Jan. 1996 until 30 Sept. 2003. 100% OMRX REAL from 1 Oct. 2003 until 31 Dec. 2008.

30% OMRX REAL and 70% OMRX TBOND from 1 Jan. 2009 until 31 May 2009.

30% OMRX REAL, 50% OMRX TBOND and 20% OMRX MORT from 1 June 2009 until 31 July 2009

30% OMRX REAL, 35% OMRX TBOND and 35% OMRX MORT from 1 June 2009 until 31 July 2010

30% OMRX REAL and 70% OMRX BOND from 1 Jan. 2011

The consumer price index data reported by SCB for December, the 12-month change in percent (rate of inflation), is used as a measure of **inflation**.

The **active return** relative to the index consists of the nominal return less the index return and shows how successfully the Fund has been managed in relation to the index.

The **real return** consists of the nominal return less inflation.

# The financing system

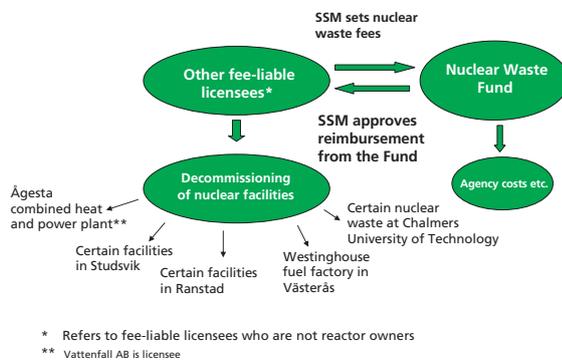
In the early 1980s the Riksdag (Swedish parliament) devised a special system for financing of the costs for safe future management and disposal of the spent nuclear fuel and decommissioning and dismantling of the nuclear power reactors.

Under this financing system, the holder of a licence to own or operate a nuclear facility that gives or has given rise to residual products pays a special fee to the Swedish state. The fee is levied at a given rate per kWh of electricity delivered by the nuclear power plants. Since 2008 the fee can also be determined as an amount in kronor, to be paid for example by a fee-liable licensee who no longer delivers nuclear energy.

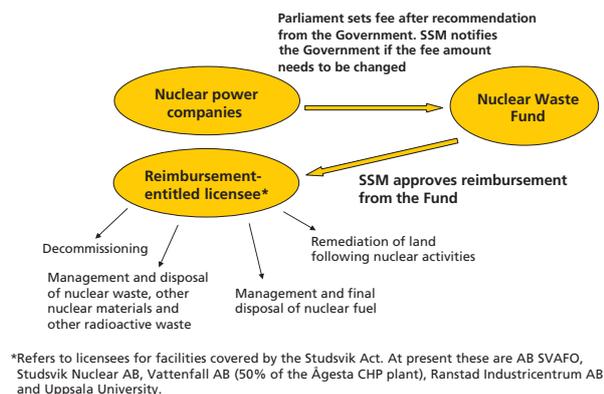
For the first 14 years the fees were deposited in interest-bearing accounts at the Riksbank (Swedish central bank). Since 1996 the funded assets have been held by the Nuclear Waste Fund, which is a government authority. The Nuclear Waste Fund has its own Board of Governors but no employees. The Kammarkollegiet performs administrative and capital management services for the Board. The Government decides on the size of the fee, based on a proposal by the Swedish Radiation Safety Authority (SSM). In certain cases, SSM determines the fees. SSM and, in certain cases, the Government approve disbursements from the Fund. The nuclear power companies have formed the jointly owned company Svensk Kärnbränslehantering (Swedish Nuclear Fuel and Waste Management Co), SKB, to manage and dispose of the radioactive waste.

The main features of the financing system are illustrated in the following figures.

The Financing Act – Other fee-liable licensees



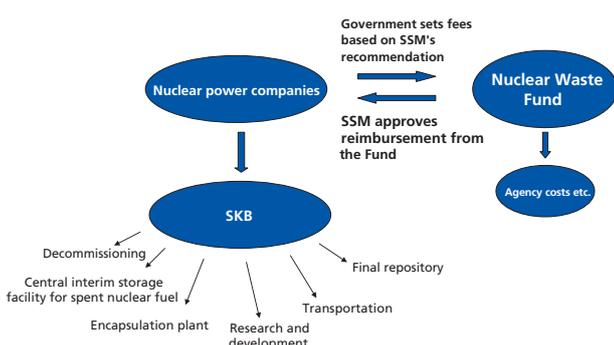
The Studsvik Act



Each nuclear power company and other fee-liable licensee is fully responsible for all its costs, even if the fees accumulated in the Fund should not be sufficient. The party responsible for paying the nuclear waste fee must therefore provide a guarantee to the state for the costs the fee is intended to cover, but which are not covered by the paid-in and accumulated fees.

The principle for the financing of the disposal of nuclear waste is that the nuclear power industry should be liable for the costs. If it turns out that a reactor owner cannot pay, and Fund assets and guarantees are insufficient, the state – and thereby the taxpayers – will in the end have to contribute the necessary funds. As of 1 January 2008, the state is entitled to charge the nuclear power companies a risk fee for this risk.

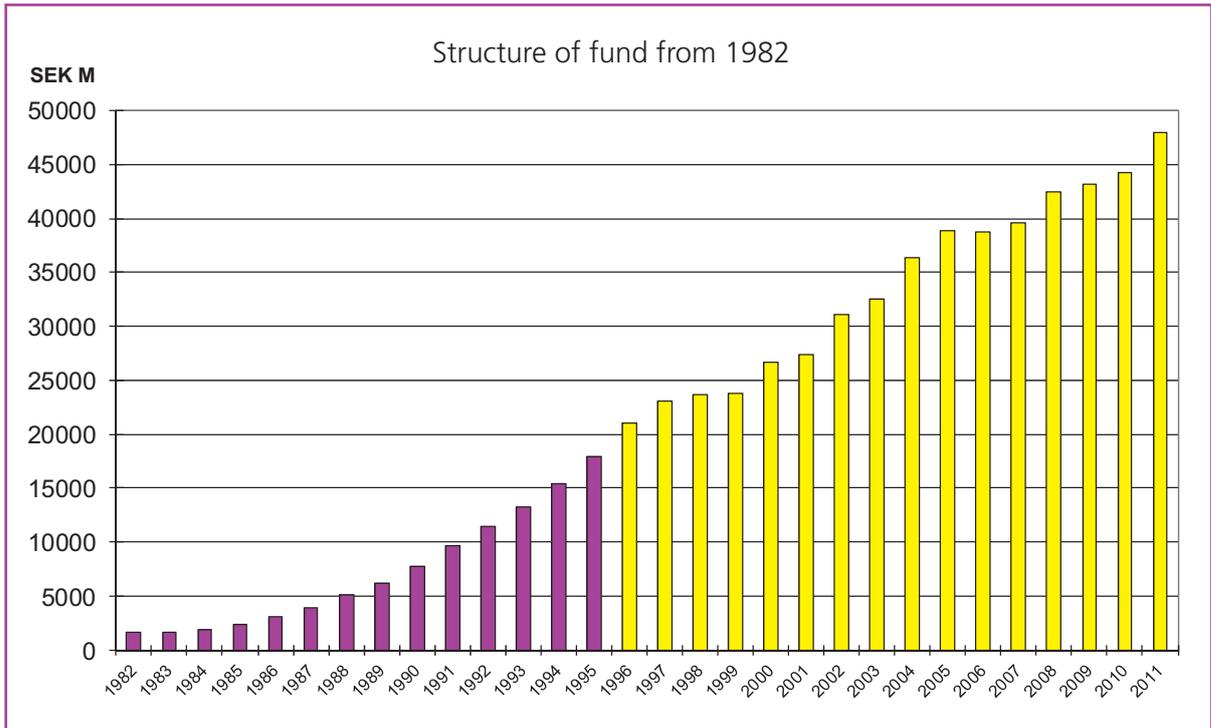
The Financing Act – Nuclear power companies



# Growth of the Fund

## Amount of capital

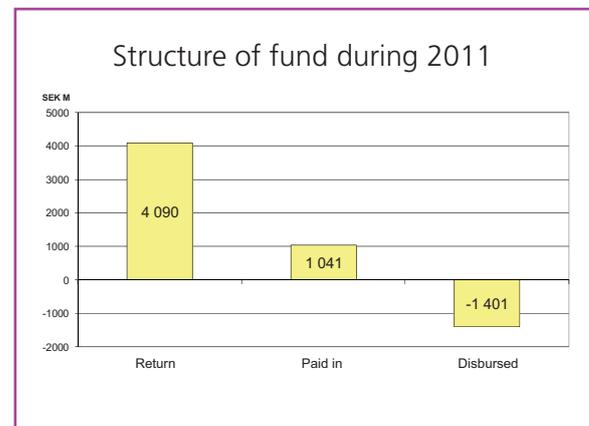
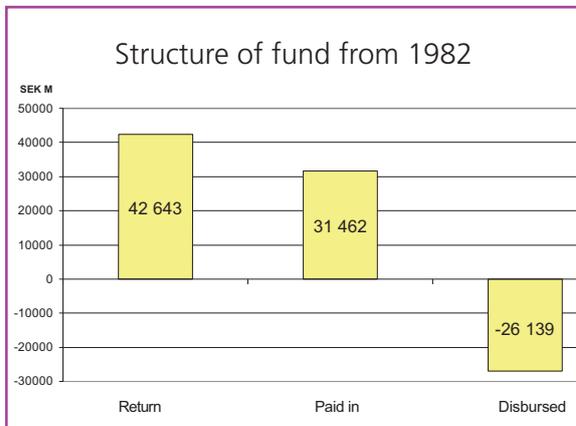
The Nuclear Waste Fund was started in 1982. The size of the Fund at the end of each year since then is shown in the graph below.



The following figure shows how the current Fund capital has been built up by accumulated payments, disbursements and return since the start.

During 2011, the value of the Fund increased by

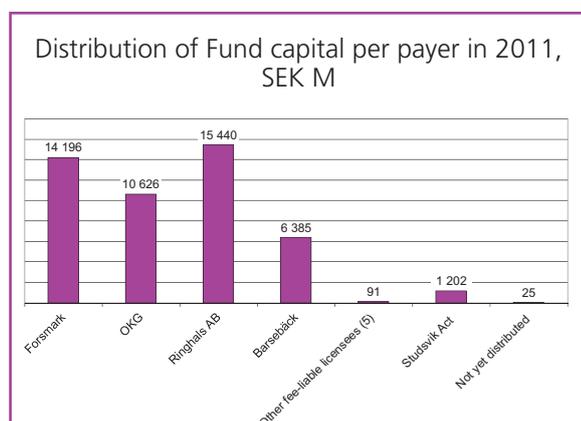
SEK 3,730 million. The following figure shows how the increase has been built up by payments, disbursements (including the Fund's operating expenses) and return during the year.



### Distribution of Fund capital per payer

The paid-in fees are earmarked for each payer and may only be used to cover the costs attributable to that particular payer. Joint costs are allocated among the fee-liable licensees. If the paid-in fees for a reactor owner or other fee-liable licensee should not suffice to cover the payer's costs, fees paid in by another reactor owner may not be used to make up the difference. If Fund assets are left over for a fee-liable licensee after all costs relating to that fee-liable licensee have been paid, these surplus fees must be paid back to the payer. This repayment obligation does not apply to Studsvik fees, however. Any surplus Studsvik fees in the Fund go to the state.

At the end of 2010, the Swedish Radiation Safety Authority decided that five other fee-liable licensees should pay fees to the Fund. The five new fee-liable licensees are Chalmers Tekniska Högskola AB, Westinghouse Electric AB, Vattenfall AB Ågesta, Ranstad Mineral AB and Studsvik Nuclear AB. The distribution of the Fund capital per payer at 31 December 2011 is shown in the following chart.



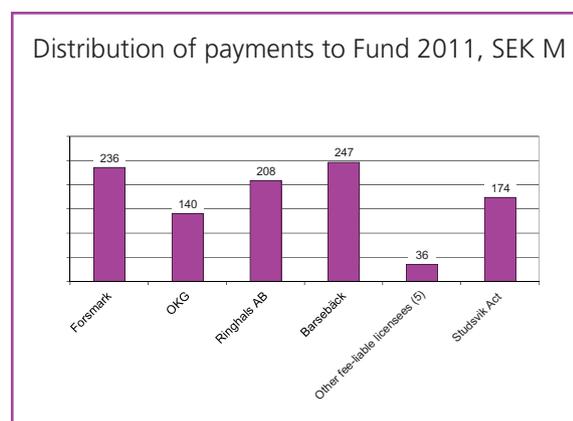
The method for keeping track of each payer's share of the Nuclear Waste Fund is described in greater detail in the Income Statement.

### Payments to the Fund 2011

According to law, the holder of a licence to own or operate a nuclear facility that gives or has given rise to waste products shall pay a nuclear waste fee. Prior to 1 January 2008, this fee liability applied to the holder of a licence to own or operate a nuclear power reactor and was limited to the time the reactor is in operation. Up until 2017, the nuclear power-producing companies must also pay a special fee to finance the decommissioning of the research reactors in Studsvik and certain other costs for the early Swedish nuclear power programme.

These fees are calculated in relation to the energy that is delivered and established as a certain number of öre (1 öre = SEK 0.01) per kWh delivered. The fee is differentiated for each fee payer and is calculated so that the total fees for each payer cover that particular payer's total costs. After 1 January 2008, the fee can also be established as a given amount in kronor, to be paid for example by a fee-liable licensee who no longer delivers nuclear energy or is a so-called other fee-liable licensee. The sizes of the fees are shown in the presentation of results in the formal annual report.

The fee payments in 2011 amounted to SEK 1,041 million. They are distributed as shown by the following chart.



## Disbursements from the Fund 2011

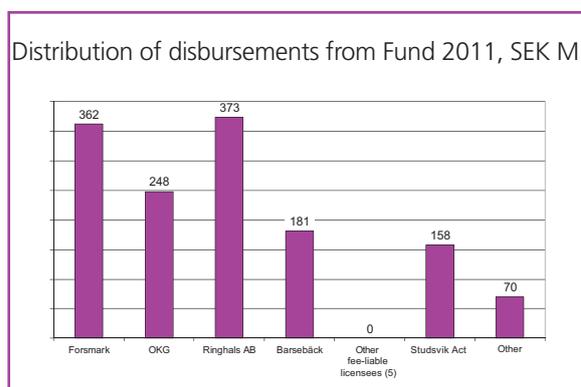
The nuclear waste fee is used to cover

- the licensees' costs for safe management and disposal of waste products,
- the licensees' costs for safe decommissioning and dismantling of nuclear facilities,
- the licensees' costs for the necessary research and development,
- the state's costs for management of the Fund assets and examination of questions concerning fees, disbursement of funds etc.,
- the state's costs for supervision of the decommissioning and dismantling of nuclear facilities,
- the state's costs for examination of questions concerning final disposal and monitoring and control of the final repository,
- the licensees', the state's and the municipalities' costs for information to the public in matters relating to management and disposal of spent nuclear fuel and nuclear waste, and
- costs for support to non-governmental organizations for efforts in connection with questions concerning siting of facilities for management and disposal of spent nuclear fuel.

The special Studsvik fee will be used to cover the costs of the early Swedish nuclear power programme.

Disbursements in 2011 amounted to SEK 1,392 million.

They are distributed as shown by the following chart.



# Capital management

## Goal

According to the Government's regulations, the Fund must be managed to ensure a good return and satisfactory liquidity.

In its investment policy, the Board of Governors has formulated its return goal in the following manner:

“The goal is – taking into account the restrictions imposed by the Government on the investment activities – to achieve the highest possible real return on the managed capital.”

## Investment rules

According to the Government's regulations, the Nuclear Waste Fund's investment options were restricted at the start of 1996 to deposits in an account at the National Debt Office. The account investments could, however, be made on conditions that reflected the conditions for index-linked and fixed-income treasury bonds.

In 2002 the investment rules were changed so that the option of deposits with the National Debt Office on conditions similar to those for treasury bonds was abolished and replaced with investments on the market for treasury bonds.

In the spring of 2009, the investment rules were changed to permit investments in covered bonds as well. Covered bonds are mortgage-backed bonds issued by housing finance institutions that are secured by a specially identified pool of assets consisting as a rule of mortgages which the institution has taken in as collateral for its own lending.

This means that the Fund has the following investment options.

- Sight deposits in accounts at the National Debt Office, with nominal return based on the repo rate.
- Short-term deposits at a fixed interest rate at the National Debt Office with an investment period that can vary between one month and one year.
- Investments on the market in treasury bills, fixed-income bonds or index-linked bonds issued by the National Debt Office.
- Investments on the market in debt instruments issued in accordance with the Covered Bonds Issuance Act (2003:1223).

Each year the Board adopts an investment policy for the Nuclear Waste Fund. The purpose of the policy is to provide rules for the investment of the Fund's assets. The policy sets the goal for rate of return while defining the division of responsibilities between the Fund's Board of Governors and the Kammarkollegiet. The policy stipulates how different risks are controlled and limited and how the results of fund management are reported. The current investment strategy is posted at [www.karnavfallsfonden.se](http://www.karnavfallsfonden.se)

## Investments and return

As shown by the table on p. 4, the real return since the introduction of the current management rules in 1996 has amounted to an average of 5.4 percent per annum. The nominal return has exceeded the comparison index by an average of 0.8 percentage point per annum during the entire period since 1996. Under the current investment rules, the Nuclear Waste Fund's options for influencing the rate of return are limited to three parameters:

- Choice between fixed-income and index-linked investments.
- Choice of duration in the investments.
- Choice between treasury bonds and covered bonds (since 15 May 2009).

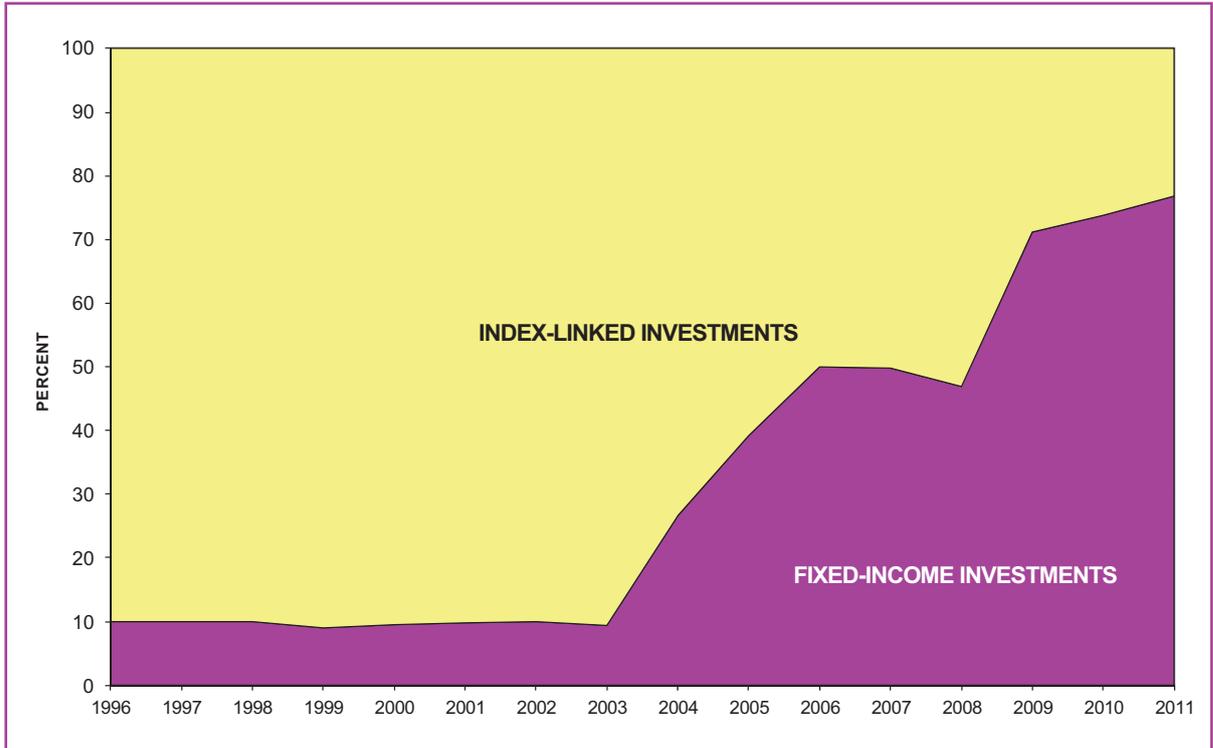
When the current expectation model started in 1996, Sweden had experienced long periods with high inflation. There was therefore concern that the value of the Fund would be undermined by inflation. Unlike most other capital investors with similar management assignments, the Fund's Board of Governors therefore decided to invest nearly all the Fund's capital in index-linked bonds with a long maturity. The Fund was then able to take advantage of the high real interest rates on the treasury bond market for long-term investments. Up until 2004, the proportion of index-linked investments was around 90 percent. Since then this percentage has steadily declined. At the end of 2011 the proportion of index-linked investments was 23 percent.

The reason for the decline in the proportion of index-

linked investments is that conditions have changed. The Riksbank's inflation target, which was introduced in 1993, contributed to a sharp decline in the inflation rate, which meant that index-linked bonds were no longer as attractive since they compensate for inflation. At the same time, the real market rates fell after 2000, which meant that the market value of

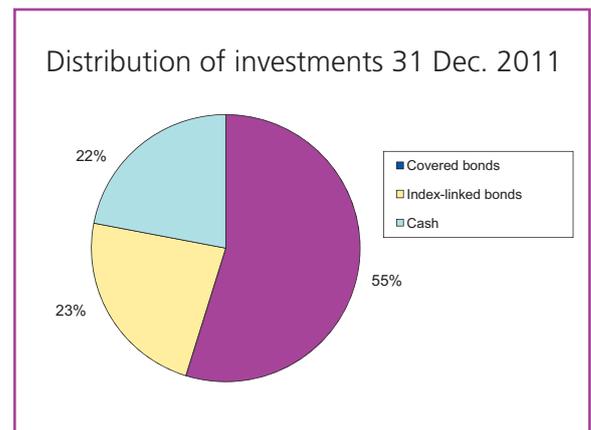
the investments increased sharply. All in all, this led to a decision by the Fund Board to partially realize the value increase and reduce the proportion of index-linked investments.

The proportions (%) of fixed-income and index-linked investments are shown in the following graph. When the restriction to treasury bonds was abolished



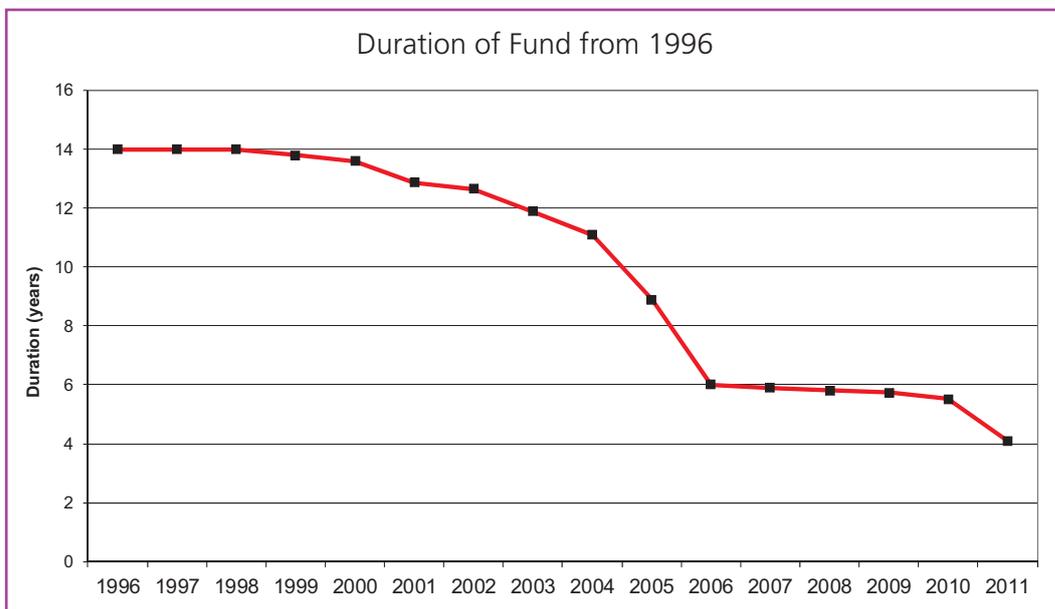
and the option of investing in covered bonds was opened in 2009, there was a big shift from fixed-income treasury bonds to covered bonds. The reason was that covered bonds yield a higher return at only a slightly higher risk compared with fixed-income treasury bonds.

The pie chart shows the distribution of the investments at the end of 2011. The proportion of covered bonds is about 55 percent of the portfolio. The chart shows that the Fund had very high liquidity (cash) in the form of deposits with the National Debt Office at the repo rate. On the other hand, no fixed-income treasury bonds were held at the end of the year. The reason for this was the judgement that deposits at the repo rate are preferable in the short term to fixed-income treasury bonds given the prevailing interest rate situation and expectations of rising bond rates.



Duration is a measure of the interest rate risk in the portfolio. By interest rate risk is meant the change in value of an interest-bearing security that occurs when the market interest rate rises or falls. A longer duration leads to a greater change in value at a given change in market rates.

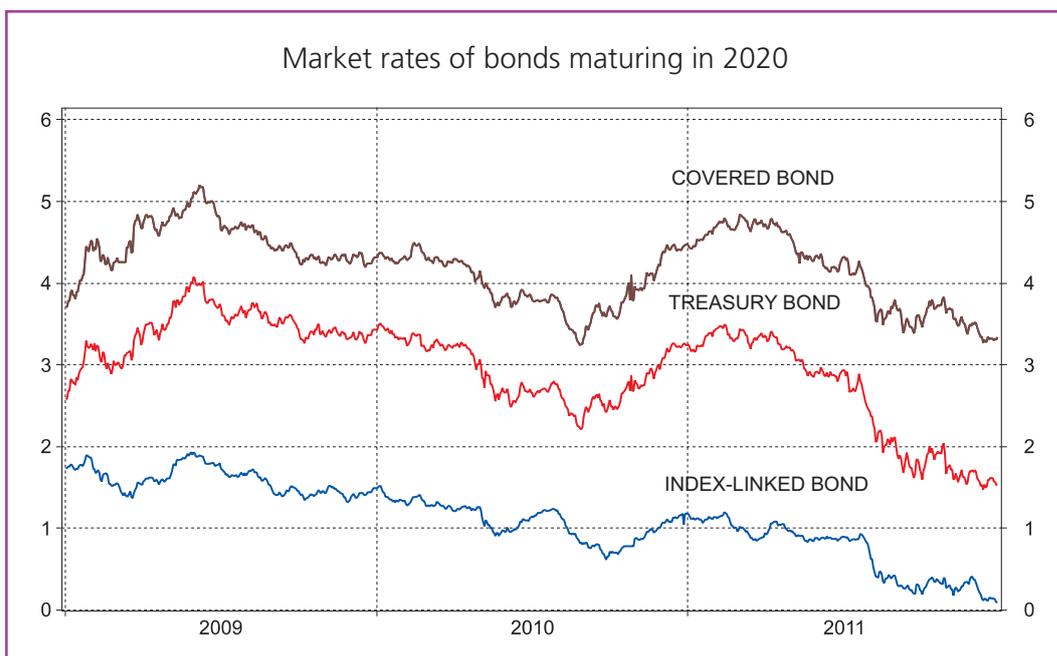
In connection with the transition to a higher proportion of fixed-income investments, the duration has also been reduced in recent years. This trend was strengthened at the end of 2011 by an increase in the proportion of cash investments.



### Market trend

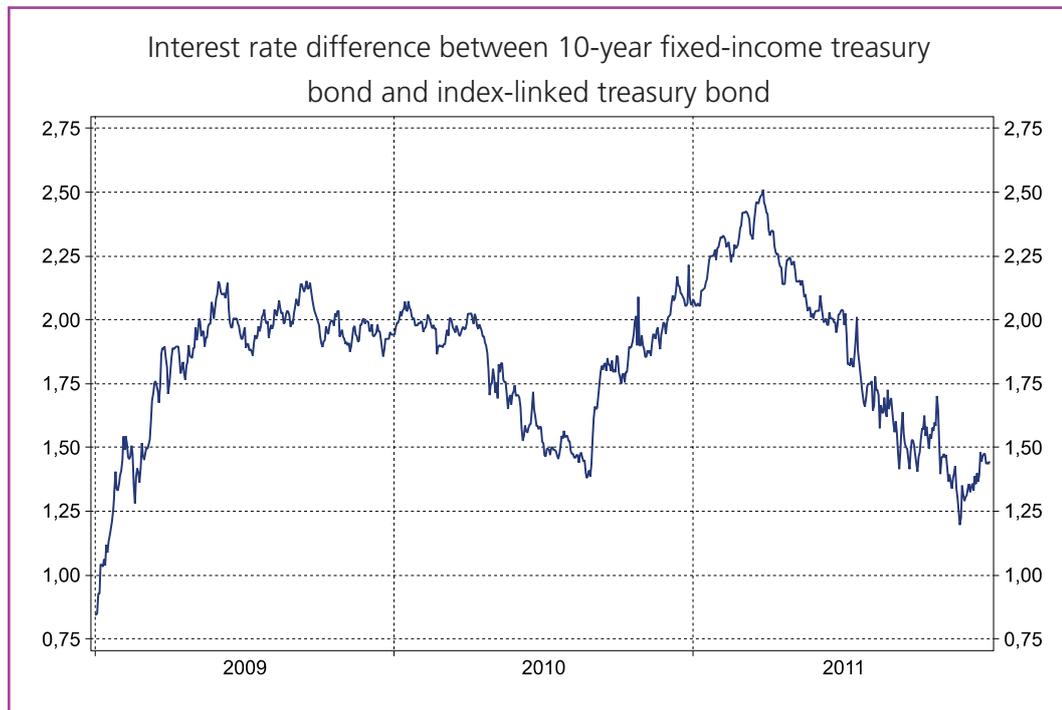
The Nuclear Waste Fund’s investments and return should be viewed against the background of the market trend. The graph below shows the change in interest rates over the past three years for a long-term index-linked bond maturing in 2020 and for fixed-income bonds with an equivalent maturity. As is evident from the graph, the covered bond yields a bet-

ter return than the treasury bond. The return on the index-linked bond is dependent on how high the rate of inflation is. In the case of an index-linked bond, compensation is obtained for inflation (measured as the change in the consumer price index) beyond the interest rate indicated by the blue curve.



The difference in interest rate level between the index-linked and the fixed-income bond is shown in the graph below. An inflation rate of over 1.5 percent is

necessary in order for it to be more profitable to buy an index-linked bond than a fixed-income treasury bond.



# The Nuclear Waste Fund's Board of Governors and administration

**Susanne Lindh**  
Chairman,  
BSc. (Economics and Business), Urban Planning Director at the City of Stockholm

**Daniel Barr**  
Vice Chairman  
Licentiate in economics, Head of Bank Support Department at the National Debt Office

**Urban Hansson Brusewitz**  
Ph.D., Director of Budget Division at the Ministry of Finance

**KÄRNVALLSFONDEN**

**Göran Finnveden**  
Professor, KTH

**Charlotta Grette**  
Head of Group Control, Vattenfall AB

**Lena Johansson**  
Director-General of the National Board of Trade

**Christer Malmgren**  
CFO of E.ON Sverige AB

The Board of Governors of the Nuclear Waste Fund is appointed by the Government.

	Appointed until
Susanne Lindh, Chairman	2014
Daniel Barr, Vice Chairman	2014
Urban Hansson-Brusewitz	2013
Göran Finnveden	2013
Charlotta Grette	2013
Lena Johansson	2013
Christer Malmgren	2014

In 2011 the Board also included Yvonne Gustafsson, Chairman, Jan Hedendahl and Ing-Marie Gren up until 31 December 2011.

The Nuclear Waste Fund has no employed staff. The Kammarkollegiet performs administrative services for the Fund under a contract between the Fund and the Kammarkollegiet, including capital management.



# 2011 Annual Report for the Nuclear Waste Fund

## Presentation of results

### Regulatory framework

The activities of the Nuclear Waste Fund are governed by the provisions of:

- the Act (2006:647) on Financial Measures for the Management of Residual Products from Nuclear Activities (the Financing Act) and the Act (1988:1597) on the Financing of the Management of Certain Radioactive Waste etc. (the Studsvik Act),
- the Ordinance (2008:715) on Financial Measures for the Management of Residual Products from Nuclear Activities (the Financing Ordinance)
- the Ordinance (2007:1055) with Terms of Reference for the Nuclear Waste Fund.

### Tasks

According to the above acts and ordinances, the main task of the Nuclear Waste Fund is to

- manage Fund assets
- receive fee payments
- arrange disbursements on request from the Swedish Radiation Safety Authority (SSM)
- keep SSM informed of the size of the funds that have been set aside for the costs of each reactor owner and every other licensee.

According to the Ordinance with Terms of Reference for the Nuclear Waste Fund, the Kammarkollegiet performs administrative services for the Fund under a contract between the Fund and the Kammarkollegiet. Under this contract, the Kammarkollegiet is responsible for the following tasks:

- case management and implementation of decisions,
- secretarial services,
- payments and disbursements, plus accounting,
- preparation of proposed annual accounts,

- registration and filing of documents, and
- office services and provision of premises.

Under the contract, the Kammarkollegiet is also responsible for capital management within the framework determined by the Board of Governors.

The Fund has no employed staff.

### Performances and costs

The Nuclear Waste Fund's most important performance is the return that is achieved. This result is presented in the section headed "Return" below.

The Government has approved a budget for the Nuclear Waste Fund's administration.

The following table shows the Government-approved budget and the outcome for the past three years.

Table 1: Fund management costs

(SEK thousand)	2011	2010	2009
Government-approved budget	10,345	10,400	9,300
Outcome	9,654	9,698	8,680
- of which remuneration to Kammarkollegiet	9,045	9,000	7,900

Total fund management costs amounted to 0.020 percent of the market value of the managed capital at the end of 2011, consisting of 0.013 percent for asset management and 0.007 percent for administration. These costs can be regarded as very low, both for asset management and for administration.

## Asset management

### Goal

The Financing Ordinance (Section 19) states that the assets in the Nuclear Waste Fund shall be managed to ensure a good return and satisfactory liquidity. No more specific goals have been set by the state.

In its investment policy, the Board of the Nuclear Waste Fund has formulated its long-term goal for real return in the following manner:

- “The goal is – taking into account the restrictions imposed by the Government on the investment activities – to achieve the highest possible real return on the managed capital.
- By “real return” is meant the nominal return less inflation, measured as the percentage change of the consumer price index during the measurement period.”

### Investment restrictions

The Financing Ordinance (Section 19) also states that the Nuclear Waste Fund’s assets shall be deposited in an interest-bearing account at the National Debt Office, in treasury bills issued by the state or in covered bonds.

This means that investments are restricted to the following options:

- Sight deposits in accounts at the National Debt Office, with nominal return based on the repo rate.
- Short-term deposits at a fixed interest rate at the National Debt Office with an investment period that can vary between one month and one year.
- Investments on the market in treasury bills, fixed-income bonds or index-linked bonds issued by the National Debt Office.
- Investments on the market in debt instruments issued in accordance with the Covered Bonds Issuance Act (2003:1223) (since 15 May 2009).

Covered bonds are mortgage-backed bonds issued by housing finance institutions that are secured by a specially identified pool of assets consisting as a rule of mortgages which the institution has taken in as collateral for its own lending.

The Studsvik Act (Section 3) states that the fees under that Act shall be transferred to the Nuclear Waste Fund and that the rules in the Financing Act shall be applied to their management.

## Evaluation

During the year the Nuclear Waste Fund has had an outside evaluation done of the of the Fund’s capital management for the period 2006–2010.

A summary of the conclusions of the evaluation follows below:

- The Fund achieved good results during the evaluated period 2006–2010.
- The relative management results, i.e. outcome in relation to peer group and comparison index, are very commendable in both absolute and risk-adjusted terms.
- Additional return has been created by tactical decisions, in other words the Fund’s options to allocate between fixed-income and index-linked securities. The Kammarkollegiet has outperformed the comparison index by 0.9 percentage point per year, which is well beyond the goal of 0.25 percentage point per year.

### Investment policy

The Board of Governors has established an investment policy for the Nuclear Waste Fund. The investment policy must be reviewed at least once a year.

The purpose of the policy is to provide rules for the investment of the Fund’s assets. In the investment policy in effect for 2011, the concepts of strategic and tactical portfolios have been abolished. As from 2011, the Kammarkollegiet’s active management will be exercised in reference to the standard portfolio, which no longer stipulates the proportions of treasury bonds and covered bonds, but merely stipulates the proportions of investments with nominal return and investments with real return. The proportion of covered bonds is restricted in the investment policy by limitations on issuer risk.

### Active management

The Nuclear Waste Fund’s assets are managed actively. This means that the investments deviate from the benchmark index for the securities in which investment is permitted for the purpose of achieving a higher return than that achieved by passive management (index management). Passive management entails that the investments follow the benchmark of all permitted investments (index) as closely as possible.

The basis for active management in 2011 was the

standard portfolio. Active management was exercised by virtue of the Kammarkollegiet's decision concerning the choice of securities and maturities within the limitations set by the Board of Governors in the investment policy as well as via repurchase transactions (repos).

### Repurchase transactions (repos)

According to the investment strategy, the Nuclear Waste Fund may participate in the market for repurchase transactions (repos) for treasury bills and treasury bonds (including index-linked bonds). A repo entails that the Fund sells treasury bills or bonds to a counterparty under an agreement to repurchase equivalent treasury bills or bonds at a later date at a certain agreed-upon price. Similarly, in the case of a reverse repo, the Fund purchases securities under an agreement on future resale at an agreed-upon price.

The purpose of repos is to achieve a higher return. According to the investment strategy, it is permitted to sell one or more securities under a repurchase agreement and deposit the proceeds in a sight deposit account in the National Debt Office or invest them on the repo market, provided that the reverse repo relates to a security that is permitted for investments.

Repo trading made a positive contribution to the Fund's return in 2011 as well.

### Return

The nominal and real returns achieved during the past five years are shown in the following table

Tabell 2: Nominell och real avkastning, inflation (%)

Year	Normal return <sup>i)</sup>	Inflation <sup>ii)</sup>	Real return
2007	3.3	3.5	- 0.2
2008	8.9	0.9	8.0
2009	2.5	0.9	1.6
2010	3.0	2.3	0.7
2011	9.4	2.3	7.1
<b>Average per year<sup>iii)</sup></b>	<b>5.4</b>	<b>2.0</b>	<b>3.4</b>

The nominal returns achieved for the standard portfolio in relation to the comparison index during the past five years are shown in the following table.

Table 3: Nominal and active return, comparison index (%)

Year	Nominal return <sup>i)</sup>	Comparison index <sup>ii)</sup>	Active return <sup>iii)</sup>
2007	3.3	3.3	0.0
2008	8.9	6.0	2.9
2009	2.5	0.0	2.5
2010	3.0	3.0	0.0
2011	9.4	9.7	-0.3
<b>Average per year<sup>iii)</sup></b>	<b>5.4</b>	<b>4.3</b>	<b>1.0</b>

<sup>i)</sup> The nominal return consists of the sum of realized and unrealized value changes in the investments plus interest received (including inflation compensation on index-linked investments).

<sup>ii)</sup> The percentage change in the consumer price index reported by SCB for the past 12 months is used as a measure of the rate of inflation.

<sup>iii)</sup> Calculated as the geometric mean of the annual values.

<sup>iv)</sup> 100% OMRX REAL up until 2008.  
30% OMRX REAL and 70% OMRX TBOND from 1 Jan. 2009 until 31 May 2009.  
30% OMRX REAL, 50% OMRX TBOND and 20% OMRX MORT from 1 June 2009 until 31 July 2009  
30% OMRX REAL, 35% OMRX TBOND and 35% OMRX MORT from 1 Aug. 2009 until 31 Dec. 2010  
30% OMRX REAL and 70% OMRX BOND from 1 Jan. 2011

<sup>v)</sup> Return above comparison index.

As is evident from Table 2, the nominal return in 2011 amounted to 9.4 percent. Inflation was 2.3 percent. The real return was thereby 7.1 percent. As an annual average, the real return over the past five-year period amounted to 3.4 percent.

As is evident from Table 3, the active return in 2011 amounted to - 0.3 percent and during the past five-year period to an average of 1.0 percent per annum.

The goal set by the Board for active return is 0.25 percent per annum on average during rolling five-year periods. This goal has thereby been met with ample margin during the past five-year period.

### Liquidity planning

The Financing Ordinance (Section 19) states that the Nuclear Waste Fund shall be managed to ensure satisfactory liquidity.

Due to the restrictions that apply to the investment activities, the overall liquidity risk in the investments is very low. Treasury bills and fixed-income treasury bonds normally have very good liquidity on the fixed-income market. Covered bonds have lower liquidity, but under normal market conditions their liquidity is nearly as good as that of fixed-income treasury bonds.

The market for index-linked bonds is less liquid, however, and it therefore takes longer to cash them in.

Liquidity planning is done so that the Fund's cash on hand is always sufficient to meet planned disbursements.

In this context it can be mentioned that the Fund had very high liquidity at year-end in the form of deposits with the National Debt Office at the repo rate. This was not a consequence of liquidity planning, however, but a part of the active management strategy. The judgement was that deposits at the repo rate were preferable in the short term to fixed-income treasury bonds given the prevailing interest rate situation and expectations of rising bond rates.

### Summary assessment

The nominal return during 2011 was 0.3 percentage point lower than the comparison index. For the past five-year period, however, the comparison index was exceeded by an average of 1.0 percentage point per annum. The goal established by the Board of exceeding the comparison index over a five-year period by 0.25 percentage point on average has thereby been achieved with ample margin.

All in all, the Board judges that the management result for the five-year period is very good, particularly considering the investment restrictions imposed on the Fund.

As mentioned previously, the goal is – taking into account the restrictions imposed by the Government on the investment activities – to achieve the highest possible real return on the managed capital. The real return (i.e. the nominal return less inflation) was 3.4 percent per annum on average during the past five-year period. The inflation rate during the same five-year period amounted to 2.0 percent per annum on average.

Based on the market rates that prevailed when the current management rules entered into effect in 1996, the Board specified a long-range goal for the period 1996 – 2020 of at least 4 percent average annual real return. Due to substantially lower market rates, it was judged unrealistic to achieve this goal, which was therefore abandoned by the Board in 2007.

Due to a favourable trend on the bond market and successful asset management, the real return during the period 1996 – 2011 averaged 5.4 percent per an-

num. In order to achieve the original goal, a real return of at least 1.6 percent per annum on average is required during the remaining time up until 2020. The chances of achieving the original goal should be viewed in the light of the fact that the market rate on an index-linked bond maturing in 2020 was 0.07 percent at the most recent year-end.

### Payments to the Fund

According to its terms of reference, the Fund shall receive the fees that are paid under the Financing Act. The fees are calculated in relation to the energy that is delivered and are determined annually by the Government<sup>1</sup> based on a recommendation by SSM. A fixed amount in kronor (SEK 247 million for 2010 and 2011) is set for the nuclear power plant in Barsebäck, which is no longer in operation. SSM has also decided on a fixed fee for five other fee-liable licensees, as shown in Table 6 on the next page. The variable fees were as follows (öre/kWh):

Table 4: Fees

(öre/kWh)	2011	2010	2009
Forsmarks Kraftgrupp AB	1.0	1.0	0.9
OKG AB (Oskarshamn)	0.9	0.9	0.5
Ringhals AB	1.1	1.1	0.8
Studsvik Act	0.3	0.3	0.3

The following table shows how much energy was delivered.

Table 5: Electricity delivered

TWh (=1 000 000 000 kWh)	2011	2010	2009
Forsmarks Kraftgrupp AB	23.6	19.6	21.9
OKG AB (Oskarshamn)	15.5	12.1	8.5
Ringhals AB	18.9	23.9	19.6
<b>Total</b>	<b>58.0</b>	<b>55.6</b>	<b>50.0</b>

<sup>1</sup> Government decision 10 Dec. 2009, M2009/3674/Mk

The Fund has received the following amounts.

Table 6: Fees paid in

(tkr)	2011	2010	2009
<b>Acc. to Financing Act</b>	<b>866,589</b>	<b>865,817</b>	<b>696,024</b>
Forsmarks Kraftgrupp AB	235,945	196,006	196,874
OKG AB (Oskarshamn)	139,868	108,540	42,331
Ringhals AB	207,915	263,653	156,819
Barsebäck Kraft AB	247,000	247,000	300,000
Chalmers TH AB	14	15	0
Westinghouse Electric AB	3,490	4,281	0
Vattenfall AB, Ågesta	31,281	44,172	0
Ranstad Mineral AB	183	1,045	0
Studsvik Nuclear AB	893	1,105	0
<b>Acc. to Studsvik Act</b>	<b>174,110</b>	<b>166,889</b>	<b>149,831</b>
<b>Total</b>	<b>1,040,699</b>	<b>1,032,706</b>	<b>845 856</b>

## Disbursements from the Fund

The Nuclear Waste Fund disburses money from the Fund. But it is SSM that examines and decides<sup>2</sup> how and to what extent Fund assets may be used to pay the costs reactor owners and other fee-liable licensees are expected to incur during a given future time period.

SSM also examines to what extent Fund assets may be used to reimburse a municipality for information costs under the Financing Act. Such reimbursement may not exceed SEK 5 million per municipality and 12-month period.

SSM also examines questions regarding to what extent Fund assets may be used for support to non-profit organizations under the Financing Act. Such support may be provided in an amount not in excess of SEK 2.5 million per organization and calendar year and in a total amount not in excess of SEK 3 million per calendar year.

Disbursements have been made from the Fund in the following amounts.

Table 7: Disbursements

(SEK thousand)	2011	2010	2009
Forsmarks Kraftgrupp AB	361,818	349,550	379,056
OKG AB (Oskarshamn)	247,635	238,796	258,518
Ringhals AB	372,606	363,272	391,748
Barsebäck Kraft AB	181,311	170,999	196,453
Acc. to Studsvik Act	158,072	131,467	104,421
State authorities	57,779	35,016	12,733
Municipalities	9,500	9,520	15,874
Non-profit organizations	2,999	3,000	3,000
<b>Total</b>	<b>1,391,721</b>	<b>1,301,621</b>	<b>1,361,804</b>

More detailed information on disbursements is provided in Note 6 to the Income Statement.

## Change in the Fund

The fair value (market value) of the Nuclear Waste Fund increased in 2011 by SEK 3,729,836 thousand to SEK 47,965,648 thousand.

The change consisted of the following components.

Table 8: Change in the Fund

(SEK thousand)	2011	2010	2009
Fees paid in	1,040,699	1,032,706	845,856
Financial income	2,869,487	2,292,448	1,883,342
Financial expenses	-25,585	-193,722	-271,137
Change in unrealized gains	1,246,610	-790,539	-565,818
Disbursement of reimbursement/subsidies	-1 391 721	-1 301 621	-1 361 804
Operating expenses	-9,654	-9,698	-8,680
<b>Total</b>	<b>3,729,836</b>	<b>1,029,575</b>	<b>521,759</b>

## Distribution among fee-liable licensees

According to the Fund's terms of reference, the annual accounts shall be prepared in such a manner that they shows how large a proportion of the Fund's assets accrues to each reactor owner and every other fee-liable licensee.

The Fund has decided to use the same method as that employed for investment funds to keep track of each reactor owner's and other fee-liable licensee's share in the Fund. In brief, this method entails the following:

- A nominal share value was calculated at the start

<sup>2</sup> Under the Ordinance (2008:715) on Financial Measures for the Management of Waste Products from Nuclear Activities.

and each fee-liable licensee was allotted the number of shares that corresponded to the fee-liable licensee's balance at the time the new management rules were adopted.

- The market value (balance) of the Fund is determined daily. The market value of the Fund's assets is divided by the number of outstanding shares to obtain the current share value.
- Fee payments and disbursements relating to a fee-liable licensee are made in the form of "purchases/redemptions" of shares at the current share value. When a fee payment is made, the fee-liable licensee's number of shares increases, and when a disbursement is made it decreases.
- The market value of each fee-liable licensee's stake in the Fund is calculated by multiplying the current number of shares held by the reactor owner by the current share value. The distribution of the Fund among the fee-liable licensees is calculated by dividing the number of shares held by a given reactor owner by the total number of outstanding shares.
- The rate of return for a given period is calculated by measuring the change in the share value during the period.

The distribution of the fair value (market value) of the Fund among the fee-liable licensees at the end of each year was as follows.

Table 9: Fair value of Fund per fee-liable licensee (incl. accrued fees)

(SEK thousand)	2011	2010	2009
<b>ACC.</b>			
<b>to Financing Act</b>	<b>46,738,760</b>	<b>43,131,165</b>	<b>42,201,753</b>
Forsmarks			
Kraftgrupp AB	14,196,107	13,131,956	12,921,671
OKG AB (Oskarshamn)	10,626,491	9,842,546	9,699,056
Ringhals AB	15,440,218	14,306,531	14,015,056
Barsebäck Kraft AB	6,385,220	5,799,514	5,565,970
Chalmers TH AB	30	15	0
Westinghouse Electric AB	8,178	4,281	0
Vattenfall AB, Ågesta	79,085	44,172	0
Ranstad Mineral AB	1,328	1,045	0
Studsvik Nuclear AB	2,103	1,105	0
<b>Acc. to Studsvik Act</b>	<b>1,201,664</b>	<b>1,071,961</b>	<b>989,189</b>
Undistributed	25,224	32,687	15,297
<b>Total</b>	<b>47,965,648</b>	<b>44,235,813</b>	<b>43,206,238</b>

The undistributed amount consists mainly of certain accrued revenue and costs for the fourth quarter of each year and the balance in the Fund's interest-bearing account for payments and disbursements.

### Basis for calculating the fee

According to the Financing Ordinance (Section 46), the Fund shall furnish information annually to SSM concerning what fees have been received for the latest calendar year, the Fund balance and the expected return on the Fund assets. The Fund has provided this information to SSM.

During 2011, SSM conducted a project to improve its fee calculations, in part by developing a coherent view of the financing system's liability and asset side. The Nuclear Waste Fund assisted the project with factual data and by participating in a steering group.

### Guarantees

According to the Financing Act and the Financing Ordinance, the holder of a licence to own or operate a nuclear facility that gives or has given rise to residual products shall also provide guarantees. The reactor owner shall provide acceptable guarantees to the Nuclear Waste Fund corresponding to the financing and supplementary amounts determined by the Government. Other fee-liable licensees shall provide equivalent guarantees for the financing amount determined by SSM.

The financing and supplementary amounts determined by the Government for the reactor owners for 2010 and 2011 are presented below.

The financing amount is intended to compensate for the current deficit in the Nuclear Waste Fund, assuming that no additional nuclear waste fees are paid in. This deficit is calculated as the difference between the expected basic and extra costs and the funds that have been set aside for these costs at the time of the calculation.

The supplementary amount constitutes a guarantee for deficits that can arise as a result of unplanned events. The supplementary amount thereby takes into account possible additional basic costs, allowing for a suitable uncertainty interval around the expected outcome for the costs.

The Government determines the size of the guarantees annually on the basis of a recommendation by SSM. The Government further decides which types of guarantees are acceptable, based on a pronouncement by the National Debt Office.

The Government has decided on the following guarantee amounts for 2010 and 2011 for the reactor owners<sup>3</sup>.

Table 10: Guarantee amount per reactor owner

(SEK thousand)	Financing amount	Supplementary amount
Forsmarks Kraftgrupp AB	2,283,000	2,991,000
OKG Aktiebolag	1,118,000	2,122,000
Ringhals AB	2,082,000	3,135,000
<b>Total</b>	<b>5,483,000</b>	<b>8,248,000</b>

SSM has decided on the following guarantee amounts for Barsebäck Kraft AB for 2010 and 2011<sup>4</sup>.

Table 11: Financing amount per licensee

(SEK thousand)	Financing amount
Barsebäck Kraft AB	2,138,000

According to the Financing Ordinance, the guarantees shall be managed by the National Debt Office. According to the National Debt Office, the guarantees have been provided in the correct amounts.

SSM and, after appeal, the Government have also decided on financing amounts for the five new fee-liable licensees. The guarantees provided by these fee-liable licensees have not yet been reviewed by the National Debt Office or the Government.

<sup>3</sup> Government decision 49, 10 Dec. 2009, M2009/2674/Mk

<sup>4</sup> Decision by SSM on 22 December 2009.

## Income statement

(SEK thousand)	Note	2011	2010
<b>Operating expenses</b>			
Other running costs	1	-9,654	-9,698
<b>Total</b>		<b>-9,654</b>	<b>-9,698</b>
<b>Result of operations</b>		<b>-9,654</b>	<b>-9,698</b>
<b>Transfers</b>			
Other funds obtained for financing of subsidies	2	1,040,699	1,032,706
Financial income	3	2,869,487	2,292,448
Financial expenses	4	-25,585	-193,722
Provision to reserves for transfer purposes	5	-2,483,227	-1,820,113
Subsidies paid	6	-1,391,721	-1,301,621
<b>Balance</b>		<b>9,654</b>	<b>9,698</b>
<b>Change in capital for the year</b>		<b>0</b>	<b>0</b>

# Balance sheet

(SEK thousand)	Note	31/12 2011	31/12 2010
<b>Assets</b>			
<b>Long-term investments</b>			
Other securities held as non-current assets	7	34,184,404	40,707,587
<b>Total</b>		<b>34,184,404</b>	<b>40,707,587</b>
<b>Receivables</b>			
Receivables from other government agencies		172	7
<b>Total</b>		<b>172</b>	<b>7</b>
<b>Accruals and deferrals</b>			
Other accrued revenue	8	1,017,281	951,600
<b>Total</b>		<b>1,017,281</b>	<b>951,600</b>
<b>Cash and bank balances</b>			
Balance in interest-bearing account at National Debt Office		28,579	34,253
Other balances at National Debt Office		10,469,823	1,524,582
Cash and bank balances		29	0
<b>Total</b>		<b>10,498,431</b>	<b>1,558,834</b>
<b>Total assets</b>		<b>45,700,289</b>	<b>43,218,029</b>
<b>Capital and liabilities</b>			
<b>Reserves</b>			
Nuclear Waste Fund	9	45,696,761	43,213,535
<b>Total</b>		<b>45,696,761</b>	<b>43,213,535</b>
<b>Liabilities etc.</b>			
Liabilities to other government agencies	10	381	4,350
Trade payables		9	1
Other liabilities		13	11
<b>Total</b>		<b>403</b>	<b>4,362</b>
<b>Accruals and deferrals</b>			
Accrued expenses	11	3,125	132
<b>Total</b>		<b>3,125</b>	<b>132</b>
<b>Total capital and liabilities</b>		<b>45,700,289</b>	<b>43,218,029</b>

# Additional disclosures and notes

Amounts in thousands of kronor unless otherwise stated. Summation differences may occur due to rounding-off.

## Additional disclosures

### Accounting policies

The authority's accounts comply with generally accepted accounting principles and the annual accounts have been prepared in accordance with the Ordinance (2000:605) on Annual Accounts and Budgets as well as the Swedish National Financial Management Authority's guidelines (ESV 1998:7) on accounting for funds and provisions in government agencies.

Long-term investments are measured at amortized cost.

In the case of deposits in interest-bearing accounts, accrued interest is recognized as interest income in the Income Statement and as a cut-off item in the Balance Sheet.

In the case of fixed-income coupon investments, accrued interest is recognized as interest income in the Income Statement and as a cut-off item in the Balance Sheet.

Index-linked investments are accounted for annually as described below.

- In the case of index-linked zero coupon investments, accrued interest and accrued inflation compensation are recognized as interest income in the Income Statement and as revaluation of the carrying amount in the Balance Sheet.
- In the case of index-linked coupon investments, accrued interest including inflation compensation on the coupon rate is recognized as interest income in the Income Statement and as a cut-off item in the Balance Sheet. Accrued inflation compensation on invested capital is recognized as interest income in the Income Statement and as revaluation of the carrying amount in the Balance Sheet

### Valuation principles

In view of the long time horizon in the investment strategy, all investments with a maturity longer than one year are recognized as non-current assets. Starting in 2009, they are measured at amortized cost. The securities held as non-current assets are regarded as a unit (portfolio) and measured collectively when tested for impairment pursuant to Chap. 5, Sec. 5 of the Ordinance on Annual Accounts and Budgets. The fair value (market value) is also given in Note 7. The fair value serves as a basis for the distribution among the fee-liable licensees shown in Note 9.

### Remuneration to Board members and other Board assignments

(SEK thousand)	Remuneration		Remuneration
Yvonne Gustafsson, Chairman (up to 31 Dec. 2011)	66	Göran Finnveden (from 1 Jan. 2012)	–
- Swedish Export Credits Guarantee Board (EKN)		- No other Board assignments	
- Mid Sweden University		Ing-Marie Gren (up to 31 Dec. 2011)	15
- Swedish Expert Group for Studies in Public Economics (ESO)		- No other Board assignments	
- National Food Administration's Advisory Council		Charlotte Grette (from 1 Jan. 2012)	–
- National Institute of Public health's Advisory Council		- No other Board assignments	
Susanne Lindh, Vice Chairman (up to 31 Dec. 2011), 26		Jan Hedendahl (up to 31 Dec. 2011)	22
Chairman (from 1 Jan. 2012)		- Strafina AB	
- Arlandabanan AB		Lena Johansson (from 1 Jan. 2012)	–
Daniel Barr, Vice Chairman (from 1 Jan. 2012)	17	- Swedish Standards Council	
- Valot Sweden AB		- Swedish Industrial Design Foundation	
Urban Hansson-Brusewitz	19	- Media Conglomerate AB	
- Swedish National Financial Management Authority's Advisory Council		Christer Malmgren	19
		- No other Board assignments	
<b>Total fees</b>			<b>184</b>

## Notes

	2011	2010
<b>Note 1</b>		
<b>Other operating expenses</b>		
Director's fees etc.	-254	-199
Other operating expenses	-9,399	-9,499
<b>Total operating expenses</b>	<b>-9,654</b>	<b>-9,698</b>

<b>Note 2</b>		
<b>Other funds obtained for financing of subsidies</b>		
<b>Fee acc. to Financing Act</b>		
Forsmarks Kraftgrupp AB	235,945	196,006
OKG AB	139,868	108,541
Ringhals AB	207,915	263,653
Barsebäck Kraft AB	247,000	247,000
Chalmers University of Technology	14	15
Westinghouse Electric Sweden AB	3,490	4,281
Vattenfall AB, Ågesta	31,281	44,172
Ranstad Mineral AB	183	1,045
Studsvik Nuclear AB	893	1,105
<b>Total acc. to Financing Act</b>	<b>866,589</b>	<b>865,817</b>
<b>Fee acc. to Studsvik Act</b>	<b>174,110</b>	<b>166,889</b>
<b>Total fee income</b>	<b>1,040,699</b>	<b>1,032,706</b>

Fees are paid by the reactor owners in relation to the energy delivered. Fee per reactor owner and energy delivered is shown by Tables 4 and 5 in the presentation of results. Other fee-liable licensees pay a fixed fee determined by SSM.

<b>Note 3</b>		
<b>Financial income</b>		
<i>Interest income on investments etc</i>		
Interest-bearing account for payments and disbursements	481	168
Sight deposit account	39,818	8,327
Fixed-income investments	1,155,618	1,413,946
Index-linked investments	422,080	135,854
Repo transactions	98,918	29,212
<b>Total</b>	<b>1,716,915</b>	<b>1,590,375</b>
Calculated accrued interest income on a dvance payments to reactor owners	0	2,869
<b>Total interest income</b>	<b>1,716,915</b>	<b>1,590,375</b>
Capital gains	1,152,572	<b>702,073</b>
<b>Total financial income</b>	<b>2,869,487</b>	<b>2,292,448</b>

	2011	2010
<b>Note 4</b>		
<b>Financial expenses</b>		
Interest expenses	-13	25
National Debt office, account charges	-39	-20
SE-Banken, custody account charge	-195	-210
Other financial expenses	-1	0
<b>Total interest expenses</b>	<b>-247</b>	<b>-255</b>
Capital losses	-25,338	-193,467
<b>Total financial expenses</b>	<b>-25,585</b>	<b>-193,722</b>
<b>Note 5</b>		
<b>Provision to reserves for financing purposes</b>		
Other operating expenses	-9,654	-9,698
Other funds obtained for financing of subsidies	1,040,699	1,032,706
Financial income	2,907,635	2,292,448
Financial expenses	-63,733	-193,722
Subsidies paid	-1,391,721	-1,301,621
<b>Total provision to reserves</b>	<b>2,483,227</b>	<b>1,820,113</b>
Provision to Nuclear Waste Fund	-2,483,227	-1,820,113
<b>Balance</b>	<b>0</b>	<b>0</b>
<b>Note 6</b>		
<b>Subsidies paid</b>		
<b>Reimbursement to reactor owners etc.</b>		
Forsmarks Kraftgrupp AB	-361,818	-349,550
OKG AB	-247,635	-238,796
Ringhals AB	-372,606	-363,272
Barsebäck Kraft AB	-181,311	-170,999
<b>Total acc. to Financing Act</b>	<b>-1,163,370</b>	<b>-1,122,618</b>
<b>Acc. to Studsvik Act</b>	<b>-158,072</b>	<b>-131,467</b>
<b>Total reimbursement to reactor owners etc.</b>	<b>-1,321,441</b>	<b>-1,254,085</b>
<b>Others subsidies paid</b>		
<i>Support to NGOs</i>		
Swedish Environmental Movement's		
Nuclear Waste Secretariat	-924	-925
Swedish Renewable Energies Association	-150	-150
Swedish NGO Office for Nuclear Waste Review	-1,925	-1,925
<b>Total</b>	<b>-2,999</b>	<b>-3,000</b>
<i>Reimbursement to municipalities</i>		
Oskarshamn Municipality	-2,666	-2,400
Östhammar Municipality	-4,274	-4,514
Regional Council in Uppsala County	-3,161	-1,861
Regional Council in Kalmar County	-800	-745
<b>Total</b>	<b>-10,901</b>	<b>-9,520</b>

	2011	2010
<i>Reimbursement to other government agencies</i>		
Kalmar County Administrative Board	-700	0
Uppsala County Administrative Board	-900	-500
Swedish Radiation Safety Authority	-50,274	-28,226
Government Offices	-1,240	0
Swedish National Council for Nuclear Waste	-4,666	-6,385
<b>Total</b>	<b>-57,779</b>	<b>-35,111</b>
<i>Reversal from municipalities</i>		
Regional Council in Uppsala County	961	0
Regional Council in Kalmar County	440	0
<b>Total</b>	<b>1 401</b>	<b>0</b>
<i>Repayments from other government agencies</i>		
Kalmar County Administrative Board	0	95
<b>Total</b>	<b>0</b>	<b>95</b>
<b>Total other subsidies paid</b>	<b>-70,279</b>	<b>-47,536</b>
<b>Total subsidies paid</b>	<b>-1,391,721</b>	<b>-1,301,621</b>

**Note 7 Other securities held as non-current assets**

Fixed-income investments	Coupon rate	Market rate	Normal value	Amortized cost	Fair value <sup>5</sup>
<b>Covered bonds</b>					
CAIO1575	6.00	2.13	10,000	10,911	10,915
CAIO1576	6.00	2.33	800,000	855,491	889,728
CAIO1577	6.00	2.56	1,366,000	1,481,357	1,540,643
CAIO1578	6.00	2.82	2,833,000	3,092,230	3,225,031
CAIO1579	6.00	2.96	950,000	1,033,055	1,093,802
CAIO1583	4.25	3.34	716,000	719,647	763,177
CAIO1586	4.50	3.46	526,000	541,220	574,450
Länsförs. Hypotek 325	3.25	3.31	100,000	91,146	99,551
Länsförs. Hypotek 505	4.50	2.09	500,000	508,697	519,980
Länsförs. Hypotek 506	4.50	2.19	150,000	153,513	157,791
Länsförs. Hypotek 508	4.00	2.83	440,000	440,023	460,121
NBO5520	3.25	2.40	2,140,000	2,103,814	2,199,385
NBO5521	3.25	3.33	2,857,000	2,656,784	2,840,029
NBO5526	4.00	2.15	2,520,000	2,551,536	2,630,401
NBO5527	4.50	2.77	190,000	200,675	203,591
SCBC 126	4.00	2.11	150,000	151,219	156,192
SCBC131	4.00	2.54	50,000	51,187	52,667
SEB567	4.50	2.17	250,000	254,822	263,755
SEB568	4.00	2.44	250,000	256,578	262,778
SEB569	4.25	2.81	550,000	547,500	582,648
SEB578	4.25	3.48	50,000	49,539	53,684

<sup>5</sup> Market value

Fixed-income investments	Coupon rate	Market rate	Normal value	Amortized cost	Fair value <sup>6</sup>
SPIO166	6.75	2.17	1,400,000	1,501,050	1,544,312
SPIO177	4.75	2.00	60,000	62,263	62,341
SPIO180	5.70	3.38	2,420,000	2,625,411	2,822,301
SPIO182	3.75	2.39	520,000	517,004	541,538
SPIO183	3.75	2.54	800,000	797,465	833,696
SIPO184	3.75	2.82	290,000	282,391	301,151
SIPO185	3.75	2.99	745,000	728,507	771,820
<b>Total covered bonds</b>			<b>23,633,000</b>	<b>24,265,033</b>	<b>25,457,476</b>
<b>Index-linked investments</b>					
SO3001	0.00	0.23	215,000	271,932	273,582
SO3102	4.00	0.07	1,143,000	1,770,570	1,971,846
SO3104	3.50	0.24	1,241,000	1,625,112	2,339,446
SO3105	3.50	-0.16	3,150,800	4,313,564	4,409,765
SO3107	0.50	-0.10	1,200,000	1,248,331	1,282,104
SO3108	0.25	0.13	690,000	689,862	703,883
<b>Total index-linked investments</b>			<b>7,639,800</b>	<b>9,919,371</b>	<b>10,980,627</b>
<b>Total other securities held as non-current assets</b>					
<b>31/12 2011</b>			<b>31,272,800</b>	<b>34,184,404</b>	<b>36,438,103</b>
<i>Total other securities held as non-current assets</i>					
<i>31/12 2010</i>			<i>37,544,800</i>	<i>40,707,587</i>	<i>41,729,865</i>

The value of the nominal holding is the amount that is obtained if the investment is held to maturity. Inflation compensation is added for index-linked investments.

		31/12 2011	31/12 2010
<b>Note 8</b>	<b>Other accrued revenue</b>		
	<b>Accrued fees from fee-liable licensees</b>		
	Forsmarks Kraftgrupp AB	64,666	52,567
	OKG AB	36,635	18,938
	Ringhals AB	26,061	64,830
	Barsebäck Kraft AB	247,000	0
	Acc. to Studsvik Act	38,719	39,764
	Chalmers TH AB	14	15
	Westinghouse Electric AB	3,490	4,281
	Vattenfall AB, Ägesta	31,281	44,172
	Ranstad Mineral AB	183	1,045
	Studsvik Nuclear AB	893	1,105
	<b>Total accrued fees from fee-liable licensees</b>	<b>448,942</b>	<b>226,717</b>

**31/12 2011**                      **31/12 2010**

The fees are paid by the fee-liable licensees quarterly in arrears, within one month of the end of the quarter. The accrued fees pertain to the fourth quarter of the year in question.

**Accrued interest income on investments**

Interest-bearing account	68	77
Fixed-income investments	543,802	688,839
Index-linked investments	24,469	33,098
Accrued interest, power companies	0	2,869
<b>Total accrued interest income on investments</b>	<b>568,339</b>	<b>724,883</b>
<b>Total accrued revenue</b>	<b>1,017,281</b>	<b>951,600</b>

**Note 9 Nuclear Waste Fund**

Market value of Fund and distribution at year-end

<b>Carrying amount of fund capital</b>	<b>45,696,761</b>	<b>43,213,535</b>
Accrued interest 3 days up to trade date	15,188	0
Unrealized gains on long-term investments	2,253,700	1,022,278
<b>Fair value (market value) at year-end</b>	<b>47,965,648</b>	<b>44,235,813</b>

**Number of shares****Of which acc. to Financing Act***Forsmarks Kraftgrupp AB*

Value of Fund shares	49,194,901.77	14,131,441	13,079,390
Accrued fees		64,666	52,567

*OKG AB*

Value of Fund shares	36,865,803.45	10,589,856	9,823,608
Accrued fees		36,635	18,938

*Ringhals AB*

Value of Fund shares	53,660,340.07	15,414,157	14,241,701
Accrued fees		26,061	64,830

*Barsebäck Kraft AB*

Value of Fund shares	21,368,602.96	6,138,220	5,799,514
Accrued fees		247,000	0

*Chalmers TH AB*

Value of Fund shares	57.19	16	
Accrued fees		14	15

*Westinghouse Electric AB*

Value of Fund shares	16,321.27	4,688	
Accrued fees		3,490	4,281

*Vattenfall AB, Ågesta*

Value of Fund shares	166,415.41	47,804	
Accrued fees		31,281	44,172

*Ranstad Mineral AB*

Value of Fund shares	3,987.05	1,145	
Accrued fees		183	1,045

	<i>Number of shares</i>	<b>31/12 2011</b>	<b>31/12 2010</b>
<i>Studsvik Nuclear AB</i>			
Value of Fund shares	4,212.80	1,210	
Accrued fees		893	1,105
<b>Total acc. to Financing Act</b>	<b>161,280,641.97</b>	<b>46,738,760</b>	<b>43,131,165</b>
<b>Of which acc. to Studsvik Act</b>			
Value of Fund shares	4,048,486.32	1,162,945	1,032,197
Accrued fees		38,719	39,764
<b>Total Acc. to Studsvik Act</b>	<b>4,048,486.32</b>	<b>1,201,664</b>	<b>1,071,961</b>
<b>Undistributed assets and liabilities at closing of accounts</b>		<b>25,224</b>	<b>32,687</b>
<b>Total</b>	<b>165,329,128.29</b>	<b>47,965,648</b>	<b>44,235,813</b>

The value of Fund shares is based on the market value of the Fund's non-current assets, sight deposits and accrued interest income on such investments. Accrued fees will be invested in new shares when payments are remitted to the Fund. The undistributed amount consists mainly of certain accrued revenue and costs for the fourth quarter of each year and the balance in the Fund's interest-bearing account for payments and disbursements.

Share value at 31 December 2011 (SEK thousand): 287.25

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**Note 10 Liabilities to other government agencies**

Government Offices / Swedish National Council for Nuclear Waste		
	364	2,100
Kammarkollegiet	0	2,250
Swedish National Audit Office	16	0
<b>Total liabilities to other government agencies</b>	<b>381</b>	<b>4 350</b>

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**Note 11 Accrued expenses**

Swedish National Audit Office	150	120
County Administrative Board in Kalmar County	700	0
Kammarkollegiet	2,261	0
Swedish National Tax Board (social security contributions)	13	12
<b>Total accrued expenses</b>	<b>3,125</b>	<b>132</b>

# Signatures

The Nuclear Waste Fund's 2011 annual accounts were adopted at a Board meeting on 16 February 2012.

We certify that the annual accounts give a true and fair view of the results of operations and of costs, revenue and the financial position of the authority.

Susanne Lindh  
*Chairperson*

Daniel Barr  
*Vice Chairman*

Urban Hansson Brusewitz

Göran Finnveden

Charlotta Grette

Lena Johansson

Christer Malmgren

# Audit Report for the Nuclear Waste Fund

## Report on the annual report

The Swedish National Audit Office has audited the Nuclear Waste Fund's annual accounts for 2011, dated 16 February 2012.

## Responsibilities of the agency management for the annual accounts

The agency management is responsible for preparing annual accounts that provide a true and fair view in accordance with the Ordinance (SFS 2000:605) on Annual Accounts and Budgets and in accordance with terms of reference, appropriations directions and other decisions for the authority. The agency management is also responsible for the internal control which they deem necessary to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

The responsibility of the Swedish National Audit Office is to express an opinion on the annual accounts on the basis of its audit. The Swedish National Audit Office has conducted the audit in accordance with International Standards of Supreme Audit Institutions for financial audit. This standard requires that the Swedish National Audit Office comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts are free from material misstatement.

An audit includes collecting, by various measures, evidence regarding amounts and other information in the annual accounts and regarding whether the management, in its administration, complies with applicable regulations and special decisions. The auditor chooses what measures are to be performed by assessing the risk of material misstatement in the annual accounts, whether due to fraud or error. In this risk assessment, the auditor takes into account those aspects of internal control that are relevant to how the authority prepares the annual accounts to provide a true and fair view. The purpose is to design audit procedures that are appropriate with regard to the circumstances, but not to express an opinion on the effectiveness of the authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies that have been applied and the reasonableness of the accounting estimates made by the agency management in the annual accounts, as well as evaluating the overall presentation of the annual accounts.

In the opinion of the Swedish National Audit Office, the audit evidence that has been collected is sufficient and relevant as a basis for its opinion.

## Opinion

In the opinion of the Swedish National Audit Office, the annual accounts provide, in all essential respects, a true and fair view of the Nuclear Waste Fund's financial position at 31 December 2011 and of its financial performance and financing for the year in accordance with the Ordinance (SFS 2000:605) on Annual Accounts and Budgets and in accordance with terms of reference, appropriations directions and other decisions for the authority.

The auditor in charge, Anne Bryne, made the decision in this matter. Anna Märta Krabb was the rapporteur.



