

ANNUAL REPORT



2016

KEY
FIGURES

Consolidated balance sheet

€ million

	2015	2016
Total assets	6,966.6	11,276.6
Land and buildings	59.3	93.4
Variable- and fixed-income securities	2,288.3	3,041.1
Investments related to unit-linked policies	3,942.3	7,441.3
Bank deposits, cash and cash equivalents	388.0	313.3
Treasury shares	93.9	94.1
Total liabilities	6,966.6	11,276.6
Technical provisions	1,855.0	2,376.9
Provisions related to unit-linked policies	3,942.3	7,441.3
Shareholders' equity – Group share	812.7	1,047.7

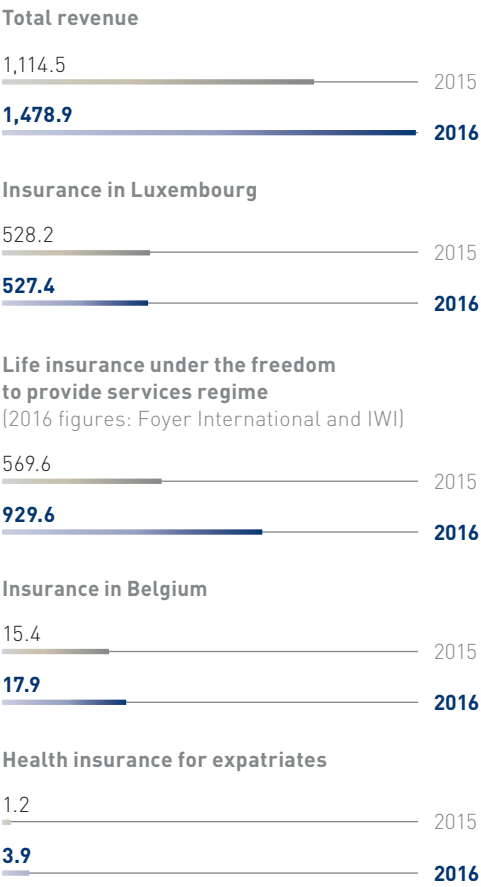
Consolidated profit and loss account

€ million

	2015	2016
Earned premiums, net of reinsurance	1,071.4	1,421.3
Commissions earned by the Asset Management sector	41.3	38.3
Net financial income	267.7	471.0
Net operating income	308.9	509.3
Insurance benefits and claims, net of reinsurance	-1,139.8	-1,558.8
Operating expenses	-136.9	-150.6
Operating profit	103.5	221.2
Income tax	-29.4	-30.3
Net income	74.1	190.2
Group share	73.8	189.7
Profit per share (in €)	9.39	24.16

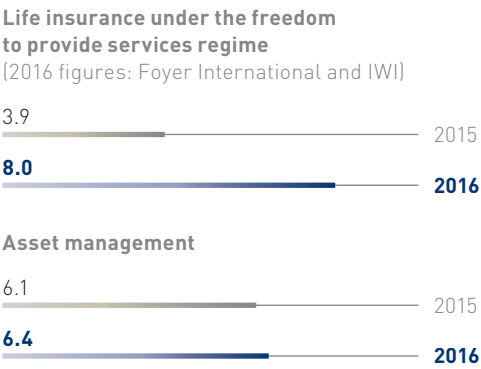
Revenue

€ million



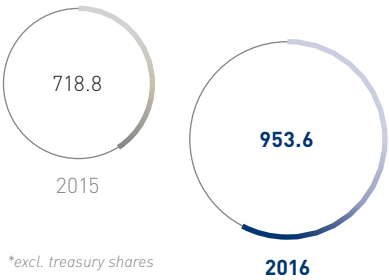
Assets under contract

€ billion



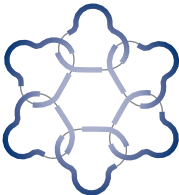
Equity*

€ million



Customers and staff

number



2015

2016

Customers

Employees

Agents and agency staff

of which, professional agents and staff

217,550

634

686

380

254,100

714

716

417

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ACTIVITIES OF FOYER GROUP

FOYER S.A.

NON-LIFE INSURANCE

- Foyer Assurances S.A. // 100.0%
- Foyer Réassurance S.A. // 100.0%
- Foyer Distribution S.A. // 100.0%
- Foyer-Arag S.A. // 90.0%
- Foyer Santé S.A. // 75.0%

LIFE INSURANCE

- Foyer International S.A. // 100.0%
- IWI International Wealth Insurer S.A. // 100.0%
- Foyer Vie S.A. // 100.0%
- Raiffeisen Vie S.A. // 50.0%

ASSET MANAGEMENT

- CapitalatWork Foyer Group S.A. // 100.0%
- CapitalatWork S.A. // 100.0% (Belgium, Netherlands)
- CapitalatWork Management Company S.A. // 100.0%

MESSAGE FROM THE CHAIRMAN AND THE MANAGING DIRECTOR

Dear Shareholders,

Again, 2016 was a very eventful year for Foyer Group.

On 9 August, Foyer S.A. **acquired IWI International Wealth Insurer S.A.** ("IWI"). This acquisition enabled us to broaden our activities in the life insurance sector, while strengthening our competitiveness both on the local and international markets. During 2017, the integration of IWI's local insurance portfolio into Foyer Vie will strengthen our position of leader on the local market. In addition, the merger of Foyer International with IWI will place the new entity in Luxembourg's top five companies selling life insurance from the Grand Duchy under the freedom to provide services regime to a wealthy clientele.

In October, Foyer also **sold its subsidiary Foyer Re**, generating a capital gain of €109.45 million in the Group's consolidated accounts, enabling it to strengthen its equity capital.

Apart from these two major events, we also devoted 2016 to speeding up our digital transformation throughout the Group. With the launch of the *mymedicis* mobile application, which met with great success among our customers, and the use of our online client area by almost 30,000 customers, we confirmed our ambition to offer our customers new digital services.

The implementation of this **digital strategy** is supported by a new corporate vision, based on innovation and agility. Firstly, at the end of 2016, we created an "Innovation Hub" within the company, an internal community seeking to develop our employees' creativity. The participation of more than 100 people in the first Innovation Hub events reflects the spirit of creation and entrepreneurship that inspires Foyer teams. In addition, we launched a huge programme within the company based on "lean" methods, both to optimise the quality of our services to customers and to increase productivity.

We are convinced that such a change in our habits and customs towards greater agility and cross-functionality will enable Foyer to better meet the challenges of tomorrow.

We are pleased to announce that all these projects and initiatives have done nothing to slow the Group's sales growth nor its profitability -quite the contrary.

In fact, in a complex geopolitical environment and a challenging economic and stock-market climate, **Foyer closed 2016 with excellent results.**

Revenue booked in accordance with LuxGAAP standards rose from €1,114.48 million in gross earned premiums in 2015 to €1,478.90 million in 2016, an increase of 32.7%.

On the local market, leaving aside the captive fronting business, which saw a surge in revenue (+53.3%), earned premiums remained stable at €527.66 million, compared with €528.50 million in 2015.

This growth in revenue comprises several trends. On the one hand, the Group registered growth of 5.8% in earned premiums from its non-life insurance customers, both in property and casualty insurance and health insurance. Revenue from companies as well as professional and independent customers also grew in these branches. On the other hand, revenue from life insurance fell by 16.0%. This was mainly due to a slowdown in the sale of flexivie savings products, in a low interest rate environment. Conversely, our ranges of life insurance products linked to pensions and protection from life's uncertainties continue to post growth rates similar to previous years.

In Belgium, our non-life insurance products posted growth of 16.4%, following a strengthening of the sales strategy on this market.

Our life insurance activities sold under the freedom to provide services regime generated revenue of €929.28 million, an increase of 63.2% versus 2015. This amount includes the premiums written by IWI since its acquisition, but was mainly boosted by the increase of 30.7% in revenue by Foyer International compared with 2015.

As regards asset management, CapitalatWork Foyer Group's assets under management increased by 5.0% compared with 2015, to €6,394.83 million. This positive development can be attributed to new capital contributions and the uptrend on stock markets.

At the end of 2016, consolidated profit of Foyer S.A. was €190.21 million, a result significantly impacted by the capital gain generated by the sale of Foyer Re. Stripping out this exceptional item, the Group's consolidated profit rose by 8.7% compared with 2015.

After deducting treasury shares, the Group's capital increased by 32.7%, reaching €953.61 million. Thanks to this, Foyer Group's overall coverage rate of Solvency II requirements exceeds 260%, enabling us to pursue our development plans using our own resources.

We would like to thank the shareholders of Foyer S.A. for the trust they have placed in us. Our thanks also go to all Foyer Group employees and agents for their commitment and their dedication. Finally, we would like to thank all our customers for their trust and loyalty to the Group.



Marc Lauer
Managing Director

François Tesch
Chairman

THE BOARD OF DIRECTORS AND ITS COMMITTEES



From left to right, standing:
Peter Vermeulen, Michel Tilmant, Jacquot Schwertzer, Marc Lauer, Romain Becker, Paul De Cooman.

From left to right, sitting:
Andrée Billon, Nathalie Worré, François Tesch, Cyrille Foillard, Dominique Laval.

Not pictured:
Antonella Calvia-Goetz, Paul Mousel.

On 31 December 2016, the Board of Directors was constituted as follows:

François Tesch
Chairman of the Board
Non-executive Director

Marc Lauer
Executive Director
Managing Director

Romain Becker
Non-executive
and independent Director

Andrée Billon
Non-executive
and independent Director

Antonella Calvia-Goetz
Non-executive
and independent Director

Paul De Cooman
Non-executive
and independent Director

Cyrille Foillard
Non-executive
and independent Director

Dominique Laval
Non-executive Director

Paul Mousel
Non-executive
and independent Director

Jacquot Schwertzer
Non-executive Director

Michel Tilmant
Non-executive Director

Nathalie Worré
Non-executive Director

Peter Vermeulen
Secretary of the Board of Directors
Chief Legal and Compliance Officer

The Board of Directors is assisted by the following committees (on 31 December 2016):

AUDIT, COMPLIANCE AND RISK MANAGEMENT COMMITTEE

Jacquot Schwertzer
Chairman of the Committee
Non-executive Director

François Tesch
Chairman of the Board
Non-executive Director

Antonella Calvia-Goetz
Non-executive
and independent Director

Dominique Laval
Non-executive Director

Kayembe Ntumba
Secretary of the Committee
Head of Internal Audit

NOMINATION AND REMUNERATION COMMITTEE

Romain Becker
Chairman of the Committee
Non-executive and independent Director

François Tesch
Chairman of the Board
Non-executive Director

Michel Tilmant
Non-executive Director

Nathalie Worré
Non-executive Director

Benoît Dourte
Secretary of the Committee
Human Resources
and Cross-company Services Manager

FOYER GROUP AT A GLANCE

The strong local roots and a structure of family ownership, synonymous with independence and financial stability, have characterised Foyer Group since it was founded in 1922. Over the years, the Group has developed a diverse range of products and expanded its business outside the borders of the Grand Duchy to become one of Luxembourg's leading financial players, operating across Europe.

Insurance in Luxembourg

Historically the **leading player on the local insurance market**, Foyer has always served a local customer base of families and businesses, offering bespoke and high-return insurance solutions to help them plan with peace of mind for their own future, or that of their loved ones or their business.

The full and flexible range of Foyer products is a reflection of the Group's know-how. It covers customers' specific needs in terms of motor and home insurance, of health cover, and of life insurance solutions for savings and personal protection. In the Luxembourg insurance landscape, the mobilé, reebou, medicis and flexivie brands are yardsticks for protection and quality that have come to set the standard.

Insurance in Belgium

On the **Belgian market**, Foyer Group offers a range of home and motor insurance products to individual customers spread across the country's five southern provinces.

The distribution and development strategy is founded on a business-to-business approach, in partnership with a network of brokers chosen for their expertise and professionalism. Working closely with its partners, Foyer designs exclusive products and services that are in a different class to those offered by the competition and meet market expectations.

Health insurance for expatriates

Founded in 2014, **Foyer Global Health** offers, through a network of European brokers, international health insurance solutions for individual and professional customers who are expatriates, that is to say temporarily living outside their country of origin.

It offers first-class cover and access to a global network of healthcare providers, as well as complete medical assistance services, working alongside its global partner: Europ Assistance – Global Corporate Solutions.

To meet the needs of its international customers, Foyer Global Health has entirely digitalised its services, offering simplified policy monitoring and management through its web portal.

Life insurance under the freedom to provide services regime

Foyer International and IWI International Wealth Insurer S.A. (IWI) compose the life insurance activities of Foyer Group, operating under the freedom to provide services regime. From the Grand Duchy of Luxembourg, these companies sell unit-linked insurance policies whose financial management is entirely entrusted to finance professionals.

Providing tailored solutions to its high net worth customers, Foyer International and IWI offer a full range of high-end services and products combining estate planning, the tax benefits of life insurance and the financial security expected by prudent investors.

Operating almost exclusively with asset management professionals, Foyer International and IWI have become a benchmark in this field over the years thanks to the quality of the expert advice they provide and to their operational excellence.

Foyer International and IWL operate in 11 European countries (Belgium, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden and the UK), in close cooperation with internal and external experts, in order to offer appropriate, high-end life insurance solutions that are flexible, transferable, portable and that comply with existing regulations.

Asset management

A wholly owned subsidiary of Foyer S.A. since 2009, **CapitalatWork Foyer Group** – the Group’s asset management company – celebrated its twenty-fifth year in 2015. With over €6 billion in assets under management, it operates in three countries (Belgium, Luxembourg, Netherlands) and offers its services to both wealthy individual customers and institutional customers.

CapitalatWork Foyer Group offers its customers its management expertise, classified as active and discretionary, and its asset-structuring know-how.

Its team of advisors, analysts and managers design investment solutions that are resolutely long-term, through either direct investments or high-return and diversified proprietary funds. CapitalatWork Foyer Group makes sure to invest only in carefully analysed assets that meet strict quality criteria, to build a relationship of trust with its customers.

THE GROUP MANAGEMENT



The Group Management is composed of the following (left to right):

Jean-Louis Courange (International Life Insurance Manager), **Peter Vermeulen** (Chief Legal and Compliance Officer), **André Birget** (Chief Investment Officer), **Gilbert Wolter** (Sales and Marketing Manager local market), **Marc Lauer** (Managing Director of Foyer S.A.), **Paul Fohl** (Chief Risk Officer), **Benoît Dourte** (Human Resources and Cross-company Services Manager), **Franck Marchand** (Chief Operating Officer local market), **Remy Els** (Information Systems Manager), **Philippe Bonte** (Chief Financial Officer et Chief Actuary), **Maarten Rooijackers** (Managing Director of CapitalatWork Foyer Group).

FOYER GROUP IN 2016

On a daily basis, Foyer Group relies on the work and commitment of its 714 employees in three countries and its 716 agents and agency staff located throughout Luxembourg, who share and live by the Group's five key values: trust, integrity, innovation, excellence and independence.

In a world undergoing significant cultural and technological change, the Group supports its employees as they adapt to these changes, giving them fresh impetus and enabling them to redefine their relation to work.

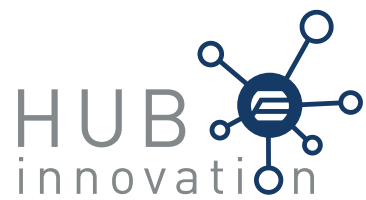
A transformed organisation

The corporate culture within the Group has been reshaped to make it more agile, a philosophy that promotes transparency, autonomy, taking responsibility and cross-functionality. The aim of this profound transformation in the way to approach work is to continuously improve the quality of services provided to customers, in terms of reliability, reactivity and communication, while offering a professional environment that promotes the well-being of the employees. Interactivity, a friendly atmosphere and the search for synergies are at the forefront of this vision, and have a clearly positive impact on the involvement and commitment of everyone concerned.



Foyer in line with its ecosystem

In Luxembourg, as in the rest of the world, numerous start-ups, idea incubators and young companies are created every day. As market leader, Foyer has naturally decided to play an active role in this new environment. That's why Foyer created the Innovation Hub, an internal community whose missions include promoting creative talent within the Group, organising contacts with the ecosystem and launching innovative events. Every employee thus has the opportunity to express their ideas within a multi-disciplinary team, and to push Foyer forward as a driver and player in large projects.



A training policy that reflects its strategy

The implementation of this vision, which focuses on agility and innovation, requires clear, transparent and shared communication on the company strategy. Therefore, everyone can play an active role in choosing their training path and become responsible for their own development.

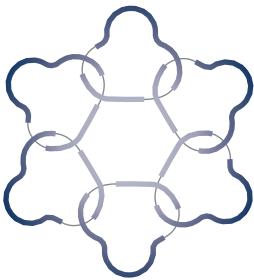
The Group’s training policy is based on the acquisition of new skills in both technical areas and personal development, in order to prepare employees and agents for regulatory and technological changes. By being better trained in this way, they feel more confident and able to advise their customers and serve their interests with greater authority. In addition to promoting learning, the mission of the training division is to ensure that each employee promotes the culture of excellence and customer satisfaction, and can thrive within the Group while disseminating the company culture.



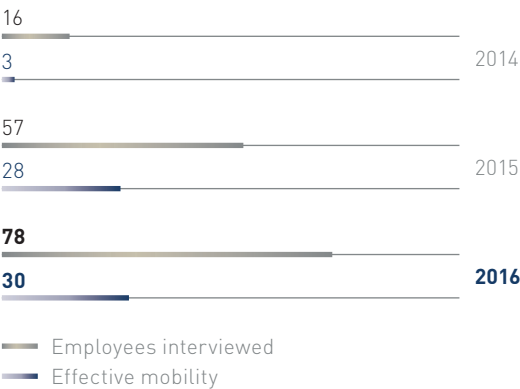
Promotion of internal mobility

Foyer increasingly promotes internal mobility, as it is aware of how important it is for everyone to find their place in accordance with their values and to feel good within the organisation. This offers employees numerous advantages, such as enabling them to develop new skills, giving them greater versatility and a break from the routine, and allowing them to meet new colleagues and new challenges.

For Foyer, internal mobility constitutes a real asset for staff motivation and loyalty, where everyone has something to gain. It is also an excellent tool to maintain employment during changes within the organisation, since it enables the restructured teams to be rebalanced by giving certain people the opportunity to evolve towards another function with a promising future.



Internal mobility



INSURANCE IN LUXEMBOURG

Customers have always been the focus at Foyer, which is continuously seeking to improve its products and services in response to consumers' needs and new habits.

On the one hand, digitalisation is prompting us to rethink work processes and customer relations by introducing greater transparency and efficiency. Foyer is therefore highly committed to digital transformation, in order to improve the customer experience and the quality of its services.

On the other hand, a recent survey conducted among customers showed the importance of human contact in supporting and following up their insurance portfolios. To do this, Foyer can count on a network of more than 700 agents and agency staff, which offers a highly appreciated service that is close to its customers, with whom it has established a real relationship of trust.

Simplified and transparent processes for an enhanced customer experience

As regards digitalisation, the new mobile application for healthcare reimbursement claims, **mymedicis**, met with great success. The product of work conducted using an agile approach, this innovative app is very easy to use and has met the needs of our customers. It was the most downloaded app in Luxembourg when it was launched at the beginning of October, and more than a third of healthcare reimbursement claims are now submitted via this channel.



In the same vein, Foyer is simplifying the process of taking out policies through the **WeProov** mobile application, which enables the agent or the customer to carry out a remote assessment of a vehicle. Insuring a second-hand car has become extremely simple and user-friendly. Since its launch in October 2016, the first statistics show that 30% of assessments are conducted via this application.



Another revolution is under way in relations between the customer and his/her agent, with the gradual digitalisation of sales to individual customers, through a portal called **Sammy**. In 2016, several agencies were equipped with this mobile solution, which enables them, in a single visit to their customer, to produce a quote, draw up an insurance policy and complete the sale by electronic signature on a tablet. Originally developed from a UX Design approach (i.e. giving priority to the user experience), this new “all-in-one” interface is quick and intuitive for the agent. For his/her part, the customer benefits from an insurance service that is the first of its kind.

A constantly developing offer of products and services

As market leader, Foyer regularly updates its offer of products and services to meet its customers’ needs. Alongside classic actuarial methods, its efforts in research and development also focus on innovative studies, such as big data and predictive analyses. In addition, in a changing tax and regulatory environment, Foyer constantly adjusts its range to meet the increasingly demanding needs of the market.

In 2016, Foyer adapted the offer of its motor insurance product, **mobile**. This essential overhaul incorporates new guarantees, rate-calculation factors that promote safety on our roads and simplified general terms and conditions, to be able to adapt to every type of customer.

mobile, the car insurance that fits your style

Essential, Protection or Zen, with Mobile, choose the pack that suits your needs and rediscover the joy of driving.
For more information, contact your agent or visit mobile.lu

Einfach fir lech do

Produit distribué par Foyer Vie S.A., 12, rue Léon Lancel L-1312 Luxembourg

This versatility is an asset in a changing tax and regulatory environment. In this regard, Foyer anticipated the tax reform that came into force on 1 January 2017 in Luxembourg, and adapted its products and tools. The day after the bill was passed, a letter was sent to nearly 20,000 customers informing them of the new tax advantages relating to their pension savings plan.

	defensive	balanced	dynamic	protect	confort
Yield 2016*	5.69%	6.56%	7.42%	2.00%	1.50%



Einfach für dich da

Product distributed by Foyer Vie S.A., 12, rue Léon Laval L-3372 Leudelange.

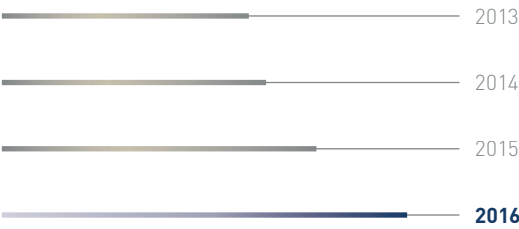
In addition, Foyer continuously searches for opportunities to develop new products. In 2016, it entered into a partnership with Enovos, Luxembourg's first energy provider, whose customers may take out the **Enocare** guarantee, a Foyer insurance product that offers to take care of energy bills in times of need. This unheard-of product is available directly and exclusively through the Enovos website.

A distribution strategy in line with new technologies

The Group's approach to prospecting is diversifying, in search of sales opportunities for its agencies, through the various communication channels offered to customers: Internet, telephone, counters, social networks, etc.

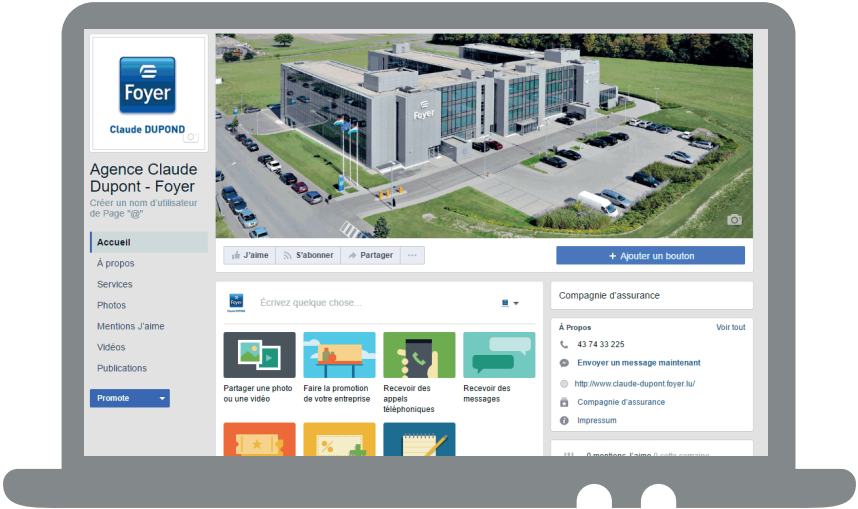
Regular monitoring of contacts and prospects shows that the number of sales opportunities via the Internet increased sharply in 2016. Today, concrete sales made from these links account for more than 5% of new policy production, and the Group plans to increase this to 20% by 2020.

Sales opportunities on the Internet



The **Facebook strategy** adopted by each agency has taken Foyer to the top of the rankings of financial sector companies active in this media in Luxembourg. In addition to the corporate page, more than 100 agencies have a Facebook page, which systematically show the Groups's communication campaigns.

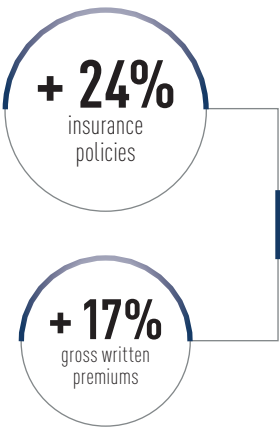
Our motto "**Foyer a seng Agenten, einfach fir lech do**" ("*Foyer and its agents, simply here for you*") has never been more true: because everyone in contact with the customers works together to give a personalised, simple and accessible service.



INSURANCE IN BELGIUM

Foyer registered excellent growth in revenue on the Belgian market in 2016, while continuing its efforts to target operational excellence and quality support to its partner brokers.

In particular, Foyer wishes to strengthen the cohesion with its network by preparing it for the challenges of tomorrow. It sets itself apart from its competitors on this market through a permanent dialogue with its partners, in a relationship whose keyword is co-creation, whether at the level of products, tools or the implementation of a digital marketing strategy for the broker.



A new motor insurance offer

In 2016, Foyer launched **Funcar**, a unique product on the market, offering its brokers an exclusive solution to specifically target the needs of high-end customers, who have purchased an additional vehicle for leisure purposes.

With Funcar, a customer who has bought a cabriolet, an old-timer, an off-road vehicle, a city car or any other vehicle that he/she only uses occasionally, can enjoy good coverage at a very competitive price, based on the vehicle's usage.

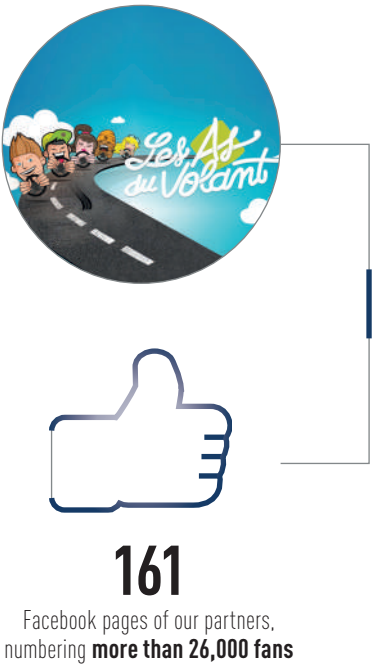
Continuous improvement in service to the broker

To support its partners and comply with standard practice on the Belgian market, Foyer is constantly seeking to optimise and personalise the services it offers.

2016 was marked by the introduction of a new operational structure enabling the Group to offer a more efficient service to brokers. The sales team, which remains active in the five provinces of Wallonia, was also strengthened.

With a view to simplifying management and daily relations between the company and its brokers, Foyer launched the first version of **Neo**, a new tool that in time will automate the majority of operational processes in a few clicks. This interface, which will then enable overall management of customer policy data, is set to become brokers' favourite tool.

Foyer also continues to support its brokers in developing their brand image and their digital presence. This strategy, highly popular among our partners, took a new direction in 2016, with the launch of the "**Les As du Volant**" application, a game for smartphones based on telematics that elects the best driver in Belgium. All communication around this app was only relayed via partner brokers, who benefited from Foyer's support in taking their first steps on social networks.



HEALTH INSURANCE FOR EXPATRIATES

Increasingly high performance services for expatriates

In 2016, Foyer Global Health continued to strengthen its offer of services for its expatriate customers around the world, proposing **specific products** with clear and highly competitive guarantees on the market.

With a view to ensuring an optimal experience for these nomadic customers, Foyer Global Health strengthened its **digital presence**, offering a multitude of online services. Customers are able to manage their health cover comprehensively on the Foyer Global Health website, from taking out a policy to reimbursement claims to premium payment.



A tailored approach for partner brokers

In line with its corporate philosophy, Foyer Global Health supports its distribution partners through a tailored approach.

This approach is based on a **simplification of management processes and effective communication** between Foyer Global Health and its partners. To do this, a new Internet portal has been set up for brokers, offering them an overview of their portfolio and enabling them to interact easily and quickly with Foyer Global Health.

This dynamic and modern distribution strategy has been well received, and enabled Foyer Global Health to significantly increase its number of international partner brokers in 2016.

Outlook

Foyer Global Health mainly distributes its products from the European Union, its main markets being Luxembourg, Belgium, France and Germany, countries in which it wishes to grow further.

Finally, Foyer Global Health continues to optimise its online services, which will help strengthen brand awareness.



LIFE INSURANCE UNDER THE FREEDOM TO PROVIDE SERVICES REGIME

Achievements in 2016

The year was marked by the **acquisition of IWI International Wealth Insurer S.A.** ("IWI") by Foyer S.A. in August 2016, combined with **strong growth in the activities of Foyer International** (+30.7%).

The acquisition of IWI enabled Foyer Group to strengthen its position in life insurance, both on the local and international markets. In fact, the combination of IWI and Foyer International S.A. puts Foyer Group in the top five life insurance companies offering tailored solutions for wealthy international customers and operating under the freedom to provide services regime from Luxembourg.

In October 2016, IWI employees joined the Foyer International teams in their offices. They are actively working together on the integration and merger project scheduled for end-2017.

IWI and Foyer International are active in 11 European countries, and strictly comply with the legal and tax environment of each country of residence. At the end of 2016, the **assets under contract** held by these two entities was approximately **€8.0 billion**, while their combined **revenue** reached **€1.2 billion**.

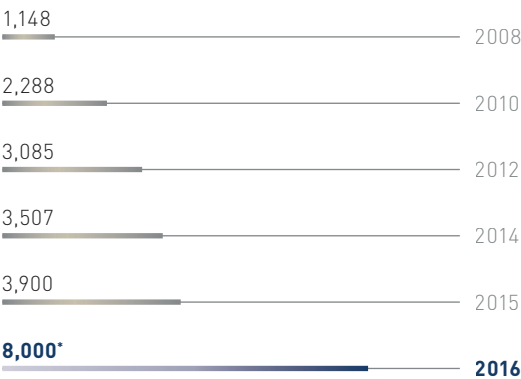


Signing of acquisition of IWI by Foyer S.A. on 29 June 2016

Marc Lauer, Managing Director of Foyer S.A.,
François Tesch, Chairman of the Board of Directors of Foyer S.A.

Commitments towards clients

€million



* Total commitments of Foyer International and IWI at end-2016

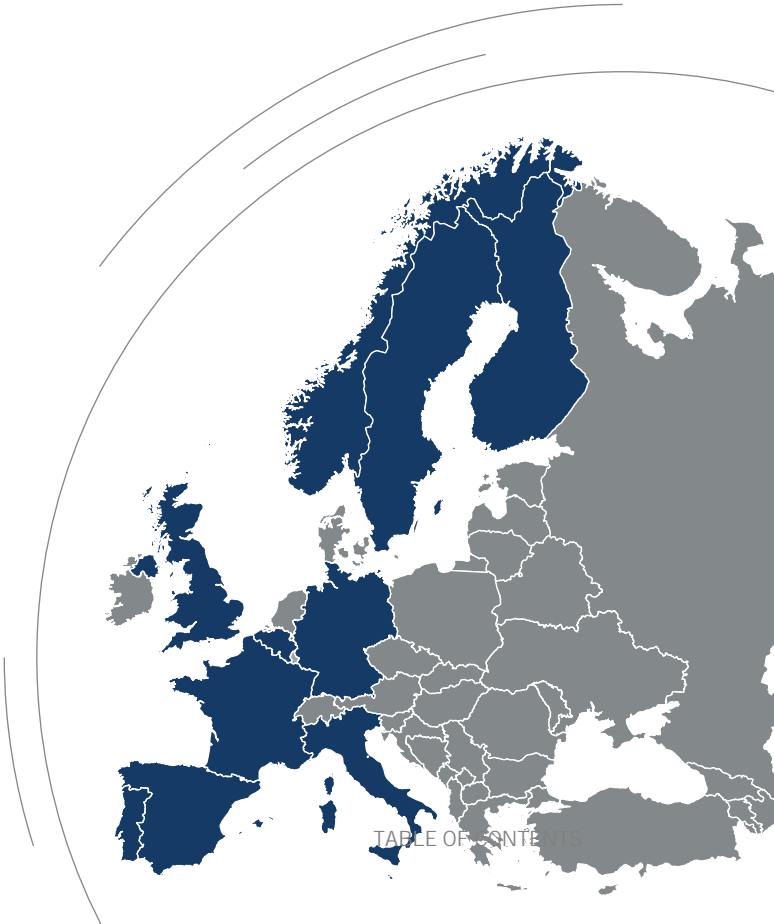
Outlook

In 2017, Foyer Group will combine the activities of Foyer International and IWI in **a new single company**.

The new merged entity will benefit from HR, operational and IT synergies that will enable it to offer even more innovative and reliable solutions and products in asset structuring, while maintaining a high quality of service. It will also be able to rely on the skills of more than 100 qualified expert staff.

The company’s strategy remains firmly focused on **accelerated business growth** and the **quality of services** offered to customers and partners. The sales action plan continues to be centred on developing the (U)HNWI (“ultra high net worth individuals”) customer segment, with a wider product range. It is present on 11 core markets, namely Belgium, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden and the UK, and the company’s objective is to become a leading player in wealth insurance.

Over the year, like the whole sector, the company will have to deal with changes to the regulatory and tax environment on most European markets, and increased pressure on insurance activities: the first CRS reports in June 2017 and preparation for regulatory changes, including BEPS, IDD and PRIIPS.



ASSET MANAGEMENT BY CAPITALATWORK FOYER GROUP

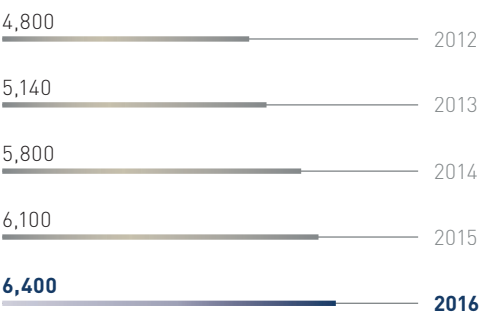
Achievements in 2016

The financial year got off to a difficult start, with the stock markets reacting extremely badly to the sharp fall in oil and commodity prices. At the same time, China allowed its currency to slide against the US dollar, thereby causing further uncertainty on the markets.

Investors were surprised by the UK's vote in favour of Brexit, followed by the election of Donald Trump to the office of US president. Against this background, we have seen a significant upturn in US interest rates, but also, to a lesser extent, European rates.

In this environment, CapitalatWork Foyer Group posted **very positive results for 2016**. Thanks to its significant sales efforts, assets under management reached €6.4 billion at end-2016.

Evolution of managed assets
€ million (pro forma data)



In order to **remain close to its clients**, CapitalatWork Foyer Group continued its dynamic marketing strategy, and organised financial conferences as well as numerous events such as golf tournaments, classic car rallies and even an international polo tournament. Furthermore, with confidence in its future growth, CapitalatWork Foyer Group moved in to new offices in Courtrai and **bought offices in Antwerp** in a brand new property project.



Thanks to its constant, strict and rigorous management methodology, CapitalatWork Foyer Group posted an excellent performance in 2016, enabling its clients to benefit from high returns in all risk profile categories. This active management enabled clients to benefit from some excellent opportunities and post positive performances, ranging from 4.6% to 7.3%, depending on the investment profile.

At the same time, CapitalatWork Foyer Group undertook its digital transformation, in order to meet the current and future needs of its clients, while preparing for the new regulatory measures that will be increasingly imposed on the financial sector.

Outlook

For 2017, we expect the spread between European and US rates to be maintained at 2%, supporting a dollar that is set fair against the euro.

Thus, in our **investment strategy**, we favour corporate bonds over government bonds, while we do not expect a recession in the short term.

As regards the equity markets, the earnings outlooks of the companies we follow are good. The slogan “Make America great again” is expected to have a positive effect on US companies, thanks to low taxes and various investment projects.

The outlook in Europe is not bad, but the political uncertainty generated by the various elections (the Netherlands, France, Italy, Germany) could have a negative impact on the trend, which could enable us to purchase shares in our preferred companies cheaply.

The big question of 2017, and even 2018, is still however to anticipate the reaction of equity prices to a probable rise in interest rates. The increase in rates so far has been absorbed without too many shocks, but should it continue, vigilance will be needed.

All this strengthens our conviction that active management is necessary to respond to the rapid development of market variables and that **global allocation in corporate assets is indispensable**. We will in addition continue to use certain derivative products to hedge part of our clients’ portfolio and reduce the risks assumed by them.

Diversification, responsiveness and composure will be the key words in the effective management of our clients’ portfolio.



FOYER GROUP IN A FEW FIGURES



- 254,100 CUSTOMERS
- 1,430 EMPLOYEES AND AGENTS
- REVENUE UP BY 32.7%
- MORE THAN €14 BILLION IN ASSETS UNDER CONTRACT
- LONG-TERM LEADER IN LUXEMBOURG INSURANCE SECTOR
- ACTIVE IN 12 EUROPEAN COUNTRIES

Financial information
(French version)



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