

ANNUAL REPORT **2017**



KEY FIGURES

Consolidated on 31 December 2017

Consolidated balance sheet

€ million

	2016	2017
Total assets	11,276.6	12,722.7
Land and buildings	93.4	124.5
Variable- and fixed-income securities	3,041.1	3,178.1
Investments related to unit-linked policies	7,441.3	8,746.0
Bank deposits, cash and cash equivalents	313.3	250.8
Treasury shares	94.1	95.2
Total liabilities	11,276.6	12,722.7
Technical provisions	2,376.9	2,436.0
Provisions related to unit-linked policies	7,441.3	8,746.0
Shareholders' equity - Group share	1,047.7	1,162.1

Consolidated profit and loss account

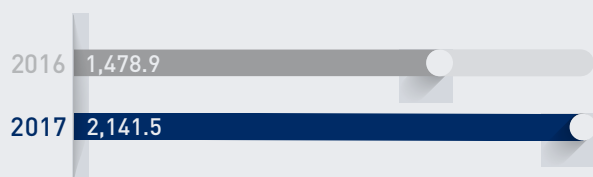
€ million

	2016	2017
Earned premiums, net of reinsurance	1,421.3	2,026.4
Commissions earned by the Asset Management sector	38.3	46.8
Net financial income	471.0	379.0
Net operating income	509.3	425.8
Insurance benefits and claims, net of reinsurance	-1,558.8	-2,145.9
Operating expenses	-150.6	-182.9
Operating profit	221.2	123.4
Income tax	-30.3	-30.8
Net income	190.2	92.4
Group share	189.7	91.8
Profit per share (in €)	24.16	11.7

Revenue

€ million

Total revenue

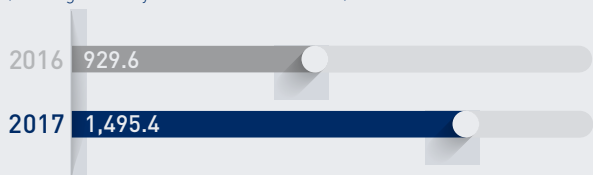


Insurance in Luxembourg



Life insurance under the freedom to provide services regime

(2016 figures: Foyer International and IWI)



Insurance in Belgium



Health insurance for expatriates

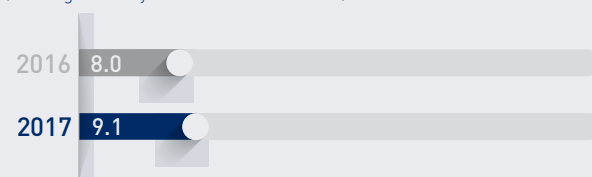


Assets under contract

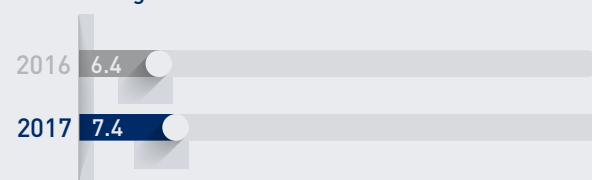
€ billion

Life insurance under the freedom to provide services regime and unit linked contracts on the local market

(2016 figures: Foyer International and IWI)



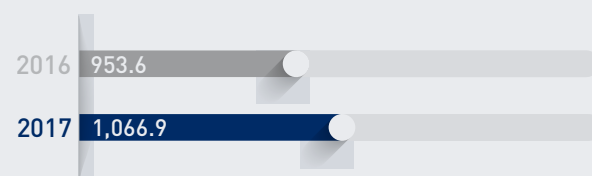
Asset management



Equity*

€ million

*excl. treasury shares



Customers and staff

number



	2016	2017
Customers	254,100	257,962
Employees	714	743
Agents and agency staff	716	673
of which, professional agents and staff	417	393



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ACTIVITIES OF FOYER GROUP

Situation on 31 December 2017

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

WEALINS 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,

Once again, 2017 has been a very eventful year for Foyer Group.

2017 – a year of consolidation

In August 2017, the legal merger of Foyer International and IWI, International Wealth Insurer, was officially recorded, followed in September by the creation of a new company from the merger of these two entities: **WEALINS S.A.** With an active presence in eleven countries, WEALINS manages over €9 billion in assets under contract. This has allowed Foyer Group to settle into a solid position among the top 5 players in life insurance sold under the freedom to provide services regime in Luxembourg.

In addition, after eighteen months of work, the **construction of the extension to the Group's head office in Leudelange** was completed at the end of 2017. We are very glad to be able to accommodate all Foyer teams and business activities in Luxembourg in the same building again. Moreover, in 2017, Foyer Group completed the construction of Dyapason, a rental building, located in Gasperich. In an uncertain financial environment, these various projects were a welcome opportunity for us to diversify our asset portfolio.

Innovation as an absolute priority

Alongside these events, we pursued our **strategy of innovation** in line with the digitalisation underway in all sectors. As such, the Board of Directors approved the in-depth **transformation** of our legacy **IT systems** towards a more modern architecture based on a semi-private cloud. This overhaul, which offers many advantages in terms of efficiency, flexibility and accessibility, will allow us to improve our computing tools and address the challenges of digitalisation with all of the agility and modularity we need to accomplish this.

But this strategy of innovation goes beyond just computing tools, merging with our organisation itself. As such, the **Foyer Innovation Hub**, which is based on a collaborative model of innovation, promotes creativity within the company as well as encounters with the world of fintech and insurtech. In the same vein, in autumn 2017, aware of the importance of controlling our strategic data and ensuring its security within the context of the GDPR (General Data Protection Regulation), we equipped ourselves with a brand new expertise centre in charge of data governance and processing – the **Data Studio**.

As part of our strategy of innovation, we would like to recognise the efforts made by all of the Group's employees and agents, who are taking part in this digital transformation whilst continuing to offer quality service to our customers. We are particularly thankful to them. We are also glad to report that these many projects and initiatives neither affected nor slowed the Group's business development. In fact, in an economic climate that is still uncertain, **Foyer S.A. closed 2017 with excellent results.**

Excellent business momentum

In accordance with Luxembourgish accounting principles, **revenue** rose from €1,478.90 million gross earned premiums collected in 2016 to €2,141.50 million in 2017, a 44.8% increase.

On the local market, leaving aside the captive fronting business, which saw a surge in revenue (+132.2%), earned premiums rose by 7.8%.

This growth in revenue comprises several trends. On the one hand, the Group registered growth of 5.2% 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 rose by 12.0%, due largely to the increase in pension premiums following the tax reform.

In Belgium, our non-life insurance activities grew by 14.5% in a tense competitive environment.

Our life insurance activities, sold under the freedom to provide services regime and consolidated into the new company WEALINS S.A., generated revenue of €1,495.31 million, an increase of 60.8% compared with 2016, thanks to positive trends on the French, Belgian and Scandinavian markets.

As regards asset management, CapitalatWork Foyer Group's assets under management increased by 16.5% compared with 2016, to €7,448.49 million. This positive development can be attributed to new capital contributions and the uptrend on stock markets.

Excellent profits and strong equity capital

At the end of 2017, **consolidated profit** of Foyer S.A. was €92.40 million for that year, compared with €190.21 million for 2016.

The 2016 profit takes into account the consolidated capital gain of €109.45 million generated by the sale of Foyer Re. Stripping out this exceptional item, the Group's consolidated profit rose by 14.4% compared with 2016.

After deducting treasury shares, the Group's capital increased by 11.9%, reaching €1.060,90 million. Thanks to this, Foyer Group's overall coverage rate of Solvency II

requirements exceeds 240%, 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 shown 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 the trust and loyalty they have shown in the Group.



Marc Lauer
Managing Director

François Tesch
Chairman

THE BOARD OF DIRECTORS AND ITS COMMITTEES



From left to right, standing:

Habib Guergachi, Peter Vermeulen, Paul De Cooman, Marc Lauer, François Tesch, Michel Tilmant, Romain Becker, Dominique Laval, Paul Mousel.

From left to right, sitting:

Antonella Calvia-Goetz, John Penning, Andrée Billon.

Not pictured:

Jacquot Schwertzer.

On 31 December 2017, 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

Habib Guergachi
Non-executive
and independent Director

Dominique Laval
Non-executive Director

Paul Mousel
Non-executive
and independent Director

John Penning
Non-executive Director

Jacquot Schwertzer
Non-executive Director

Michel Tilmant
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 2017):

AUDIT, COMPLIANCE AND RISK MANAGEMENT COMMITTEE

Andrée Billon
Chairman of the Committee
Non-executive Director

Paul De Cooman
Non-executive
and independent Director

John Penning
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, health cover, and life insurance solutions for savings and personal protection. In the Luxembourg insurance landscape, the *mobilité*, *reebou*, *medicis* and *flexivie* brands are yardsticks for protection and quality that have come to set the standard.

Insurance in Belgium

In the **Belgian market**, Foyer Group offers a range of non-life insurance products to retail clients in the country's French- and German-speaking regions.

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

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

In August 2017, Foyer International and IWI International Wealth Insurer S.A. (IWI), the two companies within Foyer Group operating under the EU's freedom to provide services regime, merged their business activities to become **WEALINS S.A.** From the Grand Duchy of Luxembourg, it sells unit-linked insurance policies whose financial management is entirely entrusted to finance professionals.

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

Operating almost exclusively with asset management professionals, the quality of WEALINS' expert advice and its operational excellence make it a benchmark in this field.

WEALINS operates 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** is the Group's asset management company. With over €7 billion in assets under management, it has operated in three countries (Belgium, Luxembourg, and the Netherlands) for almost 30 years and offers its services primarily to private high net worth clients.

CapitalatWork Foyer Group offers its customers its discretionary management expertise based on an exclusive methodology of bottom-up analysis as well as 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):

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

FOYER GROUP IN 2017

The world is changing, and insurance companies are not immune to these changes. For several years, in order to meet its customers' needs and adapt to their new practices, Foyer has implemented an environment that fosters innovation, which is one of the five values of the Group and one of its main strategic principles.

In 2017, convinced of the increased efficiency offered by technology as well as the opportunities arising from new regulations, Foyer sped up these initiatives in favour of innovation.

A movement from within at the heart of the ecosystem

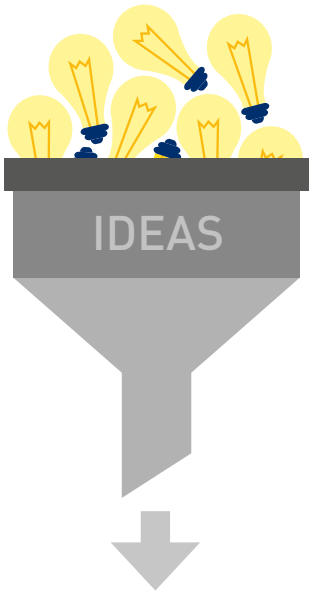
For over a year, Foyer has begun to effect a **profound change in corporate culture** that strives not only for even better quality of service and product renewal, but also the revitalisation and optimisation of processes, using concepts such as agility and lean management.

Within this context, the Group made the decision to develop its employees' abilities to mobilise collective intelligence, rather than to concentrate the act of innovation on certain resources at the risk of ending up with unshared initiatives with low visibility. This led to the creation at the end of 2016 of the **Innovation Hub**, based on a collaborative innovation model.

This hub is meant to enable each employee, or "innov-actor", to promote, contribute and above all co-create the innovations of tomorrow. In 2017, the **Innovation Hub** organised and led a number of activities, such as Brown Bag Sessions, interactive presentations where various innovation-related topics were discussed, and an internal Hackathon, a great source of inspiration for future projects.



ECOSYSTEM



50

Start-ups analysed

6 opportunities

4 proofs of concept

2 projects in production

15

Brown Bag Sessions

1^{er}

Hackathon

19 pitches

4 ideas

90 participants



The Innovation Hub also makes use of the existing **ecosystem**, which has been especially rich and dynamic in Luxembourg in recent years, to better monitor changes in the market, identify trends and seize opportunities that present themselves to Foyer. This has meant, for example, assessing applications and proposals submitted by start-ups, listening to them and connecting them with the right people at Foyer to begin an effective collaboration, if appropriate. In this context, Foyer prides itself on currently being the only insurer who is a member of the Leadership Circle of the Luxembourg House of FinTech (LHoFT); it is also a member of the Luxembourg Open Innovation Club (LOIC).

To orchestrate all of this, in 2017, Foyer took on an **Innovation Coordination Officer** who oversees innovation governance within the Group.

Innovative products and services

For several years now, **Foyer has sought to reinvent its relationship with its customers**, looking to them to understand their needs and to change its processes. This may be illustrated in many ways: the systematic consideration of customer opinions on insurance services, the (re-)creation of a client area in line with technological advances in all of the Group’s areas of activity, from insurance on the local and international markets to wealth management, and the provision of modern, functional tools. Allowing customers to send their healthcare reimbursement claims by mobile phone and filming a damage during a video conference with an appraiser are both advances with high added value.

In the same vein, Foyer has become aware of the importance of improving the relevance and quality of the advice and services it provides to its customers. With this in mind, new light was shed on a “raw material” which had previously remained underestimated: data. As such, in November 2017, Foyer inaugurated its brand new analytical expertise centre in charge of data governance and processing: the **Data Studio**. In this context, the entry into force of the European GDPR (General Data Protection Regulation) not only poses a significant challenge – it offers great opportunities in terms of data security so that we may provide optimal customer service.

INSURANCE IN LUXEMBOURG

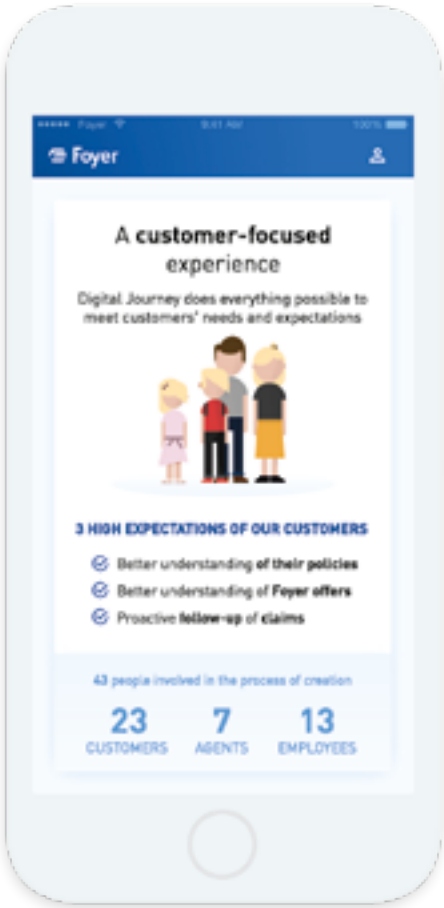
In 2017, Foyer stepped up its efforts to have innovation serve the best interests of its customers. With this in mind, new offerings were created that responded to new customer practices. Likewise, the work and sales processes, both at the company's head office and in its 121 professional agencies throughout the country, were redesigned to show greater transparency and efficiency.

Optimised services for an enhanced customer experience

Today, in an agile project management approach directly involving employees, agents and users, Foyer systematically invites its customers to give their opinions on future offerings and services. Foyer then develops them in collaboration with a team of UX Designers, who ensure the ergonomics of the final product.

Among these new services, Foyer has initiated a large-scale project, “**Digital Journey**”, which consists of a complete overhaul of its Client Area and website as well as the creation of a new integrated mobile application. This ambitious project responds to the new needs of the customers, especially in terms of digital experience, making navigation between the different Foyer interfaces easier. In time, the tool will bring together various features innovative to the market, such as viewing the progress of claims, monitoring of healthcare claim reimbursements, and emergency call-back. It will also include the mobile application **mymedicis**, launched in 2016, which allows customers to send a healthcare cost reimbursement request with one click.

To provide its customers with ultra-fast reimbursement claim processing, Foyer is pursuing these developments using the latest innovations in **optical recognition**. These new processes allow reimbursement claims to be processed in record time.



In addition, Foyer is distinguishing itself from the competition through **innovative management of home insurance claims**, allowing its customers to choose the method of compensation that best suits them at the time of the loss. Customers can decide to repair the damage themselves, benefitting from compensation in cash, or they can have Foyer organise all repairs or have a standard appraisal performed, which may be done remotely using a mobile application. Whatever their choice may be, customers are kept informed and guided throughout the entire process. **Thirty per cent of our affected customers have already chosen one of these new flexible, personalised compensation methods.**

Tailor-made claim management



The year 2017 also saw the **tax reform**, which entered into force on 1 January. To assist both current and prospective customers and inform them of the new tax developments, Foyer organised some twenty **conferences** across the country in collaboration with tax experts. This local action, which allowed us to highlight the tax optimisation solutions offered by Foyer, was a resounding success.



Innovation serving both agents and customers

Several surveys of Foyer’s customers have shown that in addition to digital tools, human contact during the subscription and follow-up of their insurance policies is desired and appreciated. Foyer fully understands this, as its motto, “**Foyer an seng Agenten, einfach fir lech do**” (“Foyer and its agents – simply here for you”) attests, and it does everything possible to combine these two aspects, offering its customers a personalised, optimal experience.

As such, Foyer has developed a sales portal for its agents, called **Sammy**, which is unique on the Luxembourg market. With this mobile application, an agent can make an offer, draw up a policy and close the deal with a certified electronic signature, all on his or her tablet during a single customer visit. Sammy, which is a joint creation of the Foyer sales, operational and IT teams, has greatly optimised the process of taking out a policy. Foyer is the first market player to provide its customers with an insurance-related service like this one, confirming its market leadership position.

In the same vein, since October 2016, Foyer has been a partner of the start-up **WeProov**, whose mobile application allows agents and their customers to carry out a vehicle inspection with just a smartphone. In 2017, 50% of inspections were carried out using WeProov, the app that makes second-hand car insurance quick and user-friendly.



Communication in line with customers' day-to-day lives

In 2017, Foyer revised its communication strategy, introducing new imagery that is dynamic and harmonious. In a series of bright, positive photos, the concept chosen features men and women in their day-to-day lives, illustrating how Foyer supports and protects them in their plans.

In addition to new advertising, new logos, brochures and radio ads, the media placement strategy was revised, with an increase in digital and social media investments.



INSURANCE IN BELGIUM

In the Belgian market, Foyer operates in the French- and German-speaking parts of the country, where it offers a range of home and motor insurance products to individual customers through a network of partner brokers.

In 2017, Foyer registered **excellent growth in revenue** in Belgium, in an ultra competitive non-life insurance market.

+19% *insurance policies* **+14%** *gross written premiums*

Thanks to a **strategy concentrating on the efficiency of the service offered to its partner brokers**, Foyer now has a market share in full-service brokerage in the French-speaking region of over 3% in the individual motor insurance product market segment.

In 2017, Foyer pursued its strategy of continuous improvement of services it offers to brokers, thanks in part to **the optimisation of its internal organisation**. As such, the Belgian Market entity was bolstered by the appointment of a new sales manager, as well as the creation of a team dedicated to portfolio risk management.

Furthermore, various initiatives were taken to improve service to brokers and their customers.



For example, in home insurance, Foyer will soon launch a brand new remote appraisal service via smartphone: **1 DayXpert**. When this application is used, Foyer undertakes to compensate the customer within 24 hours (one working day), which considerably reduces the compensation timeframe for small claims.

In the same vein, to assist customers and brokers following automobile damage, Foyer has added a search engine to its website allowing visitors to find a repairer close by from an extensive network of authorised garages as well as an appraiser.

In addition, Foyer has pursued development work on **neo**, its unique and clearly designed interface, meant to simplify customer data and policy management by the broker as well as to fluidify all exchanges between Foyer and its partners. The first features made available to brokers in neo have been rate calculation, contracting policies, and many motor insurance after-sales services. These have been highly successful.



Finally, Foyer continued its broker digitalisation programme by organising **"Digital workshops"**. These participatory workshops addressed different topics, such as "The Digitalisation of insurance brokers", "Measuring the results of communication campaigns", and "Social networks: a lever for your business", with the goal of encouraging brokers to implement a concrete, coherent digital strategy to aid their customers.

15 *digital workshops organised in summer 2017*



HEALTH INSURANCE FOR EXPATRIATES BY FOYER GLOBAL HEALTH

A service offering optimised for a mobile clientele

In 2017, Foyer Global Health continued to bolster its product range meant for a mobile global clientele, offering **specialised products** with clear cover, excellent value for money, and resolutely customer-focused services.

To further improve its customers' positive experiences, Foyer Global Health launched a **new website** which emphasises easy searchability and clear information. Website visitors can easily find all of the details on the international health insurance covers offered as well as the plan best suited to their specific needs.

These new simplified features are appreciated by Foyer Global Health's customers and intermediaries.

An individualised approach for intermediaries

In 2017, Foyer Global Health revised its partnership approach with its intermediaries. This approach relies on a **relationship of trust where the intermediary is the primary contact** who is able to give expert advice to his or her customers.

In its relationships with its partners, Foyer Global Health is convinced that a customised service approach is essential for meeting the needs of the various types of intermediaries. To accomplish this, Foyer Global Health has provided them with a set of digital and operational solutions allowing them to give the best advice to their customers – both individuals seeking out customised cover for their relocation and businesses looking for a comprehensive solution for the community of their employees posted abroad.

Outlook

In 2018, Foyer Global Health will continue to concentrate on its European Union partners, especially Luxembourg, Belgium and the German-speaking markets (Austria, Germany, and Switzerland), to develop its business activities. Furthermore, Foyer Global Health will work at researching and seizing the **opportunities offered by digitalisation**. As such, we are aiming to develop business directly via the Internet without differentiating rates from our intermediated offering.



LIFE INSURANCE UNDER THE FREEDOM TO PROVIDE SERVICES **BY WEALINS**

Achievements in 2017

Following the acquisition by Foyer S.A. in August 2016 of IWI International Insurer S.A. (IWI) and the transfer in June 2016 of IWI's Luxembourg-based customers to Foyer Vie, **Foyer International and IWI legally merged their business activities in August 2017.**

In September 2017, a new name emerged for the merged company: **WEALINS S.A.** Strategies were also reformulated to better position the business activities of the new entity, which consists of offering life insurance solutions as part of wealth management for HNWI customers (high net worth individuals). The launch of this new brand was accompanied by a brand new visual identity and a large-scale communication campaign.

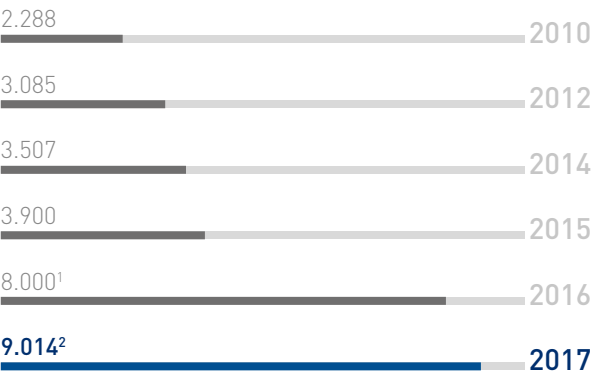


WEALINS has now settled into a solid position among the **top 5 life insurance companies** operating under the freedom to provide services regime in Luxembourg.

In 2017, WEALINS achieved a **turnover** of some **€1.5 billion**, exclusively in unit-linked insurance contracts, a 24.4% increase compared with 2016. At the end of 2017, the company's assets under contract amounted to over **€9.0 billion**, an increase of 14.3% compared with 2016.

Commitments towards clients

€ million



¹ Total commitments of Foyer International and IWI at the end of 2016

² Total commitments of WEALINS

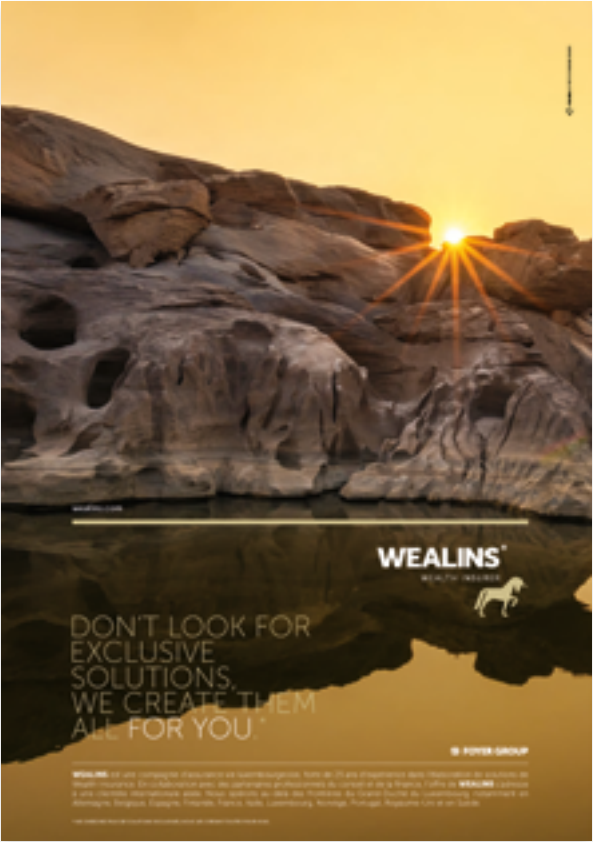
Outlook

WEALINS' strategy is to actively propose reliable and innovative solutions, products and services in asset structuring and life insurance policy management as well as administration of underlying financial instruments, whilst integrating its digital tool to benefit partners and customers.

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. Operating in eleven markets in strict compliance with the legal and tax environment of each country of residence (Belgium, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden and the UK), the company's objective is to become a key player in the area of wealth insurance.

In January 2018, the company launched a **digital application called e-Wealins** for its entire partner network. This project is already operational and has significantly improved communication with and the services offered to WEALINS' financial partners as well as their end clients.

Finally, in 2018, like the rest of the sector, WEALINS is facing **changes in the legal, fiscal and regulatory environment** in most European markets as well as increased pressure on insurance activities. WEALINS is well prepared with answers to these challenges and will be ready for the various challenges that have been announced, such as the CRS, BEPS, IDD, PRIIPS and GDPR.



ASSET MANAGEMENT BY CAPITAL@WORK FOYER GROUP

The year 2017 was packed with events for CapitalatWork Foyer Group in many respects, including in terms of business, regulations and innovation.

Business momentum and excellent performance

The extremely positive business momentum throughout the year gave CapitalatWork Foyer Group a **net asset inflow of some €200 million at the end of 2017**, half from new customers and half from existing customers, the latter often paying a valuable role in referring new customers. CapitalatWork Foyer Group also continued to invest in its sales force, with several high-level recruitments.

In 2017, the choices made by the CapitalatWork Foyer Group analysts, combined with the excellent performance of the stock markets, resulted in **an average positive performance of 5.6%** on customer portfolios, irrespective of profile.

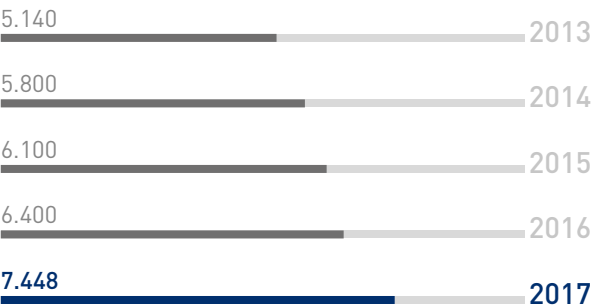
Significant regulatory challenges

In 2017, the entire financial sector prepared for **MIFID II**, the directive on financial instruments intended to give consumers better protection.

For CapitalatWork Foyer Group, this directive called for a great deal of work adjusting existing procedures and reporting practices, but it did not change the company's business model, i.e. to offer independent discretionary management using internal analysis applied by way of proprietary investment funds. This model, used by CapitalatWork Foyer Group for over twenty-seven years, seems increasingly popular in the sector compared to services such as advisory management or open architecture.

Evolution of managed assets

€ million (pro forma data)



These new regulations bring customers greater transparency in terms of both fees and investments, which CapitalatWork Foyer Group had already anticipated, offering its customers an overall “look-through” view of their investments on the MyCapital website. The entry into force of the directive was also an opportunity to review the documents required to open an account, with an important simplification: both opening an account and the management agreement now only require a single signature.



Innovation serving the best interests of customers

At CapitalatWork Foyer Group, **innovation is at the centre of the strategy**, in order to continually offer high value-added services to the customers. Significant work has been done at this level, especially with regard to the concept of mobile office.

As such, each employee of CapitalatWork Foyer Group who interacts with customers is now equipped with a tablet offering a series of useful features, such as the viewing of customer account balances and performances through the **application MyCapital**, secure access to various documents (presentations, reports, offers), and of course, access to professional e-mails and calendars.

Significant developments were initiated in 2017 to enhance the applications and tools accessible through these tablets, which will be made available in 2018. This will include the launch of the e-CVM tool, an application developed internally, which will allow account managers to see all important customer information at a glance. In addition, the e-onboarding tool will allow for the opening of an account 100% paper-free in certain cases.

For customers, the application MyCapital is also in the process of being developed for smartphones. This will not only allow customers to view their accounts, but also to contact CapitalatWork more easily and receive information from it on a regular basis. Equally of note is the complete overhaul of the website www.capitalatwork.com into a new version suited for not only computers but tablets and smartphones, which will be published in the course of 2018.

Among all of these developments, special attention was paid to information security, which is why CapitalatWork Foyer Group along with Foyer Group established a joint information security committee in 2017.

In addition to these digital innovations, CapitalatWork Foyer Group relocated from two of its sites in 2017. In November, **new offices** were inaugurated in **Ghent**, and in December, the CapitalatWork offices in **Antwerp** were relocated to an expanding area, Nieuw Zuid.

Outlook

The year 2017 was the ninth year of a bull market. 2018 will probably see the return of heightened volatility. The quality of the management of CapitalatWork Foyer Group and its ability to communicate well with customers will be the keys to success in this environment.



FOYER GROUP IN A FEW FIGURES

2021

257,962 customers

1,416 employees and agents

Revenue **up by 44.8%**

More than €16 billion
in assets under contract

Long-term **leader** in Luxembourg
insurance sector

Active in **12** european countries



Financial information

<http://groupe.foyer.lu/en/investor/annual-reports>



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