

ACTIVITY REPORT

2017

**LUXEMBOURG
FOR FINANCE**

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MESSAGE FROM THE PRESIDENT



Pierre Gramegna,
Luxembourg Minister of Finance

I am proud to say that the Luxembourg government and the financial industry are committed to contributing to a sustainable future.

We Luxembourgers enjoy describing ourselves as true Europeans. As a small country, we are very well aware of the benefits of the European Union, in particular the four freedoms of the Single Market. The discussion around Brexit, and the UK's future relationship with the EU, has reminded us that EU Member States can count on these benefits, and that they come side by side with a clear commitment to the European Union's values. The success of Luxembourg's economy and financial centre is built on a talent pool that is not only nourished by the Greater Region – 180,000 commuters cross our borders every day – but by the entire European Union, which allows people to work in any Member State of their choice.

A substantial number of UK-based and non-European financial institutions benefit from this potential and have decided to move their European headquarters to Luxembourg. Amongst them are insurance companies, banks, as well as asset managers and FinTechs. While all of them need to maintain access to the European Single Market, they have chosen Luxembourg for different specific reasons.

For instance, many FinTechs choose Luxembourg as their European headquarters, as they find that the local financial industry serves as a sizeable client base and as a testing ground in which they can develop their solutions, before they leverage Luxembourg's international network to sell their products Europe-wide and beyond.

The government's efforts to renovate the financial centre are showing positive results. In fact, the centre has emerged strengthened after Luxembourg has fully embraced transparency in 2014 and has successfully redirected its development efforts toward a more international client base and sustainable finance solutions.

Over the last four years, the government has managed to rebalance the budget and restore a strong fiscal position. Having hence been able to remain one of the few countries in the world with an AAA rating, Luxembourg is particularly attractive for insurance companies, which need to rely on a stable economy. Insurance companies in Luxembourg are regulated by a dedicated insurance regulator, a fact that results in a special understanding of the needs of insurance companies, as well as fast handling of queries.

That the second largest investment fund centre in the world attracts international asset managers, Private Equity companies and banks

is not a surprise. As the Brexit negotiations drag on, many of these companies have decided to strengthen their existing presence by adding new activities.

Even if some companies are considering leaving the UK, this should not threaten London's role as a major global financial centre. The best interest for the EU as a whole is to see London continue to be a leading financial centre rather than see other financial centres outside Europe take over to the detriment of Europe's global competitiveness. This being said, we expect to see greater reliance on other European centres outside London, according to their respective specialisations.

However, some challenges remain the same for every financial centre: digitalization and sustainability. Those – and not Brexit – are the real long-term challenges that financial centres face.

The digital transformation of our business and society presents enormous growth potential for Europe. The European industry can build on its strengths in advanced digital technologies and its strong presence in traditional sectors to seize the range of opportunities offered by such technologies as the Internet of Things, Big Data, advanced manufacturing, robotics, blockchain technologies and artificial intelligence.

The Digital Single Market can create opportunities for new startups and allows existing companies in a market of over 500 million people to thrive. Completing a Digital Single Market could contribute 415 billion euros per year to Europe's economy, create jobs and transform our public services. Furthermore, enhanced use of digital technologies will improve citizens' access to information, culture and financial services, trigger new job opportunities, while promoting modern and open governments.

I particularly enjoy to chair the LHoFT, Luxembourg's House of Financial Technology, which started its activities in its physical premises early 2017 and has since then largely contributed to Luxembourg's FinTech sector development. The government has also launched Infrachain, a partnership with the blockchain-related industry sector, with the objective of closing the gap between maturing blockchain technologies and regulatory and legal requirements. Infrachain creates a supplementary governance model on top of existing technologies allowing blockchain proof of concepts to go into operation.

Combating climate change involves concrete capital commitment, not only from the public sector, but importantly also from the private sector. Over the next two decades, Europe needs 180 billion euros in additional yearly investment, notably in clean energy, to keep the rise in global temperatures below 2 degrees celsius. This is a major challenge, but also an opportunity. By reorienting public and private financial flows towards green and sustainable projects and prospects, the EU can help mitigate the risks posed by climate change, and create new jobs and sustainable economic growth.

With the European Fund for Strategic Investments (EFSI), the EU is already working to accelerate funding for sustainable investments. The EFSI aims to unlock up to 315 billion euros of investment in combination with private funds. In the future, the goal is to have at least 40% of EFSI funds contributing towards COP21 goals.

Today, the responsible investing fund market of the EU has almost doubled in size since 2010: the number of responsible investment funds amounted to 2.413 by end 2016 (in 2010, 1.503), with assets under management amounting to 476 billions of euros. The market has also seen a clear boost in Climate Finance. Renewable energy and climate change funds encountered a significant growth in the number of funds (+42%) and assets under management (+47%) since 2014.

The Luxembourg government and the financial industry are committed to contributing to a sustainable future. In that sense, we can rely on a long track-record in sustainable finance. Luxembourg's Climate Finance Task Force has launched several initiatives to raise funding for sustainable projects and the financial industry has implemented a comprehensive toolbox dedicated to green finance, of which you can read in this activity report.

FOREWORD OF THE CEO



Nicolas Mackel,
CEO, Luxembourg for Finance

The year 2017 was a singular one for Europe. With negotiations around Brexit picking up speed, at the end of the year, both sides moved on to phase two: talks about the future positioning of the UK outside the EU.

However, the question of Single Market access for financial institutions, part of phase two negotiations, remains unsolved. Insecurity concerning market access has prompted numerous financial institutions to announce a decision on their future European hubs.

Luxembourg has been chosen by a good number of companies, in particular insurance companies, an outcome that can be attributed to the country's economic stability, as well as a highly experienced and independent insurance regulator. A list of these companies can be found on page 23.

Not surprisingly, Brexit created a shift in LFF's work, considerably increasing business development activity. The business development team was kept busy responding to queries from financial actors seeking EU Single Market access and, in this context, was able to reinforce Luxembourg's position as a primary hub for non-European financial institutions.

During the course of the year, another topic gained momentum: sustainable finance. Following the launch of the Luxembourg Green Exchange (LGX) late in 2016, the financial centre went on to add a unique set of tools to its sustainable finance toolbox. LGX remains the only listing exchange dedicated exclusively to securities that are 100% green, and, since May 2017 also to social and sustainable bonds. Today, the LGX accounts for 50% of globally listed green bonds.

Another important milestone in the fight against global warming was the domiciliation of IFC's Green Cornerstone Bond Fund in Luxembourg, a step that is part of a strategic partnership between the IFC and the Luxembourg government. Moreover, Luxembourg's finance labelling agency LuxFLAG added a green bond label to its range and thus contributes to the creation of a common taxonomy, an issue the sustainable finance community is well aware of.

LFF likewise contributed to the topic by joining UNEP's Network for Financial Centres for Sustainability.

As every year, the financial centre set its footprint in several markets, this time being Dubai, Stockholm, Beijing/Shanghai and Milan. Event activities also included various speaking slots at international conferences.

Our communication team as always produced excellent high-quality content, notably a very successful campaign on the financial centre's role of connecting markets with investors.

I invite you to find out more by reading this activity report.

2017 FINANCIAL CENTRE TIMELINE

JANUARY

Rakuten launches its European commercial banking operations from Luxembourg.

Investify, a Luxembourg-based digital investment platform (Robo-advisor) receives its investment firm license in Luxembourg.

FEBRUARY

CSS and LFF sign an MoU with the regulatory authority of the **Abu Dhabi Global Market**.

Daimler Financial Services acquires Luxembourg-based payment start-up **PayCash** Europe to launch mobility service "MercedesPay".

MARCH

Luxembourg consolidates its position as the **Eurozone's leading financial centre and 2nd in the EU** after London, according to the latest Global Financial Centres Index (GFCI 21).

APRIL

The International Finance Corporation IFC, together with asset manager Amundi, announce the creation of the world's largest green bond fund dedicated to emerging markets, the **Green Cornerstone Bond Fund**. The USD 2bn fixed income fund is domiciled in Luxembourg.

MAY

The **Luxembourg Green Exchange (LGX)** opens new segments dedicated to sustainable and social bonds.

JUNE

The Luxembourg Finance Labelling Agency (**LuxFLAG**) **launches a new label for green bonds** which will be granted, after rigorous assessment, to eligible instruments that finance green projects.

The **Luxembourg Stock Exchange (LuxSE) and the Shanghai Stock Exchange (SSE)** sign an agreement to launch a **green bond index** that synchronously displays quotes in China and Europe.

JULY

First listing ever of a **Reserved Alternative Investment Fund** at the LuxSE.

FundsDLT:Worldwide **first fund transaction using blockchain technology** completed in Luxembourg.

AUGUST

China Everbright Bank: the seventh Chinese bank to choose Luxembourg as its European hub.

Payconiq acquires Digicash and picks Luxembourg for new HQ.

SEPTEMBER

PingPong Europe S.A., the first Chinese FinTech in Luxembourg, gets regulated as Payment Institution.

Luxembourg is one of the leading financial centres in the EU, together with London and Frankfurt. This was confirmed once again by the latest Global Financial Centres Index (GFCI 22).

The **China Banking Association** and the Luxembourg Bankers' Association ABBL sign a **MoU**.

OCTOBER

ICBC lists its inaugural **"Belt and Road" climate bond** in Luxembourg.

The Luxembourg Ministries of Finance and Sustainable Development and Infrastructure, together with the BCEE, BIL and Foyer launch the **Forestry and Climate Change Fund (FCCF)**.

LFF and **Seoul Metropolitan Government and Financial Hub Korea** sign an **MoU**.

LFF joins the Network for **Financial Centres for Sustainability**, a UNEP-initiative.

NOVEMBER

First-ever investment from **Luxembourg - EIB Climate Finance Platform** to support Green for Growth Fund in the MENA Region.

FINANCIAL CENTRE STATISTICS 2017

BANKING:



Private banking AuM:

€ 351 bn

EMPLOYMENT IN THE FINANCIAL SECTOR:



ASSET MANAGEMENT:

2nd largest fund industry centre in the world,



€ 4159.6 bn

AuM in Luxembourg funds



Global market leader for investment funds investing in Mainland China by AuM:



INSURANCE:

15.22 % yoy growth

Premium income
life insurance
companies



4.43 % yoy growth



Premium income
non-life insurance
companies

45.19 % yoy growth



Direct insurance profits

Sources: Statec, CSSF, ABBL, ALFI, CAA, PwC
Figures as of December 2017 (RMB: Dec 2017)

CAPITAL MARKETS:



LUXEMBOURG STOCK EXCHANGE

(LuxSE): **largest European listing exchange** in terms of market share

50 %



of **global listed green bonds** listed at the Luxembourg Green Exchange (LGX)

2nd largest global market share in listed **Dim Sum bonds**:



COMPETITIVE RANKINGS

Top 3

European Financial Centre
Global Financial Centres Index 22 2017

5th

Candriam ESG Country Report 2017:
5th most sustainable country

1st

European Cities & Regions of the Future fdIntelligence 2016/17
1st small European City of the future
1st small European City - economic potential

7th

English skills: 7th worldwide
EF EPI English language competency 2017

2nd

in technological readiness
WEF Global Competitiveness Report 2016 - 2017

1st







in EU in productivity
Bloomberg Global Innovation Index (GII) 2017





EVENT CALENDAR

- | | | | |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 – 17 January |  10TH ASIAN FINANCIAL FORUM – HONG KONG
Financial services – booth | 23 May |  FT CLIMATE FINANCE SUMMIT – LONDON
Sustainable finance - speaking slot - booth |
| 25 – 26 January |  PARIS FINTECH FORUM
FinTech speaking slot - booth together with LHoFT | 1 June |  4TH LUXEMBOURG RENMINBI FORUM – LUXEMBOURG
Renminbi |
| 13 February |  DUBAI
Investment funds, wealth management | 9 – 14 June |  ECONOMIC MISSION TO KAZAKHSTAN – ASTANA / ALMATY
Financial services |
| 1 March |  FINTECHSTAGE – LUXEMBOURG
FinTech | 14 June |  ASSOCIATION OF FOREIGN EXCHANGE AND PAYMENTS (AFEP) MEMBERS MEETING – LONDON
FinTech - speaking slot - booth |
| 4 April |  FT BREXIT & BEYOND – LONDON
Financial services - speaking slot - booth | 29 June |  BLOOMBERG FAMILY OFFICE SYMPOSIUM – LUXEMBOURG
Wealth management - speaking slot |
| 3 – 5 May |  ICMA 49TH ANNUAL GENERAL MEETING & CONFERENCE – LUXEMBOURG
Financial services - booth | 6 – 7 July |  BANKEN IM UMBRUCH – FRANKFURT
Financial services - speaking slot |
| 9 – 10 May |  ICT SPRING – LUXEMBOURG
FinTech - speaking slot - booth | 13 July |  LUXEMBOURG PAYMENT HUB – LONDON
FinTech |
| 16 May |  STOCKHOLM
Wealth management, insurance, PE, investment funds | | |

			LFF roadshow
			LFF Event
			Economic mission
			Third-party conference
			State visit
11 September	IFN EUROPE – LONDON		Islamic Finance - speaking slot - booth
20 September	BÖRSEN – ZEITUNG: EUROPAS FINANZPLÄTZE DER ZUKUNFT – FRANKFURT		Financial services
26 – 28 September	CHINA: BEIJING & SHANGHAI		Investment funds, PE, capital markets, M&As, sustainable finance
3 October	EPA HOT TOPIC BRIEFING: PASSPORT TO THE REGULATORS – LONDON		FinTech - speaking slot
25-27 October	STATE VISIT TO LITHUANIA – VILNIUS		FinTech - speaking slot
7 November	RFI SUMMIT 2017 – ZURICH		Sustainable finance, Islamic finance - speaking slot - booth
15 November	COP 23 – BONN		Sustainable finance
20 November	MILAN		Sustainable finance, wealth management, insurance, investment funds
23 November	ACA INSURANCE DAY – LUXEMBOURG		Insurance - speaking slot - booth
27 November – 1 December	STATE VISIT TO JAPAN – TOKYO		Sustainable finance - reception
30 November	BLOOMBERG INVESTMENT SUMMIT – LUXEMBOURG		Asset management - speaking slot
4-6 December	WORLD ISLAMIC BANKING CONFERENCE BAHRAIN – MANAMA		Islamic finance - speaking slot - booth
6 December	FT BREXIT & BEYOND – LONDON		Financial services - speaking slot - booth

EVENT WORLDMAP



-  LFF roadshow
-  LFF Event
-  Economic mission
-  Third-party conference
-  Business development
-  State visit

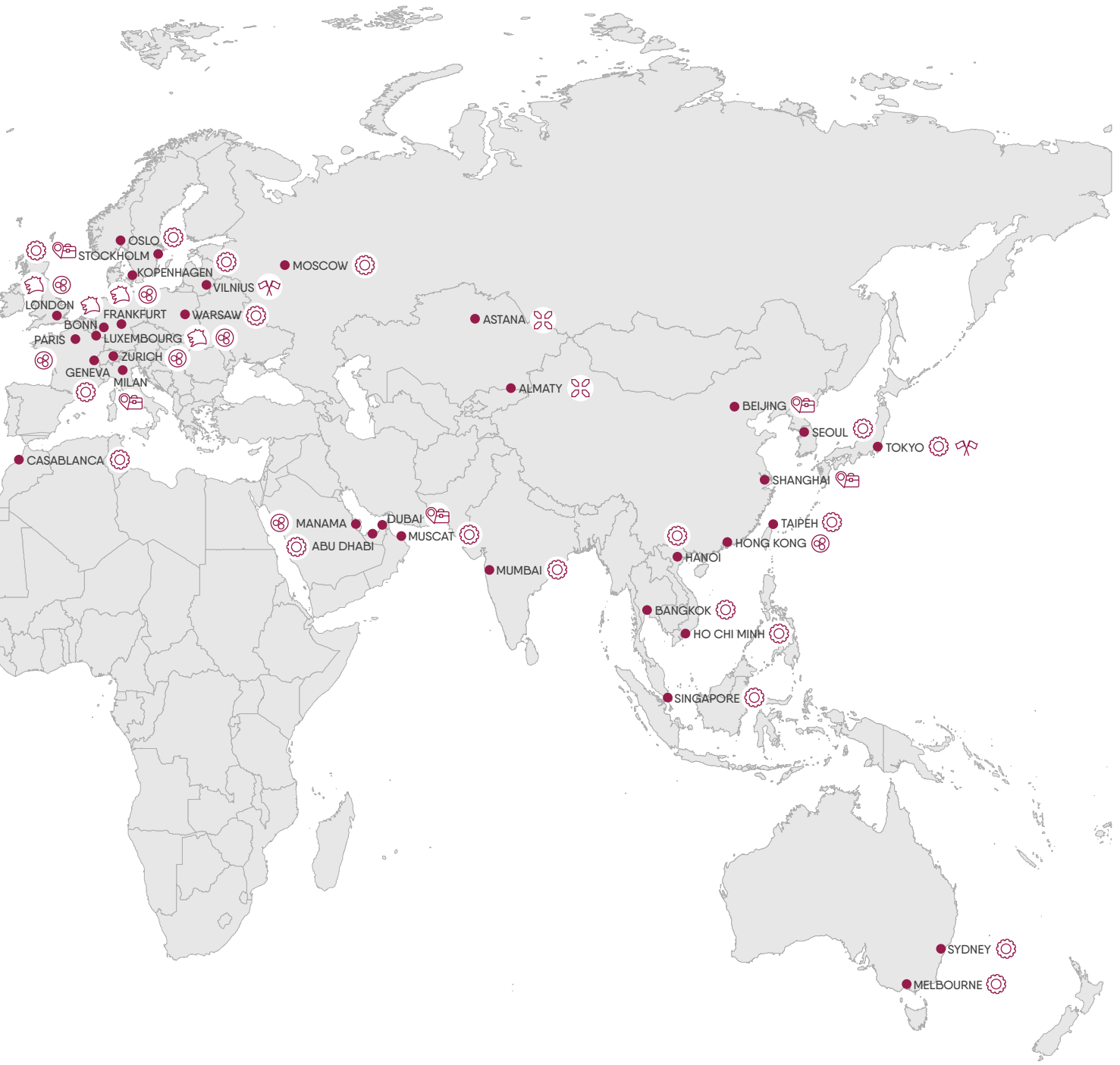
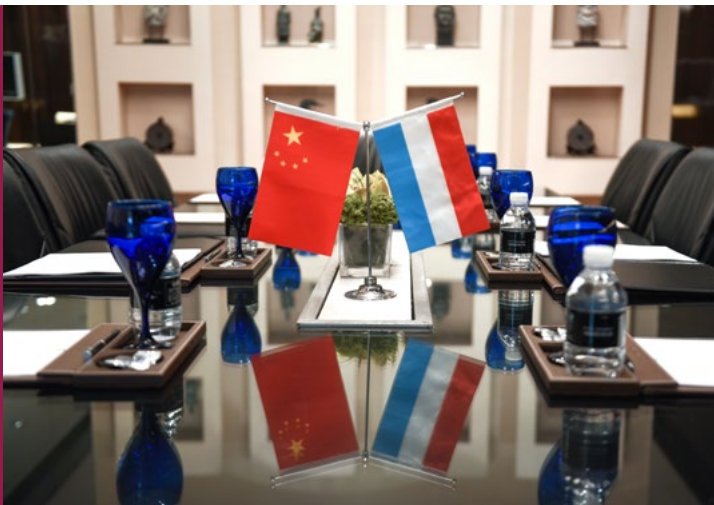


PHOTO GALLERY



[China](#)



[Stockholm](#)



[Dubai](#)



[FinTechStage](#)



[4th Luxembourg Renminbi Forum](#)



[Milan](#)



[Milan](#)

FINANCIAL SECTOR ROADSHOWS

As of 2017, LFF took the strategic decision to limit roadshows to two per year to Europe and another two outside of Europe, in order to concentrate more on business development.

A financial delegation headed by HRH Crown Prince Guillaume accompanied by HRH Crown Princess Stéphanie and led by HE Pierre Gramegna, Minister of Finance, visited **Dubai** in February 2017.

The UAE has become one of the leading players of the Middle East. It is the second largest economy in the Gulf with a GDP of 348\$ billion (2018) and financial services contribute today almost 10% to GDP. The UAE is strategically positioning itself as a financial centre to serve the greater Middle East region and to be the financial gateway between the East and the West.

Luxembourg has an established relationship with the UAE, notably through its cross-border expertise in the distribution of investment funds, wealth management, and as an investment base for sovereign funds. As the leading non-Muslim domicile for Sharia compliant investment funds in Europe and fifth globally (Thomson Reuters Islamic Finance Development Report 2017), Luxembourg has developed a significant Islamic Finance community which has specialised in the domiciliation and cross-border distribution of Islamic investment funds.

A mission to **Stockholm** focused on the financial centre's main activities wealth management, insurance, investment funds and private equity, while also covering FinTech and Sustainable Finance.

Stockholm is the financial centre of northern Europe, and the capital of one of the most innovative countries in the world. It is home to the NASDAQ OMX, centralising the entire Nordic region in one place, and has a world class Private Equity industry.

Luxembourg is a well-recognized jurisdiction in Sweden and many pension funds structure their real estate investments from the Grand Duchy. Swedish banks in Luxembourg mainly focus on private banking or fund services, offering third-party management and mortgage lending.

Sweden and the Nordics are often seen as pioneers in the research and usage of green energy, having managed to grow their GDPs, while substantially reducing carbon usage. According to Climate Bonds Initiative, Sweden is the 6th largest issuer of green bonds in the world, with an outstanding value of \$4.1bn. Currently, 8 Swedish issuers have listed bonds on the Luxembourg Green Exchange LGX (February 2018).

Sweden is also one of the largest markets and originators for responsible investment funds. The country holds 8% of total AuM in ESG funds (Luxembourg: 31%) making it the 4th largest market in Europe (Luxembourg: 1st) (KPMG European responsible investing fund market study 2016). Thus, interest for the topic of sustainable finance is huge and as a market leader in the field of sustainable funds, listing of green bonds, labelling and standardisation, Luxembourg has a story to tell.

As every year, **China** (Beijing and Shanghai) was on LFF's travel list. In order to facilitate registration for the seminars and workshops, a WeChat account was set up, through which participants could register.

In the margins of the China mission, the Luxembourg Stock Exchange together with China Securities Index jointly launched the "CSI 300 Green Leading Stock Index". The index will be an important value benchmark for investors to appreciate the performance of green Chinese listed companies, by providing information needed by investors.

As another important step in Luxembourg's efforts to contribute to the financing of actions against climate change, LuxSE and Shanghai Stock Exchange (SSE) launched the first "Green Bond Channel" between China and Luxembourg. It is aiming to provide international investors with easy access to information related to the Chinese green bond market, as well as at facilitating their allocation as high-quality green assets. The Channel helps guiding capital flows towards the Chinese green industry and sets up a new model for cross-border green finance cooperation between stock exchanges.

A mission to **Milan** also covered sustainable finance, and provided a deep dive into private banking, insurance and the fund industry. Luxembourg-Italian relationships in financial services are deeply rooted in the Luxembourg banking industry, where Italian banks make up the fifth largest group of foreign banks, as well as in the fund industry and the insurance sector.

In the life insurance market, Italy was the second largest contributor to life insurance in Luxembourg in 2016 in annual premiums. End of 2016, 41 Italian fund promoters were present in Luxembourg, representing almost 9% of total assets under management.

Last but not least, Italian companies have a massive presence on the Luxembourg Stock Exchange, representing not only financial institutions, but also other industries from construction to energy and public entities.

All four missions were accompanied by Minister of Finance Pierre Gramegna.

BUSINESS DEVELOPMENT

BREXIT

Following the decision of the UK to leave the European Union, Brexit became an important focus of LFF's activities in business development. Approached by numerous companies weighing their options regarding the setup of continental headquarters, LFF invested a great deal of time in providing information on how to ensure business continuity for companies affected by Brexit.

In recent months, several financial institutions have announced to relocate their European headquarters to Luxembourg, among them many insurance companies. Two factors in particular, the country's economic stability, as well as its independent and efficient insurance regulator, were decisive factors in that regard.

CONFIRMED BREXIT RELOCATION ANNOUNCEMENTS IN 2017

JANUARY

Carlyle chooses Luxembourg as post-Brexit base

➤ www.bloomberg.com

MARCH

AIG chooses Luxembourg as its European hub outside the UK

➤ www.ft.com

The asset manager **M&G** announces it relocates funds activities from London to Luxembourg by setting up a management company and a company to assure distribution and advisory services

➤ www.ft.com

Alternative payments FinTech company **PPRO** chooses Luxembourg as EU hub outside of the UK

➤ www.infinance.lu

Blackstone picks Luxembourg for EU base

➤ www.ft.com

APRIL

Swedish private equity group **EQT** establishes its fund management hub in Luxembourg

➤ www.eqtpartners.com

U.S. Insurer **FM Global** chooses Luxembourg as its new EU hub

➤ www.newsroom.fmglobal.com

Henderson Global announces move to Luxembourg

➤ www.paperjam.lu

MAY

Hiscox moves its EU base to Luxembourg

➤ www.telegraph.co.uk

JP Morgan announces that due to Brexit it will shift certain operations to Luxembourg

➤ www.bloomberg.com

JUNE

CNA Hardy announces its intention to establish a new European subsidiary in Luxembourg

➤ www.cnahardy.com

RSA to open its European HQ in Luxembourg

➤ www.ft.com

JULY

Liberty Mutual moves its EU base to Luxembourg

➤ www.libertyspecialtymarkets.com

Northern Trust sets up its EU bank in Luxembourg

➤ www.telegraph.co.uk

Swiss bank **Julius Baer** to shift its post-Brexit EU hub to Luxembourg

➤ www.bloomberg.com

SEPTEMBER

Tokio Marine moves its EU base to Luxembourg

➤ www.tokiomarinekiln.com

MJ Hudson launches in Luxembourg as new EU Gateway

➤ www.mjhudson.com

OCTOBER

Japanese insurer **Aioi Nissay Dowa Insurance (ADI)** announces plans to establish its European subsidiary in Luxembourg

➤ www.insurancebusinessmag.com

NOVEMBER

Sompo becomes third Japanese insurer to set up EU base in Luxembourg

➤ www.sompo-intl.com

Citigroup picks Luxembourg for EU private banking hub

➤ www.ft.com

SUSTAINABLE FINANCE

The topic of sustainable finance was integrated horizontally across the spectrum of LFF's activities and thus its narrative about the financial centre as a frontrunner and international platform for sustainable investing. In 2017, LFF integrated dedicated climate finance segments in its missions to Stockholm and Milan, as well as specific climate finance workshops in Beijing and Shanghai. It positioned Luxembourg with a spokesperson at the FT Climate Finance Summit in London in May 2017 and organized a climate finance panel at the Luxembourg/EIB pavilion at COP23 in Bonn to showcase the various initiatives of the Luxembourg climate finance strategy.

Whenever relevant, LFF also positioned Luxembourg sustainable and green finance in its international press engagements, notably in the UK and France.

In terms of documentation, a sustainable finance brochure was updated and widely distributed (including a Japanese version during the State Visit to Japan), notably to include information on Luxembourg's comprehensive Climate Finance strategy. Recent initiatives in this context as well as new case studies document the fact that, while leading the way, climate finance has always been an integral part of sustainable finance, just as the fight against climate change is part and parcel of the UN's Agenda 2030 and the 17 Sustainable Development Goals (SDG).

Finally, LFF has joined, on behalf of the financial centre, the Network of Financial Centres for Sustainability, an initiative led by UNEP.

SUSTAINABLE FINANCE FACTS & FIGURES



LUXEMBOURG
GREEN EXCHANGE

50 % market share of **global listed green bonds**

39 % 
Leading European market share of AuM in **Responsible Investment funds** (2017)

61 % 
total AuM in global **Microfinance Investment Vehicles (MIVs)** are in Luxembourg domiciled funds

5 labels awarded by LuxFlag:



- microfinance
- environment
- ESG
- climate finance
- green bonds


In Europe:

Luxembourg funds account for

45 %



of AuM in **Environment Strategy funds**

57 % 
of AuM in **Social Strategy funds**

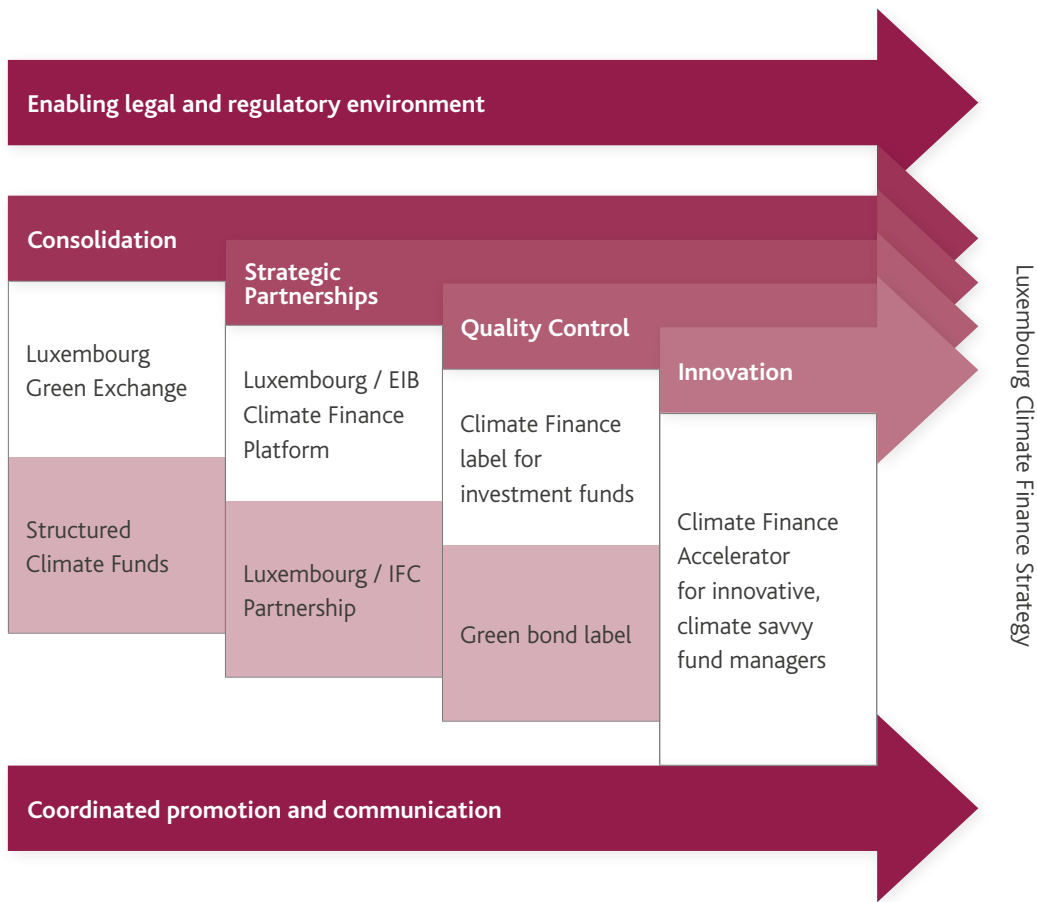
42 %

of AuM in **Remaining Ecological Investment strategies**



LUXEMBOURG CLIMATE FINANCE TASK FORCE

Leveraging Private Sector Investment



RENMINBI

Beside LFF's yearly visit to China and participation at relevant conferences abroad, LFF's activities around the Renminbi concentrated on the Luxembourg Renminbi Forum, which was held in June for the fourth consecutive year. The high-level speakers and industry practitioners raised and discussed topics ranging from the Chinese current economic situation, the reform of China's financial markets to China's internet finance revolution and its future effects on the European financial landscape.

FINTECH

Over recent years, the topic of FinTech was incorporated throughout LFF's entire activities, be it communication, events or business development. The LHoFT, set up by LFF in 2016, went operational early 2017 and has since managed to get several partners from the industry on board. The LHoFT hosts start-ups from the fields of Blockchain, RegTech, cryptocurrencies, payments, InsurTech and FundTech, only to name a few.

Exchanges with Luxembourg's FinTech community, such as the ALFI Digital Forum and the ABBL FinTech cluster, took place on a regular basis. Furthermore, LFF provided guidance to numerous companies interested in setting up activities in Luxembourg. In view of these incoming requests, the range of "How to set up" manuals was enlarged by "How to set up Electronic Money & Payment Institutions".

In July, LFF organised a FinTech event upon invitation in London with a focus on accessing the European market from Luxembourg. LFF's FinTech advisors were present at various key FinTech events around the world and also participated in an economic mission to Lithuania, where they introduced the Luxembourg FinTech sector.

LHoFT founding partners:



COMMUNICATION ACTIVITIES

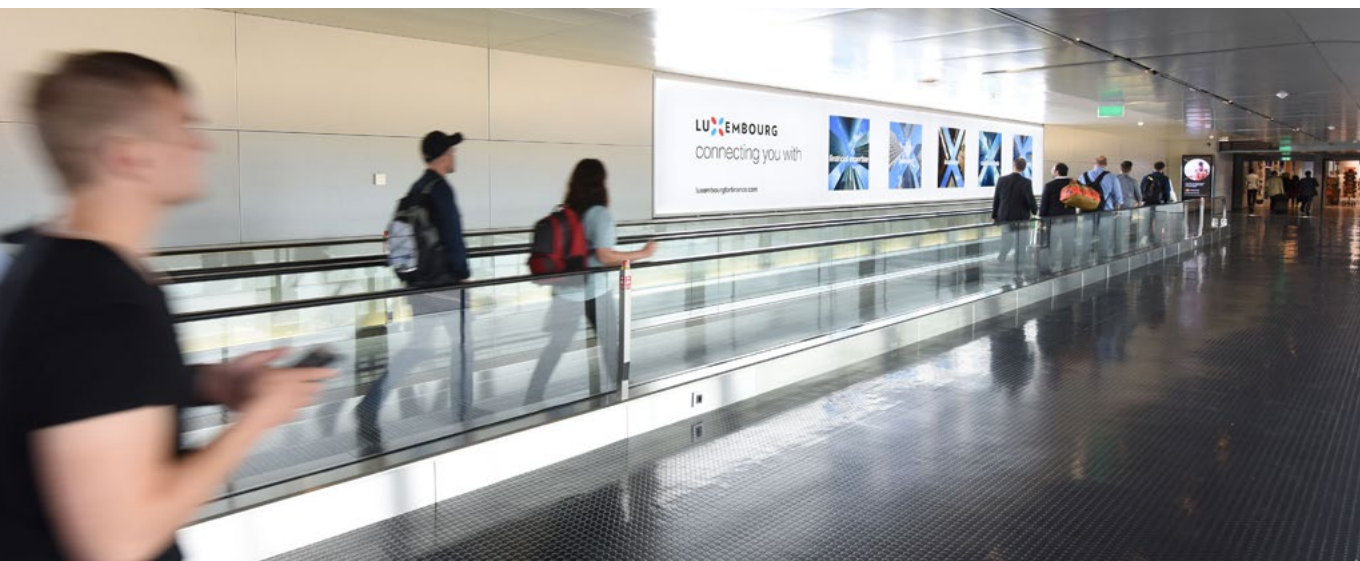
"WE CONNECT" CAMPAIGN

In 2017, LFF's communication evolved around the topic of connectivity. While many are familiar with the more traditional aspects of Luxembourg's financial services industry, in this year's communication and advertising campaign the different facets of Luxembourg's connectivity were highlighted in order to show how the country helps to connect markets, investors and people.

Four ads were developed and placed on various occasions in different media and at events.

To reach an international business audience, the ads were displayed at London City Airport (May-June), for six months in the connecting zone of Luxembourg Airport's two terminals, as well as at the non-Schengen border control (3 months). A highlight were the ads being displayed on 9 Luxair planes.

The campaign was further supported through a dedicated short "We connect" video, which was broadcasted on the Bloomberg wall in the departure hall at London City airport between October and December 2017.



PUBLICATIONS

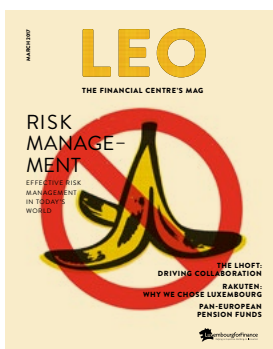
The new financial centre brochure "**Connecting you with financial expertise**" featured the "We connect" messages, while introducing the four key activities of the financial centre, banking, asset management, capital markets and insurance. As LFF's flagship publication, it is distributed widely at events and visits abroad.

A further new publication was devoted to **capital markets** activities. The brochure explains how Luxembourg has grown into an international leader in debt capital markets, a key hub for securitisation and structured finance vehicles and a recognised platform for hosting landmark international IPO's.

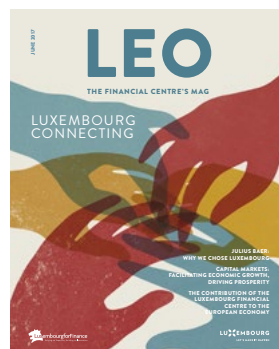
The new **sustainable finance** brochure combines information on the financial centre's toolbox in sustainable finance, starting from the activities of the Climate Finance Taskforce to bring together institutional, public and private investors through different projects. It not only contains information on sustainable investment funds, green bonds and labelling, but also on Luxembourg's activities in the field of microfinance, philanthropy and knowledge transfer.

A **report** was published by Oxford Economics examining how the Luxembourg financial centre supports the functioning of the European economy and financial system, whether in helping governments to finance public infrastructure or making it easier for businesses and households to access capital, invest and grow.

LEO, LFF's financial centre magazine, focused on the following topics in 2017:



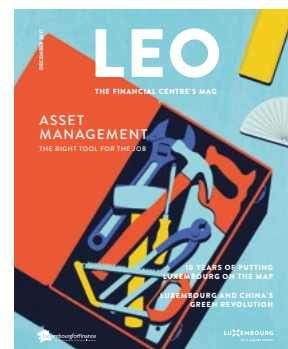
Risk management



Luxembourg connecting



Insurance



Asset management

VIDEOS

In line with the "We connect" theme, an animation called "Luxembourg: connecting you with global markets" was launched, featuring how Luxembourg's unique cross-border expertise connects international investors with Europe and European investors with the world. The video is part of LFF's flagship video series, which now comprises 9 videos:

- Luxembourg Financial Centre: Be part of the future;
- Central Computer: Find me the best FinTech location;
- A little piece of Luxembourg everywhere;
- Luxembourg: China's bridge to Europe;
- Luxembourg in the EU Single Market: Offering you a world of choice;
- Make your career in Luxembourg's financial industry;
- Luxembourg: EU hub for international finance;
- Climate Finance: together we can make a difference.

A new series was introduced, featuring testimonials by financial institutions that have chosen Luxembourg as EU hub or competence center. The "Why we chose Luxembourg series" covered Julius Baer, Rakuten and Northern Trust in 2017.

The topic of sustainable finance was supported through a video on the Nev EarthFund, an investment fund domiciled in Luxembourg to raise capital to build efficient prefabricated houses made of recycled plastic.

Alongside FinTechStage and the RMB Forum, several in-house videos on FinTech and Renminbi-related topics were produced.



PRESS

Media meetings included press conferences, breakfast meetings, round tables, press trips to Luxembourg and numerous press briefings. Press meetings took place with Tier 1-media from countries such as UK, France, Belgium, Germany, Italy, Japan and China.

Throughout 2017, LFF established new contacts and secured existing relationships with leading media outlets to ensure Luxembourg took an active part in the on-going Brexit conversation. As a result, most leading media now include Luxembourg when reporting on relocations and also understand how specialties are essential when companies decide where to relocate their European headquarters or reinforce their existing presence.

The various media activities resulted in coverage in newspapers, TV and radio channels, such as the Financial Times, AFP, Le Figaro, CNBC, Wall Street Journal, Reuters, Les Echos, Sky news, Bloomberg, De Tijd, only to name a few.

LFF also engaged with international communication directors of financial institutions abroad to explain why large numbers of international companies and financial institutions choose Luxembourg as a base for their European operations.

SOCIAL MEDIA

On the occasion of events and missions, specific hashtags were created to enable the audience to ask questions via Twitter, engage in a discussion and allow those who did not attend to get exclusive quotes.

A dedicated WeChat account was launched on the occasion of the China mission and is still in use to target the Chinese audience.

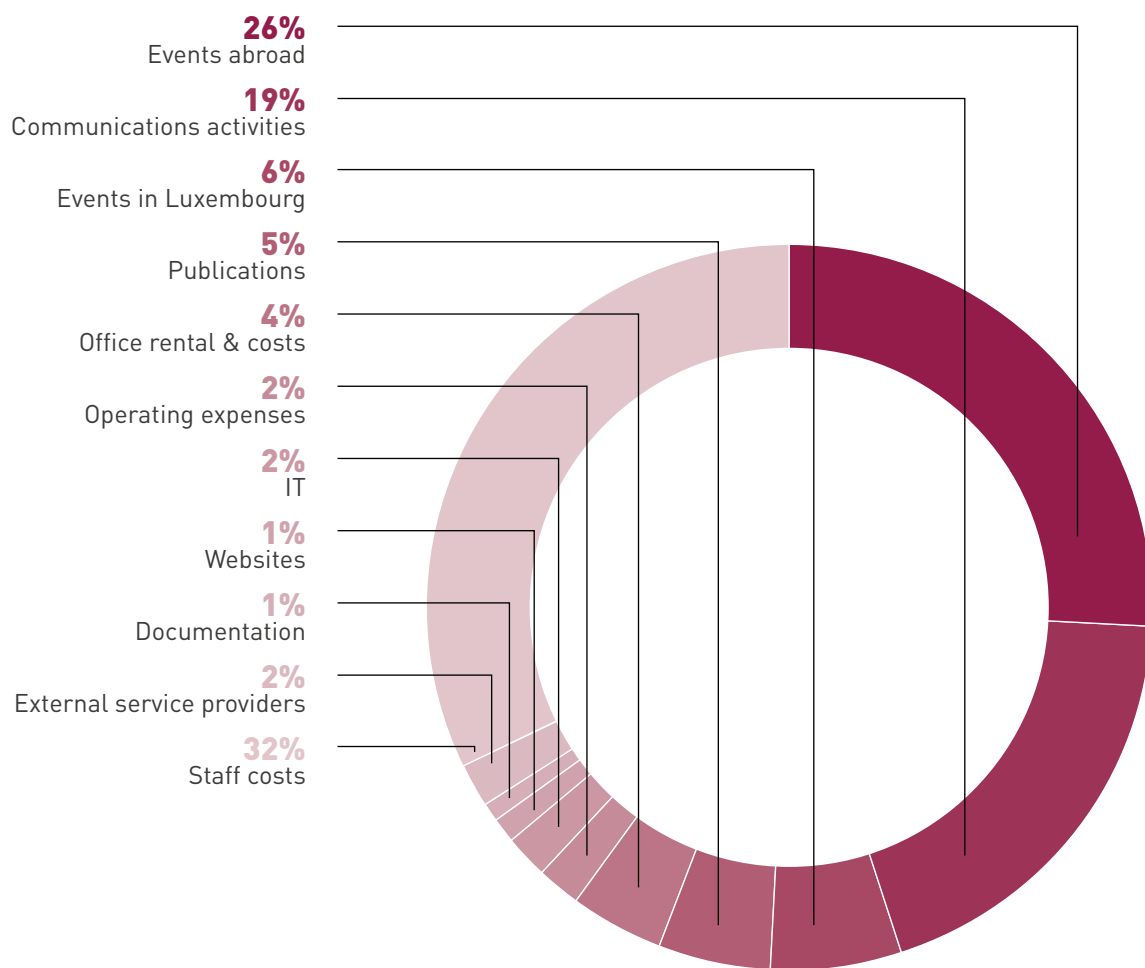


5,700 followers
24% yoy increase



17,100 followers
11% yoy increase

COST BREAKDOWN



Provisional expenses 2017: Total € 5 million



STAFF

MANAGEMENT



Nicolas Mackel, CEO

Tom Theobald, Deputy CEO

Elisabeth Adams, Secretary General

ADMINISTRATION



Giovanna Bassani, Head of Administration

Nathalie Heini, Database Administrator and Administrative Assistant

Viviane Thiefels, Assistant to the Management

EVENT MANAGEMENT



Sophie Henry, Event Manager

Caroline Hoeltgen, Event Manager

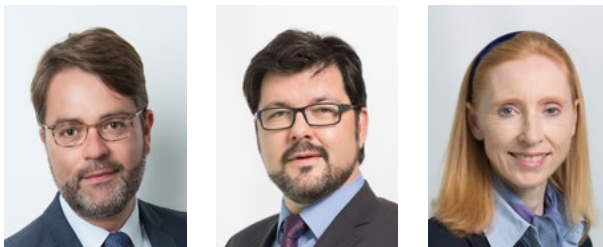
Tatjana Schaefer, Event Manager

COMMUNICATION



Ophélie Binet, Communications Manager
Gilly Mathieson, Communications Manager
Lynn Robbroeckx, Communications Manager

BUSINESS DEVELOPMENT

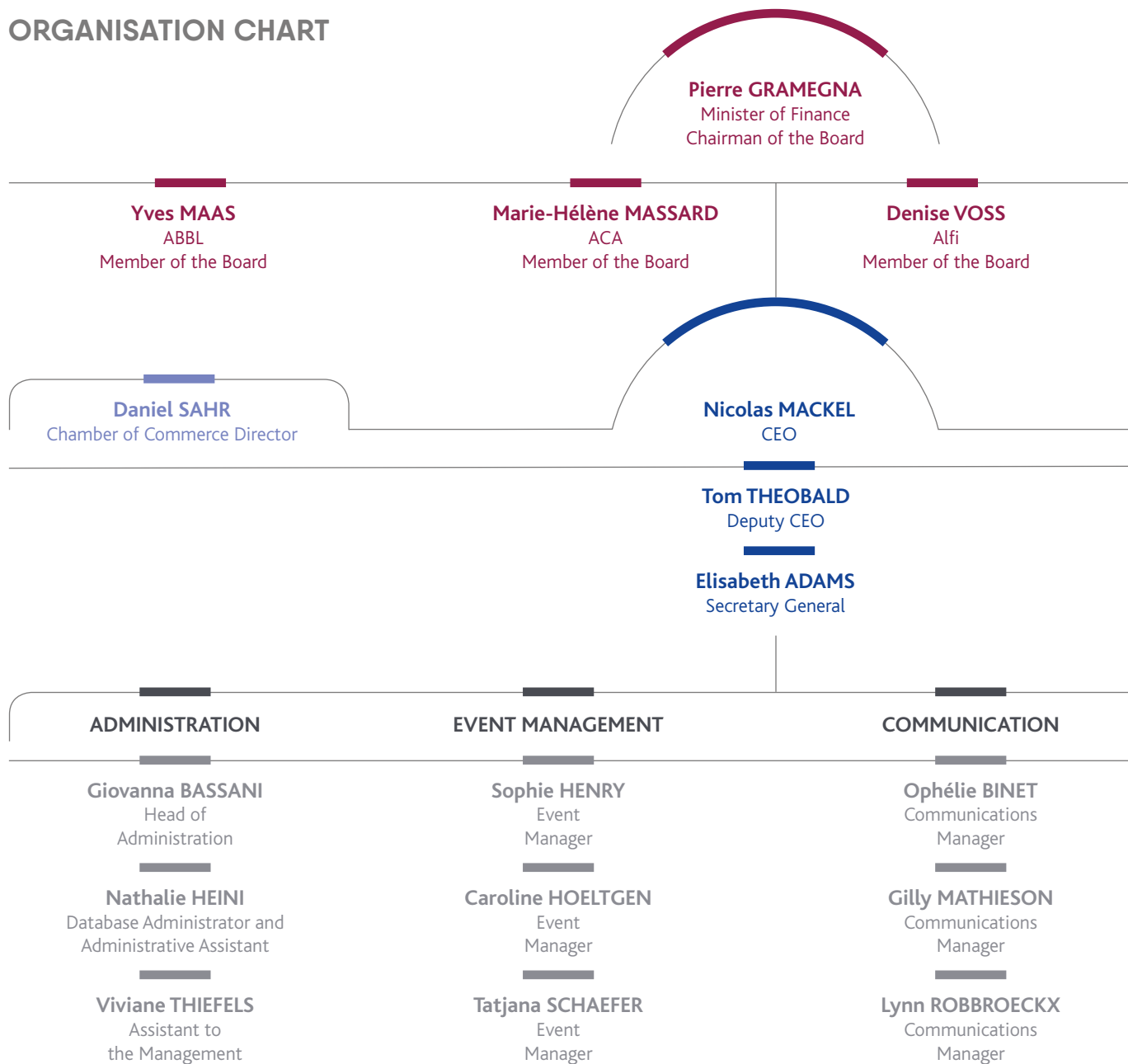


Frederic Becker, Adviser FinTech Development
Sascha Bremer, Adviser Business Development
Eleanor de Rosmorduc, Senior Adviser Business Development



Robert-Jan Jarvis, Adviser Business & FinTech Development
Fabio Regis, Adviser Business Development

ORGANISATION CHART



Carlo THELEN

Chamber of Commerce
Member of the Board

Isabelle GOUBIN

Ministry of Finance Director

BUSINESS DEVELOPMENT**Frederic BECKER**

Adviser FinTech
Development

Sascha BREMER

Adviser Business
Development

Eleanor de ROSMORDUC

Senior Adviser
Business Development

Robert-Jan JARVIS

Adviser Business &
FinTech Development

Fabio REGIS

Adviser Business Development

Luxembourg for Finance is a public-private partnership between the Luxembourg government and the Luxembourg Financial Industry Federation (PROFIL), under the Presidency of the Minister of Finance Pierre Gramegna. The agency is jointly financed by these two bodies.

PROFIL's members are:

- Institut des Réviseurs d'Entreprises (IRE)
- Order of Chartered Accountants (OEC)
- Luxembourg Association of Professional Wealth Managers (ALPP)
- Finance & Technology Luxembourg
- Association of the Luxembourg Fund Industry (ALFI)
- Six Payment Services
- Chamber of Commerce Luxembourg
- Clearstream International S.A.
- Luxembourg Association of Insurance and Reinsurance Companies (ACA)
- Luxembourg Bar
- Luxembourg International Management Services Association (LIMSA)
- Luxembourg Private Equity and Venture Capital Association (LPEA)
- Luxembourg Stock Exchange
- The Luxembourg Bankers' Association (ABBL)

as of January 2018

