

ACTIVITY REPORT

2019

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MESSAGE FROM THE CHAIRMAN



Pierre Gramegna,
Luxembourg Minister of Finance

Dear readers,

Brexit, and more specifically the threat of a no-deal exit by the UK, continued to occupy European countries as well as the financial industry for the better part of 2019. At the end of the year, however, the elections of 13 December and the subsequent backing of the withdrawal bill in the British Parliament finally brought clarity and confirmed that the UK would leave the EU on 31 January 2020. While the past three and a half years focused on dealing with the UK's exit, 2020 will be a determining year in defining the future relationship between the EU and the UK. Given the close ties between their economies, including in the financial sector, it will be in everyone's interest that the EU and the UK maintain bridges going forward. This is a position Luxembourg has held since the outcome of the UK referendum, not least because of the decades-old partnership between the City of London and the Luxembourg financial centre.

The fact that so far more than 60 firms in the financial industry – banks, asset managers, insurance and payment firms – have chosen Luxembourg as part of their solution allowing them to continue to serve clients in the EU, is indeed a strong sign of trust and testifies to the attractiveness of the Luxembourg financial centre. Moreover, last year's decision by the European Stability Mechanism, Euratom as well as the EU itself to switch from English to Luxembourg law for the issuance of all their future debt instruments endorses the increasingly important role of Luxembourg law in international capital markets.

Importantly, however, and contrary to what many pundits predicted, Brexit neither brought about a domino effect in other member countries nor put into question the survival of the European project. Quite the opposite: as the 2019 Spring Eurobarometer has shown, popular support for the EU is at its highest level since 1983. Last year's European elections as well as national elections in several member states confirmed this by strengthening most pro-European parties. In 2019, Europe also made significant headway in deepening the Economic and Monetary Union, notably with the agreement to reform and strengthen the powers of the European Stability Mechanism and giving it the ability to act as a backstop to the European Single Resolution Fund.

Europe is today better equipped to weather a financial crisis. This is particularly important in the current challenging global environment, marked by uncertainty, rising protectionism and the potential of major trade wars. Thanks to its triple A rating, once again confirmed by all rating agencies in 2019, the stability that Luxembourg offers global financial institutions thus remains a key asset in

attracting new business and firms to our country, especially in conjunction with the international and cross-border expertise of our financial services ecosystem and the strict yet constructive approach of the regulators.

All in all, 2019 has been another successful year for the financial centre. Together with the government and the financial industry, Luxembourg for Finance has once more done an excellent job in putting our financial centre on the global map: be it through its business development activities and its international press work, the missions the Agency organised to China, Paris or Madrid in 2019, the highly successful conferences in Luxembourg, such as the China Finance Forum or the Sustainable Finance Forum, or the wealth of material LFF produces to present the many facets of the financial centre.

In 2019, the private banking industry, while in an ongoing process of consolidation, continued to increase its assets under management and diversify into a higher segment of clientele. The sector has clearly benefitted from Luxembourg's embrace of tax transparency. The life insurance industry likewise continues to develop well, while the insurance industry as a whole has seen spectacular growth in terms of premium income, also thanks to the influx of new non-life insurance firms as a result of Brexit. Premium income in non-life grew in fact by more than 200% for the first 9 months of the year.

After a difficult period at the end of December 2018, due to market conditions, the fund industry has consistently broken new records in 2019, reaching an all-time high of more than 4.6 trillion euros in November. Moreover, 2019 confirmed the increasing role that Luxembourg is now playing in the global alternative fund industry, and in private equity funds more specifically, which saw an increase of 50% of assets under management in 2019. The country benefits from a global shift away from offshore jurisdictions to highly regulated jurisdictions like ours.

Luxembourg further developed its role as a European centre for payment services, with AirBnB the latest newcomer to join the ecosystem at the end of 2019. What's more, Luxembourg continued to build its reputation as a hub for financial technology, specifically in the area of Regtech and other BtoB technologies aimed at the financial industry. In 2019, three Luxembourg Fintech firms made it into the list of 100 most innovative Regtech firms in the world. As Luxembourg's national Fintech platform, the LHoFT has once again played a crucial role in supporting this growing ecosystem and connecting it with other hubs in Europe and beyond.

2019 also saw Luxembourg host the Annual Meeting of the Asian Infrastructure Investment Bank (AIIB). Bringing more than 1500 delegates to Luxembourg, this was the first time an Annual Meeting was held outside Asia, and this has certainly helped raise the profile of the financial centre in Asia. Unsurprisingly, one of the key themes of the AIIB's Meeting in Luxembourg was green and sustainable finance.

Ranking 4th globally as a green financial centre, Luxembourg continued to hone its international profile as a hub for green and sustainable finance. Together with the Ministry of Finance and the Ministry for Environment, LFF hosted the regional roundtable of UNEP FI and the Global Landscape Forum in Luxembourg at the end of November. Towards the end of the year, the Luxembourg government and the EIB announced that they would extend their pioneering Climate Finance Platform for another 5 years with an additional contribution of 40 million euros from Luxembourg. As Finance Minister I joined the Coalition of Finance Ministers for Climate Action, which was launched in the margins of the IMF spring meeting in April, and which met at the COP 25 in Madrid, thus marking the first ever meeting of finance ministers at the climate conference and sending a strong signal that green finance is part and parcel of the global fight against climate change. In Washington in April, I also signed an agreement with UNEP to provide financial support to the International Network of Financial Centres for Sustainability (FC4S), of which LFF is a founding member.

I am pleased that in 2019, the Luxembourg insurance industry association as well as the Luxembourg banking association endorsed the UNEP Principles for Sustainable Insurance respectively the Principles for Responsible Banking. In the meantime, two leading Luxembourg retail banks have signed up to the Principles. It is indeed important that all sectors of Luxembourg's financial centre join forces in what is arguably the most transformative challenge for the financial industry over the coming years. Thanks to the global lead of the Luxembourg Green Exchange, its pre-eminent role as a hub for responsible investment funds and its pioneering work in the area of fund labelling, amongst others, Luxembourg is ideally placed to support the vital finance transition that will have to accompany the ongoing global energy transition.

Being able to rely on close cooperation between the private and public sector, of which LFF is an embodiment, will be crucial in meeting these and other challenges, but also in seizing the new opportunities that 2020 is bound to bring.

MESSAGE FROM THE CEO



Nicolas Mackel,
CEO,
Luxembourg for Finance

2019 was another intense year for LFF.

As Brexit's historic and extended timetable continued to dominate the headlines, the Grand Duchy's status as a top destination for international finance and as an EU hub for post-Brexit plans was reaffirmed. While some 60 financial companies publicly announced the relocation of activities to Luxembourg since the 2016 referendum, the final number is set to surpass 70, including those that have not yet made public their decision to relocate.

Looking at the horizon more broadly, the financial industry grew significantly in 2019, with 119 new licences issued by Luxembourg's two financial services regulators. With the sustained development of the financial centre at the forefront, we continue our efforts to attract talent to Luxembourg. Our 'Move to Lux' campaign enjoyed a successful 2nd year featuring 10 individuals who have made Luxembourg their home (movetolux.com).

We saw Sustainable Finance gain further momentum both locally and globally. Our second flagship Sustainable Finance Forum took place in June, attracting some of top practitioners from the field. Additionally, we premiered our animation 'Financing a future you can be proud of' and rang the bell to mark the World Bank listing all 174 of its sustainable development bonds in Luxembourg. We also co-hosted The UN Environment Programme Finance Initiative (UNEP FI) and Global Landscapes Forum (GLF) to share views on how the asset management industry and capital markets can contribute to a sustainable low-carbon economy.

The Fintech community continued to advance; it was a good year for major payments firms choosing Luxembourg as their preferred European hub. In late 2019, we witnessed an ongoing trend of e-commerce companies moving into the provision of financial services. AirBnB was granted its licence to process all EU payments in the Grand Duchy, joining other leading international payments institutions operating out of Luxembourg such as PayPal, Amazon Pay, Banking Circle, Rakuten, Satispay, PPRO, Six Payment Services and Alipay. In total, 12 payment and 9 e-money institutions have now chosen Luxembourg as their hub to serve the EU market.

LFF organised missions to China focusing on potential synergies within the insurance sector, as well as participating in Hong Kong's Fintech Week in 2019. Luxembourg continues to be a leader in Sino-European financial relations, as demonstrated by the attendance at our China Finance Forum, which mirrors the broader interest for China within Europe, across multiple verticals.

We seek to continue to build upon our inward and outward-bound activity, to share our plans and services, to flex our innovation, digitalisation, sustainable finance muscle further and to continue to foster relationships old and new.

What we do at LFF is as a result of a small but mighty team effort, and a quest to deliver excellence. Luxembourg's success is built on the expertise of the professionals within its financial community and on the vote of confidence given to us by international investors. We are proud to be ambassadors for the financial centre and our stakeholders.



2019 FINANCIAL CENTRE TIMELINE

JANUARY

FEBRUARY

Luxembourg and Hong Kong sign mutual fund recognition agreement to ease cross border sale

Luxembourg once again ranks among the top three EU financial centres

Fondation de Luxembourg celebrates its 10th anniversary

MARCH

Luxembourg Parliament passes a law permitting the use of Distributed Ledger Technology (DLT) for the circulation of securities, facilitating the use of blockchain technology in financial services

University of Luxembourg launches new Master of Science in Finance and Economics

APRIL

Luxembourg Stock Exchange is building a central information hub allowing investors to access and compare 'green' bonds traded in China on a single platform

Luxembourg's capital markets sector has been strengthened with the establishment of a new dedicated Capital Markets Association, LuxCMA

Luxembourg City is named the safest city in the world in a quality of living ranking by consultants Mercer

The Economist Intelligence Unit ranks the cost of living in Luxembourg at the 60th position worldwide, making it significantly less expensive than other European financial centers.

MAY

LHoFT partners with Moberries to build an AI-driven recruitment platform providing access to a large pan-European talent pool

Luxembourg announces the creation of the first public sector blockchain during the Infrachain Summit

JUNE

Luxembourg for Finance appoints new Deputy CEO, Philipp von Restorff

Luxembourg ranks second most performing country in the "economic" category of the latest FM Global Resilience Index published by FM Global

Luxembourg Stock Exchange wins the Environmental Finance's exchange of the year award for the third consecutive year

The European Investment Bank, the world's largest lender, moves from English law to Luxembourg law for its lending

JULY

Luxembourg Green Exchange displays 174 World Bank sustainable development bonds, representing a total amount of more than 40 billion euros

Luxembourg for Finance and Toronto Finance International renew their commitment to pursue a strategic partnership

Luxembourg Parliament vote to ratify four double tax treaties or protocols amending treaties between Luxembourg and: France, Kosovo, Uzbekistan and Belgium

Luxembourg hosts the first annual general meeting of the Asian Infrastructure Investment Bank (AIIB) outside Asia

SEPTEMBER

Credit rating agency Moody's confirms Luxembourg's AAA rating with a stable outlook

Luxembourg insurance market continues to grow during the second quarter of 2019 with premiums up 53.80% compared to the previous year

Stripe, the online payment processing for internet businesses, supports the Luxembourg-based startup ecosystem through a first partnership with Technoport, a technology-oriented business incubator

Chile and Luxembourg sign an agreement allowing for the cross listing and trading of securities in both jurisdictions, with a special focus on green and social bonds

OCTOBER

LFF publishes in cooperation with PwC Luxembourg its report "Amazonisation is the future of European financial services"

Luxembourg ranks 2nd in "depth" category in the latest edition of the Global Green Finance Index (GFCI)

Financial Technology Transfer Agency (ATTF), celebrates 20 years of International knowledge transfer

Brexit prompts the European Stability Mechanism to start using Luxembourg law instead of UK law for all new euro-denominated bonds and bills

NOVEMBER

Online payment platform PayPal, Luxembourg's National Research Fund (FNR) and the University of Luxembourg are launching a new Chair in FinTech

LuxSE and EUWAX AG, a subsidiary of Boerse Stuttgart GmbH, announces the launch of LuxXPrime, a new window on the trading platform of the Luxembourg Stock Exchange

CSSF and the University of Luxembourg's Centre for Security, Reliability and Trust (SnT) signs a partnership agreement that will contribute to position Luxembourg as a European centre of excellence and innovation in the field of artificial intelligence

LFF co-hosts UNEP FI Regional Roundtable Europe and GLF Gathering

LHoFT launches the Luxembourg Academy of Finance in Partnership with

the Centre for Finance, Technology and Entrepreneurship (CFTE) in order to help financial institutions upskill their employees and help finance professionals to deepen their understanding of the changing landscape of the industry

Luxembourg hosts the first Global Ventures Summit in Europe, bringing a large cohort of more than 100 VCs, 200 International Business Angels, corporate leaders, policy makers to meet and be exposed to the best and most innovative local start-up companies

DECEMBER

Luxembourg is ranked as the 2nd best country in Europe to attract talent in the latest IMD World Talent Ranking

ICFA announces its fall cohort of funds working in the field of ESG asset management

LFF publishes a report on the key figures of the financial sector in Luxembourg

FINANCIAL CENTRE STATISTICS 2019

BANKING

129
Banks



from
27
countries



Balance sheet

€842 bn



Private banking AuM

€395 bn

ASSET MANAGEMENT

2nd
largest **fund industry**
centre in the world,



1st
in Europe

€4.6 trillion

AuM in
Luxembourg
funds



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



31.9%
market share

INSURANCE

2.5%
growth

Premium income
life insurance
companies



22.3%
yoy growth



Premium income
non-life insurance
companies

1st

largest global market share
in listed **Dim Sum bonds**



CAPITAL MARKETS



LUXEMBOURG
STOCK EXCHANGE

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



more than

50%

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

Sources: Statec, CSSF, ABBL, ALFI, CAA, PwC
Figures as of December 2019

COMPETITIVE RANKINGS

1st **Best global Start-up environment**
Digital Readiness Index 2019, Cisco

2nd **in the world for depth of green finance**
Z/Yen Global Green Finance Index 4 2019

3rd **financial centre in the EU**
Z/Yen Global Financial Centres Index 4 2019

1st **global ICT access**
Cornell INSEAD Global Innovation Index (WIPO) 2019

1st **Highest macroeconomic stability worldwide**
WEF GCI-Global Competitiveness Index

1st **in the EU in career prospects and satisfaction**
Internations Expatriate Insider 2019





EVENTS

Luxembourg for Finance's 2019 flagship events included the second Sustainable Finance Forum on 26th June 2019 and the fifth China Finance Forum (formerly The Luxembourg Renminbi Forum) on 8th October 2019. They brought to Luxembourg the best experts and practitioners in sustainable finance and Chinese financial services respectively and attracted an audience of +350 participants.

Beside this, Luxembourg for Finance co-hosted The UN Environment Programme Finance Initiative (UNEP FI) and Global Landscapes Forum (GLF) on 28th-30th November 2019. Both events created a platform for international financial and political sector leaders to demonstrate shifts to a sustainable global economy. 600 attendees were welcomed during 3 days.

Luxembourg for Finance also supported the 2019 Annual Meeting of the Asian Infrastructure Investment Bank's (AIIB), the first Annual Meeting to be held outside of Asia on 28th-30th July 2019 in Luxembourg, as well as the Global Ventures Summit on 20th-21st November 2019, the first GVS event in Europe dedicated to start-ups, venture capital and private equity.

November 2019 saw Luxembourg for Finance participate in the Singapore FinTech Festival with a country stand in cooperation with the Luxembourg House of Financial Technology (LHoFT). Attended by more than 60.000 participants from 140 countries, the event brought together key executives and decision makers from global financial institutions and corporates, start-ups and unicorns.

As regards financial missions, Luxembourg for Finance together with HE The Minister of Finance on 4th June 2019 hit the road to Madrid again after 2011, to inform the local community of the latest developments in wealth management, investment funds, private equity and life insurance.

The 2019 mission calendar furthermore comprised a seminar in Milan on 2nd December 2019, as well as the yearly roadshow to China with seminars in Beijing on 17th September 2019 and Shanghai on 19th September 2019.

MISSION OVERVIEW

4 June 2019 **MADRID**

Connecting you with the world of finance

Delegation from Luxembourg: 110

Local attendees: 153

Total: 263

17 September 2019 **BEIJING**

Building the financial silk road

Delegation from Luxembourg: 99

Local attendees: 165

Total: 264

19 September 2019 **SHANGHAI**

Building the financial silk road

Delegation from Luxembourg: 99

Local attendees: 214

Total: 313

2 December 2019 **MILAN**

Luxembourg expertise and solutions for international investors

Delegation from Luxembourg: 123

Local attendees: 260

Total: 383

EVENT CALENDAR

 Third-party conference

 LFF Event

14-15 January	ASIAN FINANCIAL FORUM - HONG KONG Financial services - exhibitor and speaker	25 March	SRA-BENELUX 2019 ANNUAL CONFERENCE "REASONING WITH UNCERTAINTY" Speaker
29-31 January	GLOBAL FUNDING AND FINANCING (GFF) SUMMIT 2019 - LUXEMBOURG Exhibitor	3 April	EMPIRE FINTECH CONFERENCE 2019 – NEW YORK Speaker
31 January	DELANO BREAKFAST TALK - LUXEMBOURG Speaker	24 April	IBCL - "BANKING AND WEALTH MANAGEMENT IN LUXEMBOURG" - LUXEMBOURG Speaker
20 February	BUSINESS CLUB BELGIUM - LUXEMBOURG SEMINAR - "THE EU FINANCIAL SERVICES LANDSCAPE AFTER BREXIT" Speaker	7-8 May	ALFI LONDON COCKTAIL & CONFERENCE Speaker
27 February	PAPERJAM 10X6 FINANCE: 5,000 MILLIARDS D'OPPORTUNITÉS Speaker	15 May	FT BREXIT SUMMIT - LONDON Exhibitor and Speaker
28 February	PWC - JOURNÉE DE L'ECONOMIE Speaker	21 May	LUXEMBOURG FINANCIAL CENTER FROM HERE AND ELSEWHERE - PAPERJAM CLUB EVENT Speaker
7 March	EUROPEAN FUNDS TROPHY PARIS Speaker	4 June	MADRID SEMINAR LFF Mission
14 March	AIIB IN LUXEMBOURG: INFRASTRUCTURE AS A GLOBAL ASSET Speaker	11-12 June	RI EUROPE 2019 - LONDON Exhibitor and Speaker
19 March	FARAD FINANCE FORUM 'THE GREEN OCEAN TSUNAMI' Speaker	13 June	HEC MASTERCLASS PRIVATE EQUITY AND INFRASTRUCTURE: A CASE STUDY - LUXEMBOURG Sponsor

19 June		LUXEMBOURG-RUSSIA BUSINESS CHAMBER - ADVANTAGES OF LUXEMBOURG FOR ALTERNATIVE INVESTMENTS Speaker
26 June		2nd SUSTAINABLE FINANCE FORUM – LUXEMBOURG Host
5-7 July		LE CERCLE DES ECONOMISTES - 19TH EDITION OF LES RENCONTRES ECONOMIQUES D'AIX-EN-PROVENCE Sponsor
12-13 July		ASIAN INFRASTRUCTURE BANK ANNUAL MEETING - LUXEMBOURG Sponsor
17-19 September		BEIJING & SHANGHAI SEMINARS LFF Mission
24 September		FT INVESTMENT MANAGEMENT SUMMIT - LONDON Sponsor and Speaker
26 September		LUNCH WITH NICOLAS MACKEL - BREXIT AND BEYOND - LUXEMBOURG Speaker
27 September		LAUNCH OF THE GLOBAL GREEN FINANCE INDEX - LUXEMBOURG Speaker
8 October		CHINA FINANCE FORUM 2019 - LUXEMBOURG LFF Event
10 October		LUXEMBOURG PERSPECTIVE IN THE CURRENT EUROPEAN CHALLENGES - LUXEMBOURG Speaker
16-17 October		ALFI US ROADSHOW – BOSTON & NY Speaker
17 October		TECHNOLOGY FOR THE FINANCIAL SECTOR: BELGIAN-LUXEMBOURG PERSPECTIVES & FINDINGS - LUXEMBOURG Speaker
4-8 November		HONG KONG FINTECH WEEK 2019 - HONG KONG LHoFT Co-Host
7-8 November		EUROPEAN FINANCIAL FORUM CUMBERLAND LODGE CONFERENCE 2019 - UK Speaker
8-10 November		5th LUXEMBOURG ART WEEK Sponsor
11-15 November		SINGAPORE FINTECH FESTIVAL – SINGAPORE Exhibitor
14 November		BLOOMBERG INVESTMENT SUMMIT – LUXEMBOURG Sponsor and Speaker

EVENT CALENDAR

 Third-party conference

 LFF Event

15 November	 CHAMBER OF COMMERCE LUXEMBOURG - #THECULTUREFACTOR: CULTURAL INTELLIGENCE IN BUSINESS - DRIVING SUCCESS WITH A GLOBAL MINDSET Speaker
20-21 November	 GLOBAL VENTURE SUMMIT - LUXEMBOURG Exhibitor and Speaker
21 November	 ACA INSURANCE DAY - LUXEMBOURG Exhibitor
26 November	 PAPERJAM / DELANO BREAKFAST - LUXEMBOURG Speaker
28-29 November	 2nd REGIONAL ROUNDTABLE FOR SUSTAINABLE FINANCE IN EUROPE - UNEP FI - LUXEMBOURG Co-Host
29 November	 ASIFMA 9th CHINA CAPITAL MARKETS CONFERENCE Sponsor and Speaker
2 December	 MILAN SEMINAR - MILAN LFF Mission
9-13 December	 ALFI ASIA ROADSHOW - TOKYO, SEOUL, SINGAPORE Speaker



Ringling the bell at the
Sustainable Finance Forum

EVENT
WORLDMAP



- Third-party conference
- Business development
- LFF Event



LFF EVENTS IN PICTURES





OTHER 2019 EVENT ACHIEVEMENTS

LFF launched its Event application mid 2019 enabling event participants to register via mobile device, engage and interact with attendees via internal chat and participate in surveys after the event.

The LFF events team is conscious of the environmental impacts of its events and started implementing green achievements notably through the Sustainable Finance Forum:

- **CATERING**

local and seasonal food

- **BADGES**

recycling badges with seeds

- **PAPERLESS**

(no printing of programme brochures)

- **TRANSPORTATION**

locations are easily reachable via foot or public transportation

- **EVENT PRODUCTION**

switching to LED lighting and lower power efficiency systems with the AV team, onsite banners were printed 100% PVC free and recycled.

- **SUSTAINABLE GOODIES**

from LFF and our sponsors (pens made from plastic bottles, notepads using recycled paper, reusable Doppert bottles...)

BUSINESS DEVELOPMENT

In its role to develop the financial centre and bring new business to Luxembourg, the LFF business development team has met with over 150 financial institutions across the globe in 2019, with a particular focus on Europe, Asia, North- and Latin America, as part of stand-alone business development missions, during LFF roadshows, or on the margins of roadshows organised by the LHoFT, ALFI, LPEA or the Chamber of Commerce.

Much of the work by the business development team is working on research and identification of targets, working closely with our local and international counterparts such as the financial associations and the diplomatic and economic outposts of Luxembourg across the globe.

Brexit has also continued to keep LFF busy from a business development perspective, with financial services companies in London and other parts of the world keen to discuss and receive information on how to ensure business continuity for their European operations.

Another aspect of the business development team is presenting and guiding companies on what the Luxembourg financial is and how regulations apply to certain activities.

In 2019, the team has also presented the Luxembourg financial center to students from over 20 universities from across the world in order to help them in their future career paths.

FINANCIAL SECTOR ROADSHOWS

MADRID

263 professionals attended LFF's first seminar in Spain in Madrid. The programme was focused on a broad range of financial activities which Luxembourg is active in, from Fintech to sustainable finance, the impacts of Brexit the European landscape, and gave an overview of philanthropy in action. Panels were held on wealth management, life insurance, and two on investment strategies.

The event's success was highlighted in the growth of the Spanish-Luxembourg financial connections, with especially Spanish asset managers gaining confidence for international distribution of their products.

In the margins of the event, a number of meetings were organised by the delegation in order to meet with some of the key Spanish banks and asset managers, as well as a meeting with the regulator.

CHINA

China is a yearly destination for LFF roadshows. In 2019 LFF organised seminars in Beijing and Shanghai, providing audiences of around 200 people with insight into financial services and geopolitics in Europe, as well as the state of play of green finance, asset management and fintech.

In addition to the seminars, programmes of meetings were arranged with Chinese interlocutors in an official and business capacity. These meetings served both as a setting for discussing strategy and progress with Chinese financial institutions already established in Luxembourg, as well as providing an opportunity to develop connections with new actors.

In the margins of the China Mission, the Luxembourg Stock Exchange signed a memorandum of understanding with China International Capital Corporation (CICC) in Beijing to further cooperation on listing in the field of green finance, as well as a tripartite MOU with China Construction Bank (CCB) and the Shanghai Clearing House (SCH) to develop further connections in the field of green capital markets.

MILAN

A mission to Milan in December, provided a deep dive into leveraging Luxembourg solutions for international wealth management and investments. The seminar, which attracted close to 400 attendees, highlighted the role of the finance industry in the global fight against climate change and gave an insight on how Luxembourg has consolidated its position as an international platform for sustainable finance.

The roadshow to Milan was an ideal opportunity to continue to develop the sizable relations with the Italian financial industry. In particular, Italy's leading asset managers and insurance companies were visited in bilateral meetings in order to follow up on their growing European activities in Luxembourg.



COMMUNICATION ACTIVITIES

PRESS

During the past year LFF has remained focused on the goal of positioning Luxembourg's financial centre as a European leader, particularly against the backdrop of an intensified Brexit debate. The latter's extended timetable continued to provide space for commentary on the news agenda and for discussion about the role of financial centres post-Brexit, shifting focus towards framing a new relationship between the EU and the UK. The future of Fintech and Luxembourg's leadership role in Sustainable Finance remain popular themes within the media, with requests for case studies and news angles.

Media activities resulted in widespread international coverage including the Financial Times, FTfm, The Times, Sunday Telegraph, Reuters, Les Echos, L'Agefi, FAZ, Börse Online, Fortune Magazine, South China Morning Post and Caixin.

- **Media meetings** included press conferences, press trips to Luxembourg and numerous background press briefings.
- **Broadcast interviews** with Nicolas Mackel aired on CNBC Europe, CNBC Squawk Box, Ian King Live and TV5 Monde.
- **Press meetings** took place with top tier media from countries such as UK, France, Germany, Singapore and China.

NEW PUBLICATIONS

Asset Management brochure



In July, LFF published a brand-new brochure on asset management, an industry in which Luxembourg has become a global key player. The brochure takes a holistic view of the Luxembourg asset management ecosystem and explains how it came about, how it has evolved and its key components from fund administration and distribution, banks and fund services, transfer agents, market infrastructures to financial technologies and sustainable finance. It is aimed at members of the asset management industry interested in becoming part of this unique cluster, as well as those who would like a better understanding of why Luxembourg is a global player in the sector.

Payments flyer

Luxembourg has become one of the leading hubs for payments activities in Europe.

In early 2019, LFF published a new flyer focusing on the payments industry and what is needed in setting up a payment company in the country. It also features a comprehensive map of all the FinTech players who have chosen Luxembourg as their home.

Amazonisation is the future of European Financial Services

Three trends will dominate and disrupt European financial services over the next five years, according to the report issued by LFF in collaboration with PWC during the last quarter 2019:

1. "Amazonisation" and the shift in power to consumers driven by online platforms
2. The mainstreaming of sustainable finance underpinned by millennial preferences
3. The multi-polarisation of Europe's financial centres due to Brexit

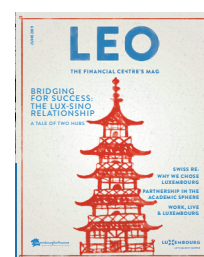
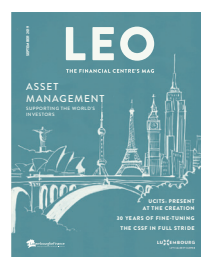


The report urges Europe's banks, asset and wealth managers, payment service providers and insurers to proactively embrace these trends and the underlying factors driving them, and to invest beyond short term financial targets if they are to remain competitive.

LEO Magazine

The quarterly financial centre magazine produced by LFF focused on the following topics in 2019: Brexit, The Lux-Sino Relationship, Asset Management and Payments.

The magazine is sent digitally to LFF's database while paper copies are also sent to Luxembourg's diplomatic and consular network and key financial players. An average of 2,500 copies are printed per edition.



ADVERTISING

The 'futuring' advertising campaign ads were displayed at London City Airport and Luxembourg airport until June 2019, as well as on 11 Luxair planes.

As part of our flagship conference activity, LFF secured media partnerships with Financial Times and Responsible Investor. LFF also sponsored and participated as a speaker at FT conferences in London; including Brexit and Beyond and the Investment Management Summit.

Advertisements were published on several occasions in the Financial Times, as well as the Times.



VIDEOS

'Move to Luxembourg' campaign

Following the success of the first edition released last year, a second edition of the "Move to Luxembourg" campaign was launched in May 2019. As part of our effort to help attract qualified financial services staff to the Grand Duchy by highlighting the various aspects of personal and professional life in Luxembourg, this edition featured 10 professionals who moved to Luxembourg to grow their career and find a better work-life balance.

To promote the videos additionally in 2019, the social media campaign #MoveToLux was initiated. Overall, the 2019 campaign performed better than 2018, with **72% more engagements and 79% increase in video completions**.

- **Move to Lux** Campaign teaser video
- **Work, Live & Snap** - Janusz Weretko, Business Analyst, Aztec Group
- **Work, Live & Taste** - Sharyn Tan, Head of International Treasury Centre, PayPal
- **Work, Live & Trail** - Fernando Pacheco, Executive Director, Treasury Services, J.P. Morgan Bank Luxembourg
- **Work, Live & Play** - Rajaa Mekouar-Schneider, Head of Private Equity, Family Office
- **Work, Live & Explore** - Jean-Yves Lintampha, Compliance Manager Europe, Hiscox
- **Work, Live & Rally** - Julie Kohlmann, Wealth Manager, Banque Internationale à Luxembourg (BIL)
- **Work, Live & Volley** - Taona Mupanduki, Team Manager, Amazon Pay
- **Work, Live & Swim** - Sijia Duan, Head of China Desk, HSBC Luxembourg
- **Work, Live & Board** - Alex Lawrence, Managing Director, CrossLend
- **Work, Live & Kick** - Monica Ruiz, Windows IT Security Administrator, Clearstream

Why we chose Luxembourg series

Following in the footsteps of previous editions, the "Why we chose Luxembourg" articles in the LEO magazine and video series continued to feature testimonials by financial institutions that have chosen Luxembourg as their EU hub or competence centre.

In 2019, the series covered:

Swiss Re Europe SA

Lize-Mari Barnes, Chief Financial Officer Luxembourg at Swiss Re Europe SA, explains why the leading provider of reinsurance and insurance chose Luxembourg to develop its international activities and long-term strategy.

Bank of China

Lihong Zhou, Chairman, Bank of China Luxembourg S.A and GM, Bank of China Luxembourg branch, explains why the Chinese bank chose Luxembourg to develop its international activities and long-term strategy.

Union Investment

Maria Löwenbrück, Managing Director of Union Investment, part of DZ Bank, one of the largest banks in Germany explains why the asset manager chose Luxembourg as HQ for its 350 staff.

In addition to these campaigns, a number of promotional videos were produced:

Luxembourg: grow beyond borders

The flagship video, released in September, was created to showcase how Luxembourg acts as an EU hub and competence centre to the world's leading financial institutions.

Top 10 reasons: Why is Luxembourg your "best fit" European financial centre

A second video animation developed to feature the top 10 reasons as to why Luxembourg is a leading European financial centre.

Financing a future we can be proud of

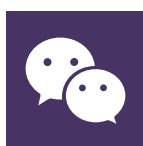
This video animation highlights how Luxembourg connects investors with sustainable financial products and enables savers in projects which contribute to the fight against climate change.

WECHAT ACCOUNT

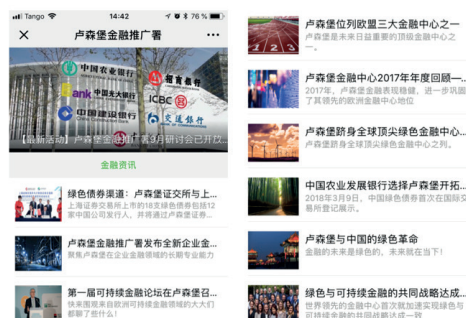
Last year, LFF launched its official WeChat account with the aim of broadening its reach in China. As of today, more than 1 400 financial professionals with interest in China and Luxembourg are now following LFF's account on a daily basis (compared to last year, the net follower growth is +505).

This year once again, the platform has been the main channel to promote our conferences in China. We continue to strengthen our communication strategy throughout the year (instead of a holding a one-off pre-event communication exercise) and take a more holistic approach to the content of our message.

This decision has clearly resulted in an increase of local participants in our events. Through an integrated voting system, participants answered questions via their WeChat account.



WeChat ID: **LFF_OFFICIAL**



WEBSITE

In February 2019, LFF launched its new website to highlight in a more efficient way the key strengths of the financial centre. To date, more than 127 000 users have visited the website since 1st February.

Through an enhanced user experience, visitors can now navigate more easily through the key sections of the website and discover the range of publications associated to topics of interest. A new platform is also dedicated to LFF's quarterly magazine LEO, making it easier to read articles on mobile and share on social media.

LFF MOBILE APP

During the course of 2019, LFF has continued to develop its mobile application further where all events are opened for registration. The contents and layouts have been improved for more ease of use and further functionalities have been added such as the chat and the pictures and movies gallery. On top of the website, this way of communicating and enabling participants to get all the live details of the events.

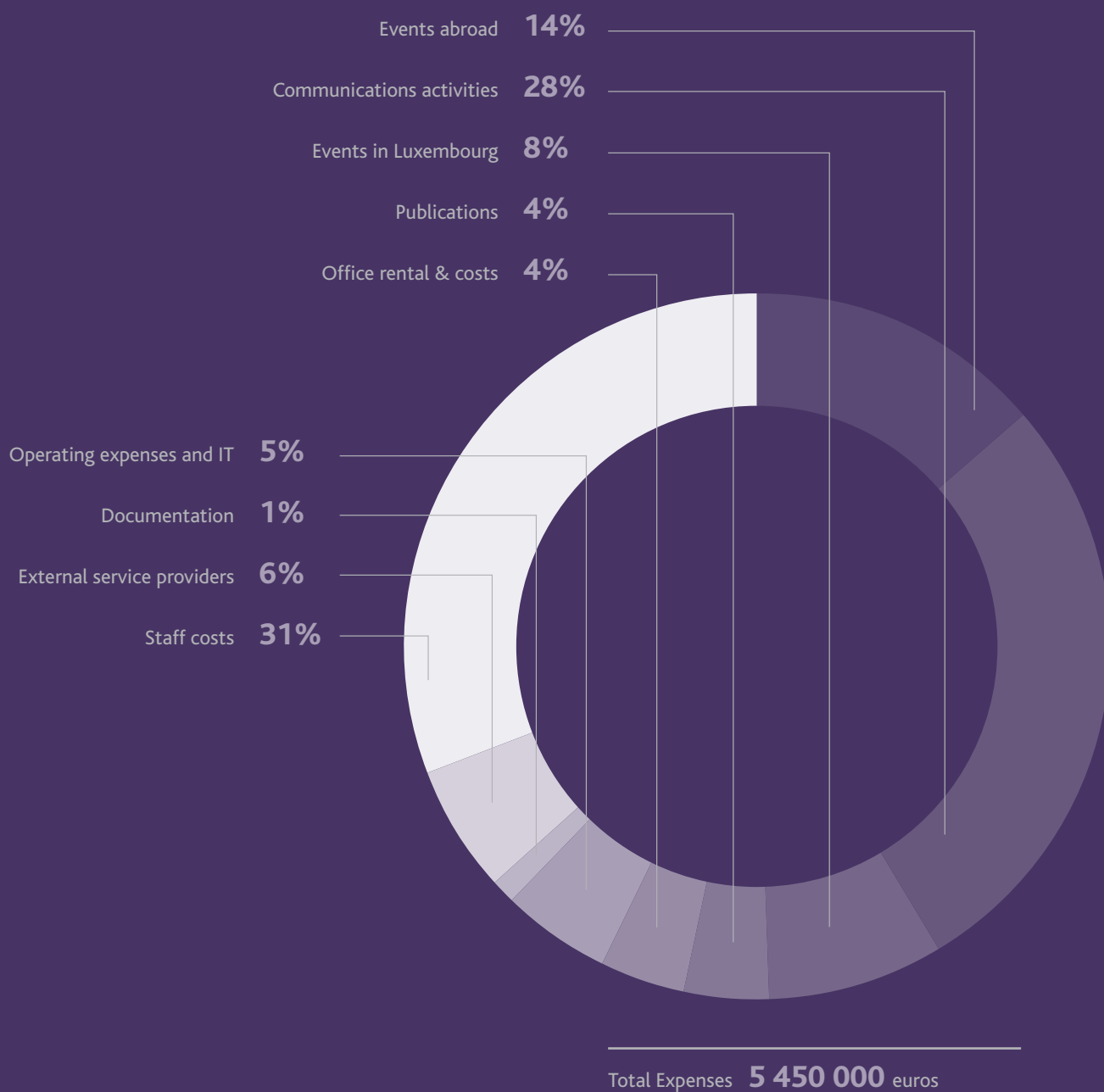
DIGITAL MARKETING STRATEGY

LFF continued its steady increase in followers on social media:



In addition, LFF worked on sponsored targeted campaigns to expand the international reach of key projects and conferences. The results of such campaigns are very promising and LFF will capitalize on this support going forward.

COST BREAKDOWN



STAFF

MANAGEMENT

Nicolas Mackel, CEO

Philipp von Restorff, Deputy CEO

ADMINISTRATION

Giovanna Bassani, Head of Administration

Viviane Thiefels, Assistant to the Management

Hélène Villeval, Database Administrator & Administrative Assistant

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Tatjana Schaefer, Event Manager

Aurélie Zambeaux, Event Manager

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Christina Clark, Communications Manager

Gilly Mathieson, Communications Manager

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Marjolein van Hoof, Communications Manager

BUSINESS DEVELOPMENT

Eleanor de Rosmorduc, Senior Adviser Business Development

Chris Hollifield, Adviser Business & Fintech Development

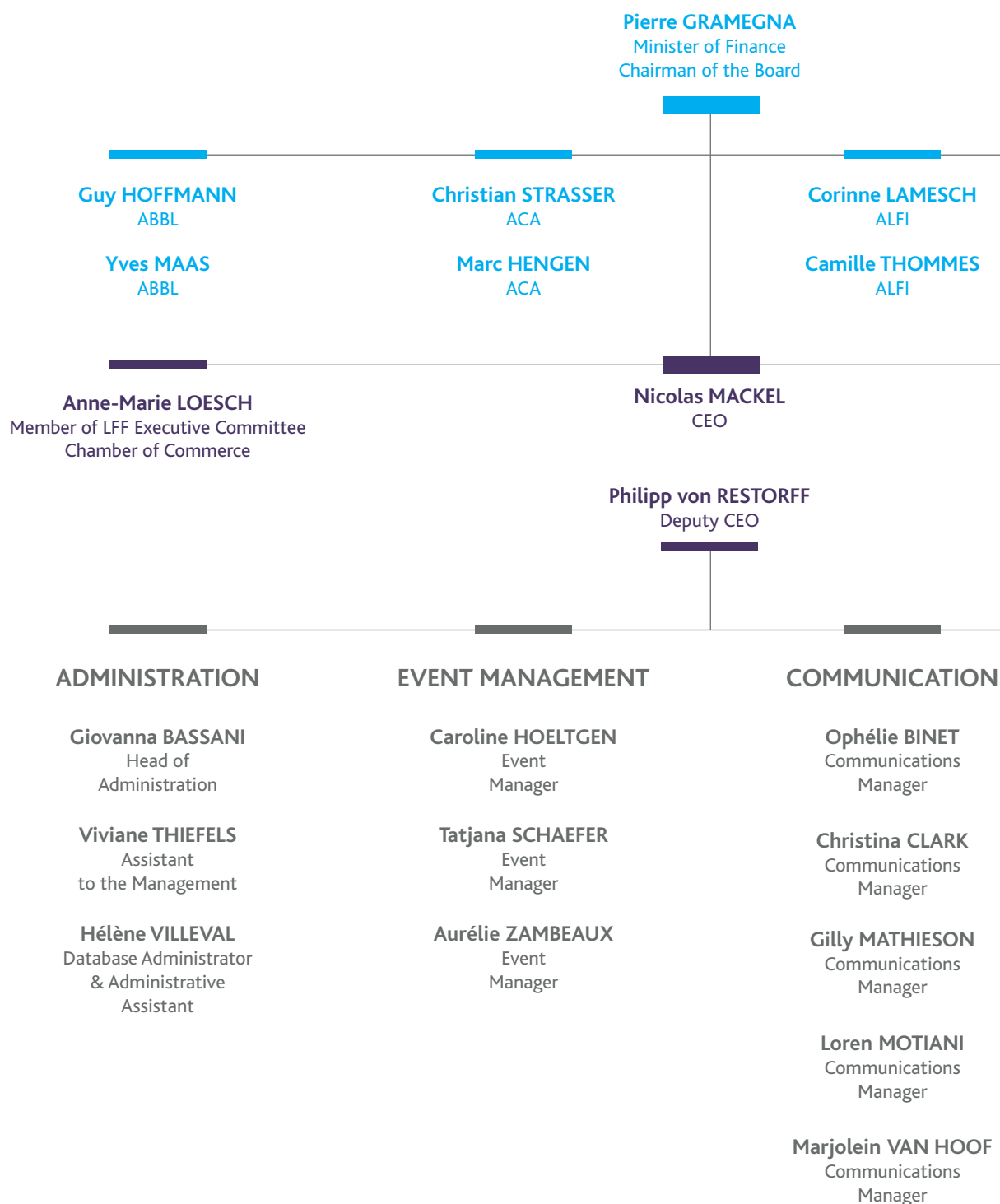
Robert Jan Jarvis, Adviser Business & Fintech Development

Nathalie Deltgen, Advisor Business Development

Mattia Musetti, Adviser Business Development

ORGANISATION CHART

(as of 1st February 2020)



Carlo THELEN
Chamber of Commerce

Tom THEOBALD
Member of LFF Executive Committee
Ministry of Finance

BUSINESS DEVELOPMENT

Eleanor de ROSMORDUC
Senior Adviser
Business Development

Chris HOLLIFIELD
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Advisor Business Development

Mattia MUSETTI
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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. 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)
- 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 International Management Services Association (LIMSA)
- Luxembourg Private Equity and Venture Capital Association (LPEA)
- Luxembourg Stock Exchange
- The Luxembourg Bankers' Association (ABBL)



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