



## Key Information

**2007**



# Foyer Group

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## Group presentation

**Foyer** is a Luxembourg company founded in **1922**. Over the years, the company has evolved into an insurance and financial services group. The **Foyer** Group has established a leading position in the Luxembourg life and non-life insurance markets thanks to its values of innovation and customer service, as well as its excellent distribution network.

Through its subsidiaries, **Foyer Patrimonium** and **Foyer Asset Management**, the Group provides private and institutional financial services, in addition to international life insurance offered through **Foyer International**.

The **Foyer** Group employs 450 staff and operates in Luxembourg through a network of more than 450 agents and 400 brokers.

## Mission statement

Nowadays, the European Union is not only presenting **Foyer** with new challenges, but is also offering fresh prospects.

The **Foyer** Group has embraced as its mission:

- offer the clientele optimal service;
- extend its leading position in non-life insurance in Luxembourg to take in a larger area;
- develop the life insurance and pension activities at European level;
- continue to develop financial services;
- lead the progress parade by integrating new technologies.

## Core values

A company is first and foremost about the people it employs. Together, they share a corporate culture based on core values they can identify with.

The values that guide **Foyer's** approach to business include:

- Confidence - doing what one says and saying what one does;
- Excellence: a passion to satisfy your client;
- Innovation: question what are you doing;
- Integrity: be an example;
- Independence: take responsibility for what you do.

These core values help the Group to fulfil its mission to serve an increasingly demanding customer base.

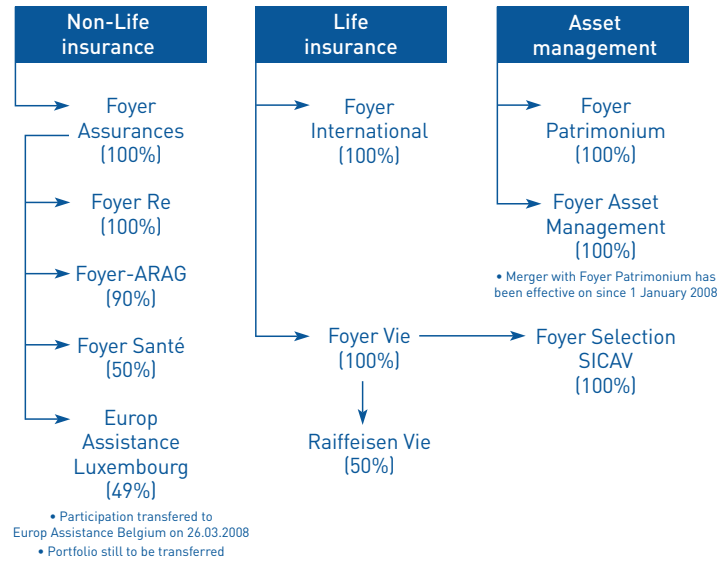
## Shareholders and capital

On 31/12/2007, **Foyer S.A.**'s capital is represented by 8.997.275 shares. The Group's equity was EUR 460 million as of 31 December 2007. **Foyer** shares are listed on the Luxembourg Stock Exchange and Euronext Brussels and with its shares trading at EUR 48,4 at the end of 2007, the company is valued to EUR 435 million.

78.6% of the shares are held by **Foyer Finance**, a Luxembourg company that is held by the family shareholders, and 4.7% by **Luxempart**. Therefore the market float is only 16,7%.

# Group structure

The Group is organised according to the diagram below:



## Non-life insurance

Non-life premiums written in 2007 amounted to EUR 243 million, resulting in earnings of EUR 63.86 million.

The non-consolidated gross premiums from Foyer Assurance amounted to EUR 235 million, including EUR 34 million from Foyer Re, 5 million from Foyer ARAG and 5 million of Foyer Santé.

### Foyer Assurances

Non-Life insurance company operating in Luxembourg and in the neighbouring region of Belgium through a substantial network of exclusive agents in Luxembourg and of brokers in Luxembourg and in Belgium.

**Foyer Assurances** mainly provides motor, property damage and general civil liability insurance and has been the leader in these markets for many years in Luxembourg. In addition, the company provides personal and business insurance in Luxembourg. **Foyer's** market share is 37.7% for Motor business and 32.6% for Property Damage business (statistics 2006 of the 'Association des Compagnies d'Assurance' in Luxembourg).

Business outside Luxembourg is limited to the Belgian local regional market. Risks are highly diversified and to a large extent reinsured.

### Foyer Re

Reinsurance captive company of the **Foyer** Group.

### Foyer-ARAG

This subsidiary, jointly owned with the German company ARAG, specialises in legal aid coverage.

### Foyer Santé

This company, owned 50/50 by the **Foyer** Group and German partner UKV Union Krankenversicherung AG, offers medical insurance to retail clients and company employees.

### Europ Assistance Luxembourg

This company, 49% of which is owned by the **Foyer** Group and the remainder by Europ Assistance Holding France, offers personal, travel and motor assistance services in Luxembourg and abroad.

It is planned to transfer the insurance portfolio of Europ Assistance Luxembourg to the Belgian company Europ Assistance (Belgium) during the first six months of 2008.

## Life insurance

In accordance with International Financial Reporting Standards, the consolidated gross premiums amounted to EUR 91.03 million, while net profit on Life Insurance business was EUR 9.81 million.

In 2007 the turnover of **Foyer International** amounted to EUR 109 million, of **Foyer Vie** to EUR 77 million and of **Raiffeisen Vie** to EUR 4.4 million.

The client's assets under management for **Foyer International** amounted to EUR 1.4 billion on 31 December 2007.

### Foyer Vie

**Foyer Vie**, a Group company specialising in life insurance in the domestic market, offers individuals and companies a complete range of products focusing on guaranteed returns and profit sharing.

### Foyer International

**Foyer International** is a life insurance company specialising in cross-border life insurance products under the free provision of services (FPS). Through partners in the Private Banking, Wealth Management and Family Office sectors, the company offers policies to Luxembourg non-residents that are perfectly adapted to the legislation of the country of residence. Because of its long-standing relationships and the quality of its product range, **Foyer International** is increasingly becoming the preferred contact of advisers to international private investors. Funds collected as well for the life insurance business as for the investment contract business by **Foyer International** increased 25.8% positively reflecting the commercial diversification strategy that was implemented in 2006.

### Raiffeisen Vie

This is a joint subsidiary owned 50/50 by Raiffeisen Bank and the **Foyer** Group, which distributes life insurance products through the banking network.

## Asset management

### Foyer Patrimonium

After having increased the participation in **Foyer Patrimonium** up to 100%, **Foyer S.A.** has prepared in the second half of the year the merger of his two branches **Foyer Patrimonium** and **Foyer Asset Management**. This merger has been effective since 1 January 2008, after the absorption of **Foyer Asset Management** by **Foyer Patrimonium**. This new entity enables us to reinforce the teams and to accelerate the development in the asset management sector for institutional and private clients.

On 31 December 2007, the assets managed on behalf of clients from the two entities before merger amount to 1.7 billion EUR. The contribution of the asset management business in the consolidated result amount to EUR 2.52 million.

## Financial data

Consolidated net profit (Group share) amounted to EUR 76.1 million in 2007, which is a small drop of 1.7% compared to 2006. The table below gives a breakdown of the net consolidated profit by main sectors of activity for the 2006 and 2007 financial years.

### Contribution to the consolidated profit

EUR millions	2007	2006	% change
Non-life insurance	63.9	66.8	-4.4
Life insurance	9.8	8.8	11
Asset management	2.5	2.0	46.7
<b>Total (Group share)</b>	<b>76.1</b>	<b>77.6</b>	<b>-2</b>

# Consolidated Balance sheet

## as at 31 December 2007

### ASSETS

EUR thousands	31.12.2007	31.12.2006
<b>Intangible Fixed Assets</b>	<b>4 954.5</b>	<b>4 532.6</b>
<b>Tangible fixed assets</b>	<b>53 547.4</b>	<b>53 571.4</b>
Investment property	6 013.5	6 354.7
Business premises	42 695.5	42 249.8
Other tangible fixed assets	4 838.4	4 966.8
<b>Investments in associates</b>	<b>-</b>	<b>361.2</b>
<b>Equity instruments</b>	<b>346 583.3</b>	<b>323 406.2</b>
Available for sale	276 965.2	290 666.8
At fair value through income	69 618.1	32 739.4
<b>Fixed income securities</b>	<b>768 868.0</b>	<b>717 754.0</b>
Available for sale	757 968.7	707 706.6
At fair value through income	10 899.3	10 047.4
<b>Financial assets at fair value through income</b>	<b>1 434 392.0</b>	<b>1 442 590.0</b>
<b>Deferred income tax</b>	<b>2 240.4</b>	<b>2 771.4</b>
<b>Insurance receivables and other receivables</b>	<b>89 115.5</b>	<b>88 880.1</b>
<b>Reinsurers' share of liabilities in respect of insurance contracts</b>	<b>138 597.9</b>	<b>66 681.6</b>
<b>Cash and cash equivalents</b>	<b>209 082.3</b>	<b>141 121.0</b>
<b>TOTAL ASSETS</b>	<b>3 047 780.0</b>	<b>2 841 669.5</b>

# Consolidated Balance sheet

## as at 31 December 2007

### LIABILITIES

EUR thousands	31.12.2007	31.12.2006
<b>Shareholders equity – Group Share</b>		
Capital	44 994.2	44 994.2
Share premium account	3 106.0	3 106.0
Reserves and retained earnings	336 197.2	287 525.8
Financial year result	76 065.7	77 370.6
<b>Total shareholders equity – Group Share</b>	<b>460 286.9</b>	<b>412 996.6</b>
<b>Shareholders equity – Minority interests</b>	<b>334.1</b>	<b>750.3</b>
<b>Total equity</b>	<b>460 621.0</b>	<b>413 746.9</b>
<b>Technical provisions</b>	<b>1 456 395.3</b>	<b>1 330 758.1</b>
Other technical provisions	849 031.3	723 843.3
Provisions relating to unit-linked insurance contracts	607 364.0	606 914.8
<b>Provisions</b>	<b>24 242.3</b>	<b>24 972.7</b>
Retirement benefit obligations	22 239.3	23 337.9
Provisions for other liabilities and charges	2 003.0	1 634.8
<b>Deferred income tax</b>	<b>65 700.4</b>	<b>67 305.0</b>
<b>Financial liabilities</b>	<b>926 526.6</b>	<b>866 460.3</b>
Other financial liabilities	–	29.6
Liabilities in respect of investment contracts	833 523.7	835 073.6
Loans and deposits from reinsurers	93 002.9	31 357.1
<b>Insurance debts and other debts</b>	<b>114 294.4</b>	<b>138 426.5</b>
<b>TOTAL LIABILITIES</b>	<b>3 047 780.0</b>	<b>2 841 669.5</b>

## Consolidated profit and loss account for the year ended 31 December 2007

EUR thousands	31.12.2007	31.12.2006
Insurance premium income	331 386.1	298 779.7
Insurance premium ceded	-55 167.2	-48 140.3
<b>Net insurance premium income</b>	<b>276 218.9</b>	<b>250 639.4</b>
Commission and profit sharing received in respect of reinsurance contracts	4 751.2	5 063.8
Acquisition commission on investment contracts	1 023.1	565.2
Commission earned by the Asset Management segment	6 137.9	6 955.7
Management commission on investment contracts	6 641.3	6 569.4
Management commission on insurance contracts	5 857.6	5 405.2
Net realised gains on financial assets	45 550.4	26 408.7
Variation of the fair value of assets/liabilities at fair value through income	2 634.6	25 729.8
Other investment income	43 516.8	34 660.6
Other investment costs	-11 526.5	-12 376.1
Capital gains on sale of fixed assets	-	29 416.8
<b>Total net operating income</b>	<b>104 586.4</b>	<b>128 399.1</b>
Life insurance claims - Gross	-97 117.7	-94 165.7
Non-life insurance benefits costs - Gross	-133 031.0	-112 894.2
Reinsurer's share of the costs of non-life insurance services	24 994.9	14 196.6
<b>Insurance benefits and claims net of reinsurance</b>	<b>-205 153.8</b>	<b>-192 863.3</b>
Acquisition expense	-54 676.0	-53 633.4
Administration expense	-17 768.8	-18 359.4
Costs related to investment contracts	-5 601.9	-5 425.1
Other operating expense	-70.5	-14.9
<b>Expense</b>	<b>-78 117.2</b>	<b>-77 432.8</b>
<b>Operating profit</b>	<b>97 534.2</b>	<b>108 742.3</b>
Group's share in the profit of associated companies	115.6	88.2
<b>Profit before tax</b>	<b>97 649.9</b>	<b>108 830.6</b>
Taxes	-21 455.7	-31 212.8
<b>Profit for the year</b>	<b>76 194.2</b>	<b>77 617.8</b>
o/w Group share	76 065.8	77 370.6
o/w minority interests	128.4	247.2
Profit per base share : (€)	8.5	8.6



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