

**Allianz Global Investors
Deutschland GmbH**

Press release

Financial assets of households in Germany on the rise again

High savings rate and positive stock market performance boost gross financial assets to EUR 4.64 trillion in 2009

Frankfurt, 5 January 2010. The gross financial assets of households in Germany grew to EUR 4.64 trillion in 2009, according to estimates by Allianz Global Investors. This places gross financial assets at the end of 2009 at 4.4% higher than in 2008, when they had dropped to EUR 4.45 trillion. German citizens counteracted this decline by saving persistently – the savings rate remained at the high level of 11.2%. On the other hand the rapid reversal on the stock markets helped to offset some of the valuation losses incurred in the previous year. A good 60% of the increase in financial assets, just under EUR 200 billion in 2009, was added as new investment capital, while almost 40% was attributable to valuation gains.

Equities raise financial assets in 2009

Stock markets recovered rapidly from the low in March and the key German index, the DAX, gained more than 60%. In comparison with year-end 2008, it has gone up 24%. Although this again led to a higher equity element in the portfolios held by households, equity portfolios were nevertheless only at about the 1995 level. The highly volatile equity markets in the past decade have deeply shaken investor confidence. Deutsche Bundesbank has been reporting net outflows from the equity holdings of private financial assets

since 2001. This trend was also recorded in the first two quarters of 2009. As a result the number of equity and fund holders has fallen by 4 million since 2001. The strong recovery on stock markets last year in an environment of very low returns may have put a brake on the negative trend in the second half of 2009. Equity funds saw a return to significant inflows of capital in recent months. In a year-on-year comparison, investments in investment funds have been able to make up lost ground; the fund assets held by households are likely to have regained their 2007 level.

High level of outflows for time deposits

Safety continues to dominate the investment decisions of private investors. They preferred to park their money in accounts that are accessible at short notice. There was, for example, an enormous increase of around 20% in sight deposits. At a good EUR 630 billion, they now exceed savings deposits at EUR 580 billion, which also gained last year. After a sharp rise in 2008, the largest outflows in the portfolios held by households were time deposits, down by EUR 120 billion. This is because the effective rate of interest for time deposits up to one year fell to 1%, making them increasingly unattractive for many savers. The inflows into savings and sight deposits nevertheless offset this trend; on balance, households stocked up their bank deposits by about EUR 40 billion. Fixed-income securities enjoyed great popularity especially in the first half of 2009. Bonds delivered high yields, with the result that holdings of bond securities were re-stocked after outflows in 2007 and 2008.

38% of financial assets are held at banks

Deposits at banks and savings banks continue to dominate with a good 38% of households' financial assets; around EUR 1.78 trillion is held there as sight, time and savings deposits and as savings certificates. Although capital

market products such as equities, investment funds, bond securities and unlisted shareholdings did improve again slightly over the past year, their proportion is currently just under 28%, about the same level as 1996; in 2006 the proportions of bank deposits and capital market investments were still close to each other, while at the start of the millennium they were on an equal footing. The insurance element remained more or less stable at a good 28% and claims from company pension commitments retained their weighting to a large extent, at just under 6%.

Allianz Global Investors – Germany's largest asset manager

Allianz Global Investors is Germany's largest asset manager and has extended its market leadership with the acquisition of cominvest at the start of 2009. The company manages a total of approximately EUR 329 billion¹ for private and institutional investors in Germany. Worldwide, Allianz Global Investors holds a top position among active assets managers with EUR 1,126 billion² in assets under management (of which EUR 425 billion in Europe) and is represented at more than 25 business and financial centres with in excess of 1,000 investment professionals. Due to the presence of its experts at the major international capital markets, Allianz Global Investors can identify new investment trends at an early stage and enable its clients to participate through innovative investment solutions.

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These assessments are, as always, subject to the disclaimer provided below.

¹ BVI overall statistics as at 30 September 2009, "Administration total"

² As at 30 September 2009

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