

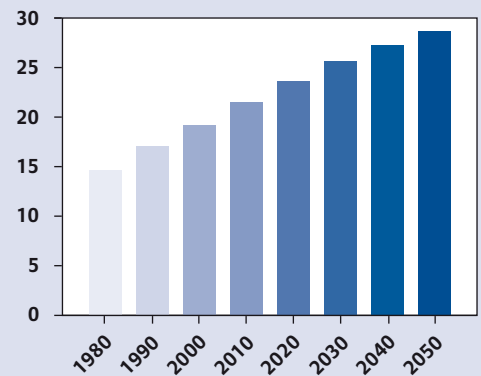
AUSTRALIA



Australia, along with the U.S.A and Canada, being a traditional immigration country, is less affected by the current demographic trends. Nevertheless, the population is aging, and the ratio of over-65s to 15-to-64-year-olds is set to double by 2050. However, the effects on the Australian pension system will be marginal, since a funded, obligatory pillar forms the central element of the pension system, which is therefore less susceptible to demographic changes than pay-as-you-go systems.

POPULATION

in millions

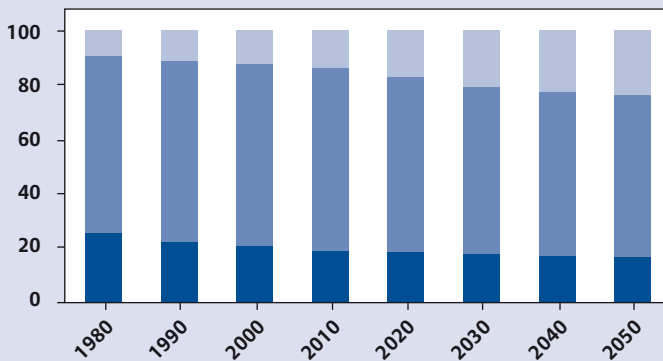


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	80.5	82.2	86.2

AGE DISTRIBUTION

Percent of total population



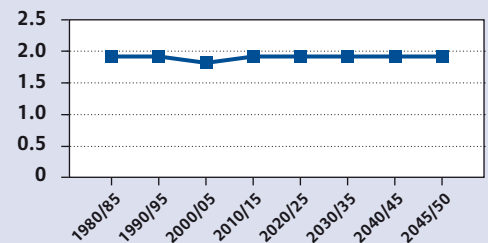
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	3,711	3,761	3,965	4,063	4,311	4,493	4,606	4,785
Workforce (15-64)	9,573	11,412	12,802	14,458	15,259	15,840	16,446	17,109
Elderly persons (65+)	1,413	1,919	2,403	2,990	4,105	5,321	6,253	6,832

Children (0-14) Workforce (15-64) Elderly persons (65+)

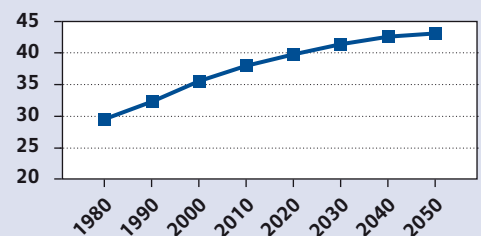
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
3.2	3.4	2.6	2.9

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
421.7	572.5	669.7	867.0

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
21,999.95	28,074.83	31,132.94	38,351.58

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
36,000	55,400	n.a.	n.a.

NATIONAL DEBT (in percent of the GDP)

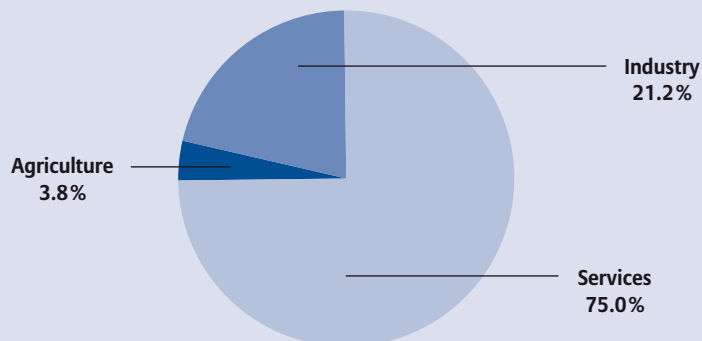
2008

15.5

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSION SYSTEM DESIGN

PENSION SYSTEM

The Australian pension system comprises of three pillars: the tax-funded and means-tested basic insurance known as the "age pension", funded company pensions in the form of superannuation funds, and voluntary private pensions.

The age pension is financed exclusively through general tax revenues and, apart from redistribution, serves only as a safety net. Contributions to company pension plans are therefore obligatory. They comprise at least 9% of workers' salaries and are borne solely by the employer. These contributions, like payments into private pensions, are tax-advantaged.

PENSION BREAKDOWN

The state pension serves only as a safety net; the greater an individual's wealth and income is from other sources, such as benefits from company and private pension schemes, the smaller the state benefits will be. In 2007 77% of all Australians 65 or older were drawing benefits. Pension payments from the second pillar, superannuation funds, have so far been small, as they were only introduced in 1992.

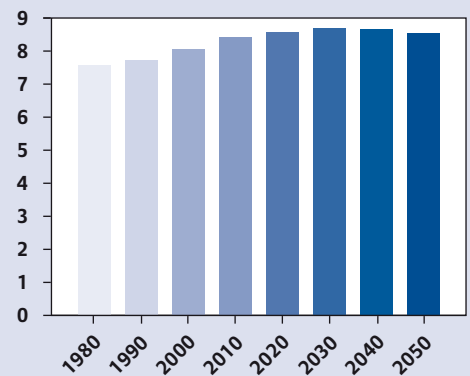
AUSTRIA



Austria's population is expected to continue growing over the next 25 to 30 years, primarily through immigration. Nevertheless, Austria will be subject to a shift in the age structure of its population. In 2040 over-65s will make up nearly 30% of the population, and the median age will rise to 50 so that trends in Austria reflect those observed across Europe.

POPULATION

in millions

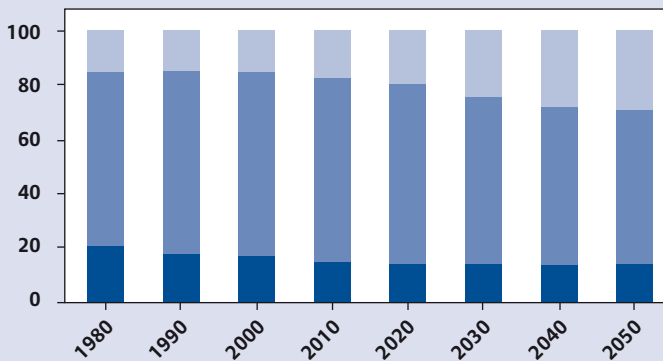


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	78.8	80.8	85.0

AGE DISTRIBUTION

Percent of total population



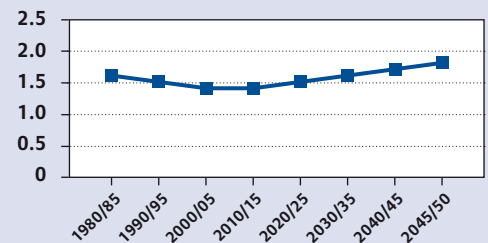
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	1,159	1,148	1,237	1,472	1,701	2,141	2,456	2,504
Workforce (15-64)	4,841	5,184	5,411	5,679	5,653	5,290	4,976	4,818
Elderly persons (65+)	1,546	1,341	1,358	1,235	1,185	1,205	1,181	1,193

Children (0-14) Workforce (15-64) Elderly persons (65+)

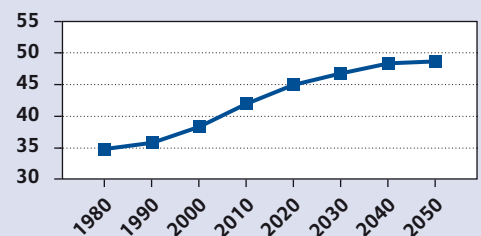
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
2.3	2.4	1.7	2.1

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
207.5	244.5	288.9	353.2

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
25,921.66	29,695.48	34,447.76	41,714.90

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
31,800	43,600	54,800	70,300

NATIONAL DEBT (in percent of the GDP)

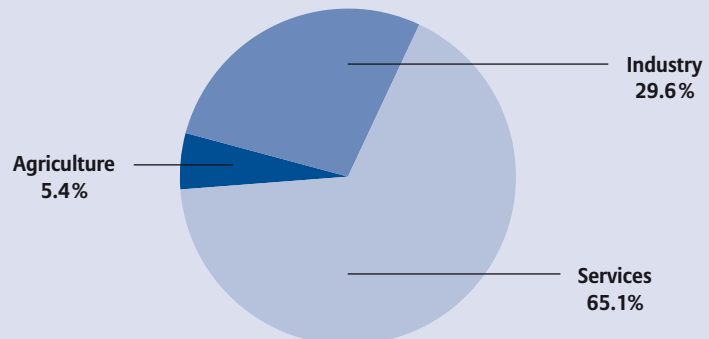
2008

59.1

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

The Austrian pension system is predominantly based on the public pension pillar. The gross replacement ratio amounts to approximately 80%, which is among the highest in Western Europe. Besides the prevailing state pension, employees can save through voluntary occupational and private pension plans.

The most important pillar remains the state system, the aim of which is to maintain standards of living following retirement from active employment. 80% of benefits are financed through employer and employee contributions in a pay-as-you-go scheme (40% each) and the remaining 20% through general tax revenues.

Given the demographic trends and the growing burden on the country's budget, Austria's pension system has undergone several reforms in recent years. The pension level was lowered, the statutory retirement age was increased in phases, and company and private pension plans were strengthened through state subsidies and tax advantages. For example, 2003 saw the introduction of "premium-advantaged future provisions". These are products with a guaranteed capital and an additional state subsidy in the form of a premium worth 9.5% of contributions (capped at 210.35 euros in 2009). The products are implemented in the form of life insurance policies and investment funds. The revenues from them are tax-free, provided that the capital remains tied up for at least ten years and the revenue, in the form of a pension, is not drawn before the age of 40.

PENSION BREAKDOWN

Austria's pension system is based predominantly on the state-run system. With a gross replacement ratio of around 80%, pension payments are the highest in western Europe. In its 2004 pension reform, Austria took a major step to restructure the generous state system and stimulate company and private pension plans.

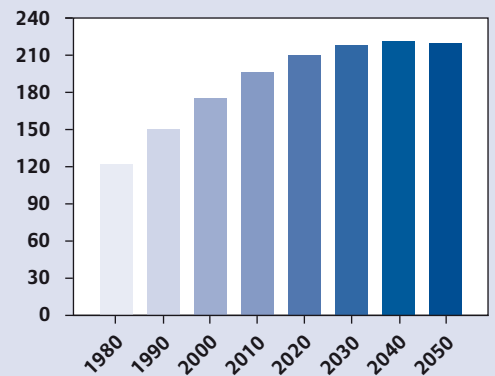
BRAZIL



Due to a declining birth rate, population growth in Brazil will decrease in the coming years. Starting around 2040 the population will begin to shrink. At the same time, the percentage of over-65s will rise dramatically from 10% today to 36% in 2050.

POPULATION

in millions



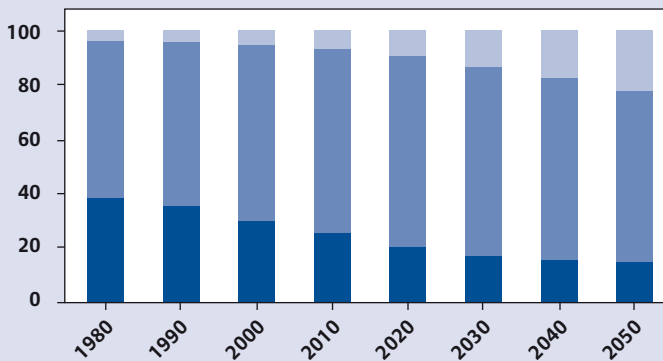
LIFE EXPECTANCY

Mean age in years

	2000/2005	2010/2015	2045/2050
Mean age in years	71.0	73.5	79.9

AGE DISTRIBUTION

Percent of total population



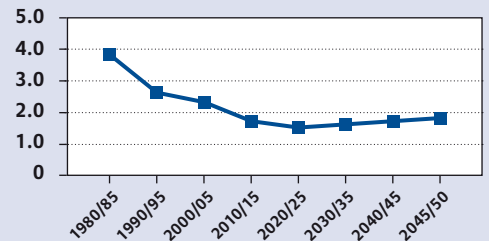
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Elderly persons (65+)	4,998	6,631	9,554	13,482	20,002	29,642	38,858	49,248
Workforce (15-64)	70,303	90,164	113,063	132,174	147,086	150,585	147,531	137,166
Children (0-14)	46,318	52,776	51,558	49,768	41,964	36,919	33,754	32,098

Children (0-14) Workforce (15-64) Elderly persons (65+)

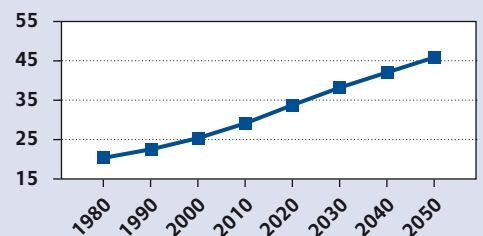
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
n.a.	n.a.	3.1	4.0

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
698.2	709.5	973.0	1,319.7

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
4,008.78	3,813.18	4,978.86	6,505.18

SAVINGS RATE (in percent of earnings available)

2000	2005	2010*	2015*
16.18	17.35	18.5	20.0

NATIONAL DEBT (in percent of the GDP)

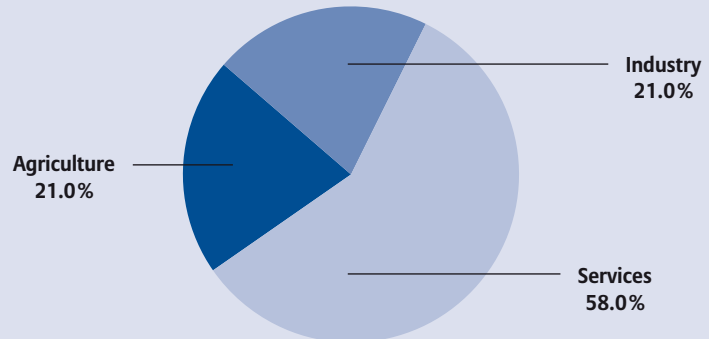
2008

65.2

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

The Brazilian pensions system comprises of a state pension system for most employees, a pension system for government employees, and supplementary (company) pensions. The state pension system is financed through employer and employee contributions and taxes on a pay-as-you-go basis.

The legal retirement age is 65 for men and 60 for women in urban areas and 60 and 55 years, respectively, in rural areas. However, it is also possible to start drawing a pension after making contributions for 35 years (men) or 30 years (women). The amount received depends on the number of years in which contributions were paid, average income, age of retirement, and life expectancy at the time of retirement. According to official statistics, 63.5% of employees in the private sector have obligatory cover through the state pension system.

The pension system has been reformed in recent years to reflect demographic trends. The second pillar in the form of funded company pensions is becoming increasingly important.

PENSION BREAKDOWN

Differences in pension levels are significant in Brazil: besides the comparatively generous provisions for government employees, around two thirds of retirees from the private sector draw pensions that fall below the minimum wage.

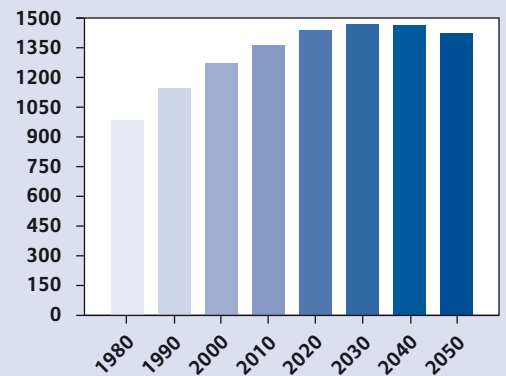
CHINA



China is the most populous country on earth. However, birth rates are declining and life expectancy is increasing. Thus, the percentage of over-65s is predicted to triple by 2050. Moreover, the population is set to start declining gradually after 2030. There are various reasons why China's population is aging quickly, not least of which is the one child policy. The question of "whether China will become old before it becomes rich" now arises.

POPULATION

in millions

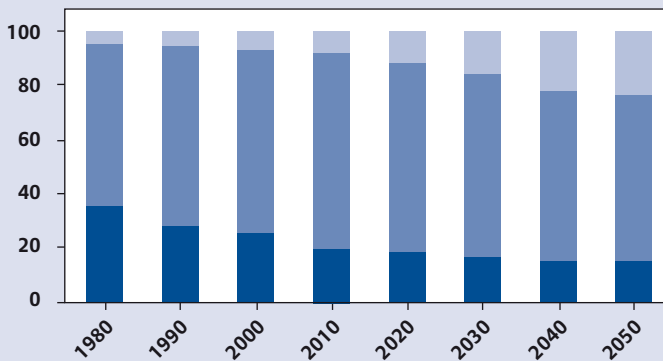


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	72.0	74.0	79.3

AGE DISTRIBUTION

Percent of total population



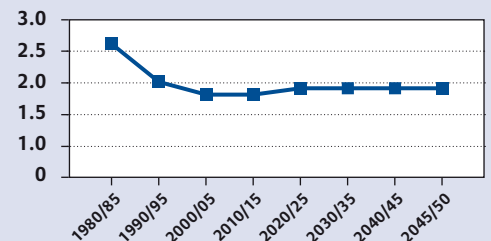
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	46,521	62,826	86,075	111,433	166,853	232,658	316,628	330,578
Workforce (15-64)	586,127	755,146	855,057	973,304	996,037	983,246	916,064	870,115
Elderly persons (65+)	348,280	324,117	325,822	269,411	268,268	246,564	222,365	216,351

■ Children (0-14) ■ Workforce (15-64) ■ Elderly persons (65+)

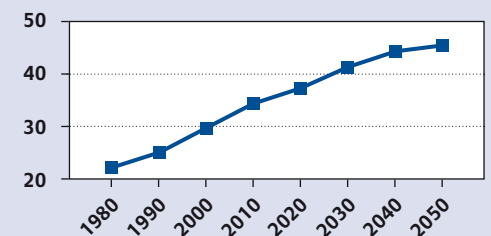
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
9.3	10.4	9.1	7.5

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
1,291.5	1,851.2	3,741.3	7,852.1

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
1,019.38	1,410.70	2,762.81	5,624.73

SAVINGS RATE (in percent of earnings available)

2000	2005	2010*	2015*
37.5	49.4	47.0	43.0

NATIONAL DEBT (in percent of the GDP)

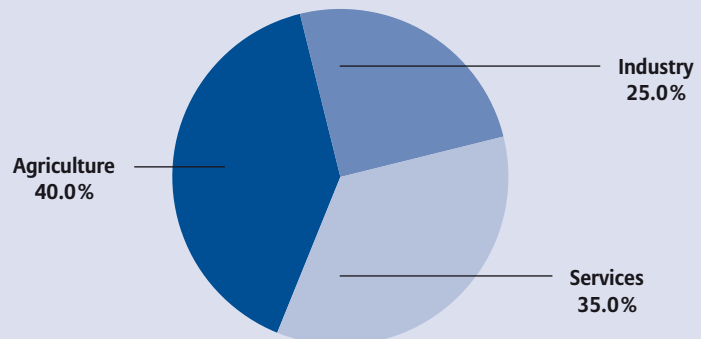
2008

31.7

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

China's pension system has seen far reaching structural reforms in recent years. The public pension system in China is comprised of an urban and a rural system. In urban areas, the system currently in place has 3 pillars. The public pillar is divided between a pay-as-you-go scheme (pillar 1A) and funded individual accounts (pillar 1B). In rural areas there is a separate voluntary pension system, in which only approximately 9% of the rural population participates. In 2006, a pilot project was launched to include more people in the formal pension system.

In 2004 a new form of company pension, known as Enterprise Annuities, was introduced. Enterprise Annuities are voluntary occupational plans that are fully funded defined contribution schemes. Contributions to Enterprise Annuities and to private savings products are voluntary. The private pensions segment is still underdeveloped because the Chinese government has been concentrating on developing the state system and harmonizing the existing ones. The challenge for China now is to establish a comprehensive pension system at the national level.

PENSION BREAKDOWN

The establishment of an official pension system has emerged as a key political goal in most Asian countries. Far-reaching social security models have only recently been created in a select few countries. Traditionally, an informal system based on family support has provided the bulk of income in old age, followed by income from gainful employment. However, this structure is beginning to change with the development of state and company pension plans.

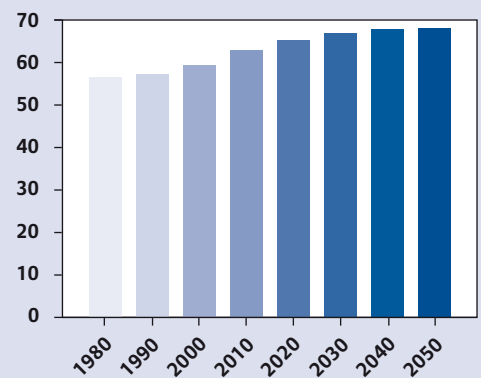
FRANCE



At 1.98 children per woman, France's birth rate is just under the break-even rate of 2.1 children per woman. Thanks to its high birth rate in comparison to the rest of Europe, the aging process is much slower in France than in neighboring countries. Thus, the proportion of over-65s in the population is expected to increase to just under 27% by 2040 (by way of comparison: the corresponding figure for Italy is 31.8%).

POPULATION

in millions

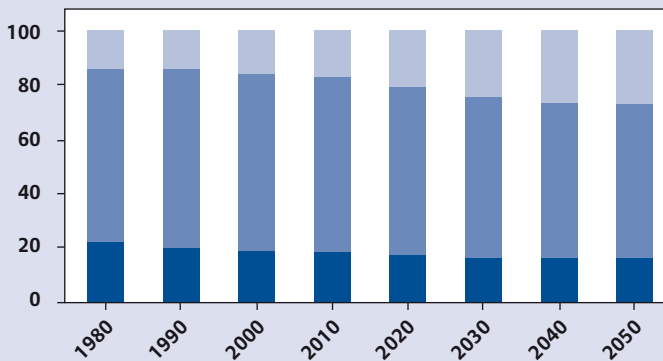


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	79.5	81.9	86.0

AGE DISTRIBUTION

Percent of total population



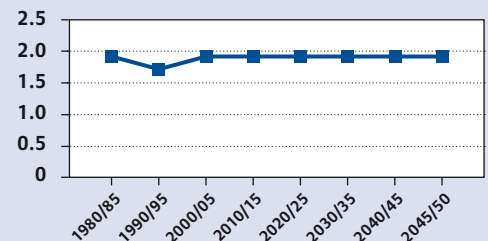
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	12,044	11,401	11,141	11,517	11,326	10,920	11,021	10,989
Workforce (15-64)	34,340	37,366	38,449	40,492	40,020	39,431	38,594	38,469
Elderly persons (65+)	7,566	8,074	9,539	10,625	13,584	16,112	17,858	18,212

Children (0-14) Workforce (15-64) Elderly persons (65+)

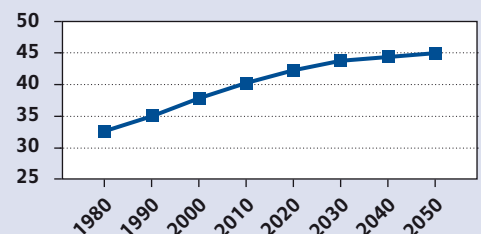
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
2.4	2.0	1.4	2.0

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
1,441.4	1,726.1	1,983.5	2,413.2

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
24,377.33	28,288.99	31,667.37	37,765.46

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
42,500	53,200	61,700	81,200

NATIONAL DEBT (in percent of the GDP)

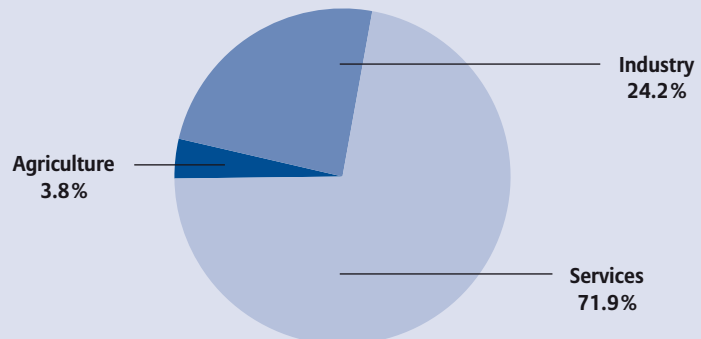
2008

64.2

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

The French pension system is dominated by the state social security system, which provides relatively generous benefits. But a series of reforms in France, as elsewhere, have ushered in changes to the system, placing more emphasis on company and private pension schemes. At the company level there are two forms of obligatory company provisions for various employee groups, which are based on the pay-as-you-go principle.

In addition, there are several forms of voluntary company pensions, though they are of minor importance in relation to the prevalent obligatory model. Private pension plans are operated via individual savings products that are similar to life insurance policies.

PENSION BREAKDOWN

51% of pension benefits are drawn from the state system, 34% from company pensions and only 15% from private pension products. The comparatively large share from company pensions results from the mandatory nature of this pension model.

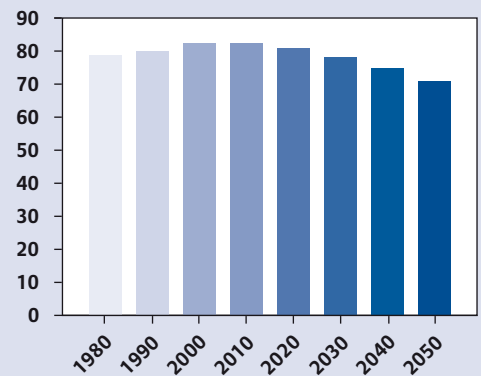
GERMANY



The German population has been declining by around 100,000 people per year since 2003. Deaths are not being balanced by births and immigration. According to the German National Statistics Bureau, the German population will decrease by at least eight million people by 2050. The population structure is undergoing significant changes. By 2050 the over-80s group alone is expected to increase by a factor of 2.5 to make up nearly 15% of the population.

POPULATION

in millions

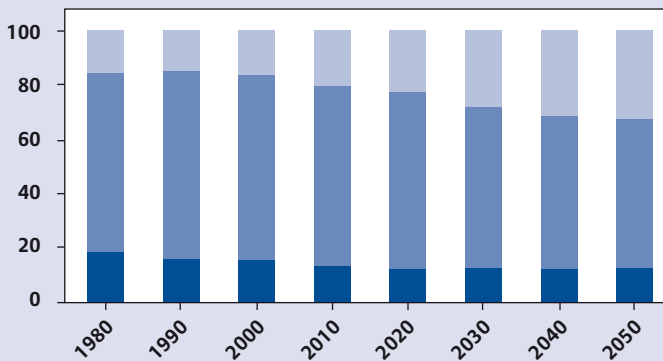


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	78.7	80.5	84.4

AGE DISTRIBUTION

Percent of total population



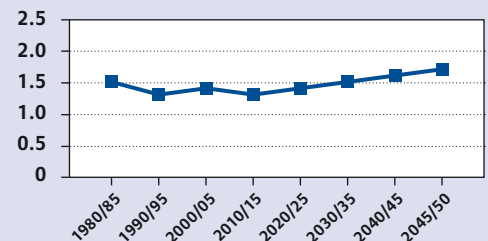
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Elderly persons (65+)	12,211	11,882	13,459	16,869	18,176	21,638	23,264	22,360
Workforce (15-64)	51,604	54,776	55,997	54,393	52,587	47,202	43,441	41,613
Children (0-14)	14,474	12,775	12,816	10,955	9,930	9,708	9,142	8,863

Children (0-14) Workforce (15-64) Elderly persons (65+)

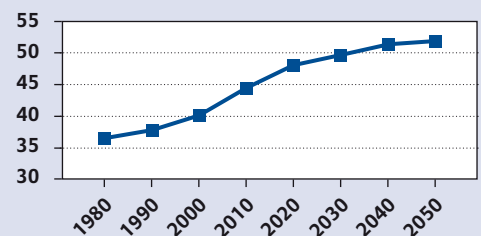
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
n.a.	n.a.	0.9	2.0

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
2,062.5	2,243.2	2,503.2	3,030.9

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
25,130.07	27,219.34	30,506.17	37,260.17

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
42,700	51,000	59,100	72,100

NATIONAL DEBT (in percent of the GDP)

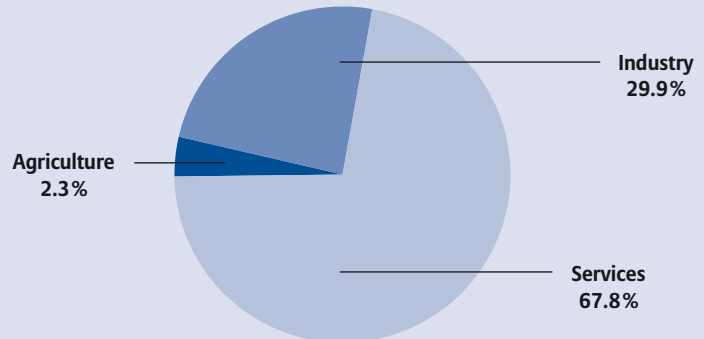
2008

65.0

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

Germany's pension system is based on three pillars, with the pay-as-you-go statutory social security system still representing the most important income source for most pensioners. Given current demographic trends and the growing burden they are placing on social security systems, there has been a shift towards funded private and company pension funds.

For Germany's long-term social security challenges to be met, benefits will have to be gradually reduced. Consequently, an increasing share must be borne by the second and third pillars of the pension system. Reforms in recent years have created incentives to boost funded old-age provisions in the form of company pensions and private saving plans.

Since 2002, employees have the legal right to access occupational pensions, at least of the deferred compensation type. This means that part of the employee's salary can be plowed into a company pension fund tax-free up to a maximum limit. Company pension funds can be implemented in five different ways. With the third pillar employees have the option, through so-called Riester agreements, to "salt away" part of their income while enjoying tax advantages.

PENSION BREAKDOWN

85% of pension income today comes from the state pension system. By contrast, company funds and private schemes account for just 5% and 10%, respectively, of the total income of German pensioners. These proportions are likely to shift as a result of decreasing benefits from the state pension system and the growing importance of supplementary old-age provisions.

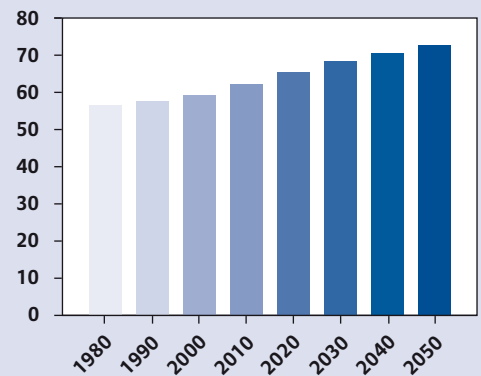
GREAT BRITAIN



If forecasts are accurate, Great Britain will overtake Germany as Europe's most populous country within the next 50 years. This trend will be driven primarily by a large influx of immigrants. Against this backdrop, Great Britain can expect to see sustained population growth.

POPULATION

in millions



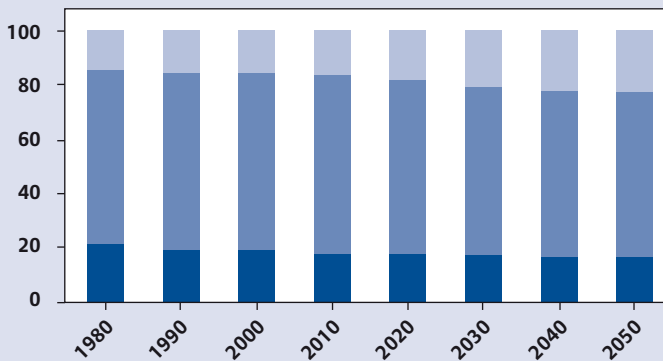
LIFE EXPECTANCY

Mean age in years

	2000/2005	2010/2015	2045/2050
Mean age in years	78.5	80.1	84.1

AGE DISTRIBUTION

Percent of total population



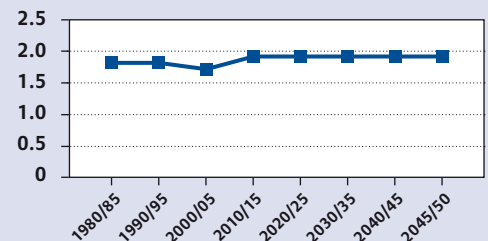
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	8,411	9,005	9,353	10,269	12,050	14,174	15,883	16,552
Workforce (15-64)	36,072	37,357	38,380	40,882	41,699	42,124	42,782	43,930
Elderly persons (65+)	11,832	10,877	11,176	10,748	11,339	11,660	11,571	11,883

Children (0-14) Workforce (15-64) Elderly persons (65+)

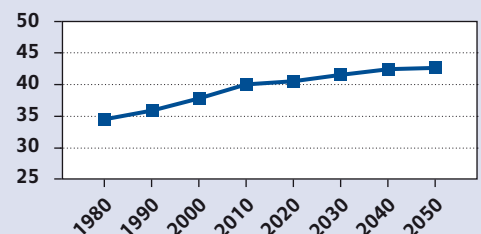
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
2.7	2.5	1.6	1.8

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
1,602.2	1,831.7	1,525.0	2,186.4

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
27,198.66	30,396.50	24,637.33	34,415.80

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
71,700	80,400	92,900	120,600

NATIONAL DEBT (in percent of the GDP)

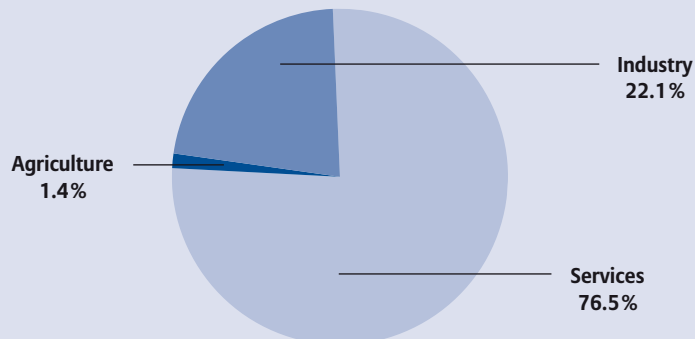
2008

43.8

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

The British pension system comprises three pillars: the state pension system, company pension plans, and private pension plans.

The state pension system is funded on a pay-as-you-go basis. It consists of the Basic State Pension, which pays a flat-rate benefit, plus the income-dependent State Second Pension, as well as a need-based supplement known as the Pension Credit. This system ensures a pension for everyone who is unable to draw from other income sources or assets.

The occupational pension system is voluntary and mostly implemented through pension funds and insurance schemes. The second pillar is increasingly intertwined with the personal pension pillar, as employers can also use third pillar plans as alternatives to traditional occupational plans.

A draft paper to reform the state pension system aims to close the emerging pension gap with supplementary pension payments. The government wants to introduce a new savings model in 2012 based on individual accounts. It would support those employees who do not have an adequate company pension. Given the drastic decline in the portion of supplementary old-age provisions, quasi-obligatory individual pension accounts are likely to be introduced between 2012 and 2015.

PENSION BREAKDOWN

65% of the income of pensioner households comes from state pensions, 25% from company pensions and 10% from private plans. The gross salary replacement rate in Great Britain is just 30% (i.e. pensions amount to just 30% of pre-retirement income). Nevertheless, state pensions are the major source of income for most pensioners. These figures highlight the problem of old-age poverty. Therefore, the overriding aim of all pending reforms is to mitigate penury in old age. This explains why Great Britain is one of the few countries whose state benefits are increasing.



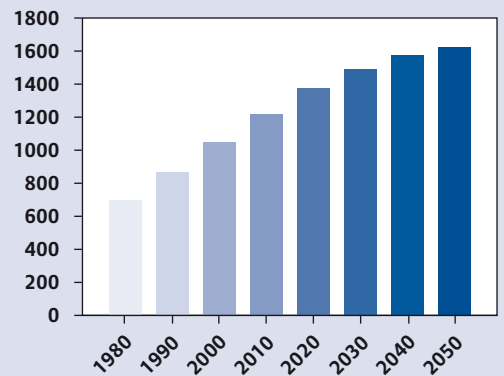
INDIA



Despite falling birth rates, India will still be one of the youngest societies on earth in 2050. Although the percentage of over-65s will nearly triple from 2010 to 2050, they will still only account for 14.5% of the population – only half the share as in most European countries. By 2050 India's population will have grown by another 400 million people.

POPULATION

in millions

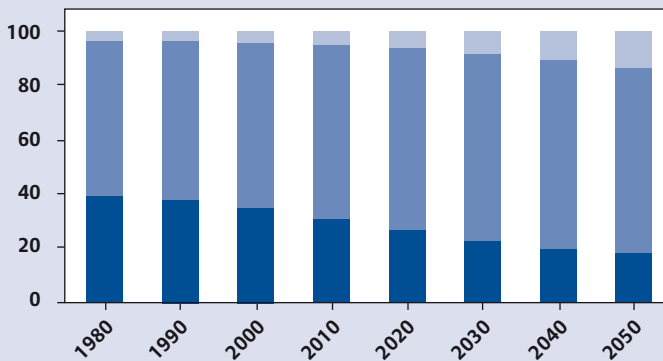


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	62.0	65.2	73.3

AGE DISTRIBUTION

Percent of total population



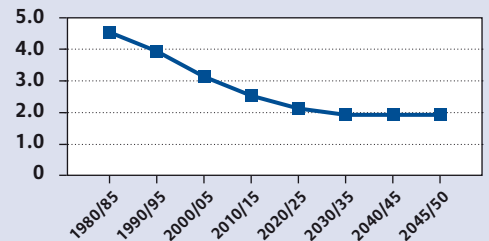
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	24,944	32,955	44,329	59,735	86,514	124,577	167,716	221,842
Workforce (15-64)	395,564	502,791	632,994	780,571	916,278	1,021,687	1,088,360	1,097,969
Elderly persons (65+)	272,127	326,417	365,269	374,159	364,432	338,335	308,687	293,987

■ Children (0-14) ■ Workforce (15-64) ■ Elderly persons (65+)

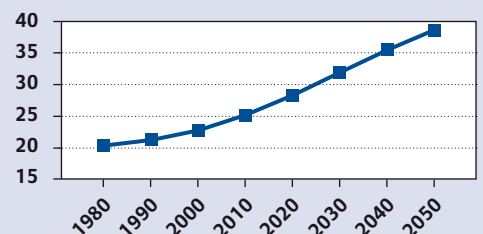
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
n.a.	n.a.	7.1	7.0

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
507.3	653.8	1,018.4	1,666.4

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
486.59	578.31	838.56	1,287.62

SAVINGS RATE (in percent of earnings available)

2000	2005	2010*	2015*
23.7	34.3	34.0	32.0

NATIONAL DEBT (in percent of the GDP)

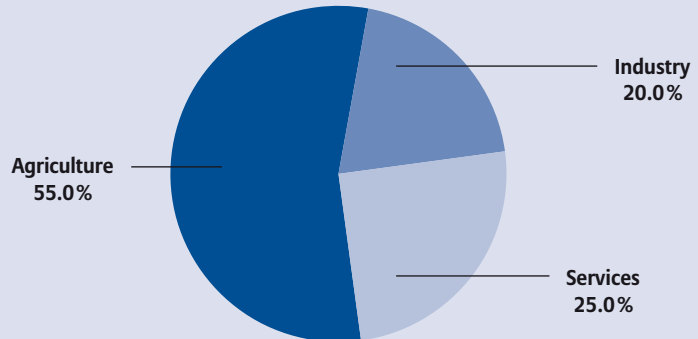
2008

72.6

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

India's pension system is as fragmented as it is complex. It can be roughly described as follows: State pensions provide a subsistence minimum for needy senior citizens. However, only a small portion of the population benefits from them, as most workers are employed in the informal sector and are therefore not covered by formal pension systems. The most highly developed part of the pension system provides pension benefits for government workers and is itself divided into several subsystems.

An obligatory pension system for workers in certain areas of India's private sector exists, which is administered by the Employees' Provident Fund Organization. Employers can opt out of the system provided that they can offer an alternative company pension in the form of a pension fund. In addition, there are a number of private pension plans known as superannuation funds.

PENSION BREAKDOWN

The greatest challenge facing India's pension policy concerns the small provision afforded by the current pension system. Only about 12% of the population are entitled to an official pension. Family members and the community continue to play a significant role in safeguarding the living standards of the elderly.

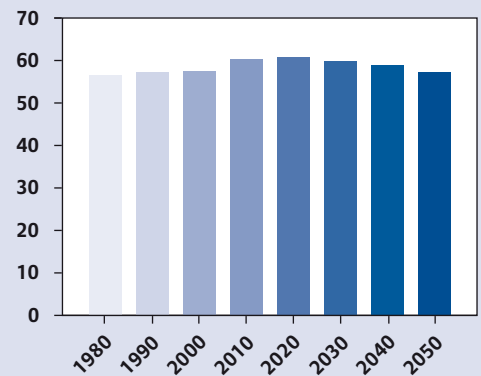
ITALY



Italy is bearing the full brunt of the ongoing demographic change. Its birth rate is one of the lowest in Europe, and the old-age dependency ratio (the ratio of pensioners to workers) is set to rise from 30% in 2009 to over 60% by 2050, well above the European average of 52%. Although Italy has evolved from an emigration to an immigration country in the past 20 years, its population will start declining by the middle of the next decade (2017).

POPULATION

in millions

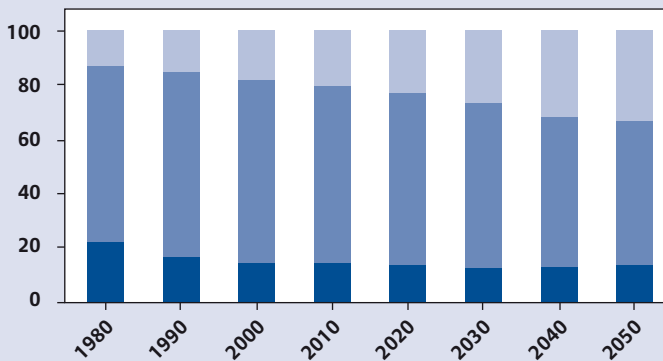


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	80.2	81.6	85.4

AGE DISTRIBUTION

Percent of total population



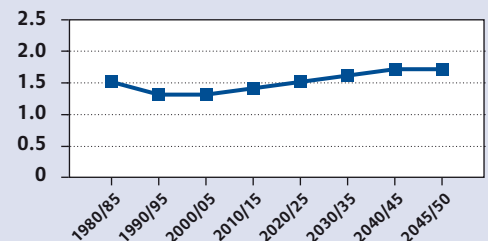
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	12,508	9,361	8,169	8,516	8,113	7,335	7,513	7,689
Workforce (15-64)	36,210	38,988	38,417	39,297	38,418	36,283	32,396	30,400
Elderly persons (65+)	7,588	8,650	10,528	12,285	13,877	15,932	18,614	18,976

Children (0-14) Workforce (15-64) Elderly persons (65+)

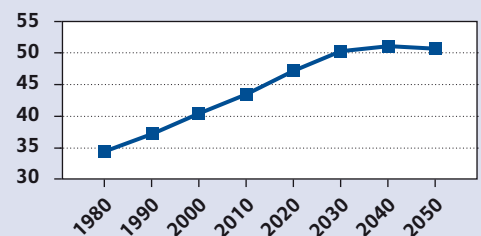
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
2.4	1.6	0.5	1.2

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
1,191.1	1,429.5	1,593.4	1,883.4

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
20,854.03	24,374.71	26,513.79	31,076.58

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
47,200	60,800	61,700	77,500

NATIONAL DEBT (in percent of the GDP)

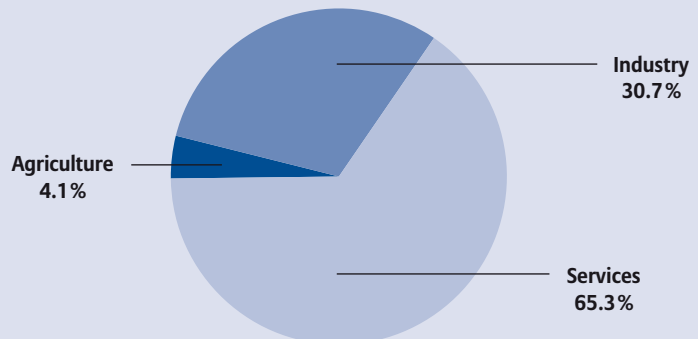
2008

104.0

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

Italy's pension system is dominated by the state pillar. Because this system continues to provide the greatest share of income for the elderly, company and private schemes play only minor roles. Given the current demographic trends, the state pension system underwent several reforms in the 1990s, ultimately transforming into a contribution-oriented system (i.e. pensions depend to a much greater extent on contributions paid into the system).

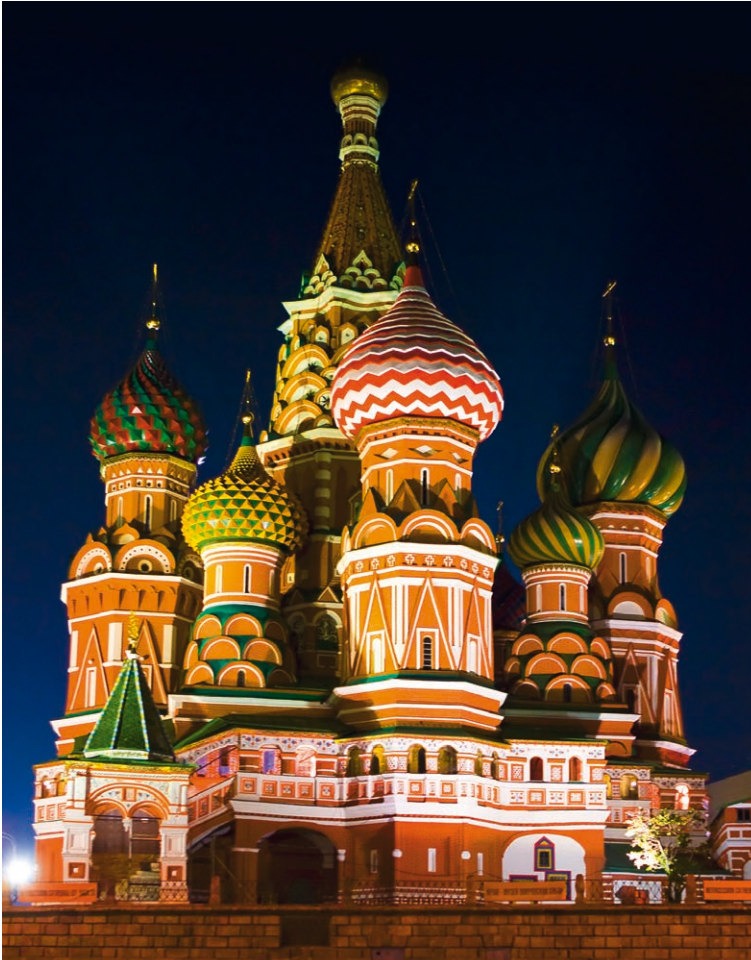
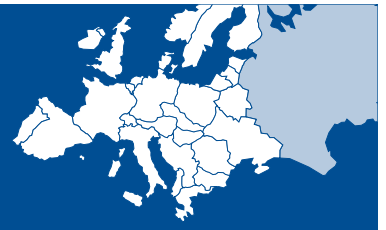
With regard to company pension plans, the so-called TFR, a kind of redundancy payment, is the dominant element. These payments are usually financed by accruals or income flow and are not capital-funded. Generally, the money is used internally for financing company projects. The 2004 reforms aimed to bolster company pensions by allowing employees to invest their TFR contributions in independent pension funds. However, so far only about a fifth of those entitled to do so have taken advantage of this offer.

Private pensions are comprised of mainly tax-favored life insurance policies. In addition, employees can enjoy tax benefits by making voluntary private contributions to their employers' pension plans.

PENSION BREAKDOWN

State pensions remain the most important source of income in old age, making up to approximately 74% of pensioners' income. The rest is provided by private pensions, with company pensions accounting for just 1% of post-retirement income.

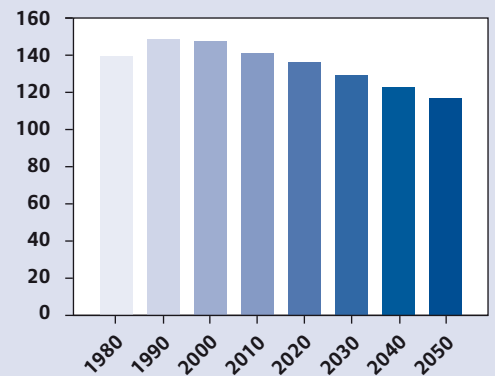
RUSSIA



Russia is greatly suffering from the current demographic shift. The birth rate is just 1.3 children per woman, while the death rate is above average, resulting in a depleting population. If this trend continues, Russia will have around 25 million fewer residents in 2050 than today. The government is trying to combat this trend by paying substantial benefits for every newborn and providing financial support during maternity leave.

POPULATION

in millions

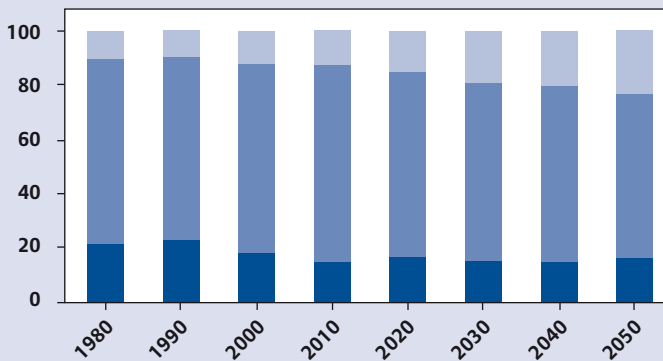


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	64.8	67.9	74.9

AGE DISTRIBUTION

Percent of total population



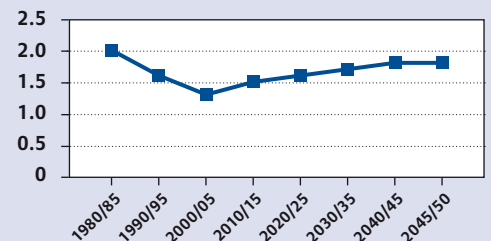
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	14,154	14,943	18,138	18,120	20,912	24,984	25,005	27,207
Workforce (15-64)	94,483	99,094	101,846	101,236	91,895	84,239	79,132	70,086
Elderly persons (65+)	30,018	34,027	26,685	21,011	22,598	19,641	18,012	18,804

Children (0-14) Workforce (15-64) Elderly persons (65+)

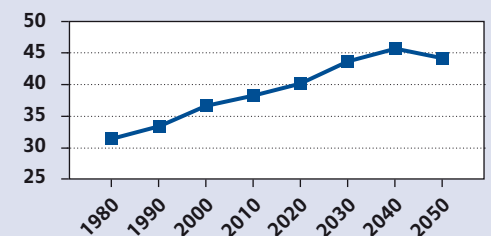
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
n.a.	n.a.	5.3	5.0

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
281.1	614.4	1,029.3	1,704.4

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
1,899.97	5,854.21	9,808.44	19,1551.56

SAVINGS RATE (in percent of earnings available)

2000	2005	2010*	2015*
38.7	33.7	32.0	31.0

NATIONAL DEBT (in percent of the GDP)

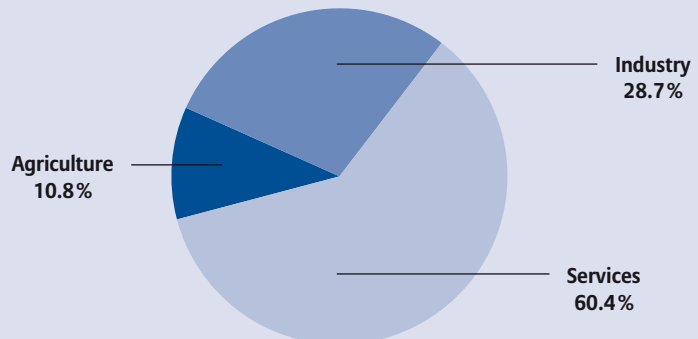
2008

6.4

*Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

In recent years, Russia's pension system has undergone a radical structural transformation. The former system, run exclusively on a pay-as-you-go basis, has been supplemented in the course of several reforms by a funded element, whereby part of the pension contributions of every employee is paid into a fictive individual account. In addition, a second compulsory funded pillar was introduced. Outside this mandatory system employers are free to offer a company pension plan on a voluntary basis. Non-state pension funds also provide an option to pay voluntary private pension contributions.

PENSION BREAKDOWN

The state pension system is characterized by a marked redistribution from high and moderate to low earners. Whereas low earners can reckon on receiving 100% of their previous income, the expected income-replacement rate for higher income classes is not even 10%. Consequently, multinational companies are growing seemingly aware of the need for supplementary company-based pensions in order to protect their employees from the risk of old-age poverty.

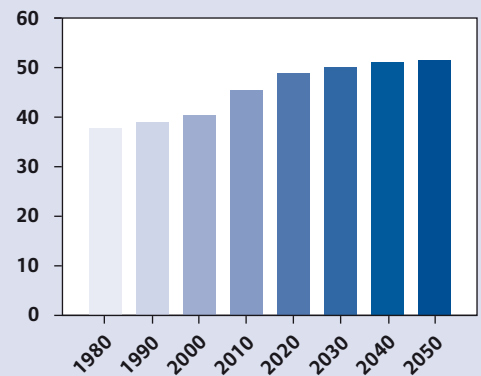
SPAIN



Spain has one of the lowest birth rates in Europe. However, demographic change is being mitigated by a high immigration rate. The slight rise in the birth rate this past decade is due mainly to the transformation of the Iberian Peninsula into a typical immigration country. Spain saw an influx of 700,000 people in 2007. Nevertheless, Spain, like many other countries, is aging. By 2050 a third of the country's population will be over 65.

POPULATION

in millions

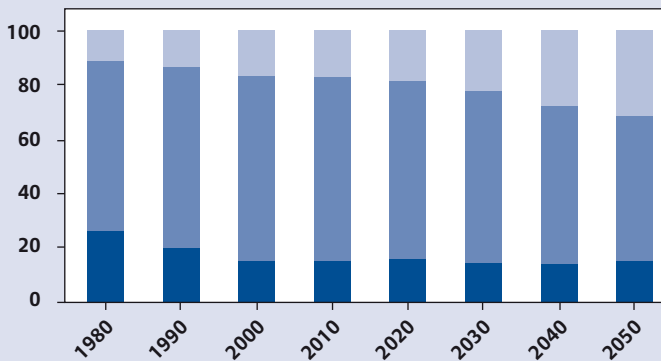


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	79.8	81.6	85.5

AGE DISTRIBUTION

Percent of total population



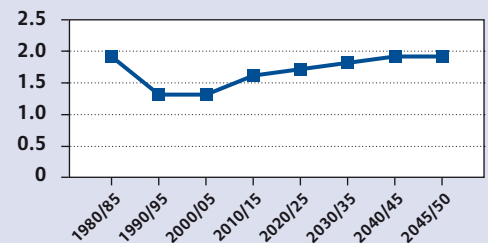
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	4,207	5,288	6,774	7,778	9,104	11,315	14,273	16,298
Workforce (15-64)	23,588	25,852	27,541	30,767	31,886	31,499	29,442	27,398
Elderly persons (65+)	9,729	7,701	5,952	6,772	7,574	6,959	7,036	7,566

Children (0-14) Workforce (15-64) Elderly persons (65+)

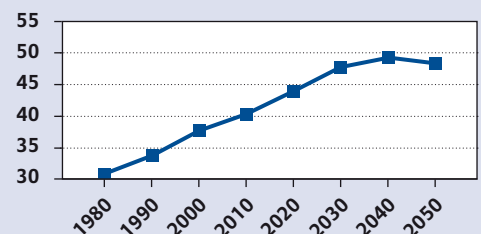
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
2.9	2.8	2.3	1.7

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
630.3	908.8	1,107.7	1,355.5

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
15,652.10	21,105.74	24,443.67	28,716.75

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
26,200	39,000	43,500	58,800

NATIONAL DEBT (in percent of the GDP)

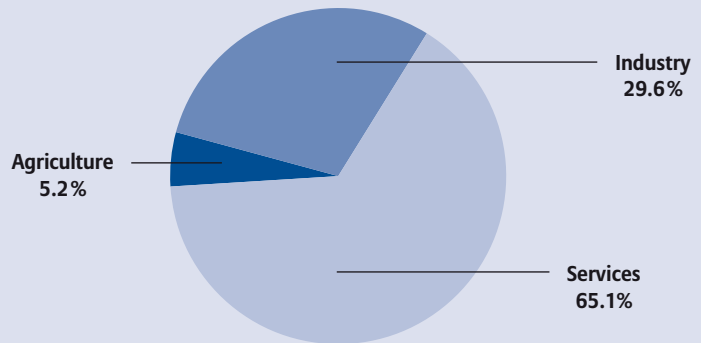
2008

36.2

*Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

Spain, like other countries, has a three-pillar pension system. Given the high state pension level, company and private pension schemes have played a minor role so far. The state pension system is a pay-as-you-go scheme. Pension amounts depend on the period during which contributions were made and the age of retirement.

PENSION BREAKDOWN

92% of pension income comes from the state system. The remaining 8% is equally dispersed between private and company pension plans.

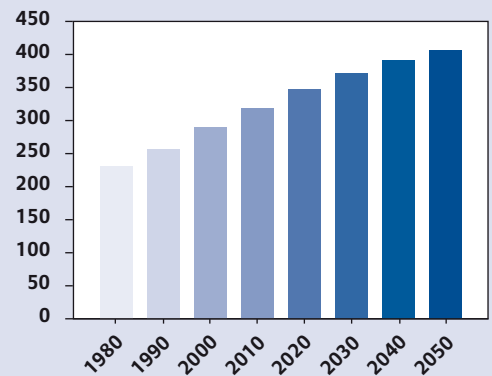
U.S.A



With a long history of immigration, the U.S.A – like Canada and Australia – benefits from a large influx of immigrants, especially from Asia and Central and South America. Although the citizens of the U.S.A are aging, the process is much more moderate compared to other industrialized countries. The first and second generations of immigrants with a birth rate of two children per woman will bolster the workforce. At the same time, however, the birth rate of the Caucasian population, at 1.8 children per woman, lags slightly behind.

POPULATION

in millions

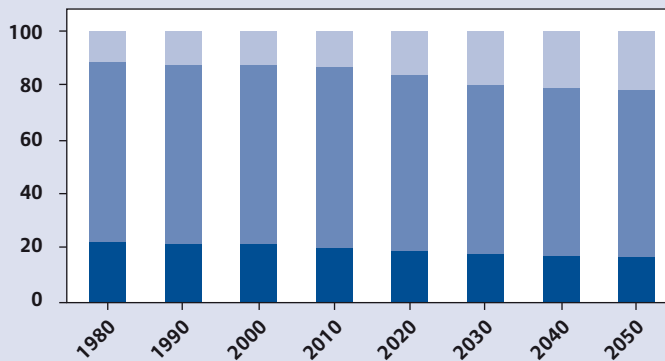


LIFE EXPECTANCY

Mean age in years	2000/2005	2010/2015	2045/2050
	78.3	79.9	83.3

AGE DISTRIBUTION

Percent of total population



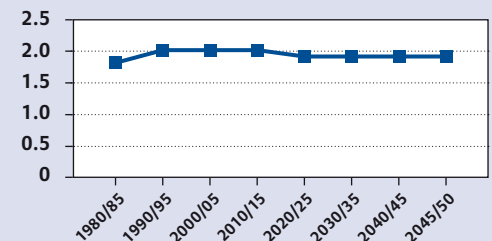
Absolute numbers in thousands

	1980	1990	2000	2010	2020	2030	2040	2050
Children (0-14)	25,722	31,438	35,621	41,155	55,748	73,111	81,613	87,129
Workforce (15-64)	152,171	168,053	190,191	212,259	223,679	230,391	240,153	247,925
Elderly persons (65+)	51,575	55,374	62,030	64,226	66,727	66,479	67,143	68,879

Children (0-14) Workforce (15-64) Elderly persons (65+)

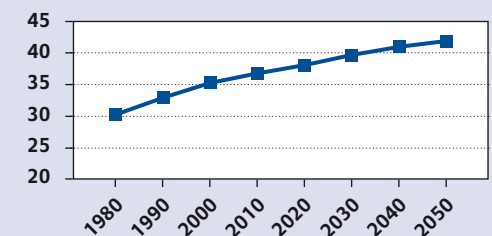
BIRTH RATE

Mean number of children per woman / fertility rate



MEDIAN AGE

Age in years



ECONOMY

ECONOMIC GROWTH (in percent p.a.)

1981-1990	1991-2000	2001-2010*	2011-2015*
3.3	3.3	1.7	1.8

GDP (nominal in billions of euros)

2000	2005	2010*	2015*
10,628.9	9,984.7	10,452.3	12,790.1

PER CAPITA GDP (in euros)

2000	2005	2010*	2015*
36,926.12	32,981.12	32,906.23	38,485.68

GROSS PER CAPITA WEALTH (in euros)

2000	2005	2010*	2015*
84,100	104,300	100,700	118,200

NATIONAL DEBT (in percent of the GDP)

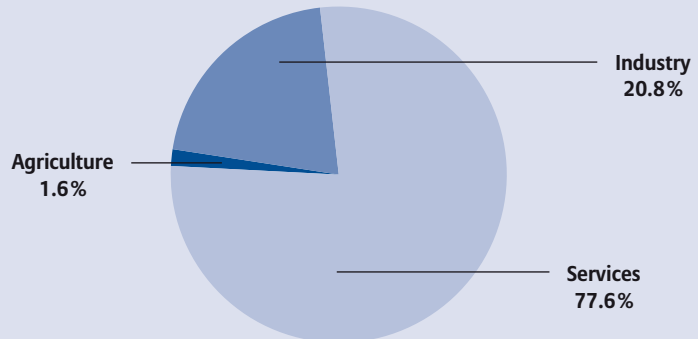
2008

62.4

* Forecasts by Allianz Group Economic Research & Corporate Development

EMPLOYMENT DISTRIBUTION

in percent of the 2006 workforce



PENSIONS SYSTEM DESIGN

PENSION SYSTEM

The American pension system is based on three pillars, with the state system only serving as a kind of safety net. A progressive formula ensures that low-income beneficiaries have a significantly higher wage replacement ratio than their high-income counterparts. As a result, company and private pensions play a significant role in ensuring people's standard of living in old age. The state pension system is a pay-as-you-go scheme funded by contributions from employers and employees. Remarkably, the system currently has surpluses, with income from contributions exceeding expenditures. The surpluses are transferred to a reserve fund called the Social Security Trust Fund. Its purpose is to alleviate the burden on the state budget when the most numerous demographic group in the U.S.A, the baby-boomer generation, retires. Some 72 million Americans are expected to retire within the next two decades.

Employer-funded company pensions, the second pillar of the system, are tax-favored and currently represent more than two thirds of total pension assets. The third pillar materializes in the form of private pension products, which are also tax-favored.

PENSION BREAKDOWN

State pensions in the U.S.A average just 38.5% of pre-retirement income – below the OECD average. Hence, old-age provisions from private assets, company pensions and private pensions are most prominent in the U.S.A. Nevertheless, many elderly people continue to rely on income from gainful employment.