Press release

MetallRente looks back on 10 successful years

150 new company clients every month

Berlin, February 3, 2011. *„Ten years ago, we started as newcomers. Today, we have more than 18,000 company clients, more than 350,000 individual contracts and a total premium volume of over two billion Euros. This is an unparalleled growth",* says Heribert Karch, managing director of the pension scheme in the German metal and electrical industry.

The growth in the year 2010 successfully reconfirms MetallRente's competitive positioning in a challenging market. *"Employees and companies confide in us. In the wake of the financial crisis, this confidence has even grown*", states Mr. Karch. In 2010, almost 40,000 new individual contracts have been signed and approximately 1,900 companies have joined MetallRente. New contracts have generated an income premium of over € 39 million. This is a growth of 13 per cent. Gross premiums written increased to € 361 million.

Martin Kannegiesser, president of the employers' association Gesamtmetall, highlights the advantages MetallRente offers to all parties involved: *"Already ten years ago, we reacted to the demographic change and, together with the Metalworkers's Union IG Metall, we established a capital funded pension scheme. This scheme allows employees and companies in our industry sectors to profit from favourable conditions and less administrative effort. It is not without reason", Mr. Kannegiesser continues, "that today MetallRente is the largest industrial pension scheme in Germany! On its 10th anniversary, we have every reason to be proud of MetallRente. At the same time, our success is an incentive for future activities."*

Berthold Huber, president of IG Metall, honours the role of the pension scheme: *"In our industrial sectors, establishing a joint pension scheme together with the employers' association was a novelty. Our success speaks for itself. We need institutions such as our pension scheme MetallRente in order to effectively face the challenge of increasing poverty in old age. Therefore, we must keep the statutory pension system as the main pillar of old age provision and at the same time expand occupational pension schemes."*

Yet too few young employees take advantage of the opportunities offered by occupational pension schemes. And, quite often, their premiums are too low to fill the pension gap. The danger is apparent: Those who start with low premiums that are not indexed tend to get stuck at a low level. *“This means that they do not build up a pension but a pension illusion”,* warns Heribert Karch. *“Therefore, it is all the more gratifying that initiatives taken by the collective bargaining parties or work place initiatives attract considerably more young people than individual consulting services.”*

All in all, the average annual contributions to occupational pension schemes are encouragingly high and stable. At MetallRente, the average contribution amounts to € 1,145 per year. Mr. Karch says: *“In addition to the statutory pension, occupational pension schemes are more appropriate than any other system to tackle the demographic challenge and to make sure that a large proportion of the population will have a socially acceptable and sufficient pension.*

MetallRente is growing by some 150 companies a month in the metal and electrical industry, the steel sector and the textile, wood and synthetics industries. Due to its widespread use, MetallRente offers an additional advantage besides an occupational pension: lifelong support combined with a unique portability.

In 2001, MetalllRente was founded by the two major social partners Gesamtmetall and IG Metall. The pension scheme offers occupational and private pension plans as well as vocational disability pensions and surviving dependant’s pensions. MetallRente is the pension scheme for the German metal and electrical industry and has been joined by the steel sector and the textile, wood and synthetics industries.

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