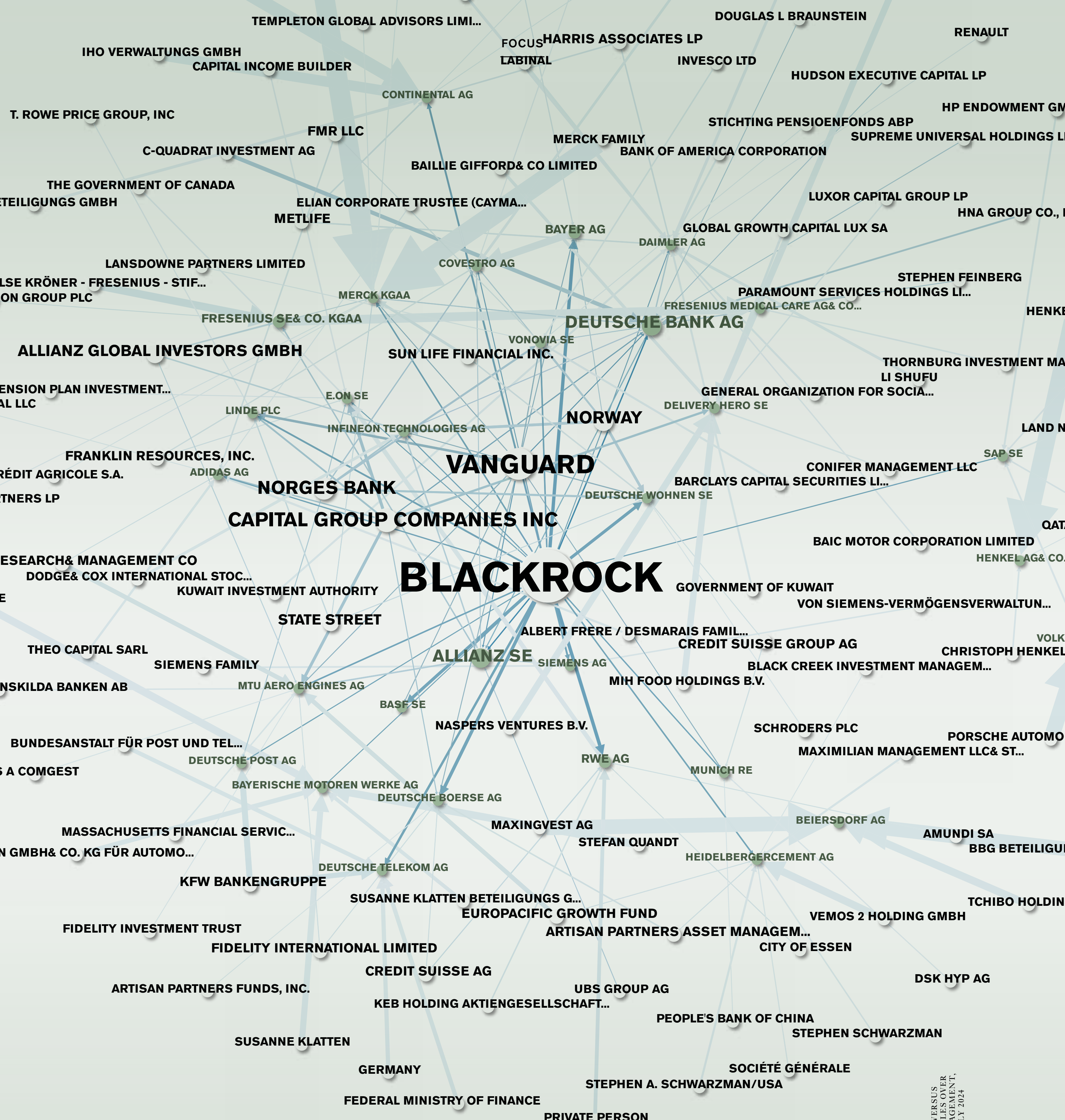


2020

DAX 30 companies

Investors and Holding Companies

BLACKROCK INSTEAD OF DEUTSCHE BANK

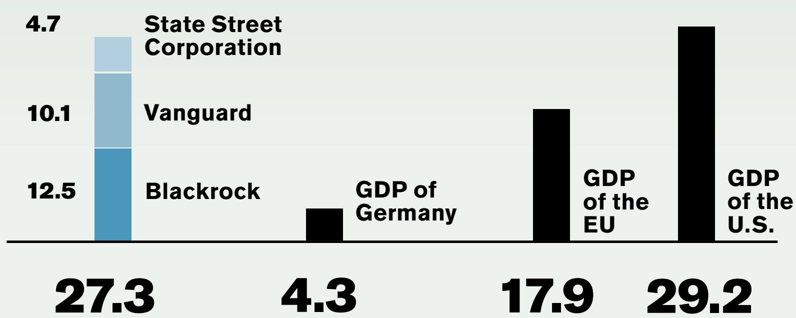
The network of corporate equity interests to the right shows the 100 largest companies in Germany in 1996. The network of equity interests above showing DAX 30 companies (in green, as of 2020), among which are investors such as banks, takes account of equity interests of over three percent. In both graphics, the thickness of the arrow corresponds to the volume of shares. In many companies, equity interests of around five percent are enough to make investors the largest shareholder. The size of an asset manager's dot and the intensity of the color of the arrows coming from it equates to the number of corporate equity interests.

GRAPHICS: GCO BASED ON DUSTIN VOSS, SECTORS VERSUS BORDERS: INTEREST GROUP CLEAVAGES AND STRUGGLES OVER CORPORATE GOVERNANCE IN THE AGE OF ASSET MANAGEMENT, SOCIO-ECONOMIC REVIEW, VOLUME 22, ISSUE 3, JULY 2024

THE END OF GERMAN-OWNED JOINT-STOCK COMPANIES

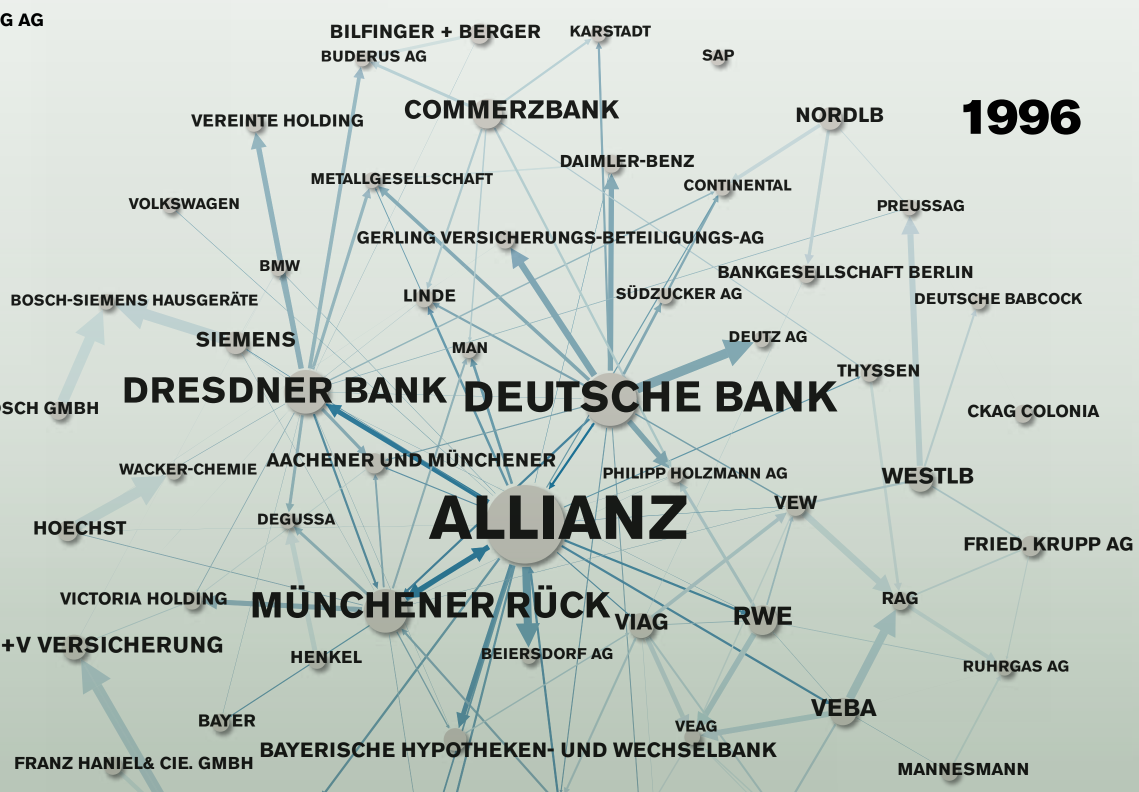
At the start of the 2000s, due to pressure from the European Commission and in a bid to strengthen Germany's financial market, the German government – a red-green coalition – eased requirements for foreign investors. Since the financial crisis in 2008, asset managers such as BlackRock and Vanguard have risen to become the largest shareholders of many German companies, principally by offering exchange-traded funds (ETFs). ETFs are put together like a market index, such as the DAX, and try to track its development. As a result, asset managers such as those mentioned count as passive investors. For them, the long-term success of a company is irrelevant: if a company weakens and drops out of the DAX, for example, the asset manager automatically sells their shares and replaces them with those of the DAX newcomer.

THE BIG THREE



in USD trillion

BlackRock, Vanguard, and State Street Corporation are the largest investors globally and are referred to as the Big Three in socioeconomic terms. Together they manage capital amounting to USD 27.3 trillion in 2025 (the gross domestic product (GDP) of Germany, the EU, and the USA in 2024 is shown for comparison purposes). This means that they are considered "too big to fail," since the insolvency of one of these companies would shake the capital markets and jeopardize many people's retirement savings, which in several countries consist of fund units.



More on this topic and the full graphics can be found here:
www.mpg.de/passive-investoren
(in German)