Allianz Finance II B.V.

Financial statements for the year 2007

This report was adopted in the General Meeting of Shareholders dated 15 February 2008.

Contents

Financial report

Report of the Supervisory Board

Pursuant to article 15 of the Articles of Association we are pleased to submit the financial statements for the year 2007 as drawn up by the Management Board for your adoption.

The financial statements, which both the Supervisory Board and the Management Board have signed, have been audited by KPMG Accountants N.V. The auditor's report is included in the other information section.

We recommend you to adopt the financial statements.

Amsterdam, 15 February 2008

Supervisory Board:

M. Diekmann, Chairman

Dr. P. Achleitner

S. Theissing

Report of the Management Board

General

Allianz Finance II B.V. (the 'Company') was formed on 8 May 2000. The Company's registered office is Amsterdam. The Company is owned by Allianz SE, Munich, Germany.

On 19 December 2007, Allianz Finance II B.V. acquired all shares of Allianz Jupiter 4 B.V. As from that date, the Company formed a group with its subsidiary Allianz Jupiter 4 B.V. (hereinafter referred to as the 'Group').

The principal activity of Allianz Finance II B.V. is to issue bonds on behalf of and under a guarantee by its parent company, Allianz SE. Cash collected through a bond issue is loaned in full to Allianz SE or, if agreed so, to another entity within the Allianz Group.

Administration is carried out by local staff, which is employed by A.C.I.F., Allianz Compagnia Italiana Finanziamenti S.p.A., Amsterdam Branch, and is located in Amsterdam.

Out of the finance activity the profit for the year amounts to EUR 8.0 million (2006: EUR 2.0 million).

During the financial year 2007 the following major events occurred:

- On 29 February 2007, Allianz Finance II B.V. exercised its mandatory exchange right to exchange 64.35% of all outstanding Basket Index Tracking Equity Linked Securities (BITES) on a pro rata basis, with a nominal value of EUR 1,261.5 million for shares Münchener Rückversicherungsgesellschaft AG (Munich Re). On 9 March 2007, 10.9 million Munich Re shares were delivered to the bondholders. The number of outstanding notes remained unchanged, namely 300,000 and the value of each outstanding note was reduced to 35.65% of the nominal value.

- On 2 April 2007, Allianz Finance II B.V. issued USD 400,000,000 Floating Rate Notes due 2 April 2009. The proceeds were loaned in full to Allianz SE on the same date.

- On 29 November 2007, a senior bond with a nominal value of EUR 1,100,000,000 and the corresponding loan became due and were therefore repaid.

- On 21 December 2007, Allianz SE ceded two loans from Allianz Finance II B.V. to Allianz Jupiter 4 B.V. with a nominal value of EUR 1.5 billion. On the same day two loans were granted to Allianz Holding France for the same amount by Allianz Jupiter 4 B.V.

Outlook 2008

On 18 February 2008, the remaining outstanding BITES bond, with a nominal value of EUR 449.7 million, will mature at a rate of 101.75%. The applicable Mandatory Share will be the Munich Re share. On the same date, the corresponding BITES loan will be repaid.

Amsterdam, 15 February 2008

Management Board:

Dr. S.M. Höchendorfer-Ziegler

H.J.J. Schoon

H.D.A. Wentzel

Consolidated balance sheet as at 31 December 2007

		2007		2006	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Non-current assets					
Loans to group companies	*6*	**8,151,720**		9,165,372	
Deferred tax assets	*7*	**–**		54	
			8,151,720		9,165,426
Current assets					
Loans to group companies	*6*	**449,737**		1,098,384	
Derivatives	*8*	**428,162**		752,132	
Other receivables	*9*	**255,655**		270,420	
Cash and cash equivalents	*10*	**5,250**		87	
			1,138,804		2,121,023
Total assets			**9,290,524**		11,286,449
Equity	*11*				
Issued capital		**2,000**		2,000	
Retained earnings		**6,691**		715	
			8,691		2,715
Non-current liabilities					
Bearer bonds	*12*	**8,146,217**		9,165,547	
Deferred tax liabilities	*7*	**105**		–	
			8,146,322		9,165,547
Current liabilities					
Bearer bonds	*12*	**449,737**		1,098,393	
Derivatives	*13*	**428,162**		752,132	
Income tax payable	*14*	**84**		10	
Other liabilities	*15*	**257,528**		267,652	
			1,135,511		2,118,187
Total liabilities			**9,281,833**		11,283,734
Total equity and liabilities			**9,290,524**		11,286,449

Consolidated income statement for the year 2007

		2007		2006	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Interest income and similar income	*17*	**534,497**		509,069	
Income from derivatives		**222,167**		570,177	
Capital gain loans to group companies		**5,767**		–	
Financial income			**762,431**		1,079,246
Interest expense and similar expenses	*18*	**506,662**		483,731	
Expenses from derivatives		**222,167**		570,177	
Other financial expenses	*19*	**24,390**		22,120	
Financial expenses			**753,219**		1,076,028
Net financial income			**9,212**		3,218
Operating expenses	*20*		**219**		310
Profit before tax			**8,993**		2,908
Income tax expense	*21*		**1,017**		861
Profit for the year			**7,976**		2,047

Consolidated statement of recognised income and expense for the year 2007

		2007	2006
		EUR 1,000	EUR 1,000
Income and expense directly recognised in equity		**–**	–
Profit for the year		**7,976**	2,047
Total recognised income and expense for the year	*11*	**7,976**	2,047

Consolidated cash flow statement for the year 2007

		2007	2006
		EUR 1,000	EUR 1,000
Cash flow from operating activities			
Cash paid to creditors	*15*	**(241)**	(300)
Income taxes paid	*14*	**(784)**	(767)
Change in cash pool	*9*	**(543)**	318
Net cash from operating activities		**(1,568)**	(749)
Cash flow from financing activities			
Bonds issued	*12*	**299,237**	2,264,890
Bonds redeemed	*12*	**(1,100,000)**	(29,166)
Interest bonds paid	*18*	**(502,916)**	(391,662)
Loans granted to Allianz SE	*6*	**(299,237)**	(2,264,890)
Loans granted to Allianz Holding France	*6*	**(1,500,479)**	–
Loans repaid by Allianz SE	*6*	**2,600,479**	29,166
Interest received	*17*	**537,871**	414,546
Guarantee fees	*19*	**(26,160)**	(20,120)
Dividend paid	*11*	**(2,000)**	(2,000)
Net cash from financing activities		**6,795**	764
Net increase in cash and cash equivalents		**5,227**	15
Cash and cash equivalents at 1 January		**87**	117
Effect of exchange rate fluctuations on cash held		**(64)**	(45)
Cash and cash equivalents as at 31 December	*10*	**5,250**	87

Notes to the 2007 financial statements

1 Reporting entity

Allianz Finance II B.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered office is Amsterdam. The Company is owned by Allianz SE, Munich, Germany, the ultimate parent company. The consolidated financial statements of the Company as at and for the year ended 31 December 2007 comprise the Company and its subsidiary, Allianz Jupiter 4 B.V., (together referred to as the 'Group'). The principal activity of the Group is to issue bonds under a guarantee by its parent company, Allianz SE. Proceeds collected through a bond issue are loaned in full to Allianz SE or, if agreed so, to another entity within the Allianz Group.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and with Part 9 of Book 2 of the Netherlands Civil Code.

The financial statements were approved by the Management Board on 15 February 2008.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments as described in note 3(b).

(c) Functional and presentation currency

These financial statements are presented in euros, which is the Company's functional currency. All financial information presented in euros has been rounded to the nearest thousand.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation and critical judgements in applying accounting policies that have a significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 6 – loans to group companies.
- Note 12 – bearer bonds.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, and any other unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently in all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

(b) Non-derivative financial instruments

Non-derivative financial instruments compromise loans to group companies, other receivables, cash and cash equivalents, bearer bonds and other liabilities.

Non-derivative financial instruments are recognised initially at cost, which is the fair value plus any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Loans to group companies and bearer bonds

Loans to group companies and bearer bonds are measured at amortised cost. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any differences between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 3(e).

(c) Derivative financial instruments

The Company holds derivative financial instruments. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

The method used to measure fair values is described further in note 4.

(d) Impairment

At each balance sheet date the Company assesses whether there is objective evidence that financial assets are impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

(e) Finance income and expenses

Finance income comprises interest income on loans, income on derivatives and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expenses on borrowings, expenses from derivatives and foreign currency losses and impairment losses on financial assets. Interest expenses are recognised in the income statement using the effective interest method.

(f) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Segment reporting

Segment information is not separately reported because the primary activity of the Company is solely financing the parent company.

(h) New standards and interpretations

As from the financial year 2007, the Company applies IRFRS 7 Financial Instruments: Disclosures and the Amendment to IAS I presentation of Financial Statements: Capital Disclosures.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended as at 31 December 2007. Those newly issued standards and/or interpretations are not applicable for the Company.

4 Determination of fair values

A number of the accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Loans to group companies

The fair value of loans to group companies, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(b) Bearer bonds

The fair value of bearer bonds, which is determined for disclosure purposes, is determined by reference to their quoted bid price at the reporting date.

(c) Derivatives

The fair value of derivatives is determined as the difference between the nominal value of the BITES bond as at the date of issuance and the fair value of the BITES bond. The fair value of the BITES bond is based on the closing price of the Deutscher Aktienindex (DAX) as at reporting date.

(d) Other assets and liabilities

For other assets and liabilities the notional amount is assumed to reflect the fair value.

5 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the exposure of the Company to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables. The Company's exposure to credit risk is influenced mainly by the default risk of the parent company Allianz SE.

The Company reviews the creditworthiness of the parent company by reviewing external publications and external ratings. This risk has not occurred yet and no allowance for impairment for incurred losses in respect of receivables is recognised.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Company ensures that it has sufficient cash to meet expected interest payments and/or redemptions of bonds.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company issues bonds. The cash collected through a bond issue is loaned in full to Allianz SE or, if agreed so, to another entity within the Allianz Group. The interest rate on such an intra-group loan is determined on the basis of the coupon of the bond issued and a profit margin (spread). The other conditions of the loan are exactly the same as the issued bond. As a result, market risks are naturally hedged.

No specific sensitivity analyses are included throughout the financial statements because the exposure to the above described risks is very limited or naturally hedged.

6 Loans to group companies

This item relates to interest bearing loans with a carrying amount of EUR 8.6 billion as at 31 December 2007 (2006: EUR 10.3 billion). The interest bearing loans have stated interest rates of 1.03 % to 7.54 % (2006: 1.03% to 7.54%) and mature in 1 to 19 years.

During the year ended 31 December 2007 the following events occurred:

- Loans with a nominal amount of USD 0.4 billion and EUR 1.5 million were issued within the Allianz SE Group.
- One loan with a nominal value of EUR 1.1 billion was repaid by Allianz SE.
- Allianz SE ceded two loans from Allianz Finance II B.V. to Allianz Jupiter 4 B.V. with a nominal value of EUR 1.5 billion.

As at 31 December 2007, three subordinated perpetual loans are outstanding. For measurement purposes it is assumed that these loans will be repaid at the first possible repayment date.

7 Deferred tax assets and liabilities

For the year 2006, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2006 EUR 1,000	Recognised in income EUR 1,000	Balance as at 31 Dec. 2006 EUR 1,000
Derivatives assets	(184,737)	(8,180)	(192,917)
Derivatives liabilities	192,848	69	192,917
Loans to group companies	(3,337)	5,656	2,319
Bearer bonds	(4,666)	2,401	(2,265)
	108	(54)	54

For the year 2007, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2007 EUR 1,000	**Recognised in income EUR 1,000**	**Balance as at 31 Dec. 2007 EUR 1,000**
Derivatives assets	**(192,917)**	**83,736**	**(109,181)**
Derivatives liabilities	**192,917**	**(83,736)**	**109,181**
Loans to group companies	**2,319**	**534**	**2,853**
Bearer bonds	**(2,265)**	**(693)**	**(2,958)**
	54	**(159)**	**(105)**

8 Derivatives

The changes during the year can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
As at 1 January	**752,132**	649,322
Disposal derivatives	**(546,137)**	(466,992)
Change in fair value derivatives	**222,167**	569,802
As at 31 December	**428,162**	752,132

This item consists of derivatives related to issued exchangeable bonds which have been fully loaned to Allianz SE under the same conditions. For more information about derivatives see note 13.

9 Other receivables

This item mainly relates to accrued interest on loans to group companies of EUR 254.0 million (2006: EUR 269.4 million).

10 Cash and cash equivalents

Cash and cash equivalents are unencumbered.

11 Equity

The movements can be summarised as follows:

	Issued capital EUR 1,000	**Share premium EUR 1,000**	**Retained earnings EUR 1,000**	**Total EUR 1,000**
As at 1 January 2006	20	30	2,618	2,668
Issuance of shares as at 12 October 2006	1,980	(30)	(1,950)	–
Dividend declared as at 14 November 2006	–	–	(2,000)	(2,000)
Total recognised income and expense	–	–	2,047	2,047
As at 31 December 2006	2,000	–	715	2,715
As at 1 January 2007	**2,000**	**–**	**715**	**2,715**
Dividend declared as at 29 November 2007	**–**	**–**	**(2,000)**	**(2,000)**
Total recognised income and expense	**–**	**–**	**7,976**	**7,976**
As at 31 December 2007	**2,000**	**–**	**6,691**	**8,691**

12 Bearer bonds

This note provides information about the contractual terms of the Company's interest bearing bonds. For more information about the Company's exposure to interest rate and foreign currency risk, see note 5.

During the financial year 2007 the following major events occurred:

- On 2 April 2007, Allianz Finance II B.V. issued USD 400,000,000 Floating Rate Notes due 2 April 2009. The proceeds were loaned in full to Allianz SE on the same date.
- On 29 November 2007, a senior bond with a nominal value of EUR 1,100,000,000 matured and was therefore repaid.

Bearer bonds can be specified as follows:

Number of bond	Issue currency	Nominal amount	Interest rate %	Date of issuance	Redemption date	Issue price %	Repayment rate %	**Amount as at 31 Dec. 2007 EUR 1,000**	Amount as at 31 Dec. 2006 EUR 1,000
9[1)]	EUR	2,000,000,000	6.125	31-05-2002	31-05-2022	100.00	100.00	**1,994,305**	1,993,216
10A	EUR	1,100,000,000	4.625	29-11-2002	29-11-2007	99.52	100.00	**–**	1,098,393
10B	EUR	900,000,000	5.625	29-11-2002	29-11-2012	99.70	100.00	**896,783**	896,231
14[2)]	USD	500,000,000	7.250	10-12-2002	–	100.00	100.00	**339,347**	377,644
15[3)]	EUR	1,000,000,000	6.500	13-12-2002	13-01-2025	99.27	100.00	**991,359**	990,426
17[4)]	EUR	449,737,049	–	18-02-2005	18-02-2008	100.00	101.75	**449,737**	1,261,535
18[5)]	EUR	1,400,000,000	4.375	17-12-2005	–	98.92	100.00	**1,380,750**	1,379,087
19[6)]	EUR	800,000,000	5.375	03-03-2006	–	98.00	100.00	**789,332**	786,353
20	EUR	1,500,000,000	4.000	23-11-2006	23-11-2016	98.73	100.00	**1,482,637**	1,481,055
21[7)]	USD	400,000,000	variable	02-04-2007	02-04-2009	99.99	100.00	**271,704**	–
								8,595,954	10,263,940

All bearer bonds are guaranteed by Allianz SE and are listed on the Luxembourg Stock Exchange. Interest is paid annually on coupon date, being the date of issuance.

1) The annual interest rate of 6.125% is fixed until 31 May 2012. After this date, it becomes variable at a rate equal to the EURIBOR three-month euro deposits plus 1.74%, quarterly in arrear on the floating interest payment date falling in February, May, August and November each year. The first such payment is to be made on the floating interest payment date falling in August 2012. The bonds can be redeemed (in whole but not in part) on a regular basis at the option of the issuer on 31 May 2012 and on each interest payment date thereafter. Unless previously redeemed or cancelled, the bonds will be repaid in full on the floating interest payment date falling in May 2022.

2) The bonds are redeemable (in whole but not in part) at the option of the issuer on 10 March 2008 and on each interest payment date thereafter. For measurement purposes it is assumed that the bond will be redeemed at the first possible redemption date.

3) The annual interest rate of 6.50% is fixed until 13 January 2015. After this date it becomes variable at a rate equal to the EURIBOR three-month euro deposits plus 2.77%, quarterly in arrear on the floating interest payment date falling in January, April, July and October of each year. The first such payment is to be made on the floating interest payment date falling in April 2015. The bonds can be redeemed (in whole but not in part) on a regular basis at the option of the issuer on 13 January 2015 and on each interest payment date thereafter. Unless previously redeemed or cancelled, the bonds will be repaid in full on the floating interest payment date falling in January 2025.

4) The notes will not bear interest. An annual outperformance premium of 0.75% is payable in arrear, based on the average closing level of the DAX. Both the Company and each bondholder has the right to exchange each bond up to and including 11 January 2008 for shares BMW AG, Münchener Rückversicherungsgesellschaft AG or Siemens AG. All notes have not been previously exchanged will be exchanged at 18 February 2008 for the share elected by Allianz Finance II B.V. In addition, the Company is entitled to pay 1.75% premium which is based on the average level of the DAX.

5) The annual interest rate of 4.375% is fixed until 17 February 2017. After this date it becomes variable at a rate equal to the EURIBOR three-month euro deposits plus 173 BP. The bonds are redeemable (in whole but not in part) at the option of the issuer on 17 February 2017 and on each interest payment date thereafter. For measurement purposes it is assumed that the bond will be redeemed at the first possible redemption date.

6) The annual interest rate of 5.375% is fixed until 3 March 2011. After this date it becomes variable at a rate equal to the EURIBOR three-month euro deposits. The bonds are redeemable (in whole but not in part) at the option of the issuer on 3 March 2011 and on each interest payment date thereafter. For measurement purposes it is assumed that the bond will be redeemed at the first possible redemption date.

7) The annual interest rate is variable and equal to the three month USD Libor, quarterly in arrear on the floating interest payment date falling in January, April, July and October of each year.

13 Derivatives

The change during the year can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Balance as at 1 January	**752,132**	649,322
Disposal of derivatives	**(546,137)**	(466,992)
Change in fair value	**222,167**	569,802
Balance as at 31 December	**428,162**	752,132

Written BITES Derivative

On 18 February 2005, the Company issued EUR 1,261,534,500 Basket Index Tracking Equity-linked Securities (BITES) divided into 300,000 notes.

The Company and the noteholders have the right to exchange the BITES, in whole and in part, under certain conditions and exceptions at any time during the period 31 March 2005 up to and including 11 January 2008.

On 29 January 2007, Allianz Finance II B.V. exercised its mandatory exchange right to exchange 64.35% of all outstanding Basket Index Tracking Equity Linked Securities (BITES) on a pro rata basis, with a nominal value of EUR 1,261.5 million for shares Münchener Rückversicherungsgesellschaft AG (Munich Re). On 9 March 2007, 10.0 million Munich Re shares were delivered to the bondholders. The number of outstanding notes remained unchanged, namely 300,000 and the value of each outstanding note was reduced to 35.65% of the nominal value.

The difference between the fair value and the nominal value of the BITES as at the date of issuance is recognised as a derivative in the balance sheet of the Company.

As at 31 December 2007, the fair value of the BITES derivative amounts to EUR 428.2 million (2006: EUR 752.1 million).

14 Income tax payable

This item relates to Dutch income tax and can be specified as follows:

Year	Balance as at 1 Jan. 2006	Corporation tax paid/ received in 2006	Calculated corporation tax in 2006	Late interest/ discount corporation tax 2006	Balance as at 31 Dec. 2006
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
2005	(30)	–	–	–	(30)
2006	–	(758)	807	(9)	40
	(30)	(758)	807	(9)	10

Year	**Balance as at 1 Jan. 2007**	**Corporation tax paid/ received in 2007**	**Calculated corporation tax in 2007**	**Late interest/ discount corporation tax 2007**	**Balance as at 31 Dec. 2007**
	EUR 1,000	**EUR 1,000**	**EUR 1,000**	**EUR 1,000**	**EUR 1,000**
2005	**(30)**	**32**	**–**	**(2)**	**–**
2006	**40**	**–**	**–**	**–**	**40**
2007	**–**	**(803)**	**858**	**(11)**	**44**
	10	**(771)**	**858**	**(13)**	**84**

15 Other liabilities

This item can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Accrued interest bonds	**245,624**	253,894
Guarantee fees	**11,877**	13,708
Accrued expenses other	**27**	50
	257,528	267,652

16 Financial instruments

Exposure to credit risks, interest rate risks and currency risks is mainly arising in the course of the Company’s business from the issuing of bonds. Based on the currently agreed loan agreements with the parent company, the Company transfers effectively all risks originating from the issuing of bonds to the parent company Allianz SE.

Fair values

The fair values of financial assets and liabilities with a difference between the carrying amount and the fair value, are as follows:

	Carrying amount 2007 EUR 1,000	**Fair value 2007 EUR 1,000**	Carrying amount 2006 EUR 1,000	Fair value 2006 EUR 1,000
Loans to group companies	**8,855,479**	**9,621,353**	10,533,183	11,913,644
Bearer bonds	**(8,595,954)**	**(8,828,665)**	(10,263,940)	(11,329,358)
	259,525	**792,688**	269,243	584,286
Unrecognised gains		**533,163**		315,043

The methods used in determining the fair values of financial instruments are described in note 4.

Interest rates used for determining fair value

The interest rates used for loans to group companies to discount estimated cash flows, where applicable, are based on the government yield curve at 31 December 2007 plus an adequate constant credit spread, range from 4.39% to 4.73%.

17 Interest income and similar income

This item can be specified as follows:

	2007 EUR 1,000	2006 EUR 1,000
Interest loans to group companies	**534,368**	508,987
Other interest income	**129**	82
	534,497	509,069

18 Interest expense and similar expenses

This item can be specified as follows:

	2007 EUR 1,000	2006 EUR 1,000
Interest bearer bonds	**506,662**	483,731

19 Other financial expenses

This item mainly relates to guarantee commission concerning bearer bonds.

20 Operating expenses

This item can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Management fee	**75**	75
Consultancy fees	**122**	228
Other operating expenses	**22**	7
	219	310

21 Income tax expense

	2007	2006
	EUR 1,000	EUR 1,000
Current tax expense		
Current year	**858**	807
Deferred tax expense		
Due to temporary differences carrying amount vs. tax base	**152**	53
Other	**7**	1
	159	54
	1,017	861

22 Related parties

The main activity of Allianz Finance II B.V. is to issue bonds. The proceeds are fully loaned to the parent company (Allianz SE) or to other entities within the Allianz Group. As at 31 December 2007, the total amount lent to Allianz SE is EUR 7.1 billion (2006: EUR 10.3 billion). As at 31 December 2007, the total amount lent to Allianz Holding France is EUR 1.5 billion (2006: nil).

For the year ended 31 December 2007, the Company received interest for a total amount of EUR 532.0 million (2006: EUR 509.0 million) from Allianz SE. Furthermore, the Company received interest for a total amount of EUR 2.4 million from Allianz Holding France.

During the financial year, an amount of EUR 2.0 million regarding interim dividend was paid to Allianz SE (2006: EUR 2.0 million).

Balance sheet as at 31 December 2007

		2007		2006	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Non-current assets					
Shares in group companies	*23*	**18**		–	
Loans to group companies	*24*	**8,145,989**		9,165,372	
Deferred tax assets	*25*	**58**		54	
			8,146,065		9,165,426
Current assets					
Loans to group companies	*24*	**449,737**		1,098,384	
Derivatives	*26*	**428,162**		752,132	
Other receivables	*27*	**260,801**		270,420	
Cash and cash equivalents	*28*	**41**		87	
			1,138,741		2,121,023
Total assets			**9,284,806**		11,286,449
Equity	*29*				
Issued capital		**2,000**		2,000	
Retained earnings		**1,107**		715	
			3,107		2,715
Non-current liabilities					
Bearer bonds	*30*		**8,146,217**		9,165,547
Current liabilities					
Bearer bonds	*30*	**449,737**		1,098,393	
Derivatives	*31*	**428,162**		752,132	
Income tax payable	*32*	**55**		10	
Other liabilities	*33*	**257,528**		267,652	
			1,135,482		2,118,187
Total liabilities			**9,281,699**		11,283,734
Total equity and liabilities			**9,284,806**		11,286,449

Income statement for the year 2007

		2007		2006	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Interest income and similar income	*35*	**534,486**		509,069	
Income from derivatives		**222,167**		570,177	
Other financial income		**–**		–	
Financial income			**756,653**		1,079,246
Interest expense and similar expenses	*36*	**506,662**		483,731	
Expenses from derivatives		**222,167**		570,177	
Other financial expenses	*37*	**24,390**		22,120	
Financial expenses			**753,219**		1,076,028
Net financial income			**3,434**		3,218
Operating expenses	*38*		**217**		310
Profit before tax			**3,217**		2,908
Income tax expense	*39*		**825**		861
Profit for the year			**2,392**		2,047

Statement of recognised income and expense for the year 2007

		2007	2006
		EUR 1,000	EUR 1,000
Income and expense directly recognised in equity		**–**	–
Profit for the year		**2,392**	2,047
Total recognised income and expense for the year	*29*	**2,392**	2,047

Cash flow statement for the year 2007

		2007 EUR 1,000	2006 EUR 1,000
Cash flow from operating activities			
Cash paid to creditors	*33*	**(239)**	(300)
Income taxes paid	*32*	**(784)**	(767)
Change in cash pool	*27*	**(543)**	318
Net cash from operating activities		**(1,566)**	(749)
Cash flow from financing activities			
Bonds issued	*30*	**299,237**	2,264,890
Bonds redeemed	*30*	**(1,100,000)**	(29,166)
Interest bonds paid	*36*	**(502,916)**	(391,662)
Loans granted to Allianz SE	*24*	**(299,237)**	(2,264,890)
Loans repaid by Allianz SE	*24*	**1,100,000**	29,166
Interest received	*35*	**532,678**	414,546
Guarantee fees	*37*	**(26,160)**	(20,120)
Purchase of shares	*23*	**(18)**	–
Dividend paid	*29*	**(2,000)**	(2,000)
Net cash from financing activities		**1,584**	764
Net decrease in cash and cash equivalents		**18**	15
Cash and cash equivalents at 1 January		**87**	117
Effect of exchange rate fluctuations on cash held		**(64)**	(45)
Cash and cash equivalents as at 31 December	*28*	**41**	87

Notes to the 2007 financial statements

General

The consolidated financial statements are part of the 2007 financial statements of the Company.

If there is no further explanation provided to the items in the balance sheet and the profit and loss account, please refer to the notes in the consolidated balance sheet and income statement.

Principles for the valuation of assets and liabilities and the determination of the result

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account, and in addition to the following:

Financial fixed assets

Shares in group companies are stated at cost less any accumulated impairment losses.

23 Shares in group companies

On 19 December 2007, the Company bought 100% of the shares of Allianz Jupiter 4 B.V from Allianz Finance B.V. for an amount of EUR 18,000. This Company had no activities as at 14 December 2007 and the consideration equalled the Company's net assets.

24 Loans to group companies

This item relates to interest bearing loans with a carrying amount of EUR 8.7 billion as at 31 December 2007 (2006: EUR 10.3 billion). The interest bearing loans have stated interest rates of 1.03 % to 7.54 % (2006: 1.03% to 7.54%) and mature in 1 to 19 years.

During the year ended 31 December 2007, one loan with a nominal amount of in total USD 0.4 billion was issued to Allianz SE. Furthermore, one loan, with a nominal value of EUR 1.1 billion, was repaid by Allianz SE.

As at 31 December 2007, three subordinated perpetual loans are outstanding. For measurement purposes it is assumed that these loans will be repaid at the first possible repayment date.

25 Deferred tax assets and liabilities

For the year 2006, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2006 EUR 1,000	Recognised in income EUR 1,000	Balance as at 31 Dec. 2006 EUR 1,000
Derivatives assets	(184,737)	(8,180)	(192,917)
Derivatives liabilities	192,848	69	192,917
Loans to group companies	(3,337)	5,656	2,319
Bearer bonds	(4,666)	2,401	(2,265)
	108	(54)	54

For the year 2007, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2007 EUR 1,000	**Recognised in income EUR 1,000**	**Balance as at 31 Dec. 2007 EUR 1,000**
Derivatives assets	**(192,917)**	**83,736**	**(109,181)**
Derivatives liabilities	**192,917**	**(83,736)**	**109,181**
Loans to group companies	**2,319**	**697**	**3,016**
Bearer bonds	**(2,265)**	**(693)**	**(2,958)**
	54	**4**	**58**

26 Derivatives

The changes during the year can be specified as follows:

	2007 EUR 1,000	2006 EUR 1,000
As at 1 January	**752,132**	649,322
Disposal derivatives	**(546,137)**	(466,992)
Change in fair value derivatives	**222,167**	569,802
As at 31 December	**428,162**	752,132

This item consists of derivatives related to issued exchangeable bonds which have been fully loaned to Allianz SE under the same conditions. For more information about derivatives, see note 31.

27 Other receivables

This item mainly relates to accrued interest on loans to group companies of EUR 259.2 million (2006: EUR 269.4 million).

28 Cash and cash equivalents

Cash and cash equivalents are unencumbered.

29 Equity

The movements can be summarised as follows:

	Issued capital EUR 1,000	Share premium EUR 1,000	Retained earnings EUR 1,000	Total EUR 1,000
As at 1 January 2006	20	30	2,618	2,668
Issuance of shares as at 12 October 2006	1,980	(30)	(1,950)	–
Dividend declared as at 14 November 2006	–	–	(2,000)	(2,000)
Total recognised income and expense	–	–	2,047	2,047
As at 31 December 2006	2,000	–	715	2,715

	Issued capital EUR 1,000	Retained earnings EUR 1,000	Total EUR 1,000
As at 1 January 2007	**2,000**	**715**	**2,715**
Dividend declared as at 29 November 2007	**–**	**(2,000)**	**(2,000)**
Total recognised income and expense	**–**	**2,392**	**2,392**
As at 31 December 2007	**2,000**	**1,107**	**3,107**

As at 31 December 2007, the authorised share capital comprised 5,000 (2006: 5,000) ordinary shares with a nominal value of EUR 1,000 each and the issued share capital comprised 2,000 (2006: 2,000) ordinary shares with a nominal value of EUR 1,000 each.

Reconciliation of consolidated group equity with company equity

		2007 EUR 1,000	2006 EUR 1,000
Group equity		**8,691**	2,715
Less:	Intercompany profit for the year	**5,490**	–
	Profit for the year of Allianz Jupiter 4 B.V.	**94**	–
Company equity		**3,107**	2,715

The intercompany profit for the year represents the difference between the carrying value of loans to Allianz SE, which were replaced by Allianz SE to Allianz Jupiter 4 B.V. at fair market value. The difference in carrying value is recognised as a profit in the consolidated financial statements.

30 Bearer bonds

This note provides information about the contractual terms of the Company's interest bearing bonds. For more information about the Company's exposure to interest rate and foreign currency risk, see note 5.

During the financial year 2007, the following major events occurred:

- On 29 January 2007, Allianz Finance II B.V. exercised its mandatory exchange right to exchange 64.35% of all outstanding Basket Index Tracking Equity Linked Securities (BITES) on a pro rata basis, with a nominal value of EUR 1,261.5 million for shares Münchener Rückversicherungsgesellschaft AG (Munich Re). On 9 March 2007, 10.9 million Munich Re shares were delivered to the bondholders. The number of outstanding notes remained unchanged, namely 300,000 and the value of each outstanding note was reduced to 35.65% of the nominal value.

- On 2 April 2007, Allianz Finance II B.V. issued USD 400,000,000 Floating Rate Notes due 2 April 2009. The proceeds were loaned in full to Allianz SE on the same date.

- On 29 November 2007, a senior bond with a nominal value of EUR 1,100,000,000 matured and was therefore repaid.

Bearer bonds

Bearer bonds can be specified as follows:

Number of bond	Issue currency	Nominal amount	Interest rate %	Date of issuance	Redemption date	Issue price %	Repayment rate %	**Amount as at 31 Dec. 2007 EUR 1,000**	Amount as at 31 Dec. 2006 EUR 1,000
9[1]	EUR	2,000,000,000	6.125	31-05-2002	31-05-2022	100.00	100.00	**1,994,305**	1,993,216
10A	EUR	1,100,000,000	4.625	29-11-2002	29-11-2007	99.52	100.00	**–**	1,098,393
10B	EUR	900,000,000	5.625	29-11-2002	29-11-2012	99.70	100.00	**896,783**	896,231
14[2]	USD	500,000,000	7.250	10-12-2002	–	100.00	100.00	**339,347**	377,644
15[3]	EUR	1,000,000,000	6.500	13-12-2002	13-01-2025	99.27	100.00	**991,359**	990,426
17[4]	EUR	449,737,049	–	18-02-2005	18-02-2008	100.00	101.75	**449,737**	1,261,535
18[5]	EUR	1,400,000,000	4.375	17-12-2005	–	98.92	100.00	**1,380,750**	1,379,087
19[6]	EUR	800,000,000	5.375	03-03-2006	–	98.00	100.00	**789,332**	786,353
20	EUR	1,500,000,000	4.000	23-11-2006	23-11-2016	98.73	100.00	**1,482,637**	1,481,055
21[7]	USD	400,000,000	variable	02-04-2007	02-04-2009	99.99	100.00	**271,704**	–
								8,595,954	10,263,940

All bearer bonds are guaranteed by Allianz SE and are listed on the Luxembourg Stock Exchange. Interest is paid annually on coupon date, being the date of issuance.

8) The annual interest rate of 6.125% is fixed until 31 May 2012. After this date, it becomes variable at a rate equal to the EURIBOR three-month euro deposits plus 1.74%, quarterly in arrear on the floating interest payment date falling in February, May, August and November each year. The first such payment is to be made on the floating interest payment date falling in August 2012. The bonds can be redeemed (in whole but not in part) on a regular basis at the option of the issuer on 31 May 2012 and on each interest payment date thereafter. Unless previously redeemed or cancelled, the bonds will be repaid in full on the floating interest payment date falling in May 2022.

9) The bonds are redeemable (in whole but not in part) at the option of the issuer on 10 March 2008 and on each interest payment date thereafter. For measurement purposes it is assumed that the bond will be redeemed at the first possible redemption date.

10) The annual interest rate of 6.50% is fixed until 13 January 2015. After this date it becomes variable at a rate equal to the EURIBOR three-month euro deposits plus 2.77%, quarterly in arrear on the floating interest payment date falling in January, April, July and October of each year. The first such payment is to be made on the

floating interest payment date falling in April 2015. The bonds can be redeemed (in whole but not in part) on a regular basis at the option of the issuer on 13 January 2015 and on each interest payment date thereafter. Unless previously redeemed or cancelled, the bonds will be repaid in full on the floating interest payment date falling in January 2025.

11) The notes will not bear interest. An annual outperformance premium of 0.75% is payable in arrear, based on the average closing level of the DAX. Both the Company and each bondholder has the right to exchange each bond up to and including 11 January 2008 for shares BMW AG, Münchener Rückversicherungsgesellschaft AG or Siemens AG. All notes have not been previously exchanged will be exchanged at 18 February 2008 for the share elected by Allianz Finance II B.V. In addition, the Company is entitled to pay 1.75% premium which is based on the average level of the DAX.

12) The annual interest rate of 4.375% is fixed until 17 February 2017. After this date it becomes variable at a rate equal to the EURIBOR three-month euro deposits plus 173 BP. The bonds are redeemable (in whole but not in part) at the option of the issuer on 17 February 2017 and on each interest payment date thereafter. For measurement purposes it is assumed that the bond will be redeemed at the first possible redemption date.

13) The annual interest rate of 5.375% is fixed until 3 March 2011. After this date it becomes variable at a rate equal to the EURIBOR three-month euro deposits. The bonds are redeemable (in whole but not in part) at the option of the issuer on 3 March 2011 and on each interest payment date thereafter. For measurement purposes it is assumed that the bond will be redeemed at the first possible redemption date.

14) The annual interest rate is variable and equal to the three month USD Libor, quarterly in arrear on the floating interest payment date falling in January, April, July and October of each year.

31 Derivatives

The change during the year can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Balance as at 1 January	**752,132**	649,322
Disposal of derivatives	**(546,137)**	(466,992)
Change in fair value	**222,167**	569,802
Balance as at 31 December	**428,162**	752,132

Written BITES Derivative

On 18 February 2005, the Company issued EUR 1,261,534,500 Basket Index Tracking Equity-linked Securities (BITES) divided into 300,000 notes.

The Company and the note holders have the right to exchange the BITES, in whole and in part, under certain conditions and exceptions at any time during the period 31 March 2005 up to and including 11 January 2008.

On 29 January 2007, Allianz Finance II B.V. exercised its mandatory exchange right to exchange 64.35% of all outstanding Basket Index Tracking Equity Linked Securities (BITES) on a pro rata basis, with a nominal value of EUR 1,261.5 million for shares Münchener Rückversicherungsgesellschaft AG (Munich Re). On 9 March 2007, 10.9 million Munich Re shares were delivered to the bondholders. The number of outstanding notes remained unchanged, namely 300,000 and the value of each outstanding note was reduced to 35.65% of the nominal value.

The difference between the fair value and the nominal value of the BITES as at the date of issuance is recognised as a derivative in the balance sheet of the Company.

As at 31 December 2007, the fair value of the BITES derivative amounts to EUR 428.2 million (2006: EUR 752.1 million).

32 Income tax payable

This item relates to Dutch income tax and can be specified as follows:

Year	Balance as at 1 Jan. 2006	Corporation tax paid/ received in 2006	Calculated corporation tax in 2006	Late interest/ discount corporation tax 2006	Balance as at 31 Dec. 2006
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
2005	(30)	–	–	–	(30)
2006	–	(758)	807	(9)	40
	(30)	(758)	807	(9)	10

Year	**Balance as at 1 Jan. 2007**	**Corporation tax paid/ received in 2007**	**Calculated corporation tax in 2007**	**Late interest/ discount corporation tax 2007**	**Balance as at 31 Dec. 2007**
	EUR 1,000	**EUR 1,000**	**EUR 1,000**	**EUR 1,000**	**EUR 1,000**
2005	**(30)**	**32**	**–**	**(2)**	**–**
2006	**40**	**–**	**–**	**–**	**40**
2007	**–**	**(803)**	**829**	**(11)**	**15**
	10	**(771)**	**829**	**(13)**	**55**

33 Other liabilities

This item can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Accrued interest bonds	**245,624**	253,894
Guarantee fees	**11,877**	13,708
Accrued expenses other	**27**	50
	257,528	267,652

34 Financial instruments

Exposure to credit risks, interest rate risks and currency risks is mainly arising in the course of the Company's business from the issuing of bonds. Based on the currently agreed loan agreements with the parent company, the Company transfers effectively all risks originating from the issuing of bonds to the parent company Allianz SE.

Fair values

The fair values of financial assets and liabilities with a difference between the carrying amount and the fair value, are as follows:

	Carrying amount 2007 EUR 1,000	**Fair value 2007 EUR 1,000**	Carrying amount 2006 EUR 1,000	Fair value 2006 EUR 1,000
Loans to group companies	**8,854,902**	**9,609,380**	10,533,183	11,913,644
Bearer bonds	**(8,595,954)**	**(8,828,665)**	(10,263,940)	(11,329,358)
	258,948	**780,715**	269,243	584,286
Unrecognised gains		**521,767**		315,043

The methods used in determining the fair values of financial instruments are described in note 4.

Interest rates used for determining fair value

The interest rates for loans to group companies used to discount estimated cash flows, where applicable, are based on the government yield curve at 31 December 2007 plus an adequate constant credit spread, range from 4.39 % to 4.73 %.

35 Interest income and similar income

This item can be specified as follows:

	2007 EUR 1,000	2006 EUR 1,000
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Other interest income	**121**	82
	534,486	509,069

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This item can be specified as follows:

	2007 EUR 1,000	2006 EUR 1,000
Interest bearer bonds	**506,662**	483,731

37 Other financial expenses

This item mainly relates to guarantee commission concerning bearer bonds.

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This item can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Management fee	**75**	75
Consultancy fees	**120**	228
Other operating expenses	**22**	7
	217	310

39 Income tax expense

	2007	2006
	EUR 1,000	EUR 1,000
Current tax expense		
Current year	**829**	807
Deferred tax expense		
Due to temporary differences carrying amount vs. tax base	**(11)**	53
Other	**7**	1
	(4)	54
	825	861

40 Related parties

The main activity of Allianz Finance II B.V. is to issue bonds. The proceeds are fully loaned to the parent company (Allianz SE) or to other entities within the Allianz Group. As at 31 December 2007, the total amount lent to Allianz SE and Allianz Jupiter 4 B.V. is EUR 7.1 billion (2006: EUR 10.3 billion) and EUR 1.5 billion (2006: EUR nil), respectively.

For the year ended 31 December 2007, the Company received interest for a total amount of EUR 532.0 million (2006: EUR 509.0 million) from Allianz SE and EUR 2.4 million (2006: nil) from Allianz Jupiter 4 B.V.

During the financial year, an amount of EUR 2.0 million regarding interim dividend was paid to Allianz SE (2006: EUR 2.0 million).

41 Personnel

The Company did not employ any personnel during the year (2006: nil). No remuneration was paid to the Management Board or Supervisory Board in 2007 and 2006.

42 Contingencies

As at 31 December 2007 and 2006, there are no contingencies to report.

Amsterdam, 15 February 2008

Management Board:	Supervisory Board:
Dr. S.M. Höchendorfer-Ziegler	M. Diekmann, Chairman
H.J.J. Schoon	Dr. P. Achleitner
H.D.A. Wentzel	S. Theissing

Other information

Provision of the Articles of Association regarding profit appropriation (article 16)

1. The profits of the Company, according to the annual accounts confirmed by the general meeting, are insofar as they are not to be preserved for the formation or maintenance of reserves prescribed by Law at the disposal of the general meeting which decides about reservation or payments of profits.
2. Dividends may be paid up only to the amount above the sum of the balances between net assets and paid-in capital, increased with reserves which must be maintained by virtue of Law.
3. The general meeting may resolve to pay out an interim dividend with due observance of the provision of paragraph 2.
4. The claim of a shareholder for payment of dividend will expire after a period of five years.

Auditor's report

The auditor's report is set forth on the following pages.

To the shareholders of Allianz Finance II B.V.

Auditor’s report

Report on the financial statements

We have audited the accompanying financial statements 2007 of Allianz Finance II B.V., Amsterdam, which comprise the consolidated and company balance sheet as at 31 December 2007, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s responsibility

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report of the Management Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Allianz Finance II B.V. as at 31 December 2007, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Management Board is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 15 February 2008

KPMG ACCOUNTANTS N.V.

M.G. Schönhage RA