Allianz Finance 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 B.V. (the ‘Company’) was incorporated on 20 February 1989. The Company’s registered office is Amsterdam. The Company is owned by Allianz SE, Munich, Germany.

The principal activity of the Company 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 company 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 finance activity the profit for the year amounts to EUR 90.9 million (2006: EUR 7.0 million).

During the financial year 2007 the following major events occurred:

- On 14 June 2007, the Company sold all its shares in Hana Financial Group Inc. outside the Allianz Group, resulting in a profit of EUR 88 million.
- On 13 June 2007, the General Meeting of Shareholders decided to authorise the Company to repurchase, acquire and reduce 4,261 shares in its own capital from its sole shareholder Allianz SE. The purchase price for the shares amounted to EUR 170.0 million and was effectively paid on 19 June 2007.
- On 30 July 2007, two bearer bonds and the corresponding loans were redeemed with a nominal value of EUR 1.1 billion.
- On 14 November 2007, loans were redeemed with a nominal value of EUR 0.7 billion.

Outlook 2008

In 2008, one bearer bond and the corresponding loans will be redeemed with a nominal amount of EUR 1.6 billion.

Amsterdam, 15 February 2008

Management Board:

Dr. S.M. Höchendorfer-Ziegler

H.J.J. Schoon

H.D.A. Wentzel

Balance sheet as at 31 December 2007

		2007		2006	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Non-current assets					
Property	*6*	**5,260**		6,140	
Loans to group companies	*7*	**–**		2,567,630	
Deferred tax assets	*8*	**45**		228	
			5,305		2,573,998
Current assets					
Loans to group companies	*7*	**1,870,179**		1,099,655	
Other investments	*9*	**–**		186,218	
Income tax receivable		**2,115**		2,378	
Other receivables	*10*	**70,149**		100,728	
Cash and cash equivalents	*11*	**81**		27	
			1,942,524		1,389,006
Total assets			**1,947,829**		3,963,004

		2007		2006	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Equity	*12*				
Issued capital		**6,572**		10,833	
Share premium		**62,800**		103,517	
Revaluation reserve		**3,452**		4,115	
Fair value reserve		**–**		101,521	
Retained earnings		**176,369**		215,533	
			249,193		435,519
Non-current liabilities					
Bearer bonds	*13*	**–**		1,628,206	
Loans from group companies	*14*	**–**		700,000	
Deferred tax liabilities	*8*	**1,289**		1,657	
Current liabilities					
Bearer bonds	*13*	**1,631,569**		1,099,662	
Other liabilities	*15*	**65,778**		97,960	
			1,697,347		1,197,622
Total liabilities			**1,698,636**		3,527,485
Total equity and liabilities			**1,947,829**		3,963,004

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*	**158,974**		192,335	
Result from sale available-for-sale financial assets		**87,594**		–	
Capital gains from repayment loans		**5,972**		–	
Dividend income on available-for-sale financial assets		**2,087**		1,744	
Other financial income		**267**		270	
Financial income			**254,894**		194,349
Interest and similar expenses	*18*	**151,152**		182,253	
Capital losses from repayment loans		**6,079**		–	
Withholding tax		**313**		262	
Net foreign exchange losses		**42**		23	
Other financial expenses		**5,673**		6,891	
Financial expenses			**163,259**		189,429
Net financial income			**91,635**		4,920
Operating expenses	*19*		**270**		(3,966)
Profit before tax			**91,365**		8,886
Income tax expense	*20*		**507**		1,838
Profit for the year			**90,858**		7,048

Statement of recognised income and expense for the year 2007

		2007	2006
		EUR 1,000	EUR 1,000
Net change in fair value of property		**(663)**	132
Net change in fair value of available-for-sale financial assets		**(101,521)**	6,400
Income and expense directly recognised in equity		**(102,184)**	6,532
Profit for the year		**90,858**	7,048
Total recognised income and expense for the year	*12*	**(11,326)**	13,580

Cash flow statement for the year 2007

		2007 EUR 1,000	2006 EUR 1,000
Cash flow from operating activities			
Cash received from debtors	*10*	**456**	237
Cash paid to creditors	*15*	**(361)**	(268)
Income taxes paid		**(208)**	(512)
Change in cash pool	*10*	**(2,727)**	3,145
Net cash from operating activities		**(2,840)**	2,602
Cash flow from financing activities			
Repayment of loans		**1,800,000**	–
Capital gains from repayment loans		**5,972**	–
Interest received on loans and other	*17*	**189,368**	189,215
Dividend received		**2,087**	1,317
Dividend paid	*12*	**(5,000)**	(4,000)
Currency gains/losses on dividends		**(42)**	(24)
Repayment of bearer bonds, loans		**(1,800,000)**	–
Capital losses from repayment loans		**(6,079)**	–
Interest paid on bearer bonds, loans and other	*18*	**(178,504)**	(178,504)
Guarantee fees		**(6,831)**	(6,831)
Sale of shares available-for-sale		**172,291**	–
Share buy-back		**(170,000)**	–
Withholding tax		**(313)**	(53)
Purchase of shares group companies		**(73)**	–
Sale shares group companies		**18**	–
Settlement insurance claim	*15*	**–**	(3,754)
Net cash from financing activities		**2,894**	(2,634)
Net increase/(decrease) in cash and cash equivalents		**54**	(32)
Cash and cash equivalents at 1 January		**27**	59
Cash and cash equivalents at 31 December	*11*	**81**	27

Notes to the financial statements for the year 2007

1 Reporting entity

Allianz Finance 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 principal activity of the Company 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. The income and expenses generated from the activities of the Company relate to the issuance of bearer bonds and its investment in financial instruments available-for-sale.

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) and 3(c).

(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.

(d) 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.

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 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, except with regard to available-for-sale financial assets of which foreign currency differences are recognised directly in equity.

(b) Property

Property is recognised initially at cost. Subsequent to initial recognition property is measured at fair value with changes in fair value directly recognised in equity.

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

(c) Non-derivative financial instruments

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

Non-derivative financial instruments are recognised initially at cost, which is the fair value plus any directly attributable transactions 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, bearer bonds and loans from group companies

Loans to group companies, bearer bonds and loans from group companies are measured at amortised cost. The amortised cost of a financial asset or liability is the amount at which the financial assets 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.

Other investments

The Company's other investments are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3d), and foreign exchange gains and losses on available-for-sale monetary items (see note 3a), are recognised directly in equity. When an investment is derecognised, the cumulative gain in equity is transferred to the income statement.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expenses is described in note 3(f).

(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 an 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. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement.

(e) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(f) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, foreign currency losses and impairment losses recognised on financial assets. All borrowing costs are recognised in the income statement using the effective interest method.

(g) 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.

(h) Segment reporting

Segment information is not separately reported because of the primary activity of the Company.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 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 value, 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) Property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the property portfolio every year at reporting date. The fair value is based on market value, being the estimated amount for which the property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(b) Loans to group companies and loans from group companies

The fair value of loans to group companies and loans from 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.

(c) Other investments

The fair value of other investments is determined by reference to their quoted bid price at the reporting date.

(d) 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.

(e) 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 carrying amount of loans to group companies represents the maximum credit exposure.

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 of this 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 and do therefore not affect profit or loss.

6 Property

This item can be summarised as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Book value as at 1 January	**6,140**	6,060
(De)/Revaluation	**(880)**	80
Book value as at 31 December	**5,260**	6,140

7 Loans to group companies

This item relates to interest bearing loans with a carrying amount of EUR 1.9 billion as at 31 December 2007 (2006: EUR 3.7 billion). The interest bearing loans have stated interest rates of 2.879 % to 5.401 % (2006: 2.879% to 6.151%) and mature within 1 year.

During the financial year loans were repaid with a nominal amount of EUR 1.8 billion.

8 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 equity EUR 1,000	Recognised in income EUR 1,000	Balance as at 31 Dec. 2006 EUR 1,000
Property	(1,525)	51	–	(1,474)
Loans to group companies	379	–	(151)	228
Bearer bonds	(294)	–	111	(183)
	(1,440)	51	(40)	(1,429)
Deferred tax assets	379			228
Deferred tax liabilities	(1,819)			(1,657)

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 equity EUR 1,000	Recognised in income EUR 1,000	Balance as at 31 Dec. 2007 EUR 1,000
Property	(1,474)	217	–	(1,257)
Loans to group companies	228	–	(183)	45
Bearer bonds	(183)	–	151	(32)
	(1,429)	217	(32)	(1,244)
Deferred tax assets	228			45
Deferred tax liabilities	(1,657)			(1,289)

9 Other investments

The changes during the year can be specified as follows:

	2007 EUR 1,000	2006 EUR 1,000
Balance as at 1 January	186,218	179,622
New shares due to stock dividend	–	196
Sale shares	(172,291)	–
Changes in fair value	(13,927)	6,400
Balance as at 31 December	–	186,218

On 14 June 2007, the Company sold all its shares in Hana Financial Group Inc. outside the Allianz Group for an amount of EUR 172 million, resulting in a profit of EUR 88 million.

10 Other receivables

This item mainly relates to accrued interest regarding loans to group companies of EUR 64.3 million (2006: EUR 97.8 million).

11 Cash and cash equivalents

Cash and cash equivalents are unencumbered.

12 Equity

On 13 June 2007, the General Meeting of Shareholders decided to authorise the Company to repurchase, acquire and reduce 4,261 shares in its own capital from its sole shareholder Allianz SE. The purchase price for the shares amounted to EUR 170.0 million and was effectively paid on 19 June 2007.

The movements in equity can be summarised as follows:

	Issued capital EUR 1,000	**Share premium EUR 1,000**	**Revaluation reserve EUR 1,000**	**Fair value reserve EUR 1,000**	**Retained earnings EUR 1,000**	**Total EUR 1,000**
Balance as at 1 Jan. 2006	10,833	103,517	3,983	95,121	212,485	425,939
Interim dividend	–	–	–	–	(4,000)	(4,000)
Total recognised income and expense	–	–	132	6,400	7,048	13,580
Balance as at 31 Dec. 2006	10,833	103,517	4,115	101,521	215,533	435,519
Balance as at 1 Jan. 2007	**10,833**	**103,517**	**4,115**	**101,521**	**215,533**	**435,519**
Capital decrease	**(4,261)**	**(40,717)**	**–**	**–**	**(125,022)**	**(170,000)**
Release of fair value reserve	**–**	**–**	**–**	**(87,594)**	**–**	**(87,594)**
Interim dividend	**–**	**–**	**–**	**–**	**(5,000)**	**(5,000)**
Total recognised income and expense	**–**	**–**	**(663)**	**(13,927)**	**90,858**	**76,268**
Balance as at 31 Dec. 2007	**6,572**	**62,800**	**3,452**	**–**	**176,369**	**249,193**

As at 31 December 2007, the authorised share capital comprised 20,000 (2006: 50,000) ordinary shares with a nominal value of EUR 1,000 each and the issued share capital comprised 6,572 (2006: 10,833) ordinary shares with a nominal value of EUR 1,000 each.

Revaluation reserve

The revaluation reserve relates to the fair value of the property.

Fair value reserve

The fair value reserve includes the net cumulative change in the fair value of the available-for-sale other investment.

On 14 June 2007, the available-for-sale investment was sold and the fair value reserve was released to the income statement.

13 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.

For a description of the terms and conditions of outstanding bearer bonds reference is made to the table below:

Nominal amount	**Nominal interest rate**	**Issue price**	**Date of issuance**	**Redemption date**	**Carrying amount as at 31 Dec. 2007**	Carrying amount as at 31 Dec. 2006
EUR	%	%			**EUR 1,000**	EUR 1,000
766,937,822	5.75	102.450	30-07-1997	30-07-2007	**–**	766,613
333,062,178	5.75	100.268	30-07-1997	30-07-2007	**–**	333,050
1,632,379,831	5.00	100.220	25-03-1998	25-03-2008	**1,631,569**	1,628,205
					1,631,569	2,727,868

All bearer bonds are guaranteed by Allianz SE. Interest is annually paid on the date of issuance.

On 30 July 2007, two bearer bonds were redeemed with a nominal value of EUR 1.1 billion.

14 Loans from group companies

During the financial year the loan was repaid and a capital loss was booked in the income statement.

15 Other liabilities

This item relates to accrued expenses and interest paid.

16 Financial instruments

Exposure to credit, interest rate and currency risks is mainly arising in the normal 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	**1,934,458**	**1,933,482**	3,765,037	3,869,476
Bearer bonds	**(1,631,569)**	**(1,633,131)**	(2,727,868)	(2,763,420)
Loans from group companies	**–**	**–**	(704,423)	(736,857)
	302,889	**300,351**	332,746	366,199
Unrecognised gains		**(2,538)**		33,453

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/from group companies used to discount estimated cash flows, where applicable, are based on the government yield curve as at 31 December 2007 plus an adequate constant credit spread, ranging 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 income loans to group companies	**158,612**	192,166
Interest income other	**362**	169
	158,974	192,335

18 Interest expense and similar expenses

This item can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Interest expense on bearer bonds	**121,940**	148,618
Interest expense on loans from group companies	**29,212**	33,635
	151,152	182,253

19 Operating expenses

This item can be specified as follows:

	2007	2006
	EUR 1,000	EUR 1,000
Change in provision	**–**	(4,245)
Management fee	**30**	70
Consultancy fees	**108**	140
Other operating expenses	**132**	69
	270	(3,966)

20 Income tax expense

	2007	2006
	EUR 1,000	EUR 1,000
Current tax expense/(income)		
Current year	**484**	902
Prior year	**(9)**	897
	475	1,799
Deferred tax expense		
Due to temporary differences carrying amount vs. tax base	**26**	40
Other	**6**	(1)
	32	39
Total tax expense for the year	**507**	1,838

Reconciliation of effective tax rate

	2007		2006	
	%	**EUR**	%	EUR
Profit before tax		**91,365**		8,886
Income tax using the domestic corporation tax rate	**25.5**	**23,298**	29.6	2,630
Tax exempt revenues	**(25.0)**	**(22,878)**	(19.9)	(1,772)
Non-deductible expenses	**0.1**	**90**	0.9	84
Corporation tax prior years	**(0.0)**	**(9)**	10.0	897
Other	**0.0**	**6**	0.0	(1)
	0.6	**507**	20.6	1,838

21 Related parties

The main activity of the Company is to issue bonds. The proceeds are fully loaned to the parent company Allianz SE. As at 31 December 2007, the total nominal amount lent to Allianz SE is EUR 1.9 billion (2006: EUR 3.0 billion).

For the year ended 31 December 2006, the Company received interest for a total amount of EUR 125.5 million (2006: EUR 154.0 million) from Allianz SE.

The total amount of interest paid to Allianz SE for the year 2007 is EUR 29.2 million (2006: EUR 33.6 million). The total amount of interest received from AGF International S.A. amounts to EUR 33.1 million (2006: EUR 38.1 million).

22 Personnel

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

23 Contingencies

As at 31 December 2007, 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 account 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 B.V.

Auditor’s report

Report on the financial statements

We have audited the accompanying financial statements 2007 of Allianz Finance B.V., Amsterdam, which comprise the balance sheet as at 31 December 2007, the income statement, statement of recognised income and expenses 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 Company’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 B.V. as at 31 December 2007, and of its results 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