

Allianz Finance II B.V.

Interim financial statements for
the six-month period ended
30 June 2010

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Interim report of the Management Board

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.

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. From this activity a profit after taxation of EUR 0.9 million was realised in the first six-month period of 2010 (first six-month period of 2009: EUR 0.7 million).

The Company has an exposure to credit, liquidity and market risk from its use of financial instruments. Reference is made to **note 5** of the interim financial statements for a description about the exposure of the Company to each of these risks.

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.

During the first six-month period of 2010 no major financial developments occurred.

We, as Management Board of the Company, hereby declare that, to the best of our knowledge:

- the interim financial statements for the six-month period ended 30 June 2010, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the interim report of the Management Board includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

Amsterdam, 26 August 2010

Management Board:

C. Bunschoten (appointed 17 May 2010)

Dr. S.M. Höchendorfer-Ziegler

J.C.M. Zarnitz (appointed 1 March 2010)

H.D.A. Wentzel (until 1 September 2010)

Interim statement of financial position as at 30 June 2010

	Notes	30 June 2010		31 December 2009	
		EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Non-current assets					
Loans to group companies	6	10,941,137		10,874,638	
Deferred tax assets	7	78		76	
			10,941,215		10,874,714
Current assets					
Other receivables	8	251,895		349,918	
Income tax receivable	9	798		–	
Cash and cash equivalents	10	552		15	
			253,245		349,933
Total assets			11,194,460		11,224,647
Equity					
	11				
Issued capital		2,000		2,000	
Retained earnings		2,645		1,794	
			4,645		3,794
Non-current liabilities					
Bearer bonds	12		10,941,443		10,874,936
Current liabilities					
Income tax payable	9	–		30	
Other liabilities	13	248,372		345,887	
			248,372		345,917
Total liabilities			11,189,815		11,220,853
Total equity and liabilities			11,194,460		11,224,647

The notes on pages 6 to 20 are an integral part of these interim financial statements.

Interim statement of comprehensive income for the six-month period ended 30 June 2010

	<i>Notes</i>	1 Jan. 2010 - 30 June 2010	1 Jan. 2009 - 30 June 2009
		EUR 1,000	EUR 1,000
Interest income and similar income	15	308,156	269,923
Financial income		308,156	269,923
Interest expense and similar expenses	16	(293,232)	(256,935)
Other financial expenses	17	(13,660)	(11,936)
Financial expenses		(306,892)	(268,871)
Net financial income		1,264	1,052
Operating expenses	18	(136)	(174)
Profit before tax		1,128	878
Income tax expense	19	(277)	(213)
Profit for the period		851	665
Total comprehensive income for the period		851	665
Total comprehensive income attributable to the owners of the company		851	665

The notes on pages 6 to 20 are an integral part of these interim financial statements.

Interim statement of changes in equity for the six-month period ended 30 June 2010

	Issued capital EUR 1,000	Retained earnings EUR 1,000	Total EUR 1,000
As at 1 January 2009	2,000	1,463	3,463
Dividend paid as at 15 December 2009	–	(2,000)	(2,000)
Total recognised income and expense	–	2,331	2,331
	<hr/>	<hr/>	<hr/>
As at 1 January 2010 (carried forward)	2,000	1,794	3,794
Total recognised income and expense	–	851	851
	<hr/>	<hr/>	<hr/>
As at 30 June 2010	2,000	2,645	4,645
	<hr/>	<hr/>	<hr/>

The notes on pages 6 to 20 are an integral part of these interim financial statements.

Interim statement of cash flows for the six-month period ended 30 June 2010

	<i>Notes</i>	1 Jan. 2010 - 30 June 2010 EUR 1,000	1 Jan. 2009 - 30 June 2009 EUR 1,000
Cash flow from operating activities			
Cash paid to creditors	13,18	(121)	(164)
Income taxes paid	9	(1,114)	(1,009)
Change in cash pool	8	(1,027)	(1,167)
		<hr/>	<hr/>
Net cash from operating activities		(2,262)	(2,340)
Cash flow from financing activities			
Bonds redeemed	12	–	(298,686)
Interest bonds paid	16	(380,868)	(384,325)
Loans repaid by group companies	6	–	298,686
Interest received	15	400,394	404,268
Guarantee fees	17	(16,750)	(17,121)
		<hr/>	<hr/>
Net cash from financing activities		2,776	2,822
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		514	482
Cash and cash equivalents at 1 January	10	15	63
Effect of exchange rate fluctuations on cash held	10,17	23	(24)
		<hr/>	<hr/>
Cash and cash equivalents as at 30 June	10	552	521
		<hr/>	<hr/>

The notes on pages 6 to 20 are an integral part of these interim financial statements.

Notes to the interim financial statements for the six-month period ended 30 June 2010

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 principal activity of the Company 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.

These interim financial statements should be read in conjunction with the financial statements as at and for the year ended 31 December 2009 as issued on 12 February 2010.

2 Basis of preparation

(a) Statement of compliance

The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union (IFRSs).

These interim financial statements were authorised for issue by the Management Board on 26 August 2010.

(b) Basis of measurement

The interim 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 interim 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 interim 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 interim financial statements are described in the following notes:

- Note 6 - Loans to group companies.
- Note 12 - Bearer bonds.

3 Significant accounting policies

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

The accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2009.

(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 interim income statement.

(b) Non-derivative financial instruments

Non-derivative financial instruments comprise 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 expenses is discussed in note 3(d).

(c) 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 interim 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 interim income statement.

(d) 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.

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 interim income statement using the effective interest method.

(e) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the interim 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 differences 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.

(f) Segment reporting

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

(g) New standards and interpretations

A number of new standards, amendments to standards and interpretations are not yet effective as at and for the six-month period ended 30 June 2010. Those newly issued standards and/or interpretations are not relevant 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) Other assets and liabilities

For other assets and liabilities the carrying value 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 10.9 billion as at 30 June 2010 (31 December 2009: EUR 10.9 billion). The interest bearing loans have stated interest rates varying from 4.28% to 7.54% (31 December 2009: 4.28% to 7.54%) and mature in 3 to 15 years.

As at 30 June 2010, 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 six-month period ended 30 June 2010, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2010 EUR 1,000	Recognised in income EUR 1,000	Balance as at 30 June 2010 EUR 1,000
Loans to group companies	1,495	17	1,512
Bearer bonds	(1,419)	(15)	(1,434)
	76	2	78

For the year ended 31 December 2009, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2009 EUR 1,000	Recognised in income EUR 1,000	Balance as at 31 Dec. 2009 EUR 1,000
Loans to group companies	1,401	94	1,495
Bearer bonds	(1,332)	(87)	(1,419)
	69	7	76

8 Other receivables

This item mainly relates to accrued interest on loans to group companies of EUR 249.8 million (31 December 2009: EUR 348.8 million).

9 Income tax receivable

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

Year	Balance as at 1 Jan. 2010	Corporation tax paid/ (received) in 2010	Calculated corporation tax in 2010	Late interest/ discount corporation tax 2010	Balance as at 30 June 2010
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
2009	(248)	255	–	(16)	(9)
2009	218	–	–	–	218
2010	–	859	(279)	9	589
	<u>(30)</u>	<u>1,114</u>	<u>(279)</u>	<u>(7)</u>	<u>798</u>

Year	Balance as at 1 Jan. 2009	Corporation tax paid/ received in 2009	Calculated corporation tax in 2009	Late interest/ discount corporation tax 2009	Adjustments corporation tax prior years in 2009	Balance as at 31 Dec. 2009
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
2007	–	2	–	–	(2)	–
2008	(248)	–	–	–	–	(248)
2009	–	996	(791)	13	–	218
	<u>(248)</u>	<u>998</u>	<u>(791)</u>	<u>13</u>	<u>(2)</u>	<u>(30)</u>

10 Cash and cash equivalents

Cash and cash equivalents are unencumbered.

11 Equity

As at 30 June 2010, the authorised share capital comprised 5,000 (31 December 2009: 5,000) ordinary shares with a nominal value of EUR 1,000 each and the issued share capital comprised 2,000 (31 December 2009: 2,000) ordinary shares with a nominal value of EUR 1,000 each.

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.

Bearer bonds can be specified as follows:

Numbers of bonds	Issue currency	Nominal amount	Interest rate %	Date of issuance	Redemption date	Issue price %	Repayment rate %	Amount as at 30 June 2010 EUR 1,000	Amount as at 31 Dec. 2009 EUR 1,000
9 ¹⁾	EUR	2,000,000,000	6.125	31-05-2002	31-05-2022	100.00	100.00	1,997,334	1,996,695
10B	EUR	900,000,000	5.625	29-11-2002	29-11-2012	99.70	100.00	898,306	897,986
14 ²⁾	USD	500,000,000	7.250	10-12-2002	–	100.00	100.00	408,197	348,493
15 ³⁾	EUR	1,000,000,000	6.500	13-12-2002	13-01-2025	99.27	100.00	993,976	993,421
18 ⁴⁾	EUR	1,400,000,000	4.375	17-12-2005	–	98.92	100.00	1,385,246	1,384,311
19 ⁵⁾	EUR	800,000,000	5.375	03-03-2006	–	98.00	100.00	797,572	795,838
20	EUR	1,500,000,000	4.000	23-11-2006	23-11-2016	98.73	100.00	1,486,879	1,486,000
22	EUR	1,500,000,000	5.000	06-03-2008	06-03-2013	99.42	100.00	1,495,040	1,494,195
23	EUR	1,500,000,000	4.750	22-07-2009	22-07-2019	98.48	100.00	1,478,893	1,477,977
								10,941,443	10,874,936

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 arrears 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. 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 arrears 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.

Allianz Finance II B.V.

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.

- 3) 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.
- 4) The annual interest rate of 5.375% is fixed until 3 March 2011. 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. Pursuant to the terms and conditions of the subordinated bond of EUR 0.8 million, the triggers with respect to a potential mandatory coupon deferral have been breached as per 30 September 2009. Allianz intends to timely make the relevant coupon payments in accordance with the respective terms and conditions by making use of certain mechanisms as provided for therein.
- 5) 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.

13 Other liabilities

This item can be specified as follows:

	30 June 2010 EUR 1,000	31 Dec. 2009 EUR 1,000
Accrued interest bonds	235,887	330,327
Guarantee fees	12,410	15,500
Accrued expenses other	75	60
	248,372	345,887

14 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. These terms are described in note 12. 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 30 June 2010 EUR 1,000	Fair value 30 June 2010 EUR 1,000	Carrying amount 31 Dec. 2009 EUR 1,000	Fair value 31 Dec. 2009 EUR 1,000
Loans to group companies	11,190,888	12,251,304	11,223,444	12,067,072
Bearer bonds	(10,941,443)	(11,321,935)	(10,874,936)	(10,984,750)
	249,445	929,369	348,508	1,082,322

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 30 June 2010 plus an adequate constant credit spread, ranging from 1.12% to 3.83% (31 December 2009: 0.84% to 4.01%).

15 Interest income and similar income

This item can be specified as follows:

	1 Jan. 2010 - 30 June 2010 EUR 1,000	1 Jan. 2009 - 30 June 2009 EUR 1,000
Interest loans to group companies	308,135	269,898
Other interest income	21	25
	308,156	269,923

16 Interest expense and similar expenses

This item can be specified as follows:

	1 Jan. 2010 - 30 June 2010 EUR 1,000	1 Jan. 2009 - 30 June 2009 EUR 1,000
Interest bearer bonds	293,232	256,935

17 Other financial expenses

This item relates to guarantee commission concerning bearer bonds.

18 Operating expenses

This item can be specified as follows:

	1 Jan. 2010 - 30 June 2010 EUR 1,000	1 Jan. 2009 - 30 June 2009 EUR 1,000
Management fee	75	75
Consultancy fees	55	91
Other operating expenses	6	8
	136	174

19 Income tax expense

	1 Jan. 2010 - 30 June 2010 EUR 1,000	1 Jan. 2009- 30 June 2009 EUR 1,000
Current tax expense		
Current year	279	216
Deferred tax expense		
Due to temporary differences carrying amount vs. tax base	(2)	(3)
	(2)	(3)
	277	213

20 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 30 June 2010, the total amount lent to Allianz SE and to other group companies is EUR 4.9 billion (31 December 2009: EUR 4.9 billion) and EUR 6.0 billion (31 December 2009: EUR 6.0 billion), respectively.

For the six-month period ended 30 June 2010, the Company recognised interest for a total amount of EUR 141.7 million (30 June 2009: EUR 106.8 million) from Allianz SE and EUR 166.4 million (30 June 2009: EUR 163.1 million) from other group companies.

Furthermore, the Company accrued a management fee of EUR 0.1 million to A.C.I.F. Allianz Compagnia Italiana Finanziamenti S.p.A.

21 Personnel

The Company did not employ any personnel during the period (30 June 2009: nil). No remuneration was paid to the Management Board or Supervisory Board in the six-month periods ended 30 June 2010 and 30 June 2009, respectively.

22 Contingencies

As at 30 June 2010 and 31 December 2009, there are no contingencies to report.

Amsterdam, 26 August 2010

Management Board:

C. Bunschoten (appointed 17 May 2010)

Dr. S.M. Höchendorfer-Ziegler

J.C.M. Zarnitz (appointed 1 March 2010)

H.D.A. Wentzel (until 1 September 2010)

To the Board of Directors and the Supervisory Board of Allianz Finance II B.V.

Review report

Introduction

We have reviewed the accompanying interim statement of financial position of Allianz Finance II B.V., Amsterdam, as at 30 June 2010 and the related statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes ('the interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Statements Performed by the Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the entity as at 30 June 2010 and the results of its operations and its cash flows for the six-month period then ended in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amstelveen, 26 August 2010

KPMG ACCOUNTANTS N.V.

M.G. Schönhage RA