Allianz Finance B.V.

Financial statements for the year 2006

This report was adopted in the General Meeting of Shareholders dated 2 March 2007.

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 2006 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, 2 March 2007

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 Allianz Europe Ltd. and is located in Amsterdam.

Out of finance activity the profit for the year amounts to EUR 7.0 million.

No major events occurred during the financial year 2006.

Outlook 2007

In 2007, two bearer bonds and the corresponding loans will be redeemed with a nominal amount of EUR 1.1 billion.

Amsterdam, 2 March 2007

Management Board:

Dr. S.M. Höchendorfer-Ziegler

H.J.J. Schoon

H.D.A. Wentzel

Balance sheet as at 31 December 2006

		2006		2005	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Non-current assets					
Property	*5*	**6,140**		6,060	
Investments in group companies	*6*	**–**		–	
Loans to group companies	*7*	**2,567,630**		3,664,309	
Deferred tax assets	*8*	**228**		379	
			2,573,998		3,670,748
Current assets					
Loans to group companies	*7*	**1,099,655**		–	
Other investments	*9*	**186,218**		179,622	
Income tax receivable		**2,378**		3,554	
Other receivables	*10*	**100,728**		103,840	
Cash and cash equivalents	*11*	**27**		59	
			1,389,006		287,075
Total assets			**3,963,004**		3,957,823
Equity	*12*				
Issued capital		**10,833**		10,833	
Share premium		**103,517**		103,517	
Revaluation reserve		**4,115**		3,983	
Fair value reserve		**101,521**		95,121	
Retained earnings		**215,533**		212,485	
			435,519		425,939
Non-current liabilities					
Bearer bonds	*13*	**1,628,206**		2,724,119	
Loans from group companies	*14*	**700,000**		700,000	
Provisions	*15*	**–**		8,000	
Deferred tax liabilities	*8*	**1,657**		1,819	
			2,329,863		3,433,938
Carried forward			**2,765,382**		3,859,877

		2006		2005	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Brought forward			**2,765,382**		3,859,877
Current liabilities					
Bearer bonds	*13*	**1,099,662**		–	
Other liabilities	*16*	**97,960**		97,946	
			1,197,622		97,946
Total liabilities			**3,527,485**		3,531,884
Total equity and liabilities			**3,963,004**		3,957,823

Income statement for the year 2006

		2006		2005	
		EUR 1,000	**EUR 1,000**	EUR 1,000	EUR 1,000
Interest income and similar income	*18*	**192,335**		247,257	
Dividend income on available-for-sale financial assets		**1,744**		3,959	
Net foreign exchange gains		**–**		25,585	
Other financial income		**270**		326	
Financial income			**194,349**		277,127
Interest and similar expenses	*19*	**182,253**		224,101	
Expenses from derivatives		**–**		33,965	
Withholding tax		**262**		594	
Net foreign exchange losses		**23**		–	
Other financial expenses		**6,891**		9,360	
Financial expenses			**189,429**		268,020
Net financial income			**4,920**		9,107
Operating (income)/ expenses	*20*		**(3,966)**		1,180
Profit before tax			**8,886**		7,927
Income tax expense	*21*		**1,838**		1,375
Profit for the year			**7,048**		6,552

Cash flow statement for the year 2006

		2006 EUR 1,000	2005 EUR 1,000
Cash flow from operating activities			
Cash received from debtors	*10*	**237**	494
Cash paid to creditors	*16*	**(268)**	(214)
Income taxes paid		**(512)**	(2,131)
Change in cash pool	*10*	**3,145**	5,441
Net cash from operating activities		**2,602**	3,590
Cash flow from financing activities			
Repayment of loans and swaps		**–**	3,654,628
Interest received on loans and other	*18*	**189,215**	306,533
Dividend received		**1,317**	3,959
Dividend paid	*12*	**(4,000)**	–
Currency gains/losses on dividends		**(24)**	95
Repayment of bearer bonds and swaps		**–**	(3,557,944)
Interest paid on bearer bonds, loans and other	*19*	**(178,504)**	(287,610)
Repurchase of own shares		**–**	(108,000)
Guarantee fees		**(6,831)**	(13,214)
Other investments		**–**	(1,508)
Withholding tax		**(53)**	(594)
Settlement insurance claim	*15*	**(3,754)**	–
Net cash from financing activities		**(2,634)**	(3,655)
Net decrease in cash and cash equivalents	*11*	**(32)**	(65)
Cash and cash equivalents at 1 January	*11*	**59**	119
Effect of exchange rate fluctuations on cash held		**–**	5
Cash and cash equivalents at 31 December		**27**	59

Statement of recognised income and expense for the year 2006

		2006 EUR 1,000	2005 EUR 1,000
Net change in fair value of property		**132**	1,085
Net change in fair value of available-for-sale financial assets		**6,400**	95,121
Income and expense directly recognised in equity		**6,532**	96,206
Profit for the year		**7,048**	6,552
Total recognised income and expense for the year	*12*	**13,580**	102,758

Notes to the financial statements for the year 2006

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 Board of Management on 2 March 2007.

(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 2006, and have not been applied in preparing these financial statements:

- IFRS 7 *Financial Instruments: Disclosures* and the *Amendment to IAS 1 Presentation of Financial Statements:*
  - Capital Disclosures require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS 1, which become mandatory for the Company's 2007 financial statements, will require extensive additional disclosures with respect to the Company's financial instruments and share capital.

- IFRIC 9 *Reassessment of Embedded Derivatives:*
  - Reassessment of Embedded Derivatives requires that a reassessment of whether embedded derivatives should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9, which becomes mandatory for the Company's 2007 financial statements, is not expected to have any impact on the financial statements.

Other 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 Property

This item can be summarised as follows:

	2006	2005
	EUR 1,000	EUR 1,000
Book value as at 1 January	**6,060**	4,750
Revaluation	**80**	1,310
Book value as at 31 December	**6,140**	6,060

6 Investments in group companies

On 11 October 2006, the Company sold its one share in Puxian Investments S.à.r.l. (formerly Allianz Finance S.A. Luxembourg) within the Allianz Group.

7 Loans to group companies

This item relates to interest bearing loans with a carrying amount of EUR 3.7 billion as at 31 December 2006 (2005: EUR 3.7 billion). The interest bearing loans have stated interest rates of 2.879% to 6.151% (2005: 2.879% to 6.151%) and mature in 1 to 16 years.

8 Deferred tax assets and liabilities

For the year 2005, deferred tax assets and liabilities are attributable to the following:

	Balance as at 1 Jan. 2005 EUR 1,000	Recognised in equity EUR 1,000	Recognised in income EUR 1,000	Balance as at 31 Dec. 2005 EUR 1,000
Property	(1,300)	(225)	–	(1,525)
Loans to group companies	–	922	(543)	379
Derivatives (assets)	–	3,173	(3,173)	–
Bearer bonds	–	(3,913)	3,619	(294)
Derivatives (liabilities)	–	36	(36)	–
	(1,300)	(7)	(133)	(1,440)
Deferred tax assets	–			379
Deferred tax liabilities	(1,300)			(1,819)

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)**

9 Other investments

The changes during the year can be specified as follows:

	2006 EUR 1,000	2005 EUR 1,000
Balance as at 1 January	**179,622**	84,501
New shares due to stock dividend	**196**	–
Changes in fair value	**6,400**	95,121
Balance as at 31 December	**186,218**	179,622

10 Other receivables

This item mainly relates to accrued interest regarding loans to group companies of EUR 97.8 million (2005: EUR 97.8 million).

11 Cash and cash equivalents

Cash and cash equivalents are unencumbered.

12 Equity

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. 2005	13,980	208,370	2,898	–	205,933	431,181
Own shares acquired	(3,147)	(104,853)	–	–	–	(108,000)
Total recognised income and expense	–	–	1,085	95,121	6,552	102,758
Balance as at 31 Dec. 2005	10,833	103,517	3,983	95,121	212,485	425,939
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**

As at 31 December 2006, the authorised share capital comprised 50,000 (2005: 50,000) ordinary shares with a nominal value of EUR 1,000 each and the issued share capital comprised 10,833 (2005: 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.

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 3.

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**	**Redemption date**	**Carrying amount as at 31 Dec. 2006**	Carrying amount as at 31 Dec. 2005
EUR	%	%		**EUR 1,000**	EUR 1,000
766,937,822	5.75	102.450	30-07-2007	**766,613**	766,097
333,062,178	5.75	100.268	30-07-2007	**333,050**	333,010
1,632,379,831	5.00	100.220	25-03-2008	**1,628,205**	1,625,012
				2,727,868	2,724,119

All bearer bonds are guaranteed by Allianz SE.

14 Loans from group companies

The carrying amount as at 31 December 2006 amounts to EUR 700 million (2005: EUR 700 million). The nominal interest rate for the years 2005 and 2006 is 4.805% and the loan matures in sixteen years.

15 Provisions

A provision of EUR 8.0 million was recognised during the year ended 31 December 2005 in respect of a guarantee granted by Allianz Nederland Schadeverzekering N.V. for a pending insurance claim of 1994. In 2006 the claim was settled at a cost of EUR 3.8 million. The unutilised provision of EUR 4.2 million was released in the income statement.

16 Other liabilities

This item relates to accrued expenses and interest paid.

17 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 2006 EUR 1,000	**Fair value 2006 EUR 1,000**	Carrying amount 2005 EUR 1,000	Fair value 2005 EUR 1,000
Loans to group companies*	**3,765,037**	**3,869,476**	3,762,061	4,005,937
Bearer bonds	**(2,727,868)**	**(2,763,420)**	(2,724,119)	(2,848,670)
Loans from group companies*	**(704,423)**	**(736,857)**	(704,423)	(791,377)
	332,746	**366,199**	333,519	365,890
Unrecognised gains		**33,453**		32,371

* Interest accruals on loans to/from group companies are separately recognised in the balance sheet. For comparison purposes, the interest accruals have been included in the carrying amounts of 2005 and 2006 in this overview.

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 2006 plus an adequate constant credit spread, range from 3.86% to 4.20%.

18 Interest income and similar income

This item can be specified as follows:

	2006 EUR 1,000	2005 EUR 1,000
Interest income loans to group companies	**192,166**	247,110
Interest income deposits	**–**	26
Interest income other	**169**	121
	192,335	247,257

19 Interest expense and similar expenses

This item can be specified as follows:

	2006	2005
	EUR 1,000	EUR 1,000
Interest expense on bearer bonds	**148,618**	190,466
Interest expense on loans from group companies	**33,635**	33,635
	182,253	224,101

20 Operating (income)/expenses

This item can be specified as follows:

	2006	2005
	EUR 1,000	EUR 1,000
Change in provision	**(4,245)**	1,000
Management fee	**70**	65
Consultancy fees	**140**	97
Other operating expenses	**69**	18
	(3,966)	1,180

21 Income tax expense

	2006	2005
	EUR 1,000	EUR 1,000
Current tax expense/(income)		
Current year	**902**	**1,592**
Prior year	**897**	**(350)**
	1,799	**1,242**
Deferred tax expense		
Due to temporary differences carrying amount vs. tax base	**40**	**128**
Reduction in tax rate	**(1)**	**5**
	39	**133**
Total tax expense for the year	**1,838**	**1,375**

Reconciliation of effective tax rate

	2006		2005	
	%	**EUR**	%	EUR
Profit before tax		**8,886**		7,927
Income tax using the domestic corporation tax rate	**29.6**	**2,630**	31.5	2,497
Tax exempt revenues	**(19.9)**	**(1,772)**	(20.5)	(1,628)
Non-deductible expenses	**0.9**	**84**	6.3	501
Corporation tax prior years	**10.0**	**897**	0.0	–
Change in tax rate	**0.0**	**(1)**	0.0	5
	20.6	**1,838**	17.3	1,375

22 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 2006, the total nominal amount lent to Allianz SE is EUR 3.0 billion (2005: EUR 3.0 billion).

For the year ended 31 December 2006, the Company received interest for a total amount of EUR 154.0 million (2005: EUR 209.0 million) from Allianz SE.

Allianz SE has also granted Allianz Finance B.V. a loan of EUR 0.7 billion (2005: EUR 0.7 billion). The total amount of interest for the year 2006 is EUR 33.6 million (2005: EUR 33.6 million). The loan granted is fully loaned to group company AGF International S.A. The total amount of interest received from AGF International S.A. amounts to EUR 38.1 million (2005: EUR 38.1 million).

23 Personnel

The Company did not employ any personnel during the year (2005: nil). No remuneration was paid to the Management Board or the Supervisory Board.

24 Contingencies

As at 31 December 2006 and 2005, there are no contingencies to report.

Amsterdam, 2 March 2007

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

1 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.

2 Auditor’s report

The auditor’s report is set forth on the following page.

To the Management Board of Allianz Finance B.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2006 of Allianz Finance B.V., Amsterdam, which comprise the balance sheet as at 31 December 2006, the income statement, cash flow statement and statement of recognised income and expenses 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 judgment, 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 2006, 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, 2 March 2007

KPMG ACCOUNTANTS N.V.

M.G. Schonhage RA