

## 36 Other expenses

Other expenses are comprised of the following:

	2003 € mn	2002 € mn	2001 € mn
Overhead expenses	- 1,129	- 1,279	- 1,214
Integration expenses	- 942	- 261	- 548
Expenses for increasing miscellaneous or accrued liabilities	- 671	- 648	- 168
Foreign transaction currency losses	- 676	- 624	- 137
Expenses for service activities	- 577	- 525	- 971
Fees	- 388	- 286	- 281
Expenses resulting from reinsurance business	- 348	- 541	- 562
Amortization and impairments of other intangible assets	- 261	- 308	- 413
Direct credit to aggregate policy reserves	- 171	- 256	- 257
Amortization of capitalized loyalty bonuses to senior management of the PIMCO Group	- 137	- 155	- 173
Fire protection tax	- 118	- 104	- 93
Interest on accumulated policyholder dividends	- 108	- 110	- 108
Expenses for assistance to victims under joint and several liability and road casualties	- 97	- 117	- 127
Other	- 1,897	- 884	- 1,105
<b>Expenses</b>	<b>- 7,520</b>	<b>- 6,098</b>	<b>- 6,157</b>

## 37 Taxes

Consolidated Group income before taxes and minority interests is composed as follows:

	2003 € mn	2002 € mn	2001 € mn
Germany	702	- 765	3,013
Other countries	1,771	- 618	- 1,319
<b>Total</b>	<b>2,473</b>	<b>- 1,383</b>	<b>1,694</b>

Group taxes are comprised of the following:

	2003 € mn	2002 € mn	2001 € mn
Current taxes	- 1,510	- 844	- 617
Deferred taxes	1,435	1,686	1,552
<b>Subtotal</b>	<b>- 75</b>	<b>842</b>	<b>935</b>
Other taxes	- 55	- 74	- 74
<b>Total</b>	<b>- 130</b>	<b>768</b>	<b>861</b>

The actual tax charge for the reporting year includes a charge of € 531 mn (2002: gain of € 175 mn) relating to prior periods.

Of the deferred tax income for the reporting year, € 272 mn (2002: charge of € 221 mn) are attributable to the recognition of deferred taxes on temporary differences. The change of applicable tax rates due to changes in tax law produced deferred tax income of € 26 (2002: 16) mn.

The tax rates used in the calculation of deferred taxes are the applicable national rates, which in 2003, as in 2002, ranged from 12.5 % to 45.5 %. Changes to tax rates already adopted on the balance sheet date are taken into account. For reasons of commensurability and because of our current tax loss situation in Germany, we refrained from applying the increased corporate tax rate of 26.5 %, which was adopted as part of the Flood Victim Solidarity law and concerns the year 2003 only.

Tax deferrals are recognized if a future reversal of the difference is expected. Deferred taxes on losses carried forward are recognized as an asset if sufficient future taxable profits are available for realization. Safety margins are used where appropriate.

Due to the use of tax losses carried forward for which no deferred tax was recognized as an asset, the actual tax charge on earnings diminished by € 33 (2002: 31) mn. The recognition of deferred tax claims on losses carried over from earlier periods, for which no deferred taxes had yet been recognized or which had been devalued, resulted in deferred tax income of € 443 (2002: 55) mn.