

tive expenses. Unscheduled amortizations of or additions to the capitalized value of life/health insurance portfolios are recognized as other expenses/income. The amount of interest accrued on unamortized PVFP in 2003 was € 102 (2002: 78; 2001: 99) mn. The percentage of PVFP as of December 31, 2003 that is expected to be amortized in 2004 is 8.65 % (7.68 % in 2005, 6.94 % in 2006, 5.74 % in 2007 and 5.18 % in 2008).

Software

	2003 € mn	2002 € mn
Gross amount capitalized as of 12/31 prior year	2,692	2,439
Accumulated amortization as of 12/31 prior year	- 1,411	- 1,003
Value stated as of 12/31 prior year	1,281	1,436
Translation differences	- 20	- 19
Value stated as of 1/1	1,261	1,417
Additions	713	497
Changes in the group of consolidated companies	- 69	- 68
Disposals	- 233	- 157
Amortization	- 608	- 408
Value stated as of 12/31	1,064	1,281
Accumulated amortization as of 12/31	- 2,019	- 1,411
Gross amount capitalized as of 12/31	3,083	2,692

The balance sheet value amounting to € 1,064 (2002: 1,281) mn includes € 598 (2002: 630) mn for internally developed software € 466 (2002: 651) mn for software purchased from third parties.

Amortization of software is included in the income statement. For the insurance companies, it is allocated to the various functional areas. The companies of the banking segment report amortization of software under administrative expenses.

Loyalty bonuses and brand names

Other intangible assets also include capitalized loyalty bonuses for senior management of the PIMCO Group, Delaware, amounting to € 158 (2002: 329) mn that were recognized as assets in the annual statement 2000 in the amount of € 713 mn and are amortized on a straight-line basis over 5 years. During 2001, assets of € 659 mn were recognized for the value of the brand names "Dresdner Bank" and "dit" (Deutscher Investment-Trust) and these are amortized on a straight-line basis over 20 years. The purchase of additional shares of Dresdner Bank AG in 2002 increased the carrying amount of the brand names by € 224 mn. After scheduled depreciation of € 47 (2002: 39; 2001: 15) mn in the fiscal year, the brand names are recognized at balance sheet date in the amount of € 782 (2002: 829) mn.

6 Investments in affiliated enterprises, joint ventures, and associated enterprises

	12/31/2003 € mn	12/31/2002 € mn
Investments		
in affiliated enterprises	900	939
in joint ventures	144	22
in associated enterprises	5,398	10,384
Total stated value	6,442	11,345
Total market value	7,135	15,013

The market value is based on stock exchange quotations and internal valuations.

The balance sheet value of investments in banks amounts to € 2,686 (2002: 4,349) mn.

7 Investments

Investments comprise the following:

	12/31/2003 € mn	12/31/2002 € mn
Securities held-to-maturity	4,683	6,533
Securities available-for-sale	277,871	265,997
Real estate used by third parties	10,501	10,747
Funds held by others under reinsurance contracts assumed	2,012	2,063
Total	295,067	285,340

Securities held-to-maturity

	Amortized costs	
	12/31/2003 € mn	12/31/2002 € mn
Government bonds	1,747	2,284
Corporate bonds	2,597	2,301
Other	339	1,948
Total	4,683	6,533

The fair value of individual securities can fall temporarily below their carrying value but, provided there is no risk resulting from changes in financial standing, such securities are not impaired.