

Swiss Life



Rentenanstalt

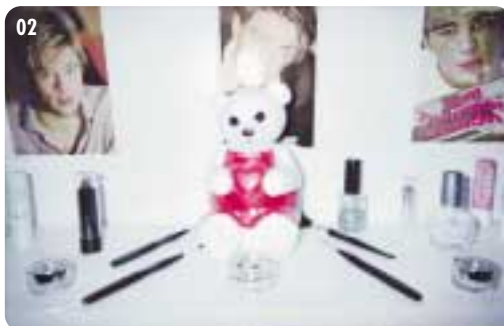


Annual Report 2001

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«SwissLove», that is the name of Swiss Life/Rentenanstalt's project at the national exposition Expo.02. It is presenting a «walkable» movie under this title at the arteplage in Yverdon. «SwissLove» is also the topic behind the pictures in the present Annual Report.

They are snapshots depicted in the form of collages; they attempt to document through photography «what is dearest to me or what I care about». Accordingly, a variety of individuals in Switzerland have interpreted «SwissLove» in their own, personal way.

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Pina Persichini, 14, Schoolgirl, Lyss BE.

«I have photographed my friends and my mother, because I love them. They are the most important people in my life. I also like clothes and shoes and listening to music.»

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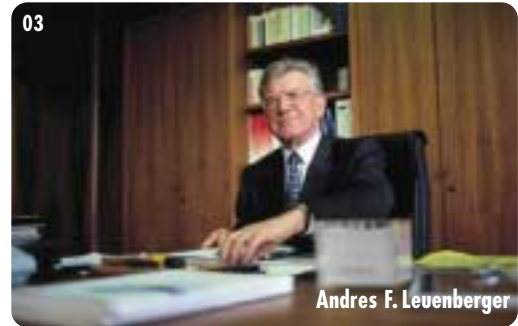
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Key Figures

Swiss Life/Rentenanstalt Group Key Figures	in million CHF (if not noted otherwise)		
	2001	2000	Change in %
Gross written premiums, policy fees, other related income and insurance deposits	19 980	19 318	+ 3.4
Gross written premiums, policy fees and other related income	15 630	14 652	+ 6.7
Net written premiums, policy fees and other related income	15 129	14 179	+ 6.7
Net investment income including trading account income	5 912	6 286	– 5.9
Net realised and unrealised gains/losses	558	4 134	– 86.5
Operating income, gross	721	1 339	– 46.2
Operating income before tax and minority interests	213	1 308	– 83.7
Net profit	124	924	– 86.6
Assets under management	203 334	214 404	– 5.2
Disclosed equity	4 982	7 665	– 35.0
Total core capital for capital adequacy purposes	7 667	13 258	– 42.2
Members of staff (number)	12 784	12 481	+ 2.4

Annual Report 2001

Swiss Life/Rentenanstalt



Consolidated profit totalled CHF 124 million. Premium income increased by 3.4% to over CHF 19.9 billion. The Board of Directors launched a cost savings programme in January 2002 and initiated a re-examination of the corporate strategy. The aim is to improve profitability of all business units as well as to further strengthen the balance sheet and increase the equity capital base. There was a change on the Corporate Executive Board at the end of February 2002: Roland Chlapowski succeeded Manfred Zobl as CEO.

The political and economic happenings in the past year left their marks on all of the economic industries, including Swiss Life/Rentenanstalt's business operations. Performance of the most important equity markets had a substantial affect on income from investments. The year 2000 can be described as exceptional thanks to extraordinary investment income and an annual profit of CHF 924 million, whereas the Group's consolidated profit equalled CHF 124 million in the year under review.

Almost all units were able to increase premium income in the insurance sector. Income rose by a total of 3.4% to over CHF 19.9 billion. 52% of this amount was generated abroad. Apart from the price slump in the equity markets, the prescribed minimal interest rate of 4% for Swiss BVG business operations also contributed to an unsatisfactory result. As the market leader, Swiss Life/Rentenanstalt has been particularly hard hit by these conditions.

After reviewing the first results, the Board of Directors decided at the end of January 2002 on a drastic cost savings programme which will lead to savings of CHF 300 million per year by the end of 2003. Moreover, significant initial effects are to be attained as early as 2002. This also includes a reduction of 800 jobs throughout the entire Group. The Group currently employs a total of about 12 800 individuals. Furthermore, the Board of Directors initiated a re-examination of the corporate strategy, which was approved in 1998 and implemented during the past years. Swiss Life/Rentenanstalt's Board of Directors has always supported this strategy; however, it now requires an adjustment to the new market circumstances. The reassessment activities are already well underway and decisions are in the process of being prepared. The aim is to

improve profitability of all business units as well as to optimise the balance sheet and further strengthen the equity capital base. In addition, the Board of Directors decided to propose a dividend renunciation to the general meeting of shareholders.

Based on differing strategic opinions with the Board of Directors, Manfred Zobl tendered his resignation after almost 10 years as CEO of Swiss Life/Rentenanstalt at the end of February 2002. Roland Chlapowski was appointed as his successor. The Board of Directors thanks Manfred Zobl for his successful activities in the interests of Swiss Life/Rentenanstalt. A new division called «Actuarial and Financial Techniques» was established. Its head, Michael Koller, assumed the function of a risk officer. In accordance with corporate governance, the Group functions of CIO and CFO, which are currently held by the same person, will be separated.

Our employees once again showed their strong dedication to the company in the year under review. The Board of Directors and Corporate Executive Board thanks them for their confidence. We also thank our clients for their loyalty to Swiss Life/Rentenanstalt. Even in this difficult environment, we will do all in our power to further strengthen the faith they and our investors place in us.



Andres F.
Leuenberger
Chairman of the
Board of Directors



Roland Chlapowski
President of the
Corporate
Executive Board



Urs Marty

The Corporate Executive Board of Swiss Life/Rentenanstalt: Roland Chlapowski, CEO since 3/1/2002, Manfred Zobl, CEO until 2/28/2002, Michael Koller, Hannes A. Meyer, Dominique P. Morax, Karl Mühlebach, Hans-Rudolf Strickler

Andres F. Leuenberger, Chairman of the Board of Directors, was re-elected for a term of three years at the general meeting on June 15, 2001. Manfred Zobl, President of the Corporate Executive Board, resigned at the end of February 2002. Roland Chlapowski was appointed as his successor. The Corporate Executive Board was supplemented by a new division called «Actuarial and Financial Techniques».

Board of Directors

Having reached the statutory age limit, Riccardo Jagmetti and Erwin Reinhardt retired as members of the Board of Directors at the general meeting on June 15, 2001. Riccardo Jagmetti was appointed to the Supervisory Board in 1987; he was a member of the Supervisory Committee for 6½ years and continued in this function after the company became a plc. Erwin Reinhardt was a member of the Supervisory Board and Board of Directors for 13 years. He was appointed to the Supervisory Committee in 1991. The Board of Directors thanks the retired members for having put themselves and their know-how at the disposal of the company and thus making an important contribution to Swiss Life/Rentenanstalt's further development.

The mandates of Maria Luisa Garzoni, Manager and Member of the Board of Directors of Garzoni SA, Lugano, and Andres F. Leuenberger, Chairman of Swiss Life/Rentenanstalt's Board of Directors, expired in 2001. The general meeting renewed both of these mandates for another term of office of three years. Henri B. Meier, financial specialist and former CFO of the Roche Group in Basel, was appointed as a new member of the Board of Directors. Among other mandates, Henri B. Meier is Chairman of the Board of Directors of Givaudan AG and a member of the Board of Directors of Roche Holding AG, Basel.

Corporate Executive Board

Manfred Zobl, President of the Corporate Executive Board, resigned at the end of February 2002 owing to differing views with the Board of Directors on the company's strategic direction. The Board of Directors expresses its thanks to Manfred Zobl for his successful activities in the interests of Swiss Life/Rentenanstalt. Important steps in the company's development were taken under his management, including the transition from a mutual to a public limited company, the condensing of distribution channels, the strengthening of foreign business operations as well as various profitable acquisitions in Switzerland and abroad. As the long-time President of the Swiss Association of Life Insurance Companies, Manfred Zobl also played an important role in the insurance industry as a whole.

Roland Chlapowski, 51, dipl. Bauing. ETH, was appointed as his successor. Roland Chlapowski joined the Swiss Life/Rentenanstalt Group in 1995. He managed its subsidiary «La Suisse» until 1999, significantly improving the company's profitability during that time. He has been heading the Swiss Division which encompasses all of Switzerland's insurance operations since 1999.

Swiss Life/Rentenanstalt's Board of Directors appointed Michael Koller as a member of the Corporate Executive Board and head of the «Actuarial and Financial Techniques Division» as on October 1st, 2001.

The activities of the «European Division» and «International Division» were consolidated under the management of Hans-Rudolf Strickler as per April 2002. Upon his own request, Karl Mühlebach, head of the current «International Division», will retire early. The Board of Directors thanks him for his many years of fruitful service in the interests of Swiss Life/Rentenanstalt.

Board of Directors

Board of Directors

Andres F. Leuenberger

Vice Chairman of the Board of Directors of Roche Holding AG, Riehen
Chairman
Term of office until 2004

Rino Rossi

President and Delegate of the Board of Directors of V-Zug AG, Zug
First Vice Chairman
Term of office until 2003

Ulrich Oppikofer

Seltisberg
Second Vice Chairman
Term of office until 2002

Christine Beerli-Kopp

Lawyer, member of the Council of States, Bienne
Term of office until 2002

Gerold Bühler

Financial and economics consultant, National Councillor, Thayngen
Term of office until 2003

Pierre de Chastonay

Lawyer, Notary Public, former National Councillor, Sierre
Term of office until 2002

Gilbert Coutau

Economics consultant, former member of the Council of States, President of the Geneva Chamber of Commerce and Industry, Geneva
Term of office until 2002

Albert Eggli

Former National Councillor, Winterthur
Term of office until 2002

Maria Luisa Garzoni-Barberi

Garzoni SA, General contractors, Lugano
Term of office until 2004

Riccardo Jagmetti

Former member of the Council of States, Zurich
Resigned as per 6/15/2001

Josef Kühne

Farmer, former National Councillor, President of Swiss Milk Producers SMP, Benken SG
Term of office until 2002

Henri B. Meier

Chairman of the Board of Directors of Givaudan AG, Buonas
Member since 6/15/2001
Term of office until 2004

Georges Muller

Chairman of the Board of Directors of «La Suisse», Lausanne
Term of office until 2003

Erwin Reinhardt

Lawyer, Chairman of the Board of Directors of Sihl + Eika Papier AG, Muri BE
Resigned as per 6/15/2001

Honorary Chairman

Ernst Rüesch

Former member of the Council of States, former State Councillor, St. Gall

Board of Directors' Committee

until 6/15/2001

Andres F. Leuenberger

Chairman

Rino Rossi

First Vice Chairman

Ulrich Oppikofer

Second Vice Chairman

Pierre de Chastonay**Riccardo Jagmetti****Erwin Reinhardt**

Finance Committee

Andres F. Leuenberger

Chairman

Gerold Bühler**Roland Chlapowski**

since 3/1/2002

Michael Koller

since 4/8/2002

Dominique P. Morax**Rino Rossi****Manfred Zobl**

until 2/28/2002

Audit Committee

since 6/16/2001

Ulrich Oppikofer

Chairman

Gilbert Coutau**Josef Kühne**

Corporate Executive Board

Corporate Executive Board

Manfred Zobl

Chairman of the Corporate Executive Board, President, CEO until 2/28/2002
1946, at Swiss Life/Rentenanstalt Group since 1992

Roland Chlapowski

Chairman of the Corporate Executive Board since 3/1/2002
President, CEO
1951, at Swiss Life/Rentenanstalt Group since 1995

Michael Koller

Deputy Co-President, since 10/1/2001
1964, at Swiss Life/Rentenanstalt Group since 1993

Hannes Anton Meyer

Co-President
1943, at Swiss Life/Rentenanstalt Group since 1985

Dominique P. Morax

Co-President, CFO
1948, at Swiss Life/Rentenanstalt Group since 1997

Karl Mühlebach

Co-President
1943, at Swiss Life/Rentenanstalt Group since 1970

Hans-Rudolf Strickler

Co-President, since 6/1/2001
1947, at Swiss Life/Rentenanstalt Group since 2001

The following key information on Swiss Life/Rentenanstalt's corporate governance is directed at investors. «Corporate governance» encompasses all principles and rules relating to organisation, conduct and transparency and aims to ensure a well-balanced relation between management and control at the supreme management level, while at the same time safeguarding the decision-making capability and efficiency of management.

Share capital structure

Swiss Life/Rentenanstalt's share capital amounts to CHF 587 350 000 and is divided into 11 747 000 registered shares with a par value of CHF 50 each. The Articles of Association do not provide for authorised or conditional capital. There are no preferential or voting shares.

The Articles of Association stipulate that an acquirer may refuse to be recognised as a shareholder with voting rights, if, upon request, the acquirer does not expressly declare that he has acquired the registered shares in his own name and for his own account. There are no other transfer limitations. In exercising voting rights at the general meeting, no shareholder can collect more than 10% of the total share capital directly or indirectly in respect of his own shares and those he represents.

Organisation of executive bodies

The Board of Directors is composed of at least 7 and at most 14 members. Members of the Board of Directors are elected for a term of office of three years. The Board of Directors constitutes itself. Resolutions of the Board of Directors are adopted with a majority of votes cast. In the event of a tied vote, the chairperson has the casting vote. Resolutions can also be adopted by written vote if no member demands a meeting for an oral discussion.

In accordance with the new Organisational Regulations enforced on June 16, 2001, the Board of Directors has formed the following standing committees:

- Coordination, Nomination and Compensation Committee
- Finance Committee
- Audit Committee

The Board of Directors can establish further special committees for specific duties.

Coordination, Nomination and Compensation Committee

The Coordination, Nomination and Compensation Committee consists of the Chairman and Vice-Chairmen of the Board of Directors and is charged, among others, with the following duties and competencies: preparing business matters brought to the attention of the Board of Directors, examining potential candidates for election to the Board of Directors and as President of the Corporate Executive Board, determining the remuneration of the members of the Board of Directors and the Corporate Executive Board, supervising the activities of Corporate Internal Audit, and dealing with business matters of fundamental importance, insofar as they do not fall within the responsibility of the Board of Directors. The Coordination, Nomination and Compensation Committee decides, by want of exception and in particular in cases of urgency, on matters within the competence of the Board of Directors or the special committees. Such decisions must be brought to the attention of the responsible body for approval.

Finance Committee

The duties and competencies of the Finance Committee are in particular: carrying out direct financial controlling, approving and supervising the adherence to Group investment directives, taking financial decisions within the frame of its responsibility in accordance with the financial competence order as well as determining directives for long-term investment policies.

Audit Committee

The Audit Committee is charged, among others, with the following duties and competencies: preparing a recommendation for election of the Group auditors and examining their independence, arranging supplementary audits, examining and acknowledging the Group auditors' statements and recommendations, examining and assessing the quality of external reporting as well as taking note of the results of internal audits.

Corporate Executive Board

The Corporate Executive Board has the overall management competence, excluding those duties for which other bodies are responsible according to the law, Articles of Association and the Organisational Regulations.

Remuneration of the Board of Directors and Corporate Executive Board

The fixed remuneration for the Board of Directors for the financial year 2001 (13 members up to June 15, 12 members as of June 16) totalled CHF 960 000. In addition, attendance fees amounted to CHF 55 000 in the first semester 2001. Furthermore, the members of the Board of Directors were allocated a total of 765 shares and share options. The options currently have no intrinsic value.

The compensation of the Corporate Executive Board is composed of a fixed and a performance-related cash amount, of Swiss Life/Rentenanstalt shares as well as options on Swiss Life/Rentenanstalt shares. A total of CHF 5.8 million was paid to the 7 members of the Corporate Executive Board for the 2001 financial year in the form of fixed compensation and bonus payments. Moreover, the members of the Corporate Executive Board were allocated a total of 1150 shares and share options. The options currently have no intrinsic value.



Doris Caversaccio-Urben

Doris Caversaccio-Urben, 69, Housewife, Solothurn SO. «My husband and I went to various places and discussed the choice of pictures. We enjoyed this new experience and had a lot of fun during the time we took photos.»

The performance of the Swiss Life/Rentenanstalt shares

The world economy slowed through 2001, initially overseas and then in Europe. The tragedies that took place in September precipitated a massive economic downswing and a world-wide decline in equity markets. The effect on the insurance industry was reflected in the performance of the SPI Insurance Index which decreased by 38.6% compared to the previous year. Swiss Life/Rentenanstalt's shares closed 2001 some 47.1% below their level at the end of the previous year.

Worldwide economic growth slowed significantly in 2001. A slump in the technology sector and a sobering effect of the economic potential of New Economy stocks burdened capital markets. The second half of the year was marked by a world-wide downswing. Terrorist attacks in September highlighted the vulnerability of the world economic system and prolonged the year's economic slump. Widespread insecurity in the markets led to an investment stop. 2001, as a result, will be recorded in history as the third worst stock exchange year in the last 100 years.

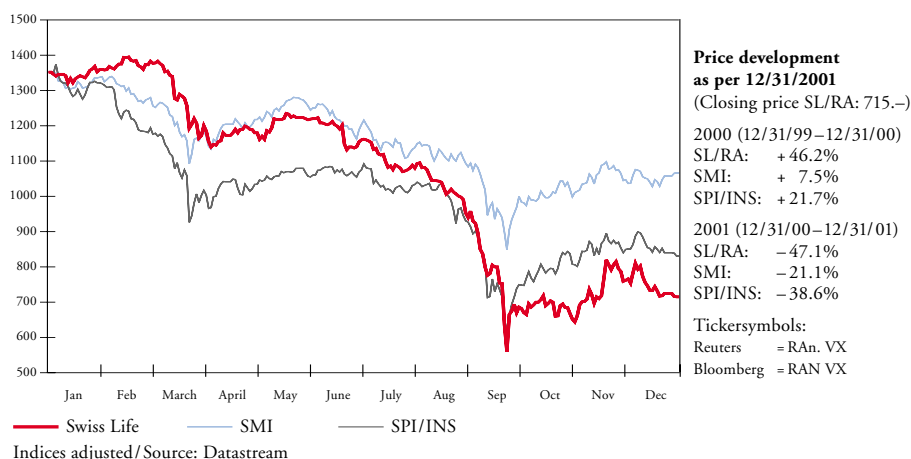
The Swiss Market Index (SMI) fell by 21.1%. The insurance industry was particularly hard hit by difficult financial conditions. Burdened by high capital market volatility and regulatory demands, Swiss Life/Rentenanstalt's shares were unable to avoid the general downturn. The share price at the end of 2001 closed 47.1% lower compared to the previous year. The SPI Insurance Index was down 38.6%. Nevertheless, over a five-year period, Swiss Life/Rentenanstalt's shares have recorded a 0.7% higher rise in value (+11%) than the average of Swiss blue chips included in the SMI.

Capitalisation at the end of 2001 stood at CHF 8.4 billion.

Share statistics	Amounts in CHF (if not noted otherwise)	
	12/31/2001	12/31/2000
Number of shares (weighted average)	11 075 893	11 336 876
Profit per share	11.2	81.5
Shareholders' equity per share	449.8	676.1
Stock exchange price ¹	715	1 352
Market capitalisation	8 399 105 000	15 881 944 000
Security code (SWX)	802 678	802 678
Price/earnings (ratio)	64	17
Price/shareholders' equity (ratio)	1.6	2.0
Dividend	—	18.— ²

¹ annual high/low: 1395.— (02/15/01) / 560.— (09/21/01)

² ordinary dividend CHF 13.—, extraordinary dividend CHF 5.—



Attractive services for active shareholders

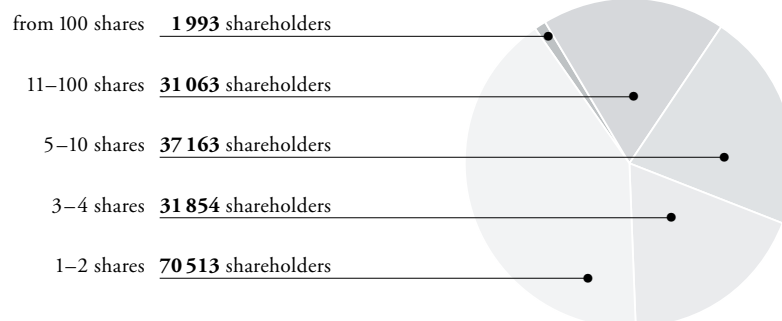
Swiss Life/Rentenanstalt encourages a direct and open dialogue with its shareholders. And, thanks to an extremely high registration quota of 93% of depositors in the share register, Swiss Life/Rentenanstalt is able to maintain excellent contacts with its stockholders. The Shareholder Services Department manages the share register and offers a number of attractive shareholder services. The high quality of our Shareholder Services Department has attracted outside companies to use its services.

Through its Shareholder Services Department, Swiss Life/Rentenanstalt offers shareholders an efficient way of managing their Swiss Life shares free of charge while remaining in direct and regular contact with the company. An efficient share deposit and registration system plays an important role in ensuring that shareholders' rights are met. Keeping Swiss Life/Rentenanstalt shares in a depository with the company has a major advantage in that the stock is registered automatically in the share register if a valid, signed application for registration has been filed with the company. An extremely high registration quota of 93% shows that the users of Swiss Life/Rentenanstalt's shareholder depository are interested in direct dialogue with their company. The system allows them to make ample use of their rights as shareholders.

Shareholder depository creates transparency

Since the company's change from a mutual to a public limited company, Swiss Life/Rentenanstalt's shareholders have had at their disposal a share depository free of charge for their Swiss Life/Rentenanstalt shares. This depository is administered in cooperation with SegalIntersect AG. With 265 000 users, a large portion of investors have taken up this offer, profiting not only from professional management, with an annual statement and a summary for tax purposes, but also from delivery of securities to and from the depository free of charge. Moreover, depositors are provided with easy and cost-efficient trading options thanks to the company's collaboration with a bank. Depositors also benefit from an automatic adjustment of changes in their address in accordance with Swiss Life/Rentenanstalt's client data base.

Distribution of Swiss Life/Rentenanstalt shares



The share register is always up to date

The register contains all shareholder-relevant data, including that related to the transfer of shares. Registration of shares is the legal prerequisite for exercising holder rights. The share register is updated on a daily basis thanks to its direct connection to the Swiss securities giro system. Furthermore, it provides the data required for the distribution of invitations to the general meeting and other documents sent to shareholders.

Televoting at Swiss Life/Rentenanstalt's general meeting

The organisation of general meetings (GM) at large public limited companies requires experience and precision. Numerous legal, technical and practical factors must be taken into account if a meeting is to be conducted in accordance with prevailing regulations. The support of an efficient GM Information

Technology system (GM IT-system) is indispensable in evaluating within a suitable timeframe powers of attorney and votes at the general meeting and in ensuring that unauthorised persons are excluded from the meeting.

The GM IT-systems on the market a few years ago were inadequate for Swiss Life/Rentenanstalt's large shareholder volume. As a result, Swiss Life/Rentenanstalt developed the «GM-Master» system in collaboration with UBS in 1999. Prior to the general meeting, GM-Master is fed continually with the latest data from the share register. It records submitted powers of attorney and produces the meeting's admission cards. Thanks to this technology, the share register remains open up until the general meeting, providing a significant advantage for shareholders. When a shareholder is admitted to the general meeting, the shareholder's data is automatically activated by means of a barcode on the

admission card. The system continually records the presence of shareholders and votes represented. Participants vote by means of a wireless voting instrument called «Televoter». The result of votes is immediately determined and directly shown on the screen. There is no need for a time- and personnel-consuming count of written votes. GM-Master allows for a quick, precise and discrete determination of the voting result. This is contrary to a system where votes are determined by a show of hands.

GM-Master is also available to other companies within the framework of our cooperation with SIS/SAG. The system is used currently at the general meetings of several large public limited companies. The Shareholder Services Department, along with partner providers, also offers companies that newly list on the stock exchange comprehensive solutions in the field of GM organisation. Such services are used by a growing number of institutional clients who have recognised the importance of a professional organisation of their general meetings as a part of modern risk management.

Price and volume of Swiss Life/Rentenanstalt shares
July 1997–February 2002



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www.swisslife.com/shareholderservices



Toni Ritschard, 46, Carpenter, Oberhofen BE. «My love of big and small things...look at them and make a picture yourself.»

Swiss Life/Rentenanstalt recorded an increase in gross premiums (including policyholder investment contracts) of 3.4%, or 5.3% when adjusted for exchange rates. Policyholder investment contracts declined by around CHF 300 million. Pure insurance business increased by 9%, after adjustments were made for exchange rates. Despite a substantial rise in new business, managed assets fell from CHF 214.4 billion to CHF 203.3 billion. However, this result does not reflect business expansion in this sector as the volume of assets under management was affected by negative stock markets. Profit contribution from the individual sectors was also strongly influenced by lower capital yields. Compared to the previous year, only the investment management segment reported a rise in profit contribution as this segment primarily generates income through its services.

Life

Premiums

Premium income, including policyholder investment contracts, rose by 3.7% (5.4% when adjusted for exchange rates) to CHF 17.8 billion (17.1 billion in the previous year). Pure gross premiums increased by almost 8%, whereas policyholder investment contracts declined by 7%. Both the individual and group insurance sectors developed positively. Following a decrease in single premiums of 10% in 2000, this category rose by more than 20% in the year under review. This increase was especially marked in individual insurance where volume rose by almost 40%.

Breakdown of gross premiums (direct business)

26% Individual insurance
50% Group insurance
24% Policyholder investment contracts



Insurance benefits

Insurance benefits paid remained almost stable at the previous year's level (-1%). Benefits paid in individual insurance increased by 3%, while decreasing 3% in group insurance, compared to the previous year. No extraordinary fluctuations occurred in regard to the individual types of benefits paid.

Risk result

The risk profile of each insurance activity is checked regularly. If fluctuations are no longer within a tolerable range, a detailed analysis is carried out. The outcome of such an analysis may require measures in regard to tariffs or a re-examination of risk. The risk result in 2001 was practically equivalent to the previous year. As in past years, the result can be described as extremely gratifying.

Expenses

Overall expenses amounted to CHF 2.3 billion, 5% higher than the 2000 figure. This increase is slightly above the percentage rise in gross premiums. A recently launched cost savings programme aims at substantially improving the cost factor in life insurance.

Assets under management

Under IAS, assets under management are usually recorded at market value. The result is that value fluctuations are directly reflected in this key figure. Accordingly, a decline does not necessarily signify an outflow of client assets. Indeed, managed assets in the life sector remained practically stable at the previous year's level despite significant depreciation requirements resulting from unfavourable stock exchange conditions.

	2001 million CHF	2000 million CHF	+/- %
Gross premiums	17 771	17 134	+ 4
Managed assets	140 269	142 545	- 2
Profit contribution	269	1 177	- 77

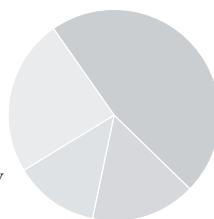
Non-Life

Premiums

Adjusted for exchange rates, premium income increased by 4.2% in the non-life sector. This sector is concentrated in France and Switzerland. France contributed 84%, Switzerland 12% and other areas 4% to the volume of business.

Breakdown of gross premiums (direct business)

47% Accident and health insurance
16% Motor vehicle insurance
13% Fire and property insurance
24% Others



Insurance benefits

Insurance benefits paid were 1% below the previous year's figure. The claims ratio rose slightly from 76% to 76.7%.

Expenses

Expenses totalled CHF 652 million (690 million in 2000). The cost factor fell as in the previous year. However, the decrease in the year under review was substantial (from 34.8% to 31.7%).

Assets under management

Adjusted for exchange rates, assets under management increased compared to the previous year, reaching CHF 2.8 billion.

	2001 million CHF	2000 million CHF	+/- %
Gross premiums	2 209	2 184	+ 1
Managed assets	2 785	2 795	0
Profit contribution	32	154	- 79

Financial markets 2001

Financial markets were burdened from the beginning of 2001 by a slump in the technology sector which spread to New Economy stocks. An end to the speculative bubble resulted in a massive over-capacity on the corporate side. This development led to a simultaneous downswing in the world's three large economic regions with grave consequences for the global economy. The terrorist attacks in the United States on September 11th further accentuated recessive trends and led to a general sense of insecurity. Investors in the financial markets were confronted with incalculable risks. Uncertainty was felt in both the equity and bond markets. In historic comparison, both markets evidenced high volatility. Nevertheless, the financial markets proved to be exceptionally resistant in view of the numerous challenges facing them. To a considerable extent, this was thanks to the pragmatic and quick actions taken by economic policymakers in the US and in other industrialised nations who had adopted an expansive course even before the terrorist attacks in September. Further reductions in key interest rates and quick military successes in Afghanistan led to a general international financial market recovery at the end of the year. The most important Swiss stock exchange indices, the SMI and SPI, were higher at the end of November than they had been prior to September 11th. However, annual price losses were substantial, with -21.11% for the SMI and -22.03% for the SPI. The bond market was subject to further turbulence as traditional risk exposure reached new dimensions with the bankruptcy of Enron. Return on long-term loans decreased further between August and

November as the result of declining money market rates and lower inflation expectations. Furthermore, Swissair's grounding led to higher risk premiums on corporate bonds. However, 10-year Swiss federal bonds closed practically unchanged at 3.5%. Nevertheless, these bonds were particularly volatile and subject to an interim decrease to 2.85% in November. The US dollar remained surprisingly strong in view of the recession and a high US foreign trade deficit. Based on its function as a «secure haven», the Swiss franc stayed very strong, burdening the Swiss export industry. Rapid price declines on global stock markets left their mark on the year-end figures of many companies, particularly in the second half of the year.

Private banking sector

Private banking covers investment consultancy services and asset management for private clients. Medium- to long-term prospects for growth in the global private banking business are generally very promising as the volume of potential clients has never been so large. Surveys have shown that there are 6 million people world-wide, who have assets in excess of USD 1 million. In addition, the number of high net worth individuals with substantial wealth continues to rise.

Swiss Life/Rentenanstalt operates its private banking sector mainly via two channels. They are the recently-acquired Banca del Gottardo and the Schweizerische Treuhandgesellschaft (STG). The latter has continued to expand its range of traditional services with a view to the future needs of its clientele. The company offers comprehensive trust services. The range of services is geared to wealthy private individuals and managers as well as private companies and corporations. Banca del Gottardo has its head office in Lugano. The bank's strategic emphasis is on international private banking, but it also plays a major role as a universal bank in its domestic market of Ticino.

Banca del Gottardo has acquired Westdeutsche Landesbank (Schweiz), significantly strengthening its presence in the German-speaking part of Switzerland. WestLB (Schweiz) has its seat in Zurich and employs a total of 77 persons.

Banca del Gottardo (Italia) S.p.A. was established in Bergamo as a subsidiary of Banca del Gottardo, Lugano. Thus the company has undertaken its first step towards expanding business activities in Italy. This is in line with the bank's medium-term strategy. Shareholders' equity in the newly-established bank stands at EUR 25 million and is mainly held by the parent company.

Swiss Life/Rentenanstalt's private banking sector managed assets of CHF 49.7 billion on December 31, 2001. This is CHF 4 billion less than in the previous year. The reduction, which is reflected in the asset and liability statement of Swiss Life/Rentenanstalt's private banking sector, resulted from the stock market slump. Declining stock prices affected the volume of assets under management because equity investments are recorded at market value in accordance with IAS.

Performance of the private banking sector

Profit before tax in the private banking sector totalled CHF 102 million in 2001. This was a decrease of approximately CHF 140 million compared to the previous year. The fall resulted primarily from declining returns from brokerage. Income equalled CHF 1053 million in 2001, while expenses amounted to CHF 955 million. Costs were pushed by personnel and general banking expenses which increased by CHF 59 million to 544 million in 2001. Staff numbers dropped by 14 compared to the previous year to a total 1936 on December 31, 2001.

	2001 million CHF	2000 million CHF	+/- %
Managed assets*	42 561	45 278**	-6
Profit contribution	102	241	-58

* of third parties

** change resulting from new reporting method

Investment management sector

The investment management sector not only manages funds from insurance operations, but also third-party investments. Managed funds for outside investors are off the balance sheet. Funds from third parties totalled CHF 15.6 billion on December 31, 2001.

The requirements of the market increased during the last year, making it necessary to offer a comprehensive range of modern investment products from a single provider. Clients increasingly demand investment opportunities not only in well-known instruments, such as real estate and stock, but also in non-traditional instruments. Alternative investments, as they are called, include hedge funds and private equity. Swiss Life/Rentenanstalt has expanded its range of alternative investment instruments, allowing it to fulfil clients' needs with tailor-made and individual solutions.

Swiss Life Asset Management AG, a subsidiary held 100% by Swiss Life/Rentenanstalt, operates in the asset management and investment business. It managed clients' funds of CHF 85.4 billion on December 31, 2001. During the course of 2001, Swiss Life Asset Management established a number of subsidiaries abroad so as to ensure optimal client services in each country.

Another one of Swiss Life/Rentenanstalt's subsidiaries, Swiss Life Private Equity Partners AG, acquired in 2001 the management mandates of 5E Holding and Private Equity Holding. Company private equity assets totalled CHF 1.9 billion at the end of December 2001.

Swissville, also a 100% subsidiary of Swiss Life/Rentenanstalt, acquired the real estate portfolio of Oscar Weber Holding AG in July 2001. The portfolio comprises 39 buildings situated primarily at attractive central locations in various Swiss cities, including buildings at the Bahnhofstrasse, Bellevue and Sihlporte in Zurich, at Gerbergasse in Basel and at Marktgasse in Bern. This transaction made Swissville into the largest owner of retail trade buildings in Switzerland. The total value of real estate acquired by Swissville equalled more than CHF 2 billion on December 31, 2001.

Swiss Life Asset Management AG established Adamant Biomedical Investments AG in 2001. It is the first asset manager to offer combined global investments in the rapidly growing and very promising biotechnology and medical technology sectors («biomed»). Starting early, Adamant Biomedical Investments AG is expected to become a major force in this investment sector in Europe.

Performance of the investment management sector

Swiss Life/Rentenanstalt managed assets of CHF 203.3 billion on December 31, 2001. Stock exchange turbulence negatively affected Swiss Life/Rentenanstalt's portfolio. Compared to the previous year, assets under management decreased by CHF 11.1 billion, or 5.2%.

Companies included in the investment management sector manage their own funds as well as those for third parties. Third-party funds, which totalled around CHF 15.6 billion at the end of 2001, are off balance sheet. CHF 10.7 billion of this amount is invested in a real estate instrument.

The investment management sector's statement of income closed with a profit before tax of CHF 147 million as per December 31, 2001. Income of CHF 336 million in 2001 was up CHF 91 million compared to the previous year. Employee expenses rose as per December 31, 2001, compared to the previous year, as the total cost of building up resources in 2000 only affected financial accounts in their entirety in the financial year 2001. On December 31, 2001, the number of employees in the investment management sector compared to the previous year increased by 96 to 620.

Others

The «others» sector is not meaningful in terms of sales. Nevertheless, the various consultancy companies fulfil an important function.

This segment recorded a negative result. The primary reason for this were costs in 2001 of setting up Redsafe and Propeller. An operating profit would have been achieved had it not been for these extraordinary expenses.

	2001	2000	+/-
	million	million	
	CHF	CHF	%
Managed assets*	15 577	15 070	+ 3
Profit contribution	147	97	+ 52

* of third parties



Pamela Cortesi

Pamela Cortesi, 17, MediaTechnologist, Mesocco GR. «I have taken photos when travelling for sport and discovered unusual objects and landscapes. Some photos show my friends, relatives and other people who are dear to me. I would like to frame them.»

Gross premiums rose at the head-office and in practically every branch and subsidiary. The foreign share of total premiums remained at the same level as the previous year at 52%. In addition to normal business activities, preparations for the introduction of the Euro had to be made in most countries. The Euro conversion took place without problems. However, as a result of the currency changeover, there was an increase in business expenses that was slightly above the growth rate in premium income.

Switzerland

The economic environment during the year under review had a negative effect on business operations in the group life business (BVG). Group life accounts for a good 60% of Swiss Life/Rentenanstalt's pension business in Switzerland. As interest rates for government

	2001	2000
Inflation	0.99%	1.54%
Unemployment	1.90%	2.00%
Interest rates	3.47%	3.46%
GDP	1.40%	3.00%

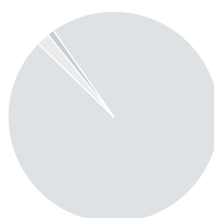
bonds have been for years below the BVG's legally-prescribed minimum rate of 4%, this return could be reached in recent years only through profits from the sale of shares. As a result of last year's stock market collapse, the BVG business came under great pressure.

	2001 million CHF	2000 million CHF	+/- %
Gross premiums	9 599	9 369	+ 2
Managed assets	132 745	135 671*	- 2

* change resulting from new reporting method

Breakdown of gross premiums (direct business)

97% Life insurance
2% Accident and health insurance
1% Others



Swiss Life/Rentenanstalt

The Swiss portion of Swiss Life/Rentenanstalt's parent company realised in 2001 a premium volume of CHF 7643 million (previous year: CHF 7063 million). This represented growth of 8%. Taking into account contributions with an investment character, total premium volume rose by 6% to CHF 8405 million (previous year: CHF 7914 million). Swiss Life/Rentenanstalt reported a growth in premiums in 2001 after recent years of declining premium income. This growth was relatively stronger in the private client sector than in the group sector. Whereas regular and single premiums in the group sector contributed equally to growth, single premiums were particularly strong in the private client sector.

Claims paid

The development of claims paid was generally positive. Claims paid in the group sector was a good CHF 300 million below those of the previous year. This resulted primarily from a successful and prudent care of clients that led to a reduction in the number of early contract terminations. On the other hand, claims paid rose in the private sector by around CHF 200 million. This was caused by a sharp rise in claims paid for pure endowment insurance.



Cristina Rondi

Cristina Rondi, 9, Schoolgirl, Bellinzona TI. «I have taken loads of photos of horses, because they are my favourite animal. As I photographed a cow, I was a bit frightened. I also like to play with my friends.»

Expenses

Total expenses at the Swiss portion of Swiss Life/Rentenanstalt's parent company stood at CHF 996 Million in 2001. Excluding extraordinary amortisation of costs related to the previous year, 2001 brought a further rise in expenses. This increase was connected primarily to a higher premium volume, resulting in higher commissions, as well as investments in IT and workflow systems.

Private clients

After a major reduction in premiums in the previous year, 2001 saw a rise in private client premiums to CHF 1891 million (2000: CHF 1710 million). Taking into account contributions from products with investment character, the total volume of premiums in the private sector amounted to CHF 2700 million. Included in this is income from Swiss Life Direct/Profitline which is active primarily in the field of investment funds. Swiss Life Direct/Profitline was integrated fully into Swiss Life/Rentenanstalt in the year under review.

Swiss Life Direct/Profitline was unable to repeat the good performance of the year 2000. Investment funds suffered in a weak stock exchange climate and, especially in the second half of the year, nearly came to a standstill. Structured asset management products with an investment fund basis (Swiss Life Managed Portfolio), which were launched at the start of 2001, started well. But they suffered in the second half of the year from negative stock market conditions. Parallel to this development, in the second half traditional life insurance experienced a veritable renaissance with a strong rise in sales.

In 2001, additional synergies were created in the private client business. All units active in the private client segment (distribution, individual insurance, Swiss Life Direct/Profitline) were placed under a common management and given a new strategic direction. These measures should bear fruit in financial year 2002.

Group business

Premium income in group activities (occupational employee benefits) amounted to CHF 5721 million (previous year: 5329 million), representing a growth rate of 7.4%.

The premium volume of daily allowance insurance rose by 2.2% to CHF 141.8 million.

The fact that the income rise came almost exclusively from classical occupational employee benefits products, dampens the joy around this basically positive development. This is because, in a bear stock market climate, present legal requirements in Switzerland make it almost impossible to make a profit in BVG business (BVG minimum interest rate 4%, pension conversion rate 7.2%). Therefore, in the year under review, operational measures were taken to improve profitability in this business. Surplus participation was reduced substantially and a new tariff governing costs (cost transparency) introduced. Further measures to reduce dependence on financial market fluctuations will go into effect in 2002.

«La Suisse»

The «La Suisse» Group performed positively in 2001. Income amounted to a total of CHF 1194 million (including contributions from products with an investment character of CHF 226 million). This result was a rise of 4.3%.

Some CHF 707 million of total volume came from life insurance (previous year: CHF 678 million) and CHF 261 million from non-life (previous year: CHF 249 million). The rise in life insurance is especially due to group business following an increase in wages and a reduction in redemptions. In individual insurance, the restructuring of various portfolios had a positive influence on business. There was a decline in claims paid. On the life side, a reduction took place; while, on the non-life side, there was a rise. Expenses were well below those of the previous year.

Banca del Gottardo

The Banca del Gottardo Group was faced with unfavourable conditions in the year under review. Nevertheless, it could report a satisfactory operating result. In investment management, the core activity of the group, earnings of CHF 295 million were recorded. This was a decline of 8.5% compared to an extremely successful previous year. Managed assets experienced a reduction of 1.7% compared to 2000.

Banca del Gottardo reported total net income for 2001 of CHF 485 million (–18.5%). With the establishment of the Banca del Gottardo Italia SpA, the acquisition and integration of the Westdeutsche Landesbank (Schweiz) AG and the conclusion of important projects in the areas of logistics and information technology, the realisation of strategic expansion plans was virtually concluded. These investments caused an increase in business expenses of 14.2% to CHF 344 million. Total gross profit in 2001 fell as a result by 50% to CHF 141 million. Net profit stood at CHF 36.4 million. In the same period, total managed assets declined from CHF 43.4 billion to CHF 42.6 billion.

Asset management contributed income of CHF 295 million (–8.5%) to the total result. Despite this reduction in comparison to an exceptional year 2000, the solidity and competitiveness of the bank in core activities was confirmed. In view of the negative performance of financial markets, the result from interest-bearing activities of CHF 165 million (–3.5%) was satisfactory. This was thanks to the quality of the loan portfolios and to positive balance sheet management and treasury performance. Income from trading fell in comparison with the previous year by 74%. The

decline was caused primarily by unfavorable stock market conditions. This forced value adjustments to a small number of major positions. The trading performance in the securities sector caused to a great extent the reduction in net profit. In contrast, profits from trading in currencies and structured products remained stable.

Adapting to changed market conditions, Banca del Gottardo revised the group's strategy as well as the organisational and management structure. In light of these measures and past investments, the internationally-active Ticino bank institute has created a good position for future business growth.

Schweizerische Treuhandgesellschaft

Income from services at the Schweizerische Treuhandgesellschaft (STG) Group declined in 2001 by 9% to around CHF 100 million. This was the result of difficult conditions in the area of asset management.

At the end of 2001, the STG managed assets of more than CHF 9 billion. Along with the whole of the asset management industry, the Schweizerische Treuhandgesellschaft (STG) Group looks back on a hard year. In 2001, income from services dropped by 9%, although consultancy fees rose slightly. At the end of 2001, STG employed 358 staff. This was 17 persons more than in the previous year. Of client assets of more than CHF 9 billion around CHF 6 billion was in the form of management assignments to STG Asset Management AG (STGAM), and around CHF 3 billion were within the consultancy area at STG.

The structure of the Group was reorganised in the year under review. Schweizerische Treuhandgesellschaft, founded in 1907, became a holding with domicile in Zug. The holding is a new roof over the Group. Operating units are primarily STG Schweizerische Treuhandgesellschaft, responsible for the consultancy business, STG Asset Management AG, responsible for asset management, and STG Management AG, with responsibility for central, internal management functions. These organisational changes allow greater transparency in cost calculation, a clear management structure and maximisation of tax opportunities. The STG Group's client services embrace primarily asset management combined with individual care and assistance in all matters related to it in the sense of a Family Office. On the programme are tax and legal consul-

tancy services, financial planning, estate planning as well as advice in private business matters. Services are targeted especially towards affluent private persons, investors and managers.

Since STG moved away from auditing and business consultancy four years ago, income from services has risen by 51.5% to CHF 100 million despite last year's setback.



Roberto Gaiani

Roberto Gaiani, 37, Painter and Decorater, Cermenate, Italy. «I took almost all of my photos instinctively, without thinking about it much, simply because I liked the subject. Nevertheless, some of these photos could mean something to me.»

Germany

The year 2001 saw a massive decline in economic activity. GDP growth of 3.2% in 2000 was followed by a minimal increase of 0.8% in the year under review. The unemployment rate remained high (9.4%) as a result of the economic slowdown.

In the German equity market, a slump in the first half of 2001 continued unabated for some time. In autumn, the market stabilised at a low level.

	2001	2000
Inflation	2.41%	2.08%
Unemployment	9.40%	9.60%
Interest rates	4.94%	4.87%
GDP	0.80%	3.20%
Exchange rate EUR	1.4833	1.5216

Insurance market

A long overdue change in old age pension schemes was initiated with the enactment of a law governing retirement assets. The reform lays the foundation for a comprehensive reorganisation of the social security system to encourage private pension programmes. State incentives, such as tax advantages, should increase the attractiveness of private pension schemes for a majority of the German population. However, this reform can be seen only as the beginning of a move to significantly expand privately-financed pension schemes. For it is only through a build up in private pension plans that future social security demands can be met. Under the new law, state incentives are not only available for individual retirement schemes, but occupational employee benefit plans also are encouraged strongly. Therefore, a substantial expansion of this business sector is expected (including pension insurance and pension funds).

The financial year in Germany

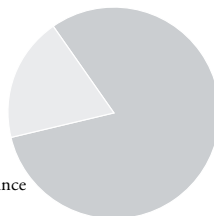
Schweizerische Rentenanstalt can report an increase in new business that was well above expectations. Gross premiums increased by 2% to EUR 1129 million. In local terms, growth amounted to 3.9%, an increase well above the market average of 1.5%. At 18%, growth in new business was significantly higher than the industry average.

	2001 million EUR	2000 million EUR	+/- %
Gross premiums	1 129	1 107	+ 2
Managed assets	9 874	9 439	+ 5

Risk insurance reported growth of more than 100%, particularly in combination with working incapacity coverage. Clients reacted positively to the newly-launched unit-linked pension insurance «Swiss Life Temperament». This product accounted for an around 25% share of new business. The innovative product received excellent ratings.

Breakdown of gross premiums (direct business)

81% Individual insurance
19% Group insurance



Occupational employee benefit plans are another important pillar of new business with a share of almost 35%. Schweizerische Rentenanstalt is an acknowledged specialist in this field. It will enter the market with a pension fund and pension insurance as soon as BAV approval is received. Schweizerische Rentenanstalt will offer clients all instruments for a comprehensive occupational employee benefit plan from a single provider. In October, the German branch office's headquarters were moved to a modern office building at a desirable location at Münchner Tor in northern Munich.

France

The recession which hit most economies also left its mark on France. GDP decreased by 1.1% in the last three months of 2001. On an annual basis, GDP increased by only 2% compared to 3.5% in the previous year.

The state deficit rose slightly to 1.4% of GDP, whereas inflation remained at around the same level as the previous year (+1.8%). The unemployment rate, which had declined continuously since May 1997, began to increase again in May 2001. For the full year, unemployment stood at 8.8%.

Investment grew by 3.8%, sharply down from 7.2% in the previous year. However, spending by private households increased by 2.5%, just as in 2000.

	2001	2000
Inflation	1.78%	1.83%
Unemployment	8.80%	9.50%
Interest rates	4.93%	5.05%
GDP	2.00%	3.50%
Exchange rate EUR	1.4833	1.5216

Insurance market

2001 premium volume decreased by 4% in the French insurance market as a whole. The main reason for this development was an increasingly difficult economic environment, a trend further accentuated by the terrorist attacks on September 11th. In 2000, an increase of 14% was recorded.

The volume of life insurance premiums fell 8% in 2001 to EUR 83.1 billion. The primary reason for this was a slump in unit-linked business. However, health and accident insurance recorded an annual growth of 2% to EUR 9.3 billion. The premium volume for property insurance rose 5% to EUR 33.1 billion in 2001.

The financial year in France

The Swiss Life Group (France) generated a premium volume of EUR 3.4 billion in 2001, an increase of 5% over the previous year. Of the premium volume, 68% was attributable to life insurance, 20% to health and accident insurance and 12% to property insurance. The Swiss Life Group in France managed assets of EUR 15.8 billion at the end of the last financial year.

	2001 million EUR	2000 million EUR	+/- %
Gross premiums	3 378	3 213	+ 5
Managed assets	15 796	14 492	+ 9

Following a rationalisation of the Group's legal structure in 2000, the new organisation was further strengthened in 2001. Agent networks were consolidated and the product range harmonised.

Breakdown of gross premiums (direct business)

68% Life insurance
20% Accident and health insurance
12% Others



Swiss Life (France) launched several new products in EUR in the field of traditional life insurance. The surplus rate equalled 7.37% in 2001, providing Société suisse vie clients with the highest surplus rate in the French market.

Negotiations with Fortis on the acquisition of its insurance operations in France were commenced at the end of the financial year. They resulted in an agreement which was signed at the end of January 2002.

The Netherlands

The year 2001 in the Netherlands was marked by a rapid economic downswing. In the past four years, growth rates usually amounted to approximately 4%; in 2001, however, GDP only increased by 1.1%, remaining below the corresponding average growth rate in the EU. At the same time, the inflation rate rose 5.1%, reaching the highest level of all EU states. The unemployment rate, however, declined further to an all-time low.

	2001	2000
Inflation	5.11%	2.34%
Unemployment	2.00%	2.60%
Interest rates	5.11%	4.99%
GDP	1.10%	3.50%
Exchange rate EUR	1.4833	1.5216

Insurance market

The life insurance market is expected to remain strongly influenced by tax reforms that became effective on January 1, 2001. Premium income in the field of private, voluntary retirement products is expected to decline sharply in the next few years, whereas premium income from occupational employee benefit plans (second pillar) and other insurance products (e.g. bank products, investment funds) is expected to increase.

Income from premiums in the group insurance sector rose substantially as a result of an amendment of legal regulations governing occupational employee benefits that went into effect on January 1, 2001. Following this amendment, pension liabilities to employees must be registered immediately and can no longer be financed over a period of time. The market for pension insurance with immediate commencement developed positively in 2001. This development resulted from a large number of lump sum insurance policies which expired in 2001 (reinvestment business). Growth rates of up to 30% are expected for this sector in the next few years.

The financial year in the Netherlands

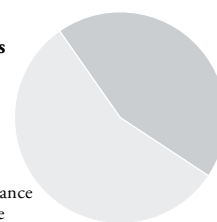
Premium income at ZwitserLeven increased by 8.5% to EUR 990 million in 2001. In particular, single premiums in the group insurance sector rose strongly, primarily as a result of the above-mentioned amendment of legal regulations governing the financing of occupational employee benefit plans. Nevertheless, the tax reform led to a decline in new business in the individual insurance sector.

	2001 million EUR	2000 million EUR	+/- %
Gross premiums	990	912	+ 9
Managed assets	7743	7 859	- 1

Thanks to thorough preparation, the switch to the Euro on January 1, 2002 posed no difficulties for ZwitserLeven. Another project was a successful implementation of the pilot phase of a new Worksite Marketing system called «Private View». This is an Internet solution which will allow ZwitserLeven to contact directly the employees of selected group insurance clients in order to offer them individual insurance products.

Breakdown of gross premiums (direct business)

44% Individual insurance
56% Group insurance



ZwitserLeven celebrated its 100th anniversary in 2001 with numerous special events. Policyholders benefited from the anniversary by receiving an extra policyholder dividend.

Belgium

The global stock market slump and the happenings in September also affected the Belgian economy. GDP rose by 1.3% in 2001 and inflation climbed by 2.4%. The long-term interest rate remained stable at around 5% and the unemployment rate was almost on the same level as the previous year at 6.9%.

Health care insurance became mandatory in Flanders, contributing substantially to an improvement in the social system. A legislative proposal providing more opportunities for financing retirement will promote public interest in long-term savings plans.

	2001	2000
Inflation	2.44%	2.68%
Unemployment	6.90%	7.00%
Interest rates	5.14%	5.28%
GDP	1.30%	4.00%
Exchange rate EUR	1.4833	1.5216

The financial year in Belgium

The Belgian insurance sector recorded growth of 4.1% in 2001, whereas Swiss Life Group (Belgium)'s premium income grew by a total of 15%. The strong growth of the life insurance sector of 16.6% was well above the average market growth of 4.8%. The sale of «Universal Life» products contributed to this gratifying trend. Although developments on the financial markets had a

negative effect on unit-linked business, Swiss Life Group (Belgium) reported an increase of unit-linked group life business of over 65%. The launch of a new savings product with regular premiums and guaranteed minimal return further contributed to excellent growth in this segment.

Swiss Life Group (Belgium) launched two new products called «Multiplan» and «Uniplan» in the group insurance

	2001 million EUR	2000 million EUR	+/- %
Gross premiums	404	352	+ 15
Managed assets	2 107	1 926	+ 9

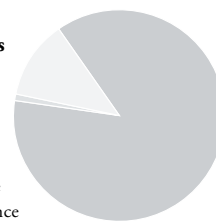
sector. Extranet «My WorkPlace» gives the personnel departments of group clients direct access to information on their insurance contracts.

The portfolio in the non-life sector was reassessed. More selective underwriting criteria were introduced, particularly for motor vehicle insurance. This resulted in a premium income reduction of 1.5%, compared to an industry growth of 3%. Swiss Life Group (Belgium), as its competitors, aims at improving profitability. It attempts to retain good risks and eliminate negative risks. In view of developments on financial markets, this procedure has become especially important as negative technical results can be compensated no longer by income from capital investments.

Another positive development is Easy Phone, a client-friendly claims processing system in the motor vehicle insurance sector. Claims can be notified by a single phone call, making it much simpler to process claims at Swiss Life Group (Belgium).

Breakdown of gross premiums (direct business)

87% Life insurance
1% Accident and health insurance
12% Property insurance



Great Britain

During 2001, the UK financial services sector experienced a slowdown in the consolidation process. At the same time, however, regulatory uncertainty increased as the FSA (Financial Services Authority) became the sole regulator for the industry. A number of discussion papers were issued by the FSA during the past year. The most significant deals with the future of the depolarisation regulation which has been the foundation for the distribution of insurance policies in the UK since 1990. The potential changes outlined in the paper would have a significant impact on distribution through brokers. As a result, many players are reviewing their distribution strategy.

	2001	2000
Inflation	2.13%	2.08%
Unemployment	3.20%	3.60%
Interest rates	5.05%	4.88%
GDP	2.50%	3.00%
Exchange rate GBP	2.3733	2.4460

The financial year in Great Britain

Swiss Life (UK) expanded its business activities in the risk insurance sector through organic growth in 2001. Reliance on distribution through brokers will be reduced further. The company is developing distribution partnerships with other financial services providers with

	2001 million GBP	2000 million GBP	+/- %
Gross premiums	374	350	+7
Managed assets	1 952	2 082	-6

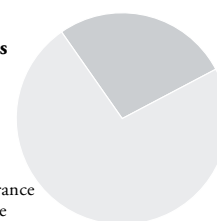
strong distribution capabilities whose range of products are ideally supplemented by Swiss Life (UK)'s risk products. A revised depolarisation regulation will create further opportunities for such alliances. An already impressive list of established alliances makes the company an interesting cooperation partner.

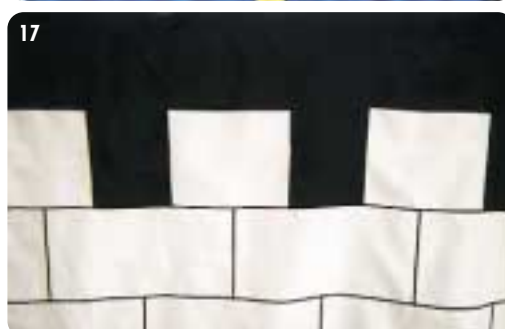
Both the group and individual insurance sectors have enjoyed a successful 2001 with growth in their market shares. Swiss Life (UK) is now one of the top three players in the broker market in Great Britain for group life, group disability, group critical illness and the individual disability business. Solid performance in group business, together with record new individual volume, ensured that risk insurance premium income grew by 14.5%.

In order to meet the demands of continuous business growth, Swiss Life (UK) moved to a new office building in Liverpool. The new administration building in Liverpool's prestigious docklands, where the company relocated last November, offers the much needed flexibility to continue the company's progress in the coming years.

Breakdown of gross premiums (direct business)

27% Individual insurance
73% Group insurance





René Kalt, 37, Communication Consultant, Maur ZH. «Flags reduce messages to their core. A piece of cloth says more than a thousand words. Colourful fabrics as a sign of identity, communication and as a symbol for the beauty of a country. That's what I love about my Switzerland!»

Spain

2001 was a year of consolidation for the Spanish economy. The national budget deficit was at an all-time low and inflation was curbed. At 2.9%, economic growth was still above the EU average, despite the global economic crisis. Moreover, unemployment was never lower (13.1%).

	2001	2000
Inflation	3.67%	3.48%
Unemployment	13.10%	14.10%
Interest rates	5.13%	5.18%
GDP	2.90%	4.10%
Exchange rate EUR	1.4833	1.5216

In 2001, focus was on improving legal and tax treatment of pension funds («Fondos de Pensiones») in the Spanish long-term savings market. Life insurance is expected to receive similar treatment in 2002.

According to recent official estimates, premium volume in the Spanish life insurance market decreased by 4.2% in 2001. The reason for this decrease is found in a slump in unit-linked products as a result of the negative performance of financial markets. On the other hand, traditional life insurance products improved their performance once again. Assets under management in the insurance sector rose a substantial 16%.

The financial year in Spain

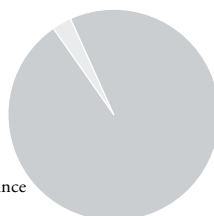
Swiss Life (España) again recorded excellent business growth in 2001. Following an increase of about 110% in 2000, Swiss Life (España) registered another steep rise of 89% in 2001. As a result, it moved up from the 33rd to the 20th place in the Spanish life insurance market and almost doubled its market share from 0.8% to 1.4%.

	2001 million EUR	2000 million EUR	+/- %
Gross premiums	349	185	+ 89
Managed assets	1 098	779	+ 41

The volume of assets under management increased by 41%. As in 2000 the reason for this extremely pleasing business trend was so-called «Exteriorización», the legally prescribed withdrawal of company-internal pension reserves for investment in insurance or bank products. This is one of Swiss Life (España)'s core areas. «Exteriorización» will continue until November 2002, so that Swiss Life (España) expects a further positive contribution from this business sector in 2002.

**Breakdown
of gross premiums
(direct business)**

3% Individual insurance
97% Group insurance



Luxembourg

In 2001, economic growth in Luxembourg was above average at 5.6% (EU average: 2%). Inflation declined from 3.8% to 2.4%. The unemployment rate was one of the lowest in Europe at 2.4%.

	2001	2000
Inflation	2.41%	3.78%
Unemployment	2.40%	2.40%
Interest rates*		
GDP	5.60%	9.50%
Exchange rate EUR	1.4833	1.5216

* no government bond issues outstanding

In accordance with a law governing occupational employee benefits enacted in 1999, Luxembourg companies are required to reorganise their employee benefit institutions. The transition period was extended for two years until December 31, 2003. Swiss Life (Luxembourg) is in close contact with group insurance clients, helping them to determine and adapt to new legal requirements. Swiss Life (Luxembourg) is well positioned in this market thanks to its know-how in the group insurance sector.

The financial year in Luxembourg

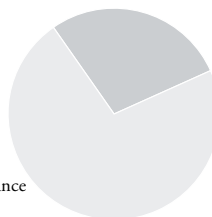
Gross premiums totalled EUR 90 million, a decrease of 11.1% compared to 2000. However, the previous year was marked by extraordinary earnings from single premiums based on the acquisition of a large group insurance contract. Excluding this special event, Swiss Life (Luxembourg) would have recorded premium growth of 19% in 2001.

	2001 million EUR	2000 million EUR	+/- %
Gross premiums	90	101	- 11
Managed assets	478	464	+ 3

Assets under management totalled EUR 478 million, a 3% increase compared to the previous year. This modest growth rate is a consequence of the termination of a large group insurance contract. The contract was terminated following a restructuring of the client company.

Breakdown of gross premiums (direct business)

28% Individual insurance
72% Group insurance



Swiss Life (Luxembourg) achieved the following important goals in 2001: release of a new group management system, introduction of a new management system for pensions in individual and group insurance, increase in Internet functions (including client access to client data via Web), distribution cooperation with Banca del Gottardo leading to positive business impulses for individual insurance.

Italy

A new government was elected in June 2001. Its most important initial measures encompassed long-term savings and corporate taxation. However, a tax law which became effective on January 1, 2001, did not bring aspired advantages, particularly not in the private long-term savings sector (third pillar).

	2001	2000
Inflation	2.65%	2.59%
Unemployment	10.50%	9.50%
Interest rates	5.18%	5.28%
GDP	2.00%	2.90%
Exchange rate EUR	1.4833	1.5216

Macro-economic indicators showed a slightly negative development compared to the year 2000; the increase of GDP fell from 2.9% (2000) to 2% (2001), and unemployment rose from 9.5% to 10.5%. The inflation rate was 2.7%.

Insurance market

Market growth in the life insurance sector totalled 9% in 2001. The insurance market was affected by the insecurity and volatility of financial markets, so that successful newly-launched products usually had to offer interest rate guarantees or capital guarantees.

Distribution over bank counters remained stable while distribution via post counters gains in importance.

The financial year in Italy

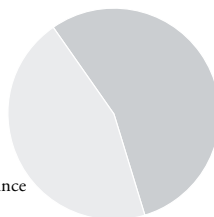
Two factors contributed to a 23% decrease in premiums at Swiss Life (Italia) compared to 2000: on the one hand a lack of new business in the individual insurance sector, and on the other hand a switch to tariffs without surplus payments for life insurance policies in the group insurance sector.

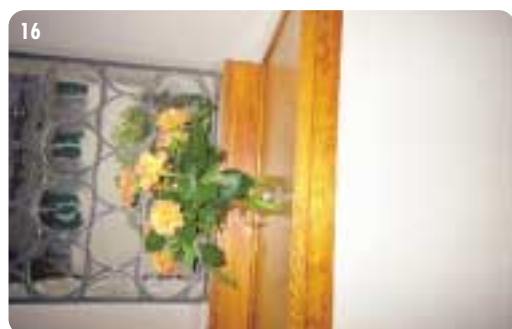
	2001 million EUR	2000 million EUR	+/- %
Gross premiums	24	31	-23
Managed assets	217	208	+4

2001 was a year of transition for Swiss Life (Italia). Ettore Molinaro took over as Chief Executive Officer of Swiss Life (Italia) in February 2001. Important projects have been initiated and pushed ahead successfully, in particular in the field of IT.

Breakdown of gross premiums (direct business)

55% Individual insurance
45% Group insurance





Michaela Denzlinger

Michaela Denzlinger, 71, Nun, Solothurn SO. «I photographed what I like: flowers, blossoming branches and shrubs, an artistically-built wasps' nest, a wonder. In doing so I paid more attention to and marvelled over the big and small beauties of nature.»

Business in the «International Division»

The Swiss Life Network has again strengthened its position as the leading global provider of international benefit plan solutions. By launching modular solutions and thanks to an internal reorganisation, it is able to optimally service individual market conditions.

The «International Division» is responsible for the Swiss Life Network, the pioneer of international employee benefit solutions. Together with over 50 partners in 44 countries, it supports multinational clients in providing all types of employee benefits. The Network includes the Swiss Life Group companies and leading local life insurers in countries where Swiss Life does not have direct operations.

The Swiss Life Network helps multinational companies pool their local plans and thereby control their cost and benefit levels world-wide.

The Swiss Life Network provides international clients with cost-effective, flexible employee benefit solutions and services. Its modular solutions let international clients select the combination of options that best suit a company's specific needs and risk profile. The fact that they are fully IT supported further enhances their efficiency. The Swiss Life Network's international insurance programmes include detailed analyses of plans placed with its partners, which enable clients to manage their employee benefits costs effectively. Swiss Life pioneered the concept of pooling over 40 years ago and continues to be a market leader in the area of international employee benefits and expatriate programmes.

With ASN AG, the service for expatriates, Swiss Life also provides specialists and their families with professional care before, during and after their stay abroad. In the last year, ASN used its integral and cross-border solutions to expand within Europe. The new range of services for expatriates was designed by experienced specialists and tailor-made for clients' needs. Furthermore, ASN also develops employee benefits and insurance solutions, draws up remuneration systems and supports multinational companies with their personnel management. When an employee is sent abroad, ASN's staff will advise both companies and private individuals during any of the phases this procedure entails.



▲ Direct Operations

Head Office and Network Centre

Switzerland Swiss Life/Rentenanstalt

Belgium Swiss Life (Belgium)

France Société suisse (France)

Germany Schweizerische Rentenanstalt (Swiss Life)

Great Britain Swiss Life (UK)

Italy Swiss Life (Italia)

Luxembourg Swiss Life (Luxembourg)

Spain Swiss Life (España)

The Netherlands ZwitserLeven (Swiss Life)

■ Regional Representative Offices and Sales Offices

Australia Swiss Life International Services Asia Pacific

China Swiss Life Beijing Representative Office
Swiss Life Guangzhou Representative Office

● Network Partners

Argentina Galicia Vida
Australia Hannover Life Re
Austria Wiener Städtische
Brazil Icatu Hartford
Canada Canada Life
Chile Euroamérica Seguros
Colombia Seguros Bolívar
Czech Republic Kooperativa
Denmark Danica Pension, PFA Pension, IHI*

* Health insurance company for international clients of the Swiss Life Network



Finland	Ilmarinen, Suomi Group	New Zealand	Hannover Life Re	USA	Hartford Life, Swiss International Services, Inc.
Greece	Aspis Pronia	Norway	Vital Forsikring ASA		
Guatemala	Seguros de Occidente	Panama	Aseguradora Mundial	Venezuela	Seguros Comerciales Bolívar
Hong Kong	CMG Asia	Philippines	First Guarantee Life		
Hungary	Union Biztosító	Poland	PZU Life		
Indonesia	Manulife Indonesia	Portugal	Império		
Ireland	Irish Life	Russia	Rosgosstrakh		
Japan	Meiji Life, Yasuda Life	Singapore	NTUC Income		
Korea	Korea Life	Slovakia	Kooperativa		
Malaysia	Hong Leong	South Africa	Momentum Employee Benefits		
Mexico	Seguros Inbursa	Switzerland	«La Suisse»		
		Taiwan	Kuo Hua Life		
		Thailand	Bangkok Life		

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Important Dates

Annual General Meeting
May 24, 2002 (Hallenstadion Zurich)

Interim Report
September 18, 2002

Press Conference and Analyst Information
on the Annual Results
April 8, 2003

Swiss Life



Rentenanstalt



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