

# Letter to Shareholders

## Annual Results 2001



Dear Ladies and Gentlemen

2001 was a difficult year for Rentenanstalt/Swiss Life and for the insurance industry in general. Nevertheless, despite negative conditions, the company can report a **consolidated profit** for last year of CHF 124 million. As, under IAS, an increase of the allowance for impairment losses of over CHF 750 million was made, this result is even more notable. **Gross premiums** amounted to over CHF 19.9 billion. If currencies had remained at the same level as the previous year, this figure would have exceeded CHF 20 billion for the first time. **Managed assets** declined by around 5% to CHF 203.3 billion. This resulted from lower stock market prices. Inflow of new managed assets rose significantly. Financial market volatility negatively affected the overall **financial investment result**. At CHF 6.5 billion, it was almost CHF 4 billion below that of the previous year. However, this is to be compared to a financial result in the year 2000 affected by special positive factors. Com-



Andres F.  
Leuenberger

Foto: Urs Marry

paring the result of 2001 with that of 1999, the decline was only around CHF 500 million. The **technical result** was very satisfactory. **Total expenses** rose by almost 5%. Despite special costs in connection with the conversion to the Euro, this development was not satisfactory. However, measures taken to reduce expenses will bear fruit in the current year. A proposed **dividend renunciation** will strengthen shareholders' equity.

For the faith that you put in us, I thank you.

Yours sincerely,

Andres F. Leuenberger  
Chairman of the Board of Directors

### Key Figures

in million CHF (if not noted otherwise)

	Life		Non-life		Total	
	2001	2000	2001	2000	2001	2000
Gross written premiums, policy fees, other related income and insurance deposits	17 771	17 134	2 209	2 184	19 980	19 318
Net investment income including trading account income					5 912	6 286
Net realised and unrealised gains/losses					558	4 134
Assets under management					203 334	214 404
Net profit					124	924
Members of staff (number)					12 784	12 481

«Swiss Life is a Reliable Partner»

Roland Chlapowski took over as Chief Executive Officer of Swiss Life/Rentenanstalt at the beginning of March. He explains Swiss Life/Rentenanstalt's biggest challenges at the moment, what the management will focus on in examining its strategy and why life insurance companies are urgently demanding an amendment of BVG legislation in Switzerland.

## Personal Details

- ▶ Graduation as civil engineer from ETH, MBA programme at INSEAD at Fontainebleau
- ▶ Consultant with McKinsey for several years
- ▶ Joined ELVIA Vie in Geneva in 1987, first as Director of Sales and Marketing, then as General Director and Member of the ELVIA Group's Executive Board in 1994
- ▶ Joined Swiss Life/Rentenanstalt in 1995 as Co-President and Member of the Corporate Executive Board, and CEO of its «La Suisse» subsidiary
- ▶ Appointed as Head of Swiss Life/Rentenanstalt's Swiss Division in 1999. The division encompasses Swiss Life/Rentenanstalt's Swiss business operations, «La Suisse» and Profitline.
- ▶ CEO and President of the Corporate Executive Board since **March 1<sup>st</sup>, 2002**
- ▶ **Further mandates:** Board Member of the Swiss Insurance Association (SIA), Chairman of the Life Insurance Committee of the SIA and President of the Association's Self-Regulatory Organisation (SRO-SIA)
- ▶ **Roland Chlapowski** was born in 1951, is married, has three children, is a Belgian citizen and lives in Lutry (VD).

Mr. Chlapowski, how would you describe the company you have been managing since March 1<sup>st</sup>?

**Roland Chlapowski:** Swiss Life/Rentenanstalt is a leading financial services provider in Europe. Our core area is long-term savings, with competencies in asset management and risk management. Our business operations are based on three pillars: insurance, private banking and investment management.

The Board of Directors has charged you with examining Swiss Life/Rentenanstalt's strategy. What does this mean in concrete terms?

We are defining the business areas, core activities and main markets for our long-term focus. A sustainable market position as well as long-term profitability will be major decision factors. Naturally, I alone am not responsible for examining the strategy. Rather, this process will take place in close collaboration with the management and Board of Directors.

Is it possible that you might give up the company's diversification strategy?

The environment has changed substantially in the past few years. Accordingly, we will be rethinking our situation unconditionally and examining all of our strategic scenarios. Basically, we are open for all scenarios. However, they must make strategic sense.

Is it possible that the company's independence might be renounced? What about alliances?

Independence is not one of our declared goals. We do want to retain our independence, if possible, but it must make strategic sense and be feasible in terms of financing. Naturally, possible scenarios also include alliances.

Measures to increase the success of a company often include cost savings programmes. Administrative costs are to be reduced by CHF 300 million.

How are you planning to reach this ambitious target?

Currently, I cannot describe the path to achieving this in every detail, but it is clear that we will have to achieve increases in efficiency throughout the entire Group. Based on cost savings measures worked out by the individual divisions so far, I strongly believe we will be able to reach our target. We are not dealing here with illusions on the part of top management, but rather with true, concrete savings by our operative units. Strategic decisions will be further defined and lead to additional savings.

Savings also mean job cuts. How many jobs are you planning to make redundant?

Job cuts cannot be avoided within the frame of Swiss Life/Rentenanstalt's planned cost savings programme. A reduction of jobs, however, will be achieved primarily through vacancies that are no longer filled, through natural fluctuations and premature retirements.

The reduction of Swiss Life/Rentenanstalt's rating through Standard & Poor's is harsh reality. How are you planning to improve this rating?

First of all, I would like to emphasise the fact that Standard & Poor's single-A rating still signifies solid and good financial security of our company. We are





Photos: Urs Marly

focussing on three measures at the moment, with which we aim at stabilising and improving the rating in the long term. Firstly, the cost savings programme is to improve earning power. Secondly, we want to reorganise BVG business operations, making them more profitable. Thirdly

we will reduce our dependence on volatile stock markets, thereby decreasing our capital requirements.

**You're complaining that the minimal interest rate of 4% for BVG business is no longer acceptable. No one knows**

**what a political debate on the topic will bring. How are you planning to make BVG business profitable?**

We basically believe that the most significant parameters in BVG business operations, e.g. the minimal interest rate of 4% and the conversion rate of 7.2%, are economically incorrect. Such frame conditions are burdening profitability of all Swiss employee benefits institutions, particularly in a difficult economic environment as now is the case.

Group pension schemes is a core area of our company and we strongly believe that we will be in a position to organise them as a profitable business, in spite of regulatory frame conditions. But this requires us to be more consequent in terms of our tariffs. The effective costs for administration and the expenses for longevity will have to be considered in calculating tariffs. Moreover, contract types and tariffs will differ, depending on whether the client or the insurance company is expected to bear the investment risk (risk of price fluctuations) in the future.

**Rumours and speculations in the media marked Swiss Life/Rentenanstalt's image in the past weeks. Rumours now have it that the Group itself has become a candidate for acquisition.**

Since its listing on the stock exchange, Swiss Life/Rentenanstalt has been very successful as an independent company. Economy means dynamics. Anyone not able to react adequately and quickly to large economic and social developments today, will lose his status tomorrow.

We want to act for ourselves! We are an attractive company disposing of a serious and solid economic basis. If other companies are interested in us, this should be seen as something normal and as a confirmation of our chosen path. In spite of the currently difficult economic environment, we will tackle the challenges awaiting us from a position of strength. We will always remain a reliable partner for our clients.

Swiss Life/Rentenanstalt recorded an increase in gross premiums (including policyholder investment contracts) of 3.4%, or 5.3% when adjusted for exchange rates. Pure insurance business increased by 9%, after adjustments were made for exchange rates. Gross premiums rose in practically every branch and subsidiary. The foreign share of total premiums remained at the same level as the previous year at 52%. Despite a substantial rise in new business, managed assets fell from CHF 214.4 billion to CHF 203.3 billion.

### Business by Sector

#### Life insurance sector

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%. Insurance benefits paid remained almost stable at the previous year's level (-1%). The risk result in 2001 was practically equivalent to the previous year. As in past years, the result can be described as extremely gratifying. 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. The life insurance sector recorded profit before taxes of CHF 269 million.

#### Non-life insurance sector

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

#### 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 1 053 million in 2001, while expenses amounted to CHF 955 million. Costs were pushed by per-



Photo: Incolor

sonnel and general banking expenses which increased by 59 million to CHF 544 million in 2001.

#### 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

### Foreign Currency Translation

in CHF

	12/31/2001	12/31/2000
1 EUR	1.4833	1.5216
1 GBP	2.3733	2.4460
1 USD	1.6425	1.6370



under management decreased by CHF 11.1 billion, or 5.2%. 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 substantially compared to the previous year as a result of an expansion of business activities.

## Business by Country

### Switzerland

#### Swiss Life/Rentenanstalt

The Swiss portion of Swiss Life/Rentenanstalt's parent company realised in 2001 a premium volume of CHF 7 643 million (previous year: CHF 7 063 million). This represented growth of 8%. Taking into account contributions with an investment character, total premium volume rose by 6% to CHF 8 405 million (previous year: CHF 7 914 million). 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 our clients. On the other hand, claims paid rose in the private sector by around CHF 200 million. This was caused by a sharp rise in pure endowment benefits paid. Total expenses at the Swiss portion of Swiss Life/Rentenanstalt's parent company stood at CHF 996 million in 2001. This was below previous year's figure. However, the previous year was affected by a special circumstance.

### «La Suisse»

The «La Suisse» Group performed positively in 2001. Income amounted to a total of CHF 1 194 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). 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. Banca del Gottardo reported total net income for 2001 of CHF 485 million (-18.5%). 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.

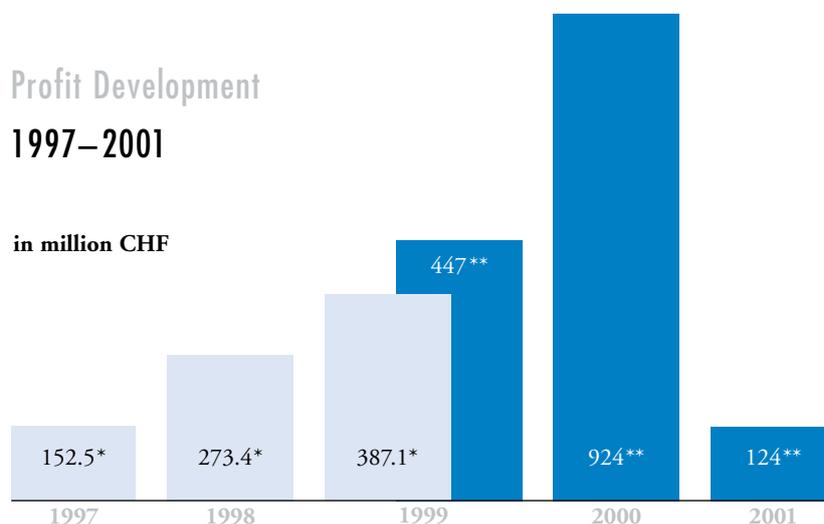
### Schweizerische Treuhandgesellschaft

Along with the whole of the asset management industry, the Schweizerische

## Profit Development

1997–2001

in million CHF

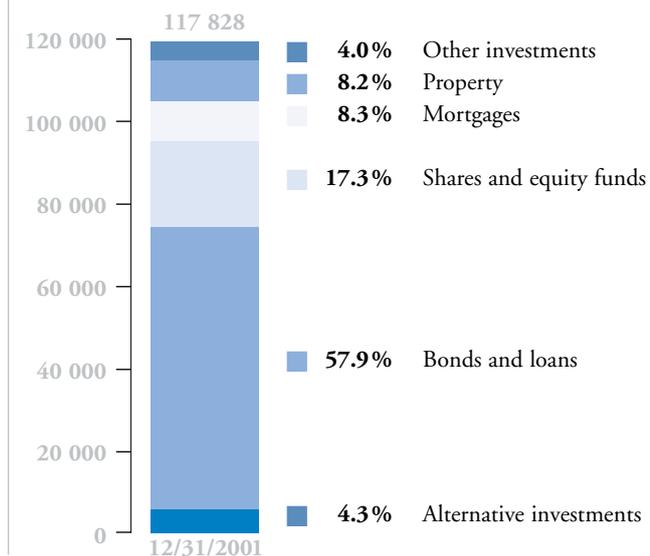


\* according to ARR = Accounting and Reporting Recommendations (Swiss GAAP)

\*\* according to IAS = International Accounting Standards

## Asset Allocation of Insurance Portfolio

in million CHF



Treuhandgesellschaft (STG) Group looks back on a hard year. In 2001, income from services dropped by 9%, although consultancy fees rose slightly. 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 was within the consultancy area at STG.

### Germany

Schweizerische Rentenanstalt can report an increase in new business that was well above expectations. Gross premiums also increased by 2% to EUR 1 129 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. 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.

### 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.

### 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 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. ZwitserLeven celebrated its 100<sup>th</sup> anniversary in 2001. Policyholders benefited from the anniversary by receiving an extra policyholder dividend.

### 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%. Furthermore, 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%. Swiss Life Group

(Belgium) launched two new products called «Multiplan» and «Uniplan» in the group insurance sector.

### 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 strong distribution capabilities. Both the group and individual insurance sectors have enjoyed a successful 2001 with growth in their market shares. In order to meet the demands of continuous business growth, Swiss Life (UK) in Liverpool moved to a new administration building.

### 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 33<sup>rd</sup> to the 20<sup>th</sup> place in the Spanish life insurance market and almost doubled its market share from 0.8% to 1.4%. The volume of assets under management increased by 41%.

### Luxembourg

Gross premiums totalled EUR 90 million, a decrease of 11.1% compared to 2000.

Photo: Blue Planet





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. 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.

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

#### Business in the «International Division»

Together with over 50 partners in 44 countries, the Swiss Life Network supports multinational clients in providing all types of employee benefits. It provides international clients with cost-effective, flexible employee benefit solutions and services. The Swiss Life Network's innovative modular solutions let international clients select the combination of options that best suit a company's specific needs and risk profile.



Photo: Imagebank

## Personnel Matters

### Changes on the Corporate Executive Board

#### Resignation of the President and re-election

**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 as well as the strengthening of foreign business operations. 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**, Head of the «Swiss Division», was appointed as his successor.

#### Members of the Corporate Executive Board

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 1<sup>st</sup>, 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.

# Consolidated Balance Sheet

As of December 31

in million CHF

Assets	2001	2000
<b>Investments</b>		
Held to maturity fixed maturities	5 000	6 001
Available for sale fixed maturities and equity securities	81 220	82 354
Trading account assets	2 411	2 597
Investment property	9 815	8 286
Loans	26 204	25 839
Investments in associates, partnerships and joint ventures	410	257
Other invested assets	4 635	4 212
<b>Total investments</b>	<b>129 695</b>	<b>129 546</b>
<b>Other assets</b>		
Cash and cash equivalents	6 374	7 319
Insurance and other receivables	3 476	2 632
Accrued income	1 830	1 914
Reinsurance assets	1 498	1 340
Deferred policy acquisition costs	2 815	2 367
Owner-occupied property and other fixed assets	1 755	1 186
Goodwill and other intangible assets	2 501	2 500
Deferred income tax assets	1 006	799
Other assets	895	824
Separate account (unit-linked) assets	11 434	15 630
<b>Total other assets</b>	<b>33 584</b>	<b>36 511</b>
<b>Total assets</b>	<b>163 279</b>	<b>166 057</b>

As of December 31

in million CHF

	2001	2000
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Trading account liabilities	1 345	1 145
Policyholder investment contracts, client deposits and other funds on deposits	27 868	24 706
Insurance policy and claim reserves	98 827	98 900
Borrowings	8 240	8 646
Deferred income tax liabilities	1 837	2 432
Accrued expenses and other liabilities	8 498	6 719
Separate account (unit-linked) liabilities	11 469	15 661
<b>Total liabilities</b>	<b>158 084</b>	<b>158 209</b>
<b>Minority interest</b>	<b>213</b>	<b>183</b>
<b>Shareholders' equity</b>		
Retained earnings	3 111	2 343
Unrealised gains/losses not yet recorded in income statement, net of taxes	44	3 295
Common shares	587	587
Share premium	1 780	1 839
Less: Treasury shares	- 540	- 399
<b>Total shareholders' equity</b>	<b>4 982</b>	<b>7 665</b>
<b>Total liabilities and shareholders' equity</b>	<b>163 279</b>	<b>166 057</b>

Total Core Capital for Capital Adequacy Purposes

in million CHF

	2001	2000
Total shareholders' equity	4 982	7 665
Minority interests	213	183
Hybrid capital instruments	1 402	1 279
Subordinated debt	201	94
Deferred Group-related funds	869	4 037
<b>Total core capital</b>	<b>7 667</b>	<b>13 258</b>

# Consolidated Statement of Income

For the years ended December 31

in million CHF

	2001	2000
<b>Revenues</b>		
Investment income, net	5 626	5 767
Realised and unrealised gains/losses, net	558	4 134
Trading account income, net	286	519
Investment management, banking and other fee income	664	766
Insurance premiums, policy fees and other related income <sup>1)</sup>	15 129	14 179
Other income	141	96
<b>Total revenues</b>	<b>22 404</b>	<b>25 461</b>
<b>Benefits, losses and interest expenses</b>		
Interest credited to policyholder account balances and deposits	- 1 072	- 726
Interest on borrowings	- 545	- 446
Provisions for insurance reserves and benefits paid	- 15 783	- 16 298
Policyholder dividends and participations in profit	- 683	- 3 208
<b>Total benefits, losses and interest expenses</b>	<b>- 18 083</b>	<b>- 20 678</b>
<b>Operating expenses</b>		
Investment management, banking and other operating expenses	- 856	- 659
Insurance underwriting, policy acquisition costs and other operating expenses	- 1 805	- 1 949
Corporate and other operating and administration expenses	- 939	- 836
<b>Total operating expenses</b>	<b>- 3 600</b>	<b>- 3 444</b>
<b>Operating income, gross</b>	<b>721</b>	<b>1 339</b>
Foreign currency gains/losses	- 325	173
Amortisation of goodwill and other intangibles	- 183	- 204
<b>Operating income before tax</b>	<b>213</b>	<b>1 308</b>
Income tax expenses	- 57	- 343
<b>Net income from operations</b>	<b>156</b>	<b>965</b>
Extraordinary items, net of income tax	-	0
<b>Net income before minority interest</b>	<b>156</b>	<b>965</b>
Net income applicable to minority interest	- 32	- 41
<b>Net profit</b>	<b>124</b>	<b>924</b>
Basic earnings per share (in CHF)	11.2	81.5
Diluted earnings per share (in CHF)	11.2	81.5
<sup>1)</sup> Under the newly adopted accounting principles, deposits from policyholder investment contracts are not included in premium income:		
Insurance premiums, policy fees and other related income as reported	15 129	14 179
Deposits from policyholder investment contracts	4 350	4 666
<b>Insurance premiums, policy fees, other related income and deposits</b>	<b>19 479</b>	<b>18 845</b>

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. Capital markets were burdened by a slump in the technology sector that began in North America and spread to New Economy stocks in Europe. 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



Photo: Stone

### 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 <sup>1)</sup>	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 <sup>2)</sup>

<sup>1)</sup> Annual high/low: 1 395.– (2/15/2001) / 560.– (9/21/2001)

<sup>2)</sup> Ordinary dividend CHF 13.–, extraordinary dividend CHF 5.–

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.

Our capitalisation at the end of 2001 stood at CHF 8.4 billion.

### Price Development Swiss Life/Rentenanstalt Share 2001



1/1/2001–12/31/2001  
 RA/SL: – 47.1%  
 SPI/INS: – 38.6%  
 SMI: – 21.1%

Swiss Life/Rentenanstalt  
SPI Insurance (adj.)  
SMI (adj.)

**The Board of Directors was forced to reassess its strategy as a result of the rapid changes in the economic environment, which are having a strong influence on financial services providers.**

While the year 2000 went down as one of the best in Swiss Life/Rentenanstalt's history, the year under review was marked by much more unfavourable circumstances. The last quarter, in particular, clearly showed how quickly the environment can change. These changes have also affected Swiss Life/Rentenanstalt and require a re-examination of the current situation in order to adjust the strategy accordingly. It would be entrepreneurially irresponsible not to take suitable account

of these rapid changes. Swiss Life/Rentenanstalt wants to rethink its situation unconditionally. The new strategic direction will be at the centre of attention, and along with it the question concerning which business fields, core activities and main markets Swiss Life/Rentenanstalt will want to operate in. Initial results of the strategy analysis are expected within the course of this year.

Apart from the strategic reassessment, we decided on several immediate measures with the following main emphasis, as we have already recently announced: cost savings programme, reorganisation of BVG business, expansion of risk management and improved transparency for shareholders (reporting by sector, corporate governance).

Swiss Life/Rentenanstalt's clients are continuing to show the company their confidence. This is proven by the gratifying inflow of new funds during the year under review. The measures described are to show that the Group reacts flexibly to the changing surroundings and will do all in its power to further strengthen the confidence placed in it.

Yours sincerely,



Andres F. Leuenberger  
Chairman of the Board of Directors



Roland Chlapowski  
President of the Corporate Executive Board  
April 11, 2002

## Agenda 2002

### May 24, 2002

General meeting in Zurich

### September 18, 2002

Financial analysts' information and press conference on the interim results in Zurich

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Photo: Bavaria