



ANNUAL REPORT 1984

THE
Great-West Life
ASSURANCE  COMPANY

Annual Report 1984

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Corporate Information

Corporate Headquarters

100 Osborne St. N., Winnipeg, Manitoba
R3C 3A5

Canadian Region

60 Osborne St. N., Winnipeg, Manitoba
R3C 3A5

United States Region & Group Operations

1675 Broadway, Denver, Colorado 80202

United States Individual Operations

7400 E. Orchard, Englewood, Colorado 80111

Stock Exchanges

Winnipeg, Toronto & Montreal

Transfer Agent and Registrar Offices

Montreal Trust Company: Vancouver, Edmonton,
Winnipeg, Toronto, Montreal

Annual General Meeting

The fourth Wednesday of April at 3:00 p.m.,
at Corporate Headquarters, Winnipeg



A member of the Power Financial Corporation group of companies.

Board of Directors

CHAIRMAN OF THE BOARD

James W. Burns* +
President, Power Corporation of Canada;
President and Chief Executive Officer,
Power Financial Corporation
Montreal, Quebec

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Kevin P. Kavanagh* +
Winnipeg, Manitoba

DIRECTORS

W. Murray Auld**
Company Director
Winnipeg, Manitoba

Marcel Bélanger, O.C., F.C.A.**
President, Gagnon et Bélanger, Inc.
Quebec City, Quebec

Robert Campeau+
Chairman of the Board and
Chief Executive Officer
Campeau Corporation
Toronto, Ontario

Dr. Walter Curlook*
Executive Vice-President
Inco Ltd.
Toronto, Ontario

Paul Desmarais, O.C.* +
Chairman of the Board and
Chief Executive Officer
Power Corporation of Canada
Montreal, Quebec

Paul Desmarais, Jr.*
Vice-President
Power Financial Corporation
Montreal, Quebec

Robert G. Graham+
President
Inter-City Gas Corporation
Winnipeg, Manitoba

Charles H. Hollenberg, M.D.*
Vice-Provost, Health Sciences
University of Toronto
Toronto, Ontario

Roderick O. A. Hunter*
Company Director
Winnipeg, Manitoba

Robert H. Jones* +
Chairman of the Board and
Chief Executive Officer
The Investors Group
Winnipeg, Manitoba

A. Frank Knowles, C.A.**
Executive Vice-President
Power Corporation of Canada
Montreal, Quebec

John A. Love*
Chairman of the Board and
Chief Executive Officer
Ideal Basic Industries, Inc.
Denver, Colorado

J. Blair MacAulay+
Partner, Fraser & Beatty
Toronto, Ontario

Arthur V. Mauro, Q.C.**
President, The Investors Group
Winnipeg, Manitoba

Jerry E. A. Nickerson**
Chairman of the Board
H. B. Nickerson & Sons Limited
North Sydney, Nova Scotia

Paul Britton Paine, Q.C.+
Chairman of the Board
Canadian Commercial Bank
Toronto, Ontario

A. M. (Mac) Runciman**
Company Director
Winnipeg, Manitoba

Abraham L. Simkin, Q.C.+
Senior Partner, Simkin, Gallagher
Winnipeg, Manitoba

Ross J. Turner+
Chairman and Chief Executive Officer
Genstar Corporation
San Francisco, California

***Member of the Policy Committee**
+ Member of the Investment Committee
****Member of the Audit Committee**

Executive Officers

Kevin P. Kavanagh
President and Chief Executive Officer

Canadian Region

John D. Green
Executive Vice-President—
Chief Operating Officer, Canada

William L. Benson
Senior Vice-President
Group Major Accounts

Christopher D. Chapman
Senior Vice-President, Individual

James R. Grant
Senior Vice-President, Group

United States Region

Orest T. Dackow
Executive Vice-President—
Chief Operating Officer, United States

Alan G. Carmichael
Senior Vice-President
Individual Operations

Alan D. MacLennan
Senior Vice-President, Group

William T. McCallum
Senior Vice-President, Individual

Investment Division

Marshall G. Smith
Executive Vice-President, Investments

Grant W. Dominy
Senior Vice-President
Investment Policy

Corporate Finance and Control

Jack O. Parsonage
Executive Vice-President
Corporate Finance and Control

Wayne E. Bergquist
Senior Vice-President and Actuary

Jack A. Miller
Senior Vice-President and Controller

Corporate Resources

H. Edward Harland
Executive Vice-President
Corporate Resources

Roderick B. Pennycook
Senior Vice-President
Corporate Systems

Corporate Staff

George R. Dinney
Senior Vice-President
Corporate Planning and Development

H. W. Barry Manning
Senior Vice-President and Counsel

Robert K. Siddall
Senior Vice-President and Secretary

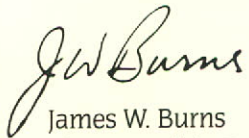
Chairman's Message

The 93rd Annual Report records gains in virtually every element of the Company's business and at a pace never attained before.

It is especially gratifying to see our Company's United States operations now reaching a size and scope comparable to our longer-established operations in Canada.

We believe that our strengthened access to the large markets of the United States and the extended range of financial services afforded in Canada through the newly formed Power Financial Corporation will, in future years, reinforce the momentum so evident in this report.

On behalf of the Directors, I wish to extend to the staff and field representatives of Great-West Life our appreciation for the outstanding results which were achieved.



James W. Burns
Chairman of the Board



President's Message

During the past five years, the Company has addressed an extensive agenda of change and adaptation to the opportunities of the 1980's.

Most notably a new organizational structure was adopted to establish separate Canadian and United States operating divisions. Our United States Headquarters was established in Denver, Colorado and, in stages over three years, our U.S. operations have been relocated there. Our goal has been, and continues to be, to achieve an undivided focus on each of the U.S. and Canadian markets.

Coincident with reorganization, major investments have been made during this period in computer systems and in extensive change in the array of products and services we offer to the public.

Then too, I would record the development of much closer liaison between our Investment and Operating Divisions, enabling effective pricing of product and disciplined asset-liability management.

While certain of these initiatives favorably influenced 1983 results, 1984 benefited from their momentum for a full year. In consequence, substantial gains were made in sales and in business in force—as recorded in the Comparative Highlights of this report. A most welcome feature of these results was a 98% increase in individual life insurance sales in terms of protection provided, reflecting in part the impact of interest sensitive and Universal Life products introduced in 1983 and 1984 in both Canada and the United States.

Similarly encouraging gains were made in total premium income, up 25% and assets, 16%.

Turning to our financial results, total net income for the year was \$119.2 million. This compares to the 1983 result of \$79.9 million.

Total net income attributable to participating policyholders was \$40.9 million compared with \$17.3 million for the previous year. Improved investment income and highly favorable death claim levels in Canada contributed to this result.

With respect to shareholders, net income was \$78.3 million representing \$39.16 per share, an increase of 25% over the 1983 figure of \$31.32.

Within this account, the Group Life and Health lines of business in both the United States and Canada recorded profit gains—reflecting generally favorable levels of health insurance and death claims. Similarly in both countries, increased investment income contributed to profit gains in the Group and Individual annuity lines of business. The contribution of the Individual life insurance lines was, however, adversely affected by death claims considerably above expected levels in the United States.

In viewing the totality of growth and earnings gains in 1984, it is gratifying to find in them affirmation that the many changes so recently effected in our structure, products, and systems are favorably impacting results. It is most encouraging, as well, to observe that growth is being achieved in all lines of business in both Canada and United States.

In looking to the future, a pre-dominating issue in our industry continues to be the question of financial services integration. More specifically, will regulatory authorities permit one organization to provide a full range of financial services? If it is permitted, will consumers, in significant numbers, choose to deal with the specialists of familiar tradition or generalists of a new financial services environment?

The rhetoric of the issue is currently voluminous and tending to develop its own distinctive vocabulary for example, networking, synergism and one-stop shopping. Moreover, there is considerable disagreement among the proponents of varied future scenarios. I have, for example, attended at least one forum in which serious and informed participants could not agree on whether the forecast of a new environment was prompted by consumer preference or provider self-interest.

It is a most interesting irony that while the debate unfolds consumers are responding more than ever to “unbundling” of service and products previously available only in packaged form. Thus many corporations' employee pension plans obtain separate actuarial, investment management and administration services. Similarly many larger corporate health insurance customers assume the risk themselves and look to the “insurer” to provide claims service and cost management. Then too, it is clear that individual customers in large numbers choose guarantees, money market funds, insurance and equity services from varied sources. Will “one-stop shopping” stop consumers from shopping? I doubt it.

We believe at Great-West that beneath the surface of confusion, some important basics will endure:

- Both corporate and individual buyers will continue to need professional assistance in managing the risks of life and health and the performance and safety of assets held for long term goals.
- The men and women representing Great-West will successfully adapt to a changing financial services environment.

- Our success as a Company will depend on our capability to provide both the products and services demanded by the public and the support systems needed by our field personnel to be personally successful.

While expanding our existing distribution systems we will, aided by our association with Power Financial Corporation in Canada and Drexel Burnham Lambert, Inc. in the United States, continue to monitor the changing regulatory scene and indeed find compatible opportunities for additional distribution channels. But our primary emphasis will be on the sophistication and diversification of product, strong investment performance, and increased productivity. On this basis, as we look to 1985 and beyond, I am optimistic about what we can accomplish.

K P Kavanagh

K. P. Kavanagh
President and Chief Executive Officer



Report from Management

CANADIAN OPERATIONS

A report from John Green,
Executive Vice-President—
Chief Operating Officer, Canada

Great-West Life has built a history of accomplishment and innovation in Canada since the company was founded in 1891.

We pioneered product development for individual health, disability and dental coverage, and the Living Life Insurance Policy—the first Canadian-made 'universal life' product. Living Life is the leading edge of a tremendous, consumer-oriented revolution.

Great-West Life was one of the first companies to recognize the importance of group benefits—coverage provided through employers or associations. Today such benefits are an institution in the workplace and Great-West Life is the leading provider of benefits in the country.

In 1984, building on this tradition, we achieved a great deal and maintained our unique position in the marketplace. I am pleased to report to you some of the highlights of the year and to comment briefly on the very positive prospects I see for Great-West Life's Canadian operations in 1985 and beyond.

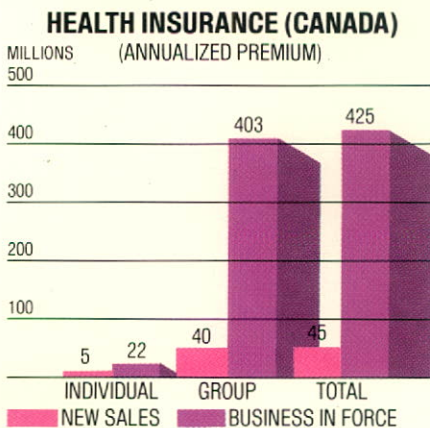
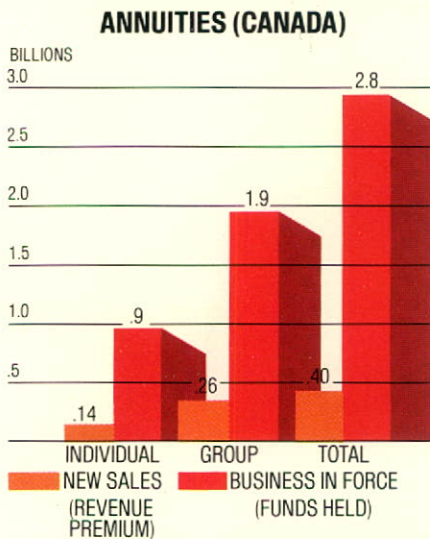
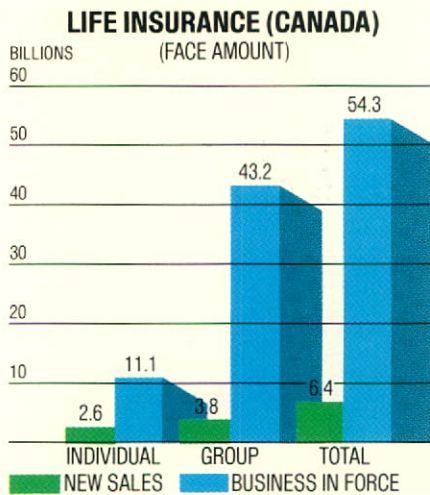
Sales of individual products recorded solid gains in 1984 compared with the previous year, with life insurance up 28%, annuities 38% and health insurance, a relatively small line of business, 3%. Sales of group life and health insurance were down 26% and 17% respectively reflecting the impact of a large major case sold in 1983 and not repeated in 1984. Sales of group annuities increased by 20%.

Business in force at December 31 showed satisfactory gains for all lines of business with major gains in individual life insurance and in annuities, both individual and group.



Sources of 1984 Premium Income (Canada)

	First Year (000)	Single (000)	Renewal (000)
Individual Products			
Life Insurance	\$ 20,648	\$ 19,530	\$ 67,538
Annuities	—	124,427	14,370
Health Insurance	4,316	—	16,439
Total Premiums	\$ 24,964	\$143,957	\$ 98,347
Group Products			
Life Insurance	\$ 12,907	\$ 2,021	\$112,600
Annuities	7,424	54,876	197,706
Health Insurance	32,511	—	267,578
Total Premiums	\$ 52,842	\$ 56,897	\$577,884



With satisfactory sales in all lines, premium income for the year was well ahead of 1983. Income from individual products was up 22% while group products recorded a 17% increase over the previous year.

Individual Products

Annuity sales to individuals showed a major increase in 1984, thanks to a product portfolio that featured very competitive interest rates. Again, we marked real growth, after the effects of inflation, in this product line.

The flagship line, however, continues to be our individual insurance sales, with a growing emphasis on our very flexible Living Life Insurance Policy. It has been extremely well received in the marketplace. Our field force understands how to communicate its benefits—flexible premium, flexible coverage amounts, current interest rates on cash values, inflation protection and built-in after sale service—to our customers. And, the product has been further enhanced with the Multiple Lives option, allowing all members of a family or key business associates to be insured under one contract. Living Life will continue to provide a superior insurance alternative to consumers whose coverage needs will change over the years.

In addition to the outstanding success of our new Living Life product, sales of traditional participating permanent insurance continue to be strong, reflecting the competitiveness of our participating product area. Indeed, we are planning a further increase in policyholder dividends for 1985.

In 1984 we concentrated efforts on maximizing the opportunities presented by our relationship with other members of the Power Financial Corporation group. A growing volume of individual sales came from the field force of sister company, The Investors Group. Our field force, in turn, has received additional training in the full range of Investors' varied mutual funds.

Group Products

The group life and health market has been a competitive and turbulent one in recent years. Throughout, our mandate has been to provide realistic analysis of the cost of coverage to clients, coupled with creative product alternatives and an emphasis on superior benefit payment service. Our computerized benefit payment program, BEN[®], has set the standard for the industry. Thanks to

BEN, and a product portfolio that addresses the needs of small and large businesses alike, we have achieved real growth in our amount of business in-force.

An addition to our portfolio in 1984 was PULSE: optional universal life insurance coverage for employees via payroll deduction. Again, this benefit enhances the employer's package without adding to cost, while employees choose to cover themselves, spouses and children at a group discount price.

Great-West Life's presence in the group pension market is worth note. The pension assets we manage for clients have grown at a dramatic annual rate of more than 16% over the past five years. Much of this growth can be attributed to the innovative funds we offer to them. Two are of particular note. The Canadian Real Estate Fund was the country's first open-ended, pooled fund and it's now the largest with more than \$230,000,000 in assets, representing the interests of more than 140 clients. The Equity Index Fund is also the largest of its kind in Canada, comprising \$100,000,000 in assets on behalf of 74 clients.

Our Position

Great-West Life enjoys unique advantages in Canada and we intend to capitalize on these in 1985, to ensure continued growth.

We have a mandate to monitor our products vis-à-vis consumer savings and risk management needs: to set the standards for superior, contemporary products for the market.

We are committed to maintaining a well informed, career-oriented field force, based on a compensation system that emphasizes a professional process of matching consumer needs with a product that does the job, and then providing appropriate after sale service.

We have worked to ensure that our administrative systems are based on cost-effective applications of the newest technologies, and will continue to do so.

As we move into 1985, we have solid groundwork in place. On both the group and individual sides, we have achieved something of a balance of proven performance products and recently introduced innovations that will profitably address new market niches. Our portfolio is both diverse and sound, and we will work to keep it so.

UNITED STATES OPERATIONS

A report from Orest Dackow,
Executive Vice-President—
Chief Operating Officer,
United States

In 1984 Great-West Life completed its 78th year of operations in the United States. Since opening our first office in Fargo in 1906 we've built a reputation of growth and service across the U.S. Currently, we conduct business in all but two states, reflecting our ranking in the top one percent of more than 1,600 life insurers in North America.

1984 was a successful year for Great-West Life in the United States. The continuing strong performance of the United States economy provided attractive opportunities to market our products in our target markets, and important progress was made in the growth of our distribution systems.

Sales of individual life insurance and annuities were substantially ahead of 1983 levels, recording gains of 164% and 414% respectively. Group life insurance sales enjoyed steady growth and increased 23%. Sales of group annuities increased 29% while group health insurance was up an impressive 86%.

Reflecting the high level of sales, particularly in individual products, premium income for the year increased substantially over that of 1983. Income from individual products was up 138% while income from group products registered an increase of 8%.

Business in force at December 31 was well above the levels attained a year ago.

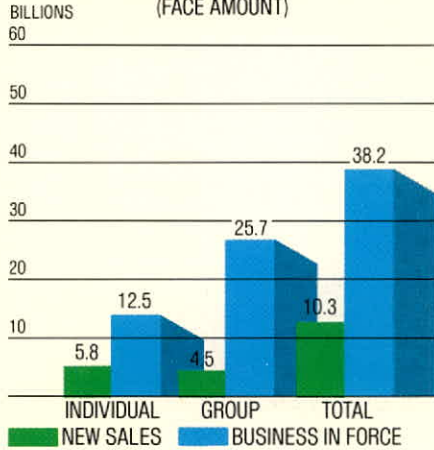


Sources of 1984 Premium Income (United States)

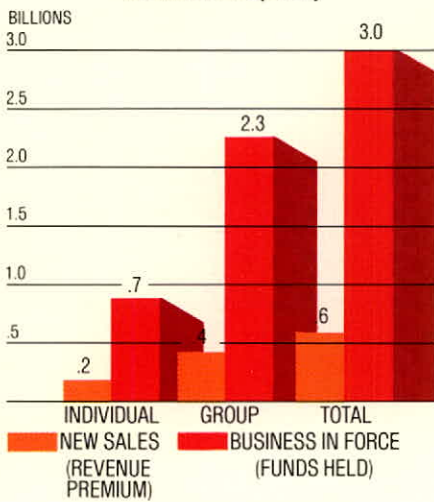
	First Year (000)	Single (000)	Renewal (000)
Individual Products			
Life Insurance	\$ 56,248	\$ 9,378	\$ 77,397
Annuities	1,537	197,376	481
Health Insurance	2,373	—	6,408
Total Premiums	\$ 60,158	\$206,754	\$ 84,286
Group Products			
Life Insurance	\$ 6,383	\$ 206	\$ 62,397
Annuities	75,065	79,259	283,166
Health Insurance*	20,756	—	169,883
Total Premiums	\$102,204	\$ 79,465	\$515,446

*ASO Equivalent

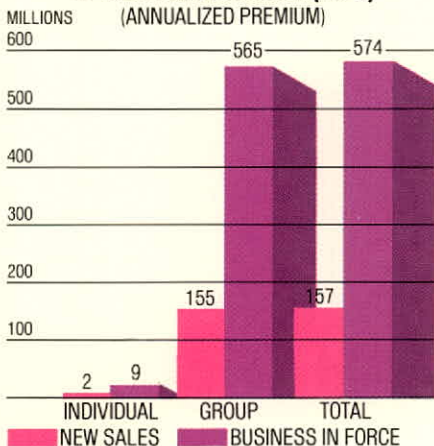
LIFE INSURANCE (U.S.) (FACE AMOUNT)



ANNUITIES (U.S.)



HEALTH INSURANCE (U.S.) (ANNUALIZED PREMIUM)



Individual Products

The dramatic growth in sales in 1984 was primarily due to offering an array of innovatively designed and competitively priced products. This array of traditional, interest-sensitive and universal life products attracted many new producers and resulted in substantially increased sales.

Sophisticated universal life type products with characteristics such as flexibility of premiums and death benefits, optional coverage for spouse and children, inflation adjuster rider, disability waiver of cost, accumulation of premiums at current interest rates, partial withdrawals and loan privileges, and disappearing surrender charges found ready acceptance in the marketplace. Our interest-sensitive plans offered such features as current interest rates on accumulated cash values and a vanishing premium option. Whole or traditional life plans placed emphasis on low net outlays for buyers. Disability plans offered semi-annual inflation indexing and true-graded premium options.

Annuity sales, which were exceptionally strong compared with 1983 results, reflected a range of products which could be tailored to meet

individual needs. The single premium immediate annuity enables customers to maximize the guaranteed retirement income benefits generated by an available single premium annuity payment. The STRATA™ uni-sex annuity offers individual clients the ability to accumulate periodic deposits to fund a retirement income. The Company's deferred variable annuity, MAXIM®, offers tax deferral on investment earnings while reflecting the actual investment experience of the portfolio chosen by the client. MAXIM clients can select from bond, common stock and money market portfolios or any combination of them.

Group Products

A major emphasis in the group life and health insurance lines of business relates to offering employers cost-effective programs that help defray the cost of medical care for employees and their families and protect them from loss of income due to disability or death. One product, EDGE™, streamlines the issue and benefit payment process. It also encourages members of a group to use lower cost health care alternatives such as out-patient

surgery and home health care, and at the same time, provides quick reimbursement of covered expenses.

BEN® is Great-West Life's computerized system for paying medical and dental benefits. It is one of the most technically advanced benefit payments systems on the market and reduces costs to clients by greater accuracy, improved turnaround time, up-to-date management reports, and checking for eligibility and overpayments. Employers can have direct access to detailed information concerning their plans and, through a new service, may process their own claims by using the BEN system on a timeshare basis.

One other important cost containment measure introduced in 1984 was the STEM™ program, an arrangement with selected providers of health care services designed to provide quality service at reasonable costs. By opting to receive treatment at a STEM participating facility (preferred provider), clients receive

quality care at a reasonable cost. In 1985, the use of preferred providers will be available through an increased number of the Company's group sales offices. In addition, a new program will be offered designed to interact with patient, physician and hospital in the areas of pre-treatment review, timely hospital discharge and home health care services.

In the group annuity field, Great-West Life provides products to three distinct market segments: investment-only vehicles for corporate qualified pension plans; full-service programs for tax-shelter annuity programs; and full-service programs for public employees' deferred compensation plans. A Growth Guarantee Contract® featuring, among other things, a forward guarantee of interest rates before deposits are made, met with a high degree of acceptance and attracted \$100,000,000 of premium in 1984. FutureFunds™—an attractive fixed annuity with the option of

adding investment alternatives—is proving very successful in both the tax-sheltered annuity and deferred compensation markets.

Our Position

The United States region is well positioned to participate in the continued growth in the market for financial services. On the individual products side in 1985, we shall focus on keeping our array of traditional, interest-sensitive and universal life products both contemporary and competitive. Further modifications will be made to MAXIM to make it particularly attractive to a wide range of tax-sheltered savings plans. We shall continue to concentrate on applying technology to improve the quality and cost-effectiveness of our services.

In the group field, our emphasis will remain on cost containment programs for life and health products and the aggressive marketing of FutureFunds in the annuity line of business.

INVESTMENT OPERATIONS

A REPORT FROM MARSHALL SMITH, EXECUTIVE VICE-PRESIDENT, INVESTMENTS

Great-West Life manages investment portfolios totalling \$8.7 billion, split as to \$4.4 billion in Canada and \$4.3 billion in the United States. These portfolios include assets supporting Great-West's various lines of insurance, annuities and pensions, the equity of shareholders and policyholders in the business, and investments through Segregated or Separate Funds for both individual and corporate/institutional clients.

To a large extent, the insurance and annuity lines require new investments that closely match the characteristics of Great-West products purchased by the consumer. While the consumer has more choice than ever before in what he purchases, that choice, once made, creates investment criteria that impose severe constraints on investment implementation. At the same time existing asset portfolios, acquired in large measure in earlier times, are required to be managed and brought into a contemporary mode to ensure that, if there is a return to the extreme excesses of the early 1980s, it would not create undesirable or unbearable financial strain on the Company.

In the last few years substantial progress has been made in adjusting existing bond and mortgage portfolios to better protect the Company against the consequences of disintermediation. At the same time the design of new products has increasingly taken the realities of investment conditions into account. This close articulation of investment and product line requirements is a relatively new and important part of the management of Great-West activities.



Another important element in the Company's investment activities is to achieve long term superior returns on that portion of the assets that can be prudently committed to equity of various kinds. The objective of this activity is to build the Company's capital and to do so by making investments where the return may emerge over a period of time and includes entrepreneurial endeavors such as real estate development companies and venture capital as well as the more traditional common stock and direct real estate investment.

Great-West's investment management skills also are directed to a variety of funds administered and

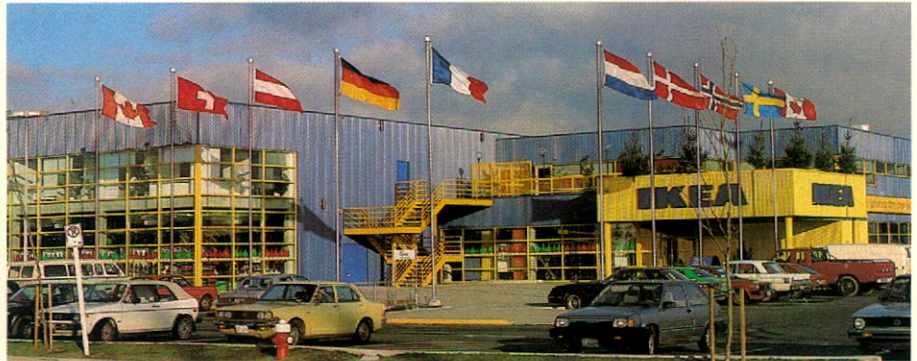
managed for individual, corporate and institutional clients. These funds may have a specific focus and appeal to a variety of customers or alternatively Great-West will design and manage investment funds tailored specifically for the needs of a single client.

Investment Performance

In 1984 the overall net rate of return before tax earned on all life and health insurance assets was 11.36% as compared to 10.68% in 1983. (Improved investment income reflected in part a regulatory change whereby an adjustment for market values of equity securities is taken into earnings at the rate of 15% rather than the previous 7%.) This

rate is a composite of all general account investments, both debt and equity, including those newly made and held for extended periods in both Canada and the United States. A gradually increased proportion of Great-West's assets is attributable to its business in the United States. As a result, the net earned rate reflects the generally somewhat lower interest rates that prevail in that country as compared to Canada. With the current level of interest rates now close to the overall net earned rate it is not expected that significant increases in this rate would be achieved in 1985.

A significant part of Great-West's investments are in mortgages, mostly on commercial and industrial properties in both Canada and the United States. Loss experience in this portfolio has been consistently low over many years. At the end of 1984, out of a total of 4,135 accounts, 14 were in arrears on interest for more than 90 days, while during the year, 19 accounts with a total principal balance of \$24.0 million were fore-closed. Little or no loss is expected to



Owned by Ikea Holdings Limited (Canada), this 165,000 square foot building in Vancouver serves as the Canadian head office and western Canadian warehouse and distribution center for Ikea, an international furniture retailer. Great-West Life provided mortgage financing of \$7.5 million for the complex.

be incurred from the disposal of these properties.

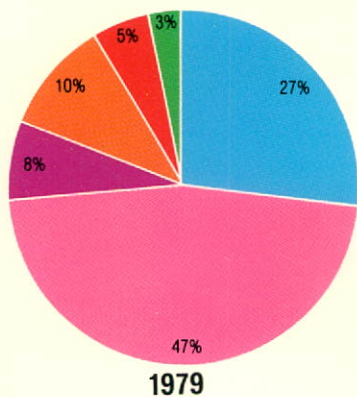
The total investment activity in 1984, including that of Segregated Funds, involved a net investment totalling \$1.8 billion. Much of this investment was for the general accounts of Great-West and was in bonds and mortgages. Because the timing of the availability of investments suitable to the liabilities they support is usually imperfect, Great-West has increasingly utilized hedging techniques, including

interest rate futures contracts, to help ensure that the margin anticipated in products sold can, in fact, be secured. In a financial marketplace subject to a degree of volatility unthinkable only a few years ago, the increasingly sophisticated employment of all available tools and techniques of portfolio and financial management is essential.

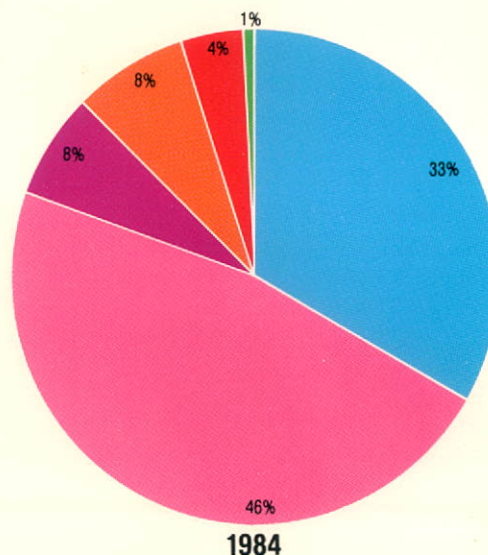
In 1984, several significant developments occurred in Great-West's equity investments:

- Cambridge Shopping Centres Limited became a public Canadian

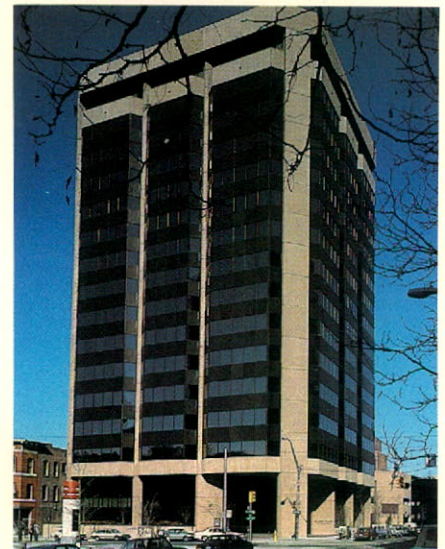
TOTAL INVESTED ASSETS — \$4.2 BILLION
(INCLUDING SEGREGATED FUNDS)



TOTAL INVESTED ASSETS — \$8.7 BILLION
(INCLUDING SEGREGATED FUNDS)



- BONDS
- MORTGAGES
- STOCKS
- REAL ESTATE
- POLICY LOANS
- CASH



The Alamo Plaza, an 18-story office building in Denver's major financial district, represents Great-West Life's largest single mortgage in the U.S. The Company provided mortgage financing of \$29.5 million for the complex.



Signature Place I, an eight-story office building in North Dallas, is the first phase of a 58-acre development by Rostland Corporation, in which Great-West Life has an equity interest.

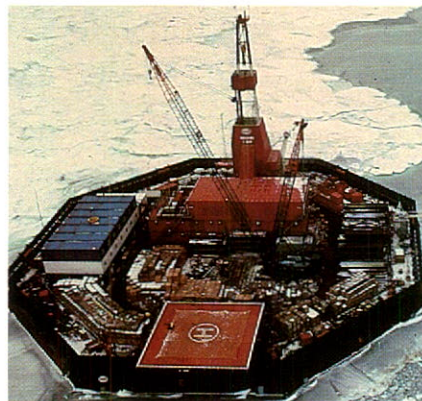
company following a recapitalization and share offering and Great-West's common share ownership was reduced from over 70% at the end of 1983 to a current fully diluted position of 42.4%. This highly successful and well managed organization continues to be a cornerstone of Great-West's equity investments.

- During the year a structural re-organization was made to bring all real estate development company investments, mostly private in nature, and other "private" equity investments together under unified management. This arrangement has produced a Venture Capital Department which is expected to play an important role in achieving Great-West's objective of building capital.

- Direct real estate is held both in Great-West's general account and the pooled Canadian Real Estate Fund #1 which, at over \$230,000,000, is the largest fund of its kind in Canada devoted to investment in real estate for pension fund clients. Great-West also has specialized in

creating separate real estate investment funds for corporate pension investment clients.

- The Canadian Equity Index Fund was established in 1983 and had its first full year of activity in 1984. This fund, also for pension clients, invests in the shares of the companies that comprise the Toronto Stock Exchange 300 Index. Its objective in so doing is to duplicate the performance of the Index. For the year 1984 the TSE 300 adjusted for dividends, declined by -2.39% while Great-West's Equity Index Fund, similarly measured, declined -2.49%.



Great-West Life has invested \$12.5 million in this modular oil drilling rig located on an artificial island in the Beaufort Sea. The rig is operated by Esso Resources.

Outlook for 1985

Great-West's investment capability will continue to be directed towards producing superior results in terms of consistency and reliability of portfolio performance in relation to liability and current earnings. Such objectives mean that we will make every effort to achieve the best possible return on current investments consistent with long term portfolio interests, including our need to match the asset portfolio structure to our policy liabilities.

In this context the economic and financial environment emerging over the next number of years will exert a decisive influence on Great-West's investment outcome as well as on the evolution of the financial products and services that the investments must support.

Important in this context will be policy directions adopted in Canada and the United States to deal with matters such as federal fiscal deficits, persistent unemployment (particularly in Canada), technological change, trade and commercial policy, and the outlook for re-emergence of significant inflation. At the same time there is the reality of the 'global village'. Insulation of one part of the world from the rest is no longer possible and investments must be undertaken with a much fuller understanding of world-wide events and trends than ever before.

Great-West's investment operation is well placed to successfully cope with the exciting challenges which lie ahead in 1985 and beyond.

Management's Statement on Financial Reporting

Board of Directors

The accompanying financial statements were approved by the Board of Directors which has overall responsibility for their contents.

Audit Committee

The Board of Directors is assisted in its responsibilities for these financial statements by its Audit Committee. This Committee consists of directors not involved in the daily operations of the Company. The function of this Committee is to:

- Review all formal financial statements and recommend them for approval to the Board of Directors.
- Review the systems of internal control and security.
- Recommend the appointment of the external auditors and their fee arrangements to the Board of Directors.
- Review other audit, accounting, financial and security matters as required.

In carrying out the above responsibilities, this Committee meets regularly with management, and with both the Company's external and internal auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to external and internal auditors and to the Valuation Actuary.

Management

The Annual Report was prepared by management. The financial statements were prepared in accordance with the accounting practices prescribed or permitted by the Department of Insurance of Canada. Some of the assets and liabilities are based on estimates and judgements as their final determination is dependent upon subsequent events.

Management believes such estimates are based on careful judgements and have been properly reflected in the financial statements. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the financial statements properly reflect the financial position and results of operations of the Company within reasonable limits of materiality.

Valuation Actuary

The Valuation Actuary is appointed by the Board of Directors pursuant to Section 71.1 of the Canadian and British Insurance Companies Act. His function is to carry out an annual valuation of the Company's policy benefit liabilities in accordance with the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries for the purpose of issuing reports to policyholders, shareholders and the Superintendent of Insurance. These reports express his opinion based on informed judgement.

External Auditors

Touche Ross & Co. have been appointed external auditors pursuant to Section 78.1 of the Canadian and British Insurance Companies Act to report to the policyholders, shareholders and directors and to the Superintendent of Insurance regarding the fairness of presentation of the Company's financial position and results of operations as shown in the annual financial statements.

The opinion of the external auditors is based upon obtaining an understanding of the Company's accounting systems, procedures and internal controls. Based upon their evaluation of these systems, the external auditors conduct appropriate tests of the Company's accounting records and obtain sufficient audit evidence and explanations to provide reasonable assurance that the financial statements are presented fairly in accordance with accounting practices prescribed or permitted by the Department of Insurance of Canada and, unless otherwise stated, on a basis consistent with that of the preceding year.

Regulatory Authorities

The Superintendent of Insurance of Canada, at least once every three years, examines the affairs of the Company. In addition, the United States operations of the Company are periodically examined by the Michigan Insurance Bureau under the auspices of the National Association of Insurance Commissioners. Periodic reports are filed with insurance regulatory authorities in various jurisdictions and these reports facilitate further review of financial results and enquiry by examination staff.

Understanding Great-West Life's Financial Results

Profit Sources

The business of the Company is managed on a basis which recognizes the following inherent profit sources:

- investment income earned on appropriated and unappropriated surplus;
- investment income spread on liabilities;
- the excess of expense provisions in premiums over incurred expenses;
- mortality and morbidity gain on life insurance and health insurance respectively;
- miscellaneous other profit sources.

Recognition and management of inherent profit sources enables a maximization of returns to policyholders and shareholders.

The financial statements are presented in a form consistent with the basis on which the Company is required to report to the Canadian Department of Insurance. All amounts received from customers are recorded as premium income. Such amounts, combined with net income from investment operations are available to pay policy benefits and expenses and to make contractual provision

for policy benefits payable at a future date. After provision for income taxes, the balance remaining constitutes the Net Income of the Company.

Risk Sharing

Great-West Life offers a full range of insurance and savings products on both an individual and group basis. Each of the two elements, insurance and savings, are available separately or combined in accordance with customer requirements. Various types of contractual arrangements are available to enable customers to choose the degree to which they wish to share insurance and investment risks with the Company.

Distribution of Net Income

Great-West Life is a federally licenced Canadian stock life insurance company which does business throughout Canada and all but two States in the United States. It issues both

participating and non-participating business. In accordance with the Canadian and British Insurance Companies Act, separate accounts are maintained so that Net Income and Surplus can be determined for each of the participating and non-participating business components. Also in accordance with the Act, 97½% of the Net Income distributed from the participating account is returned to the owners of participating policies in the form of annual policyholder dividends. The remaining 2½% of the distributed participating account Net Income is combined with the Net Income from the non-participating business, including the health business, to constitute the shareholders' Net Income.

Comparative Highlights

(in thousands of dollars except earnings per share)

At December 31	<u>1984</u>	<u>1983</u>
Life insurance in force (face amount)	\$92,435,304	\$81,845,683
Annuities in force (funds held)	5,856,016	4,785,530
Health insurance in force (annualized premiums)	1,000,213	880,106
Assets	9,066,866	7,823,635
Capital and surplus	816,239	720,957
For the Year		
New insurance	16,696,891	13,023,809
New annuities	1,035,685	694,990
Premium income	2,003,204	1,601,316
Net investment income	844,072	687,792
Total paid or credited to policyholders including dividends	2,416,269	1,988,711
Earnings per share from operations	38.90	27.74
Earnings per share including other items	39.16	31.32

Summary of Operations

(in thousands of dollars except earnings per share)

	<u>1984</u>	<u>1983</u>
Income:		
Life insurance and annuity premiums	\$1,482,939	\$1,089,331
Accident and health premiums	520,265	511,985
Net investment income (note 2a)	844,072	687,792
Net realized and unrealized capital gains on assets of segregated investment funds (note 1d)	9,493	42,685
Total Income	<u>2,856,769</u>	<u>2,331,793</u>
Benefits and Expenses:		
Life and annuity benefits	916,093	807,072
Accident and health benefits	410,430	407,273
Interest on funds on deposit	35,831	31,715
Increase in policy reserves (note 1g)	989,415	682,928
Dividends to policyholders	64,500	59,723
Total paid or credited to policyholders	<u>2,416,269</u>	<u>1,988,711</u>
Commissions and operating expenses	318,483	249,036
Premium taxes	21,633	20,429
Net operating income before income taxes	100,384	73,617
Income taxes—current	4,944	5,036
—deferred	(5,705)	(1,931)
Net Income from Operations	<u>101,145</u>	<u>70,512</u>
Other Items (note 3)	<u>18,137</u>	<u>9,449</u>
Net Income	<u>\$ 119,282</u>	<u>\$ 79,961</u>
Summary of Net Income (note 1h)		
Attributable to Participating Policyholders		
Net income before policyholder dividends	\$ 87,829	\$ 74,743
Policyholder dividends	64,500	59,723
Net income from operations	23,329	15,020
Other items (note 3)	17,632	2,297
Net Income—participating policyholders	<u>\$ 40,961</u>	<u>\$ 17,317</u>
Attributable to Shareholders		
Net income from operations	\$ 77,816	\$ 55,492
Other items (note 3)	505	7,152
Net Income—shareholders	<u>\$ 78,321</u>	<u>\$ 62,644</u>
Earnings per share		
From operations	\$38.90	\$27.74
Including other items	\$39.16	\$31.32

Statement of Surplus

For the Year 1984 (in thousands of dollars)

Appropriated	Participating Policyholders	Shareholders	Total
Balance January 1	\$ 61,174	\$178,541	\$239,715
Add:			
Increase in special reserves			
Investment valuation and currency reserve—net	1,389	7,359	8,748
Reserve for cash value deficiencies and amounts of negative reserves	7,863	4,509	12,372
Reserve for miscellaneous assets	435	10,918	11,353
	<u>9,687</u>	<u>22,786</u>	<u>32,473</u>
Balance December 31	<u>\$ 70,861</u>	<u>\$201,327</u>	<u>\$272,188</u>

Unappropriated

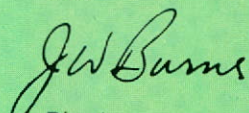
Balance January 1	\$197,103	\$282,139	\$479,242
Add:			
Total net income for year from summary of operations	40,961	78,321	119,282
Deduct:			
Dividends to shareholders	—	24,000	24,000
Changes in special reserves appropriated from surplus	<u>9,687</u>	<u>22,786</u>	<u>32,473</u>
Balance December 31	<u>\$228,377</u>	<u>\$313,674</u>	<u>\$542,051</u>

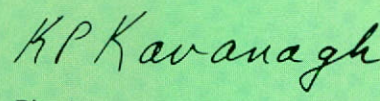
Balance Sheet

December 31, 1984 (in thousands of dollars)

Assets	<u>1984</u>	<u>1983</u>
Bonds (note 1a)	\$2,571,281	\$1,941,362
Mortgages and sale agreements (note 1a)	3,596,052	3,100,360
Stocks (note 1b)	471,009	365,101
Real estate (note 1c)	560,578	683,884
Loans to policyholders	322,842	325,998
Cash and certificates of deposit	74,252	94,366
Premium in course of collection	95,304	75,267
Interest due and accrued	129,990	97,905
Segregated investment funds (note 1d)	1,135,801	1,038,000
Other assets	109,757	101,392
	<u>\$9,066,866</u>	<u>\$7,823,635</u>

Approved by the Board


Director


Director

Liabilities	<u>1984</u>	<u>1983</u>
Policy benefit liabilities		
Policy reserves (note 1g)	\$5,839,481	\$4,823,189
Segregated investment funds	1,135,801	1,038,000
Provision for claims	393,736	343,575
Provision for 1985 policyholders' dividends	64,839	60,648
Provision for experience rating refunds	78,939	64,876
	<u>7,512,796</u>	<u>6,330,288</u>
 Policyholders' funds	 365,490	 323,242
 Mortgages on real estate	 259,393	 333,184
 Income taxes payable	 4,940	 13,288
 Deferred income taxes (note 1e)	 4,066	 21,690
 Other liabilities	 <u>103,942</u>	 <u>80,986</u>
	<u>8,250,627</u>	<u>7,102,678</u>
Capital stock and surplus		
Capital stock		
Authorized, issued and fully paid—		
2,000,000 common shares of \$1 par value	2,000	2,000
 Appropriated surplus (note 4)		
—participating policyholders	70,861	61,174
—shareholders	201,327	178,541
 Unappropriated surplus		
—participating policyholders	228,377	197,103
—shareholders	313,674	282,139
	<u>816,239</u>	<u>720,957</u>
	<u>\$9,066,866</u>	<u>\$7,823,635</u>

Notes to 1984 Financial Statements

1. Significant Accounting Practices

The accounting practices followed by the Company are as prescribed or permitted by the Department of Insurance of Canada for the purpose of reporting to policyholders and shareholders.

- (a) Investments in bonds, mortgages and sale agreements (debt securities) are basically carried at amortized cost with the securities of the life account adjusted by the unamortized balance of losses or gains on sales of securities. The difference between the proceeds on the sale of a debt security and its amortized cost is considered to be an adjustment of future portfolio yield, and is deferred and amortized over the period to maturity of the security sold. The unamortized balances at December 31, 1984 are \$41,014,000 of net losses for bonds (\$46,138,000 in 1983) and \$200,000 of net gains for mortgages (\$780,000 in 1983).

Bonds, mortgages and sale agreements have a market value authorized by the Department of Insurance of \$5,839,278,000 (\$4,641,560,000 in 1983). In most instances, the carrying value of debt securities will be realized since they will be held to maturity to discharge policy contract liabilities maturing at the same time.

- (b) Investments in stocks (equity securities) in the life account are carried at cost less an adjustment which consists of realized gains and losses as well as a market value adjustment which is a portion of the difference between adjusted book value and year-end market value of all equity securities. The adjustment at December 31, 1984 amounted to \$63,653,000 (\$92,443,000 in 1983). Equity investments in respect of the accident and health business are carried at cost.

Equity securities have a market value authorized by the Department of Insurance of \$684,492,000 (\$593,091,000 in 1983).

- (c) Real estate at December 31, 1984 is carried at a written down cost of \$592,836,000 (\$711,204,000 in 1983) less accumulated depreciation of \$32,258,000 (\$27,320,000 in 1983).

The market value of the real estate portfolio has been calculated at \$660,448,000 (\$810,102,000 in 1983).

- (d) Investments held for segregated investment funds are carried at market value. Net realized and unrealized capital gains on segregated investment funds were \$9,493,000 in 1984 (\$42,685,000 in 1983). Such capital gains to the funds are reflected in the increase in policy reserves and do not affect net income of the Company.

- (e) Income taxes are calculated using the deferred-tax method on a present value basis.

- (f) Income from subsidiaries is included using the equity method of accounting. The Company's principal subsidiaries are listed below:

Great-West Life & Annuity Insurance Company
Torwest Properties U.S.A. Limited
Gold Circle Insurance Company
G.W.L. Properties Ltd.
G.W.L. Realty Investments Inc.

- (g) Policy reserves represent the amount which, in the judgement of the Valuation Actuary, is required, together with future premiums and investment income, to provide for future policy benefits, administrative expenses and taxes on insurance and annuity policies. Asset values and projected maturities of assets and liabilities are continuously monitored and appropriately considered in the determination of policy reserves.

Policy reserves are calculated using assumptions considered to be appropriate to the policies in force and recognize the deferral of certain costs of acquiring policies. The amount of unamortized deferred acquisition costs deducted in arriving at the policy reserves was \$169,538,000 at December 31, 1984 (\$131,942,000 at December 31, 1983).

- (h) Net income includes earnings of the participating, non-participating and the health insurance accounts. Earnings applicable to shareholders include net earnings of the non-participating and the health accounts and 2½%, as restricted by law, of the distributions from the participating account.

2. The following changes in accounting practices and other unusual items, net of income taxes, have been reflected in the financial statements:

- (a) A change to the rate at which realized and unrealized gains and losses on equity securities (note 1. (b)) are recognized in income from 7% to 15%. This change in applicable regulation was promulgated by the Department of Insurance of Canada in December 1984 and has resulted in an increase in net income from operations of \$18,892,000.
- (b) Income from subsidiaries includes an amount of \$7,109,000 to conform the accounting methods of the subsidiaries to the accounting practices prescribed for the parent company, resulting in an increase in other items.
- (c) The deferred asset in respect of computer systems development amounting to \$5,162,000 has been written-off, resulting in a decrease in net income from operations.
- (d) Asset values in respect of real estate properties which are in the process of development have been written down by \$8,160,000, resulting in a decrease in other items.
- (e) Provision has been made for possible assessments by insurance guarantee associations amounting to \$4,080,000, resulting in a decrease in other items.

3. Other items, net of income taxes includes the results of:

Attributable to:	1984		1983	
	Participating Policyholders	Shareholders	Participating Policyholders	Shareholders
	(000)	(000)	(000)	(000)
Net write-down of assets	\$ (2,436)	\$ (15,542)	\$ (347)	\$ (1,185)
Realized gains/losses on sale of assets (note 3a)	1,371	8,548	1,957	8,818
Prior years' income tax adjustment (note 3b)	13,614	2,810	(10,500)	(1,200)
Gain due to change in book rates of exchange (note 3c)	5,441	11,043	—	—
Changes in actuarial reserves	—	(2,780)	11,956	3,814
Provision for strengthening of employee benefit plans	(426)	(2,150)	(277)	(1,443)
Provision for insurance guarantee association assessments (note 2e)	(408)	(3,672)	—	—
Share of earnings of subsidiaries (note 1f)	(796)	(3,589)	(492)	(1,652)
Accounting basis change for subsidiaries (note 2b)	1,272	5,837	—	—
	<u>\$17,632</u>	<u>\$ 505</u>	<u>\$ 2,297</u>	<u>\$ 7,152</u>
	<u>\$18,137</u>		<u>\$9,449</u>	

- (a) Realized gains, net of income taxes of \$833,000, on sales of assets include the results of:
- (i) all disposals of assets of the accident and health account;
 - (ii) disposals of real estate in the life account.
- (b) The prior years' tax adjustment includes the results of:
- (i) a partial reversal of amounts set aside in 1983 to provide for Canadian tax issues;
 - (ii) a reduction of U.S. deferred tax liabilities resulting from the Deficit Reduction Act of 1984 which introduced changes in the taxation of life insurance companies in the United States.
- (c) Effective January 1, 1984 United States currency items are translated at a book rate of \$1.20 in Canadian dollars compared to \$1.15 in 1983. It is the intention of the Company to alter this rate whenever it is evident that currency rates have changed significantly and in the opinion of the Company the rate will not be reversed in the near term.

4. Appropriated surplus represents reserves required by the Department of Insurance of Canada and comprises the following:

	1984	1983
	(000)	(000)
Participating account:		
Investment valuation and currency reserve—net	\$ 17,004	\$ 15,615
Reserve for cash value deficiencies and amounts of negative reserves	31,835	23,972
Reserve for miscellaneous assets	22,022	21,587
Total	<u>\$ 70,861</u>	<u>\$ 61,174</u>
Non-participating and health accounts:		
Investment valuation and currency reserve—net	\$ 58,113	\$ 50,754
Reserve for cash value deficiencies and amounts of negative reserves	76,680	72,171
Reserve for miscellaneous assets	66,534	55,616
Total	<u>\$201,327</u>	<u>\$178,541</u>

5. Conversion to Canadian dollars of the excess of United States dollar assets over United States dollar liabilities at the December 31, 1984 exchange rate rather than the book rate of \$1.20 would have produced an increase in net assets of approximately \$42,204,000. In accordance with reporting requirements \$30,651,000 is reflected in the balance sheet by a reduction in the investment valuation reserve shown in note 4.
6. Transactions with related companies consist mainly of the provision of insurance benefits to other companies within the Power Corporation of Canada group of companies. In all cases, such transactions are made in the normal course of business and at competitive prices.

Valuation Actuary's Certificate

Great-West Life



100 Osborne Street North
Winnipeg, Manitoba R3C 3A5
Telephone (204) 946-1190

January 30, 1985

VALUATION ACTUARY'S CERTIFICATE

To the Policyholders, Shareholders, and Directors of
The Great-West Life Assurance Company

I have made the valuation of the policy benefit liabilities of The Great-West Life Assurance Company for its balance sheet at 31 December, 1984 and its summary of operations for the year then ended. In my opinion: i) the valuation conforms to the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries; ii) the amount of the policy benefit liabilities makes proper provision for future payments under the Company's policies; iii) a proper charge on account of those liabilities has been made in the summary of operations; and iv) the amount of surplus appropriation for policies whose cash value exceeds the policy benefit liability is proper.

W. E. Bergquist, F.S.A., F.C.I.A., M.A.A.A.
Senior Vice-President and Actuary

Auditors' Report

Touche Ross & Co.

Chartered Accountants

AUDITORS' REPORT

To the Policyholders, Shareholders and Directors,
The Great-West Life Assurance Company

We have examined the balance sheet of The Great-West Life Assurance Company as at December 31, 1984 and the summary of operations and the statement of surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting practices described in Note 1 to the financial statements applied, except for the change in the methods of accounting for investment income and income from subsidiaries as described in Notes 2(a) and 2(b) to the financial statements, on a basis consistent with that of the preceding year.

Touche Ross & Co.

Winnipeg, Manitoba
January 30, 1985.

Chartered Accountants

Five Year Summary

(in thousands of dollars except EARNINGS PER SHARE)

	COMPOUND GROWTH RATE 1980-1984	1984
AT DECEMBER 31		
Life insurance in force (face amount)	13.8	\$92,435,304
Annuities in force (funds held)	20.3	5,856,016
Health insurance in force (annualized premiums)	12.0	1,000,213
Assets	15.5	9,066,866
Capital and surplus	8.1	816,239
FOR THE YEAR		
New insurance	17.8	16,696,891
New annuities	17.4	1,035,685
Premium income	11.0	2,003,204
Net investment income	18.4	844,072
Total paid or credited to policyholders including dividends	13.1	2,416,269

	1984	
	PARTICIPATING POLICYHOLDERS	SHAREHOLDERS
CONDENSED SUMMARY OF OPERATIONS		
Income:		
Premiums	\$154,674	\$1,848,530
Net investment income	132,916	711,156
Net realized and unrealized capital gains on assets of segregated funds	69	9,424
Total income	287,659	2,569,110
Benefits and Expenses:		
Total paid or credited to policyholders	201,157	2,215,112
Commissions and operating expenses	58,185	260,298
Premium taxes	2,219	19,414
Transfer from participating policyholders to shareholders	1,654	(1,654)
Net operating income before income taxes	24,444	75,940
Income taxes—current	1,435	3,509
—deferred	(320)	(5,385)
Net income from operations	23,329	77,816
Other items	17,632	505
Net income	\$ 40,961	\$ 78,321

EARNINGS PER SHARE

From operations	\$ 38.90
Including other items	\$ 39.16
Return on shareholders' equity	16.0%
Book value per share	\$258.50
Dividends to shareholders —per share	\$ 12.00

1983	1982	1981	1980
\$81,845,683	\$74,874,206	\$64,136,609	\$55,086,844
4,785,530	4,124,866	3,184,269	2,797,868
880,106	888,062	718,595	634,635
7,823,635	6,937,611	5,818,616	5,088,763
720,957	661,996	629,349	597,730

13,023,809	11,777,218	9,053,832	8,662,073
694,990	785,504	598,924	545,311
1,601,316	1,708,437	1,447,530	1,319,135
687,792	619,237	513,069	429,879
1,988,711	2,094,176	1,637,771	1,475,379

1983		1982		1981		1980	
PARTICIPATING POLICYHOLDERS	SHAREHOLDERS	PARTICIPATING POLICYHOLDERS	SHAREHOLDERS	PARTICIPATING POLICYHOLDERS	SHAREHOLDERS	PARTICIPATING POLICYHOLDERS	SHAREHOLDERS
\$146,977	\$1,454,339	\$150,127	\$1,558,310	\$141,675	\$1,305,855	\$128,559	\$1,190,576
118,341	569,451	114,226	505,011	116,582	396,487	121,939	307,940
1,749	40,936	975	56,951	(695)	(32,832)	1,568	(4,343)
267,067	2,064,726	265,328	2,120,272	257,562	1,669,510	252,066	1,494,173
200,481	1,788,230	200,949	1,893,227	190,718	1,447,053	179,405	1,295,974
45,676	203,360	49,125	184,817	43,373	152,726	38,747	125,124
1,924	18,505	1,874	17,934	1,937	16,484	1,968	15,683
1,531	(1,531)	1,452	(1,452)	1,377	(1,377)	1,424	(1,424)
17,455	56,162	11,928	25,746	20,157	54,624	30,522	58,816
1,472	3,564	(1,952)	227	1,905	(1,205)	(1,288)	6,602
963	(2,894)	27	(11,322)	1,825	4,375	3,688	3,863
15,020	55,492	13,853	36,841	16,427	51,454	28,122	48,351
2,297	7,152	(2,431)	4,384	(6,993)	(9,269)	15,700	8,477
\$ 17,317	\$ 62,644	\$ 11,422	\$ 41,225	\$ 9,434	\$ 42,185	\$ 43,822	\$ 56,828

\$ 27.74	\$ 18.42	\$ 25.72	\$ 24.17
\$ 31.32	\$ 20.61	\$ 21.09	\$ 28.41
14.2%	10.0%	10.9%	15.9%
\$231.34	\$210.52	\$199.91	\$188.81
\$ 10.50	\$ 10.00	\$ 10.00	\$ 8.00

Great-West Life Offices

The Company's offices are located in the following centers:

Canada

British Columbia

Burnaby, Kamloops, Kelowna, Prince George, Terrace, Vancouver, Victoria

Alberta

Calgary, Edmonton, Grande Prairie, Lethbridge, Red Deer

Saskatchewan

Regina, Saskatoon

Manitoba

Brandon, Winnipeg

United States

Arizona

Phoenix

California

Fresno, Glendale, Los Angeles, San Francisco, Santa Ana

Colorado

Denver, Englewood

Connecticut

Hartford

District of Columbia

Washington, D.C. (Annandale, VA)

Florida

Miami (Fort Lauderdale)

Georgia

Atlanta

Illinois

Chicago

Indiana

Indianapolis

Kansas

Kansas City

Ontario

Belleville, Cobourg, Hamilton, Kingston, Kitchener, London, Mississauga, Oshawa, Ottawa (Nepeau), Peterborough, Toronto (North York), Willowdale, Windsor

Quebec

Chicoutimi, Hull, Montreal, Quebec City (Ste-Foy), Rimouski, St. Jean, Trois Rivieres

New Brunswick

Saint John

Nova Scotia

Halifax, Sydney

Newfoundland

St. John's

Louisiana

New Orleans (Metairie)

Maryland

Baltimore (Towson)

Massachusetts

Boston

Michigan

Detroit, Grand Rapids

Minnesota

Minneapolis

Missouri

St. Louis (Clayton)

New Jersey

North Jersey (Cranford, Pine Brook)

New Mexico

Albuquerque

North Dakota

Fargo

Ohio

Akron, Beachwood, Cincinnati, Cleveland, Columbus

Oklahoma

Tulsa

Oregon

Portland

Pennsylvania

Fort Washington, Philadelphia, Pittsburgh, Wayne

South Carolina

Columbia

Texas

Dallas, Houston

Virginia

Richmond

Washington

Seattle (Bellevue)

Wisconsin

Milwaukee

Additionally, the Company is represented by mortgage correspondents in its major operational centers. For further information, write to Marshall Smith, Executive Vice-President, Investments in care of Corporate Headquarters.



A member of the Power Financial Corporation group of companies.