Great-West Lifeco Inc.
The Great-West Life Assurance Company

Excellence in providing financial products and services for people

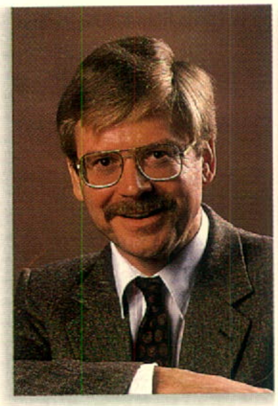
Annual Reports 1989

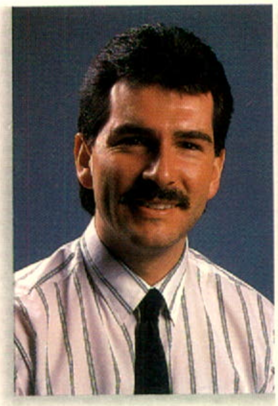
Table of Contents

Great-West Lifeco Inc.
- Corporate Profile 2
- Comparative Highlights 3
- Chairman's Message 4
- President's Message 5
- Management Discussion & Analysis 7
- Financial Statements 23
- Board of Directors 34
- Executive Officers 34

The Great-West Life Assurance Company
- Corporate Profile 36
- Financial Statements 37
- Board of Directors 47
- Executive Officers 47
- Offices 48

Great-West Lifeco Inc.






Corporate Information

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

Stock Exchanges
Winnipeg, Toronto and Montreal

Transfer Agent and Registrar Offices
Montreal Trust Company of Canada in Halifax, Saint John, Toronto, Winnipeg, Regina, Calgary, Vancouver; and Montreal Trust Company in Montreal.

Annual General Meeting
The fourth Wednesday of April, at the Registered Office, Winnipeg, at 11:45 a.m. or as soon thereafter as the Annual General Meeting of The Great-West Life Assurance Company shall have terminated.

For further information contact:
Corporate Communications
100 Osborne Street North
Winnipeg, Manitoba R3C 3A5
(204) 946-7663

CORPORATE PROFILE

Great-West Lifeco Inc. was formed in 1986 to hold securities of The Great-West Life Assurance Company.

The Corporation owns 1,987,399 or 99.4% of the outstanding common shares of Great-West Life. Lifeco is not restricted to investing in Great-West Life common shares, and may make other investments in the future.

Great-West Life

Great-West Life is an international corporation offering a wide range of insurance, retirement and investment products and services for individuals, businesses and organizations. Incorporated in Canada in 1891, Great-West Life has been active in the U.S. market since 1906. In Canada, Great-West Life is a major carrier of life and health insurance and retirement products in all markets. In the United States, the Company's individual business is primarily in the business insurance and executive benefit planning markets, while its employee benefits organization provides a complete range of products and services for corporations, and public and non-profit organizations.

Power Financial

Great-West Lifeco Inc. is a subsidiary of Power Financial Corporation. Of the 78,942,935 Lifeco common shares issued and outstanding, Power Financial owned 68,040,739, or 86.2% as of December 31, 1989. In 1988, the corresponding figures were 77,340,300 outstanding common shares, with 66,976,680 owned by Power Financial.

Share Exchange

In 1989, Great-West Lifeco Inc. exchanged common shares of The Great-West Life Assurance Company on the basis of 39.72 common shares of Great-West Lifeco Inc. for each common share of The Great-West Life Assurance Company. As a result, 40,349 Great-West Life Assurance Company shares were exchanged for 1,602,635 common shares of the Corporation. The Corporation did not acquire any of its own shares through the Normal Course Issuer Bid in 1989 *(334,600 in 1988)*.

The 1989 Annual Reports

This Report combines the 4th Annual Report of Great-West Lifeco Inc. with the 98th Annual Report of The Great-West Life Assurance Company.

As Great-West Life is the major asset of Great-West Lifeco, the following pages focus on a review of the operations of Great-West Life, followed by the financial statements of Great-West Lifeco. Since Great-West Lifeco owns 99.4% of the outstanding common shares of The Great-West Life Assurance Company, management believes, in the interests of disclosure, that it is necessary to consolidate the financial statements of Great-West Life with those of the Corporation. Thus the financial statements on the following pages reflect the results of Great-West Life together with after-tax investment income of approximately $189,000 earned directly by Great-West Lifeco in 1989.

COMPARATIVE HIGHLIGHTS

(in thousands of dollars except earnings per share)

	1989	1988
At December 31		
Life insurance in force *(face amount)*	**$ 155,492,627**	$ 139,182,935
Annuities in force *(funds held)*	**12,886,728**	11,777,537
Health insurance in force *(annualized premiums)*	**2,414,036**	1,708,699
Assets	**18,890,170**	17,224,489
Capital stock and surplus	**718,108**	635,138
For the Year		
New life insurance	**18,992,730**	21,435,571
New annuities	**1,682,548**	1,735,380
Premiums including self-funded premium equivalents	**4,648,306**	4,312,998
Net investment income	**1,716,485**	1,516,903
Total paid or credited to policyholders including policyholder dividends and experience refunds	**4,509,153**	4,305,133
Earnings per share		
From operations	**1.615**	1.296
Including other items	**1.391**	1.234

CHAIRMAN'S MESSAGE

The past year was an extraordinary close to what has been a tumultuous decade: a decade marked by unprecedented high interest rates, the recession of the early '80s, the AIDS crisis, dramatic fluctuations in the stock market, and an increasing intensity of competition from all manner of financial institutions.

For Great-West Life, the 1980s brought one of the most significant undertakings in the Company's 98-year history — the regionalization of our Canadian and United States operations, a process that continues today.

Throughout these turbulent times, our staff and field representatives have worked creatively and diligently to keep Great-West Life a leading insurer. The Company's growth and its strengths today are a testimony to their success.

On behalf of the Directors, I extend our sincere appreciation for the extraordinary efforts and achievements of staff and field representatives over the last ten years, and look forward with confidence to the decade ahead.

J.W. Burns

J.W. Burns
Chairman of the Board

PRESIDENT'S MESSAGE

Great-West Lifeco concluded the 1980s on a very positive note. During 1989, gains were realized in all business categories. Life insurance in force grew to $155.5 billion, up 12% during the year. Funds held on behalf of annuity policyholders increased by 9% to $12.9 billion. Health insurance annualized premium, including claims paid on behalf of self-funded policyholders, totalled $2.4 billion, up 41% over 1988.

For the total Company, assets grew to $18.9 billion at year-end. Total premium income for all lines of business was $4.6 billion for the year.

For common shareholders, net income from operations after payment of preferred dividends, was $126.2 million compared to $100.4 million in 1988. After a charge for other items of $19 million, net income was $108.7 million, compared to $95.6 million in 1988.

For the participating policyholders of our subsidiary, total dividends paid were $129.4 million compared to $98 million in 1988. After provisions for dividends, net income for policyholders was $21.4 million compared to $17.9 million in 1988.

During the year, we realized significant shareholder earnings improvements in our Group life and health business as well as in our Individual lines. Group life and health net earnings improved by $18.8 million, from $34.4 million in 1988 to $53.2 million in 1989. The Individual lines produced $37 million in 1989, up from $26.6 million in 1988. Our Group pension operations reported reduced earnings of $32.5 million, down from $37.8 million a year ago.

These operating results are particularly encouraging in light of a $29.8 million increase in income taxes charged to operations during the year. Also, it must be noted that we were able to achieve a satisfactory return on equity while incurring write-downs of mortgage loans on properties in Texas and Colorado.

The Company emerges from the decade of the '80s with an asset base 4.2 times larger than that with which we entered. Our 1989 revenue was 3.7 times our 1979 level. Our staff, numbering 6,500, is now 1.7 times the level of ten years ago. We have made significant productivity gains during the period, enhancing our competitive position.

Looking behind these results, you will see that much has changed. While our values remain constant, we have achieved our growth in many different ways. Ten years ago, our operations were centered in one location. Most of our staff worked in both Canadian and U.S. markets. Ten years later we have two national headquarters operations. The staff in each is focused exclusively on growth opportunities within their national markets. During 1990, we will complete the development of fully integrated operations in each country with the establishment of Investment functions for each of Canada and the U.S. – in Winnipeg and Denver respectively.

Review of the Canadian and U.S. Operations sections of this Report convey a sense of our outlook in the two countries and our positioning. In the most fundamental of terms, the premise of these reports is that our basic business strategy will remain unchanged. We will continue to focus on our core businesses of providing benefits and services through employer-sponsored programs and through the outreach capabilities of agents and brokers associated with the Company. We will persist with efforts to reduce expenses, and to invest in people and technology to enable us to provide the best possible service to customers in all areas of the Company.

We discern in the 1990s several areas of opportunity that encourage continuing investment in our core businesses.

In both the U.S. and Canada, employers continue to increase the percentage of payroll they spend on employee benefits. In Canada, employee benefit costs averaged 36% of payroll in 1988, up from 28% in 1970. In the U.S., benefits accounted for 37% of payroll in 1988, up from 30% in 1970. We see the place of employment as a marketing channel for financial services that is both highly convenient and cost effective.

A further area of common opportunity in the U.S. and Canada is the needs of people employed in small business. Most of the job growth in North America in recent years has been in the small business areas. We anticipate this will continue as a theme of the 1990s – and afford an outstanding opportunity to provide individual financial services to these expanding markets.

Finally, we take note of changing demographics and the maturity of the "Baby Boomers" in the 1990s. Clearly there will be considerable acceleration in savings for retirement and in the need for income payment products that guarantee retirement income.

As we enter the new decade, we do so with considerable optimism. Certainly there is the stimulus of opportunities that lay ahead. Perhaps of greater significance are the lessons learned and the challenges met in a decade of turbulence and pervasive change.

I would like to express my sincere thanks to all our staff and agents, in the many locations of the Company, for their hard work and commitment. On their behalf I thank our customers for the confidence they have placed in us over the past year.

K P Kavanagh

K.P. Kavanagh
President and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Canadian Operations

The 1980s were a demanding decade for the Canadian life insurance industry. Great-West Life's strong performance in 1989 is due in large part to the solid foundations laid in response to those demands.

Early in the decade, the Company made a strong commitment to technology, which has enabled it to effectively meet increasing customer demands for more sophisticated financial products and for fast, efficient service. While the expense involved has been significant, so have the benefits. Those benefits include increased productivity; improved quality and timeliness of management information; and the ability to provide products and services which would otherwise have been impossible, such as universal life insurance and the management of large volumes of claims for group clients.

In the early '80s, Great-West Life also renewed its commitment to the agency system as the most effective means of distributing insurance products. The Company introduced a levelized commission system, which emphasizes ongoing customer service; and consolidated the branch office system, enabling it to provide the level of technological and specialist support agents need today.

These initiatives have positioned the Company to adapt to the rapidly evolving business environment, as is evident in the 1989 results.

Individual Operations

In 1989, Individual life insurance sales increased 10% over 1988, in terms of new annualized premium. The strongest increase was in term insurance sales, at 41% over 1988, reflecting the continuing shift in consumer preference toward term insurance. Sales of participating products were down 7%, while sales of the Company's universal life product, Living Life, were just above the 1988 level. Living Life now accounts for 35% of total life insurance sales.

Disability income insurance sales increased 14% over 1988 in new annualized premium, due primarily to an increase in sales from the Company's agency sales force. In addition, the Company signed four new intercorporate marketing agreements, bringing to 14 the number of companies that market Great-West Life's disability income insurance products. These intercorporate marketing agreements now account for more than 40% of Individual disability income insurance sales.

New business sales of group insurance plans to small businesses, through the agency sales force, increased 11% over 1988.

Revenue premium from annuity lines of business increased 16% over 1988. Great-West Life places equal emphasis on improving retention of funds and on making new sales. Each year, approximately one-third of inforce deferred annuity business comes up for renewal and repricing. In spite of strong competition from other financial institutions, retention of these funds has shown steady improvement, contributing significantly to growth. Overall, annuity funds have been growing at approximately 20% a year.

1989 Initiatives

Two major initiatives in 1989 were designed to improve the quality of service to clients, and increase efficiency and productivity: the introduction of laptop computers to agents; and the Company's 1-800 Client Service Centre.

The laptop computers provide a solid technological foundation for agents. For example, cumbersome and expensive rate manuals are now being replaced by computer programs. Agents can produce personal financial plans and product illustrations in a client's home or office, providing more efficient and thorough service. In the future, agents will be able to provide RRSP tax receipts at point of sale, and take a client's application for insurance directly on the computer, enabling a much faster new business processing time. Approximately 70% of Great-West Life's agents now have laptop computers, and virtually all will have them by 1991.

In 1989, the Company also extended the 1-800 Client Service system to clients and agents across Canada. More than 60% of all basic service transactions, such as changes of address, are now made directly on our computer system, in response to a toll-free call from a client or agent.

Product initiatives in 1989 included the introduction of a redesigned portfolio of participating whole life products; the addition of six new investment fund options for our retirement savings plans, and the opening up of these options to non-registered funds.

Group Operations

Group insurance sales reached $142 million of new annualized premium, up 17% from 1988. Great-West Life achieved significant sales growth in all market segments, with notable increases in the small and medium-size markets. During the year, the Company added 1,558 new group insurance clients.

For the fourth time in as many years, Great-West Life attracted a major new group account. Stelco, the Hamilton-based steel manufacturer, selected Great-West to administer its health, dental, visioncare and weekly indemnity benefits, and to provide long-term disability coverage for its 25,000 employees and retirees. Annual premium is over $28 million.

The Company's pre-paid dental plan – introduced in 1988 through PACE Benefits Limited Partnership, a joint venture of Great-West Life and three other insurers – has begun to gain market acceptance. The PACE network of participating dentists grew in 1989 to 93 dentists in 64 locations.

Great-West Life's 11 claims offices across Canada handled more than 5.3 million health and dental claims during the year, with a 50% reduction in average claim turnaround time. In addition, the Company exceeded internal benefit payment targets for various quality measures – an important accomplishment when combined with the service improvements and productivity gains.

Group pension sales in 1989 amounted to $247 million of premium. Sales were particularly buoyant in both the small and large Group RRSP markets, reflecting the Company's service capabilities and the flexibility of its products. Total Group annuity assets grew by 9% over 1988, while Group RRSP assets grew by 19%.

1989 Insurance Initiatives

1989 marked a milestone in the restructuring of the Company's Group insurance systems, with the completion of the Policy Administration System. The system will "go live" in early 1990 and offer enhanced service to customers while achieving productivity improvement. The Company also implemented a special system between the Group marketing offices and head office computers, providing the field offices with direct access to data, and administrative and general support systems.

One example of the application of technology is the introduction of electronic claims adjudication and payment for employees of Nova Scotia's Cape Breton Development Corporation. Through special scanners installed in local pharmacies, employee information from plastic identification cards is relayed to a central system, which verifies the individual's eligibility and benefits. The claim is settled before the employee leaves the pharmacy, with no forms to complete. We expect this approach will revolutionize claims payment for drug and dental care plans.

1989 Pension Initiatives

A continued focus on service highlighted 1989 Group pension activities. Initiatives included an expanded and refined consultation service using toll-free lines; faster delivery of members' annual statements; and greater centralization of routine client service functions. Of particular note were improvements to the quality of our benefits quotation service. Computerization has reduced the time involved in producing quotations for retiring employees, from hours to minutes, while providing calculations for a broader array of options than was possible manually.

In 1989 Great-West Life registered GWL Investment Management Ltd. as its investment counselling subsidiary to provide expanded investment management services to trusteed pension fund clients. Other initiatives, such as a new International Investment Fund, will also be offered through this subsidiary.

The Company also completed the first phase of a new administration system for Group money accumulation products, such as RRSPs.

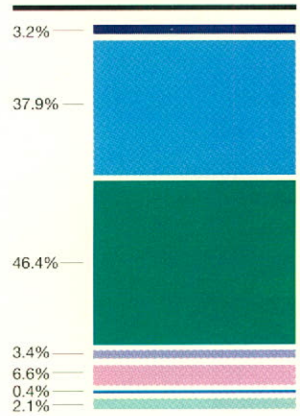
Investment Operations

In 1989, net investment income was $787 million, up 15% from $686 million in 1988. The yield on average invested assets was 11.66%, compared to 11.36% in 1988. Funds available for investment amounted to $1,285 million, a decrease of 11% over last year, and were primarily invested as follows:

- 52.3% in commercial mortgages at an average rate of 11.36%
- 34.2% in government and corporate bonds at an average rate of 11.17%, and
- 13.5% in equities, policy loans, short-term and other temporary investments.

The accompanying chart illustrates the composition of the invested assets *(excluding segregated funds)*. Total invested assets have grown from $5,469 million

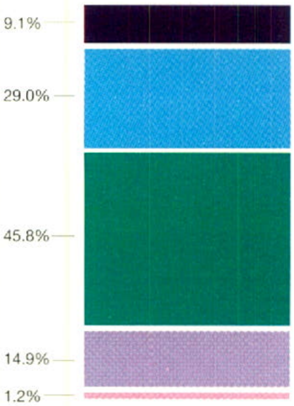
Asset Distribution



	($ millions)
Federal Government Bonds	189.1
Other Bonds	2,260.4
Mortgages	2,763.0
Stocks	205.6
Real Estate	391.6
Cash and CDs	23.6
Policy Loans	126.4
Invested Assets	5,959.7

Asset Quality - Bonds

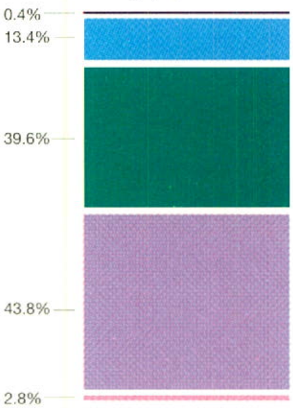
(excluding short-term investments and unamortized gains of $348 million)



Estimated Rating	($ millions)
AAA	**191.3**
AA	**609.9**
A	**963.1**
BBB	**312.8**
BB or lower	**24.5**
Total	**2,101.6**

Asset Quality - Mortgages

(excluding $79 million of residential mortgages)



Estimated Rating	($ millions)
AAA	**10.2**
AA	**358.2**
A	**1,063.3**
BBB	**1,176.0**
BB or lower	**76.0**
Total	**2,683.7**

in 1988 to $5,960 million in 1989. In recent years, the mix of assets has shifted to a heavier emphasis on bonds as opposed to mortgages. Bonds, as a percentage of the total portfolio, have grown from 35.7% in 1984 to 41.1% today.

The quality of the fixed income bond and mortgage portfolio is shown in the accompanying charts. The bond quality ratings are those provided by outside advisors as well as through objective measurement standards. The mortgage quality ratings are the result of a new system, developed internally, which attempts to rate the portfolio according to predefined underwriting standards. In addition, the default records of the bond and mortgage portfolios in 1989 were very good. At the end of the year, bonds with a principal value of $1.1 million or 0.04% of the bond portfolio were in default. At year-end, the carrying value of mortgages in arrears 90 days or more, renegotiated loans and real estate acquired by foreclosure, totalled $27.8 million or 1% of the Canadian portfolio.

The equity portfolio grew substantially in 1989, with the market value increasing from $710 million in 1988 to $861 million in 1989. The increase in market value was attributable to capital appreciation as well as a $100 million investment in fixed income preferred stock.

As of December 31, 1989, Great-West Life had $1,672 million of group and individual segregated fund pension assets under management. Of this total, $1,554 million was invested in pooled segregated funds, with the remaining $118 million invested in separately managed funds for individual clients. Four of the pooled funds are among the largest of their type in the Canadian pension industry: Real Estate Fund #1 *($366 million)*, Mortgage Fund #1 *($295 million)*, Money Market Fund #1 *($183 million)* and the Canadian Equity Index Fund *($178 million)*.

Discussion of Canadian Operating Results

Revenue premium income for all lines of business increased significantly in 1989, reflecting not only strong sales, but excellent retention of existing clients. Group insurance premium income is growing at a faster rate than the market, solidifying the Company's leading market share position in Canada. Group annuity revenue premium increased 2.3% over 1988, while Group RRSP revenue premium increased 18.5%. The Company's growth in both the Individual and Group RRSP markets parallels market growth.

In Individual lines of business, revenue premium income for participating insurance increased 5% over 1988; term insurance was up 14%; universal life up 11%; disability income insurance increased 20%; and annuities were up 16% over the previous year.

Expense ratios for all lines of business remained at very satisfactory levels in 1989, and are competitive with those of other Canadian life insurance companies, particularly in life insurance lines. The one exception is the Individual disability income insurance line, in which unit costs have been high because of significant investments in computerized administrative systems and in field sales support.

Improvements are expected as the Company benefits from the consistent growth experienced in this line.

Mortality and morbidity were excellent in all lines in 1989; much better than projected. Particularly gratifying was favorable morbidity experience in the Group long-term disability *(LTD)* line, the result of continued intensive management focus on underwriting and adjudication procedures, quality control and quality of management information. LTD is traditionally a difficult line in terms of profitability for the industry. However, Great-West Life's size and strong market presence across Canada in sales and benefit payment offices, gives it a competitive advantage.

Persistency in all lines of business was exceptional in 1989, at a level we estimate to be well above industry average.

Taxes of all types in Canada remain high and continue to affect the cost of our products for the consumer. The most significant change in this area in 1989 was the Investment Income Tax on the accumulating values within permanent life insurance policies. The net effect of this tax is to reduce the investment income credited to permanent life insurance policies by approximately 10%.

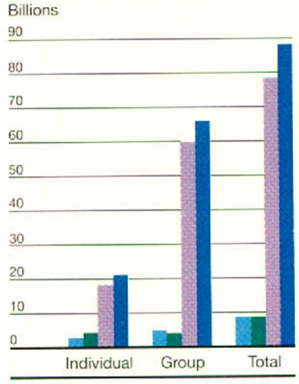
Great-West Life took several measures in 1989 to cope with the impact of the tax on policyholders. The Company introduced a dividend scale adjustment, based on a reduction in the interest rate used in calculating dividends. This is the first of several reductions, as the effect of the tax is phased in. To offset these reductions, the purchasing power of the dividend was increased by reducing dividend term insurance charges by up to 35% for policyholders who use their dividends to buy term insurance. Also, the Company began using new mortality tables for policies issued since November, 1981, which reflect the gradual improvement in life expectancies in the population. Most participating policyholders will receive a dividend each year that is as large as, or larger than, the previous year's dividend. For universal life owners, the tax was accommodated by reducing the interest rate credited to the Living Life accounts.

1989 Revenue Premium Income (Canada)

	1989	1988
	(000)	(000)
Individual Products		
Life Insurance	**$ 166,611**	$ 153,873
Annuities	**399,818**	343,531
Health Insurance	**51,099**	42,734
Total Premiums	**$ 617,528**	$ 540,138
Group Products		
Life Insurance	**$ 99,777**	$ 93,243
Annuities	**341,559**	333,972
Health Insurance	**747,732***	659,419*
Total Premiums	**$ 1,189,068**	$ 1,086,634

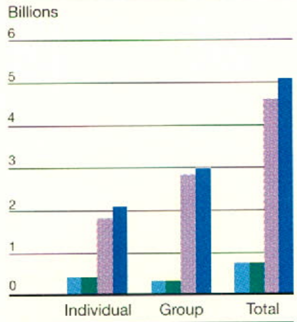
* *Includes self-funded premium equivalents of $273,167 ($235,040 in 1988)*

Life Insurance
Face Amount



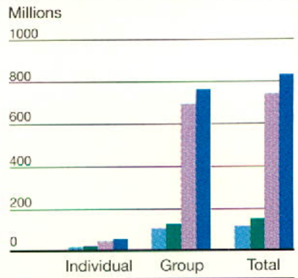
($ billions)	1988	1989
New Sales		
Individual	3.6	4.6
Group	5.1	4.1
Total	8.7	8.7
Business in Force		
Individual	18.7	21.4
Group	60.0	66.5
Total	78.7	87.9

Annuities



($ billions)	1988	1989
New Sales *Revenue Premium*		
Individual	0.4	0.4
Group	0.3	0.3
Total	0.7	0.7
Business in Force *Funds Held*		
Individual	1.8	2.1
Group	2.8	3.0
Total	4.6	5.1

Health Insurance
Annualized Premiums



($ millions)	1988	1989
New Sales		
Individual	15	17
Group	101	127
Total	116	144
Business in Force		
Individual	48	57
Group	691	771
Total	739	828

The Future

A major initiative of the past year which will come to fruition in 1990 is the development of a computer system to manage the interface between assets and liabilities. This system will provide the Individual, Group and Investment divisions with higher quality management information which, in turn, will allow a greater degree of flexibility in product pricing.

The other major initiative for 1990 is the amalgamation of the Company's Individual and Group annuity operations. There is a large degree of similarity between the annuity products sold to individuals and those sold to groups. We expect to gain in productivity and efficiency by having a single organization develop and administer annuity products for both the Individual and Group sales forces.

For Individual Operations, 1990 will be a time to take new bearings on the coming decade. Our emphasis will remain on superior products and service as our competitive edge, achieved through the smart use of technology and, most importantly, through continued investment in people.

In Group Operations, our objective remains to produce and deliver products to the customer in a way that will position Great-West Life as the best in the industry. The innovative use of technology in providing a distinct competitive advantage will play a key role in long-term success in the Canadian market.

Traditional Group insurance products will be updated in 1990, including new cost containment features on health and dental products. We also plan to introduce a wellness product which will focus on early intervention to help people stay fit and healthy. In addition, we will continue to develop the vast potential in the electronic transfer of claims data and payment of claims.

Group pension initiatives in 1990 will focus on continued improvement in product flexibility and service for the customer. An example is the introduction of a Group RRSP where the asset mix is managed to reflect the individual member's tolerance for investment risk. The Company will significantly expand its investment service with the introduction of an International Investment Fund, and the opening of its array of investment services to non-registered funds.

For Investment Operations, 1990 will present continuing challenges, as the economy is expected to grow well below its potential, and financial markets could exhibit increased volatility. Great-West Life is relatively well protected from interest rate fluctuations through its attention to asset/liability management. The mortgage and real estate portfolios have been strengthened over the last year with the implementation of improved diversification policies and new risk rating systems. A higher mix of bonds relative to mortgages is anticipated for this year and our equity program remains conservative. Our objective is to maintain the high quality of the investment portfolios through rigorous application of underwriting standards.

United States Operations

The year 1989 is a milestone for Great-West Life in that it not only closes a decade of considerable expansion, but also completes 10 years since the Company regionalized its U.S. Operations with the establishment of U.S. headquarters in Denver in 1979.

The Company's progress over the past decade is well illustrated by its growth. Group pension assets of $628 million have surged to $6.4 billion. Group insurance revenue premium of $310 million in 1979 has soared fourfold to $1.3 billion in 1989, while Individual revenue premium of $266 million has increased to more than $643 million.

Great-West Life has achieved such growth largely by adapting to the business environment, which has changed dramatically over the decade. Managed care has transformed the health insurance marketplace, while the costs of competing within group insurance markets continue to spawn consolidation within the insurance community. The era of growth for growth's sake in asset-based lines, particularly pension investment products, seems to be ending as carriers increasingly emphasize balance sheet strength over opportunistic investment strategies. Within individual insurance markets, aggressive pricing continues to foster extraordinary competition.

The nature of our business means Great-West Life must maintain extremely high operating standards to ensure meeting its obligations to clients. With this in mind, the Company has pursued a conservative course. Growth has come within highly focused target markets. Assets are of high quality, and are tightly matched to liabilities. Products are realistically priced based on current experience factors.

While this course has undoubtedly cost the Company some growth in the short term, we believe it is the right course for the long term.

Group Operations

Great-West Life considerably expanded its presence within the employee benefits marketplace in 1989. Group Insurance Operations continued to focus on providing fully-administered, full package benefit programs to corporate buyers with 20 to 1,000 employees, with emphasis on self-funding and managed health care.

The group payroll deduction voluntary capital accumulation market remained the principal target for Group Pension marketing efforts. In approaching this fully-administered market, we continue to assign priority where Great-West Life is the exclusive product provider, and where BenefitsCorp, the Company's wholly-owned retail marketing and enrollment organization, provides participant communication services.

Group Insurance

In 1989, Great-West Life emerged among the ranks of the nation's largest group life and health carriers. Revenue premium, including self-funded premium equivalents, reached $1.3 billion, a 46% increase over 1988. Sales of $428 million in new annualized premium, including volume accruing from acquisitions, increased 72% over 1988.

The acquisition of Crown Life's U.S. group life and health business in late 1988 produced a steady flow of business throughout 1989 and ultimately accounted for 19% of new group insurance premium. In the second quarter of 1989, the Company also acquired Lincoln National's Florida group life and health business, an arrangement expected to double our Florida block of business.

Congruent with our commitment to managed care and self-funding, 95% of new case sales in 1989 incorporated one or more components of the Company's managed health care system. Additionally, we continued to convert a growing proportion of inforce cases to managed care. In new premium terms, nearly 80% of 1989 case sales were written on a self-funded basis.

1989 Initiatives

In conjunction with Private HealthCare Systems *(PHCS)* – an association of 17 member insurers of which Great-West Life is managing general partner – the Company launched a major initiative with the introduction of an Exclusive Provider Organization *(EPO)* in California. An innovative development in managed care, the EPO provides a level of cost containment comparable to that of health maintenance organizations *(HMOs)*, while retaining certain advantages of the traditional indemnity approach.

In the area of managed care, Great-West Life strengthened its hospital reimbursement contracts and improved its utilization management system in 1989. In addition, PHCS introduced a quality assurance program to monitor quality of care and physician practice patterns.

The conversion of Crown and Lincoln acquisition business, as well as the continued implementation of our joint venture with The New England *(TNE)*, involved virtually all facets of Group Insurance Operations. Over the past year, progress on all initiatives in connection with these undertakings has exceeded the Company's expectations.

We also continued to focus on quality service as a means of ensuring consistently high client retention, a singularly important determinant of long-term success.

Group Pension

In 1989, Group pension assets increased 12% from $5.7 billion to $6.4 billion. At the same time, the higher level of earnings achieved in 1988 was sustained. Sales of $588 million of premium represent a reduction of 12% from 1988 results.

The decline in sales and moderation of asset growth rate reflects the Company's diminished emphasis on Investment Only business, and a reinforced orientation toward markets less driven by commodity pricing. With this change in marketing focus, sales of Investment Only products – chiefly guaranteed investment contracts – dropped 30% to $356 million in 1989.

The reduced asset growth rate also reflects an intensified effort to expand the Company's fully-administered business base, a strategy we believe will enable Great-West Life to sustain a long-term competitive advantage. In premium terms, fully-administered sales increased 60% to $232 million, while the number of new participants in fully-administered plans grew by nearly 30%.

The greatest increase in fully-administered business occurred within the corporate market segment, where sales of 201 new cases more than doubled 1988 results. The Company also recorded significant improvement in the government and hospital sectors, where new sales premium increased 31%.

1989 Initiatives

A key element in the 1989 results was an initiative aimed at increasing corporate pension sales, specifically 401(k) products. Introduced in early 1989, the initiative significantly contributed to the growth of our fully-administered business.

As well as emphasizing fully-bundled variable and third-party investment products, Great-West Life strives for a competitive advantage in the fully-administered pension marketplace through technology-driven products and services, a key development of which is the pension systems project initiated in 1989. The system will ultimately provide enhanced information and communications capabilities, as well as greater speed and flexibility in bringing products to the group pension marketplace.

Through 1989, the Company also continued to evolve an integrated approach to employee benefits distribution. With this concept, a single employee benefits sales organization distributes both group insurance and 401(k) products, through traditional benefit brokers, to the corporate employer market. We expect this approach to yield increasing sales and client retention benefits over time, and are currently developing specialized distribution approaches for other fully-administered markets and Investment Only products.

Individual Operations

The year 1989 presented the U.S. individual insurance industry with an array of complex challenges, not the least of which was the increasingly difficult marketing environment posed by a weakening economy.

In the face of an overall industry contraction, Great-West Life's Individual Division sustained moderate growth. Universal life, which accounted for 48% of new life business in 1989, exhibited particularly strong sales results with a 10% increase over 1988.

Disability income insurance sales closely approximated the results achieved in 1988, despite certain underwriting and policy changes implemented in response to increasing conservatism within the disability income marketplace.

Annuity sales, particularly single premium immediate annuities, were considerably stronger than anticipated, although total premium income was lower than in 1988 due to our curtailment of sales in this line of business.

Traditional whole life sales declined in 1989, in part as a result of growing consumer preference for universal life within target market segments. In addition, the Company's distribution organization, largely comprising independent brokers and producers, is increasingly turning to Great-West Life for high quality universal life products. This has produced concurrent reduced demand for traditional whole life products.

Uncertainty about proposed tax legislation on Corporate Owned Life Insurance *(COLI)*, traditionally written using a whole life contract, was another factor. While it ultimately did not materialize, the proposed legislation threatened to exert a negative tax impact, causing many potential corporate insurance buyers to defer the purchase of COLI plans until the effect of any future legislation on this form of insurance is determined. The reduction of COLI business was also a product of a deliberate de-emphasis on sales activity in this market.

1989 Initiatives

In 1989, Great-West Life formalized a strategy to pursue innovative individual insurance marketing arrangements with the establishment of a new marketing department. This new area of operations seeks opportunities through which, acting exclusively as manufacturer, the Company may enter into joint ventures with alternative insurance distribution channels. We expect such arrangements to produce substantial sales volume through 1990 and beyond.

The Company also continued to implement its strategy for horizontal growth through recruiting and training new marketing representatives, whose job it is to concentrate on expanding the traditional brokerage distribution system. To facilitate the monitoring of field marketing activity, we introduced a sales management system and planning process that allows field offices to operate more effectively.

Over the year, a majority of field offices were regionalized, thereby increasing marketing consistency through improvements in recruiting, training and communications. This consolidation process also enabled the first field installation of an automated new business processing system. Initiated in 1988, the system accelerates the business issue process by giving field offices capability for certain underwriting and policy issue functions. Installation of the system in all regional field offices is targeted for completion by year-end 1990.

In 1990, Great-West Life also plans to introduce a new generation universal life product; a 10-year level term product; and a new rider to adapt our traditional whole life product to the joint-second-death market.

Investment Operations

In last year's Report, we discussed the changing character of Great-West Life's policyholder obligations. This trend persisted over the past year, as policyholders continued to seek the maximum available current yield. In 1989, the Company met this challenge while adhering to its fundamental objectives: ensuring that liabilities are properly matched with investment assets that not only provide maximum current yield, but also the quality necessary to assure timely repayment of principal.

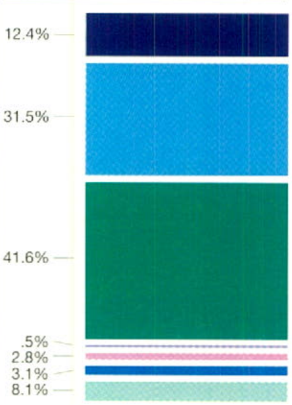
In 1989, funds available for new U.S. investments totalled $2,172 million and were invested as follows:

- 16.7% in government bonds at an average rate of 9.44%
- 41.4% in corporate bonds at an average rate of 9.66%
- 35.5% in mortgages at an average rate of 9.79%, and
- 6.4% in policy loans and other short-term investments.

U.S. net investment income amounted to $929 million, an increase of $98 million over 1988. While this increase is largely a result of the growth in the U.S. asset base, it was achieved despite lower interest rates and reduced income from owned real estate and problem mortgage accounts. Overall average invested assets at year-end earned a net investment yield of 9.61% compared with 9.76% in 1988.

Over the past few years, the Company has increasingly diversified its fixed income portfolio by reducing its traditionally high weighting of commercial and industrial mortgages from 46% at year-end 1988 to 41% in 1989. The ongoing

Asset Distribution



	($ millions)
Federal Government Bonds	1,288.0
Other Bonds	3,258.9
Mortgages	4,305.1
Stocks	48.8
Real Estate	296.0
Cash and CDs	318.6
Policy Loans	838.8
Total	10,354.2

rebalancing of the fixed income portfolio is designed to further reduce the historically high weighting of commercial mortgage loans in favor of a broader distribution of the Company's invested assets. Our rebalancing objective is to maintain the existing high level of quality assets while expanding the overall mix. In the process, the Company will seek to acquire assets that provide the necessary portfolio liquidity and yield to support policyholder obligations.

The accompanying chart illustrates bond quality as measured by independent rating agencies as well as through objective measurement standards. At December 31, 1989, no bonds were reported to be in default compared to $9.4 million of principal value or 0.2% at the end of 1988.

At year-end, the carrying value of mortgages in arrears 90 days or more, renegotiated loans and real estate acquired by foreclosure totalled $230 million or 5.3% of the total U.S. mortgage portfolio. This compares with $376 million or 8.3% a year ago, and reflects a significant improvement in U.S. non-performing mortgage loans.

At December 31, 1989, the estimated average maturity of all U.S. fixed income investments was 5.3 years, compared to 6.0 years in 1988. The accompanying chart illustrates the distribution of fixed income asset maturities, including cash.

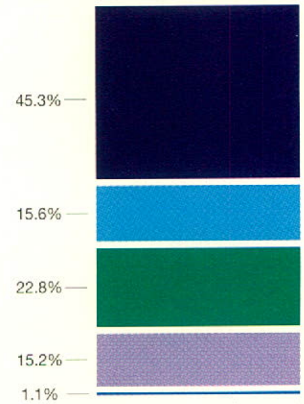
Great-West Life's U.S. equity investments consist primarily of direct real estate holdings managed by GWL Properties Inc., the Company's wholly-owned real estate subsidiary based in Denver, Colorado. Also included are a modest quantity of publicly traded common stocks and non-public shares of private venture-type enterprises. The total market value of equity holdings at the end of 1989 was $306 million as compared to $495 million at the end of 1988.

The substantial change in total market value stems from timely sales of real estate acquired through foreclosure over the last few years. We anticipate such sales to decrease significantly in 1990.

Segregated funds managed by the U.S. Division totalled $376 million at the end of 1989 compared to $329 million at the end of 1988. Of that amount, $369 million are assets managed by an affiliated mutual fund company, Maxim Series Fund, Inc., registered under the Investment Company Act of 1940. Maxim has seven investment options: money market, bond, growth, government and high quality securities, two zero coupon treasury funds and a total return fund. An additional $7 million is managed in other separate funds.

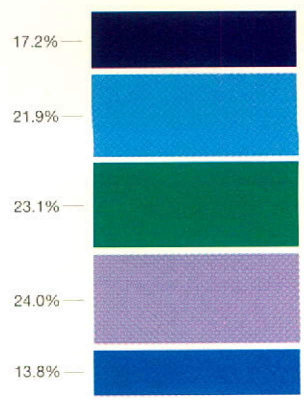
Bond Portfolio Quality

(excluding short-term investments and unamortized gains of $13 million)



Estimated Rating	($ millions)
AAA	2,063.4
AA	713.4
A	1,041.2
BBB	694.0
BB or lower	47.5
Total	4,559.5

Fixed Income Investment Maturities



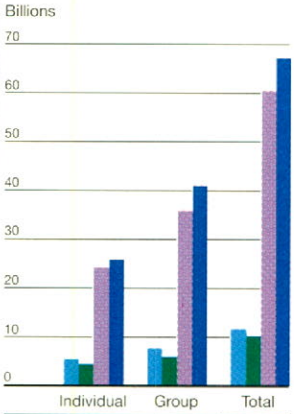
Estimated Maturities	($ millions)
1 year or less	1,575.2
Over 1 year - 3 years	2,009.5
Over 3 years - 5 years	2,117.5
Over 5 years - 10 years	2,199.2
Over 10 years	1,269.3
Total	9,170.7

Discussion of U.S. Operating Results

In 1989, revenue premium income varied significantly by line of business. Group Insurance Operations recorded a 46% increase, reflecting both strong sales and volume resulting from the recent acquisitions of two blocks of group life and health business. Group Pension Operations maintained revenue premium income at 1988 levels. Individual Operations marked a 25% decline in revenue premium income, largely because of shrinking market opportunities due to uncertainty about pending tax legislation, and our curtailment of COLI and annuity marketing activity.

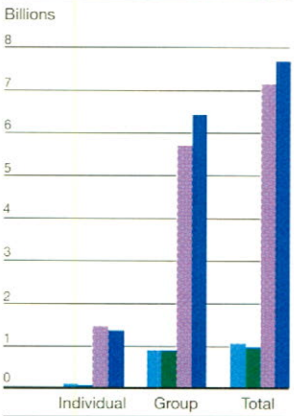
All lines reported favorable mortality and morbidity experience. Favorable experience in group life and health business, attributable primarily to our emphasis

Life Insurance
Face Amount



($ billions)		
New Sales	1988	1989
Individual	5.3	4.4
Group	7.4	5.9
Total	12.7	10.3
Business in Force	1988	1989
Individual	24.4	26.6
Group	36.1	41.0
Total	60.5	67.6

Annuities



($ billions)		
New Sales *Revenue Premium*	1988	1989
Individual	0.2	0.1
Group	0.9	0.9
Total	1.1	1.0
Business in Force *Funds Held*	1988	1989
Individual	1.5	1.4
Group	5.7	6.3
Total	7.2	7.7

on self-funding, further contributed to exceptional Group insurance revenue premium growth. On the Individual side, mortality experience for universal and traditional life business met or slightly exceeded expectations, while morbidity for disability income business showed slight improvement over 1988.

Persistency rates for Group and Individual business continue at levels somewhat higher than the industry average. Group insurance persistency rates, which remained at quite acceptable levels during the cyclical industry downturn of the past two years, improved in 1989, as did persistency within Group Pension's corporate and public/nonprofit lines of business. Individual first-year and renewal lapse rates continue to be superior to industry levels.

Overall expense rates declined, and remain favorable in relation to the industry. Continued expense rate improvement within our Group Division reflects rapid business growth, combined with the TNE group insurance joint venture. On the Individual side, both home office and field operating expenses were reduced from 1988 levels.

A significant development in 1989 was the interpretation of Internal Revenue Code Section 842, which will translate into higher tax charges against earnings for all aspects of U.S. Operations. While IRC Section 842 exerts an uneven impact – not only by line of business, but on a product-by-product basis – it ultimately increases considerably the tax burden for the Company as a whole.

1989 Revenue Premium Income (United States)

	1989 (000)	1988 (000)
Individual Products		
Life Insurance	**$ 550,794**	$ 703,522
Annuities	**75,597**	145,244
Health Insurance	**17,126**	13,943
Total Premiums	**$ 643,517**	$ 862,709
Group Products		
Life Insurance	**$ 93,763**	$ 57,815
Annuities	**865,575**	912,632
Health Insurance	**1,238,855***	853,070*
Total Premiums	**$ 2,198,193**	$ 1,823,517

* *Includes self-funded premium equivalents of $904,150 ($663,907 in 1988)*

The Future

Many strategies formulated during the 1980s are now bearing fruit on an accelerated basis, and we expect to continue the solid growth of the past decade. But while our expectations are ambitious, they are tempered by a keen appreciation of the issues that currently threaten the overall well-being of the industry.

With respect to group insurance, continued health care cost escalation will present a formidable challenge both for the industry and our nation's economy. Furthermore, it will inevitably drive an increase in the number of uninsured individuals, creating significant social, political and economic concerns.

For group pensions, economic uncertainty continues to threaten profitability potential in the years ahead. The risk of a general deflation in property values, and its adverse impact on investment results, is of particular concern to group pension carriers.

For individual insurance providers, the biggest challenge is that of continued financial stability in the face of an increasingly demanding economic and marketing environment. Intense competition for new business, unrealistic product pricing and deteriorating investment performance are issues insurers must resolve to ensure the continued viability of the individual insurance industry.

In response to these issues, Great-West Life continues to place heavy emphasis on managed care, self-funding and expense management to minimize the impact of health care cost inflation on our customers. Asset growth rate moderation, combined with an increasing focus on variable and third-party products, is aimed at strengthening Group pension earnings stability. On the Individual side, the Company is aggressively managing expense levels, investment affairs and pricing of business, to ensure a competitive advantage in the years ahead.

In 1990, Group Insurance Operations will place particular emphasis on its EPO product. Enhancements to the Company's claims payment and home office administration systems will be introduced, as will several initiatives geared to further improving customer retention rates.

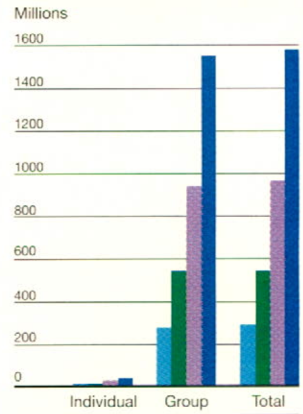
The first major component of Group Pension's systems re-development project will also materialize in 1990. Appropriately, this component is geared to accommodating new 401(k) business, where we expect accelerated growth with the continuation of the corporate pension sales initiative. Group Pension will increasingly emphasize its evolving approach to integrated marketing within the corporate pension and life and health markets.

The Individual Division will continue to focus on independent producers who specialize in the closely-held business market as a key source of business. New product development will be geared to this market, and will reflect significant demographic changes and increased consumer interest in savings and long-term care products. The Company's administrative systems will continue to provide a competitive advantage throughout the 1990s.

Critical to our success in the individual insurance marketplace over the coming year will be the regional office system and the implementation of decentralized new business processing, a structure that we believe will enable the Company to provide the highest calibre of service to producers. Equally important will be expansion of the marketing representative organization, and special product marketing through low-cost, alternative distribution channels as a means of reducing marginal acquisition costs.

For Investment Operations, the relocation of the U.S. Investment Division to the Company's U.S. headquarters in Denver by mid-1990, coupled with enhanced investment research and economic analysis capabilities, will further strengthen investment diversification efforts. By consolidating the U.S. investment function with other U.S. operating units, we expect to improve our ability to meet an anticipated overall growth of business, while maintaining established high standards of quality in investment activities.

Health Insurance
Annualized Premiums



($ millions)

New Sales	1988	1989
Individual	6	6
Group	290	551
Total	296	557
Business in Force	1988	1989
Individual	17	21
Group	953	1,565
Total	970	1,586

Corporate Issues

Financial Results

Net Income from Operations

Net income from operations before deducting minority and other interests was $170,734,000 in 1989 compared with $131,546,000 in 1988.

Net income from operations for shareholders was $126,209,000 or $1.615 per share compared with $100,364,000 or $1.296 per share in 1988. The primary reasons for the increase in 1989 were a continuation of the improvement in group health operating income in both Canada and the United States and a continued improvement in net investment performance. Mortality experience was generally favorable in the life insurance lines while gains from mortality were slightly below usual levels in the annuity lines. Substantial increases in the levels of income tax, particularly in the United States, were recorded in 1989.

Other Items

As a policy, the Company has continued to very actively pursue a reduction in assets held in the Texas and Colorado regions of the United States. This pro-active approach has resulted in losses being recognized at an earlier time than would otherwise have been the case. The expectation is that the level of losses on assets will revert to more normal longer-term levels by late 1990.

Net Income

Net income including other items was $108,727,000 or $1.391 per share compared with $95,578,000 or $1.234 per share in 1988. This represents a 16.1% return on common equity compared with 15.3% in 1988.

Cash Flow and Liquidity

Cash and short-term securities totalled $342,139,000 at December 31, 1989, compared with $125,507,000 at December 31, 1988.

The Company's investment portfolio includes short-term assets sufficient to match short-term liabilities and operating cash requirements.

Capital Resources

Total capital and surplus of $1,357,579,000 is 7.7% of total liabilities as compared with $1,270,083,000 and 7.9% in 1988.

It is the Company's intention to maintain the surplus ratios in its operating companies at levels sufficient to continue to allow superior credit ratings of these companies.

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 Office of the Superintendent of Financial Institutions. 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 property 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 106 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 Life Insurance Company Financial Reporting of the Canadian Institute of Actuaries for the purpose of issuing reports to policyholders, shareholders and the Superintendent of Financial Institutions. These reports express his opinion based on informed judgement.

External Auditors

Touche Ross & Co. have been appointed external auditors pursuant to Section 115 of the Canadian and British Insurance Companies Act to report to the policyholders, shareholders and directors and to the Superintendent of Financial Institutions 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 the accounting practices prescribed or permitted by the Office of the Superintendent of Financial Institutions and, unless otherwise stated, on a basis consistent with that of the preceding year.

Regulatory Authorities

The Superintendent of Financial Institutions, 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.

SUMMARY OF CONSOLIDATED OPERATIONS

(in thousands of dollars except earnings per share)

	1989	1988
Income:		
Premium income	$ 3,470,989	$ 3,414,051
Net investment income	1,716,485	1,516,903
Net realized and unrealized capital gains on assets of segregated investment funds *(note 1f)*	111,741	36,237
	5,299,215	4,967,191
Benefits and expenses:		
Paid or credited to policyholders and beneficiaries including policyholder dividends and experience refunds	4,509,153	4,305,133
Commissions and operating expenses	529,843	472,388
Premium and other taxes	41,591	40,011
Income taxes - current	12,331	12,101
- deferred	35,563	6,012
	5,128,481	4,835,645
Net income from operations	170,734	131,546
Other items *(note 5)*	(19,121)	(3,940)
Net income before minority and other interests	$ 151,613	$ 127,606
Minority and other interests of The Great-West Life Assurance Company		
Participating policyholders	21,393	17,885
Preferred shareholder dividends	19,713	11,550
Minority interest	1,780	2,593
	$ 42,886	$ 32,028
Net income	$ 108,727	$ 95,578
Earnings per share *(note 1b)*		
Net income from operations	$ 1.615	$ 1.296
Net income	$ 1.391	$ 1.234

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1989 (in thousands of dollars)

	1989	1988
Assets		
Bonds *(note 1c)*	**$ 6,996,446**	$ 6,223,066
Mortgages and sale agreements *(note 1c)*	**7,068,085**	6,728,850
Stocks *(note 1d)*	**254,356**	88,603
Real estate *(note 1e)*	**687,635**	873,334
Loans to policyholders	**965,296**	794,246
Cash and certificates of deposit	**342,139**	125,507
Premiums in course of collection	**136,792**	189,576
Interest due and accrued	**258,370**	228,055
Segregated investment funds *(note 1f)*	**2,048,207**	1,840,223
Other assets	**132,844**	133,029
	$ 18,890,170	$ 17,224,489

Approved by the Board

J W Burns

Director

K P Kavanagh

Director

	1989	1988
Liabilities		
Policy benefit liabilities		
Policy reserves *(note 1h)*	$ 13,683,085	$ 12,378,918
Segregated investment funds	2,048,207	1,840,223
Provision for claims	725,246	605,898
Provision for 1990 policyholders' dividends	87,667	81,813
Provision for experience rating refunds	152,290	140,853
	16,696,495	15,047,705
Policyholders' funds	482,051	440,467
Mortgages on real estate	96,811	174,881
Income taxes payable	17,684	18,745
Deferred income taxes *(note 1g)*	53,527	46,786
Other liabilities	186,023	225,822
	17,532,591	15,954,406
Minority and other interests *(note 2)*	639,471	634,945
Capital stock and surplus *(note 3)*		
Capital stock *(note 4)*	573,827	549,987
Surplus	183,074	113,416
Provision for unrealized loss on translation of net investment in United States operations *(note 1i)*	(38,793)	(28,265)
	718,108	635,138
	$ 18,890,170	$ 17,224,489

CONSOLIDATED STATEMENT OF SURPLUS

(in thousands of dollars)

	1989	1988
Balance, beginning of year	**$ 113,416**	$ 56,551
Net income	**108,727**	95,578
Dividends	**(39,069)**	(38,713)
Balance, end of year	**$ 183,074**	$ 113,416

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(in thousands of dollars)

	1989	1988
Operations		
Net income before minority and other interests	$ 151,613	$ 127,606
Non-cash charges		
Increase in policy benefit liabilities	1,822,154	1,851,294
Increase in policyholders' funds	43,946	(4,285)
Deferred income taxes	6,771	985
Other	29,671	286,633
	2,054,155	2,262,233
Financing Activities		
Purchased and cancelled shares	-	(4,066)
Issue of preferred shares	-	100,000
Dividends paid	(59,439)	(51,322)
	(59,439)	44,612
Investment Activities		
Bond sales and maturities	4,089,592	3,215,454
Mortgages and sale agreements repayments	549,722	557,362
Stock sales	133,270	178,456
Real estate sales	87,849	108,665
Policy loan repayments	62,197	46,471
Investment in bonds	(4,941,778)	(4,809,867)
Investment in mortgages and sale agreements	(987,069)	(966,225)
Investment in stocks	(270,283)	(114,487)
Investment in real estate	(32,622)	(55,491)
Policy loan advances	(253,361)	(290,410)
Increase in segregated investment funds	(215,601)	(195,268)
	(1,778,084)	(2,325,340)
Increase in cash and certificates of deposit	216,632	(18,495)
Cash and certificates of deposit beginning of year	125,507	144,002
Cash and certificates of deposit end of year	$ 342,139	$ 125,507

NOTES TO 1989 CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Practices

(a) The financial statements of Great-West Lifeco Inc. are presented on a consolidated basis and include the accounts of its subsidiary company, The Great-West Life Assurance Company and its wholly-owned subsidiary companies. The accounting principles used are those of The Great-West Life Assurance Company as prescribed or permitted by the Office of the Superintendent of Financial Institutions for the purpose of reporting to policyholders and shareholders.

(b) Earnings per share are calculated using a weighted monthly average number of shares outstanding. The average number of shares outstanding for 1989 was 78,110,253 *(77,428,433 in 1988)*.

(c) 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, 1989 are $23,619,000 of net gains for bonds *($21,536,000 in 1988)* and $9,547,000 of net gains for mortgages *($7,659,000 in 1988)*.

Bonds, mortgages and sale agreements have a market value of $14,367,601,000 *($13,045,145,000 in 1988)*. 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.

(d) 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, 1989 amounted to $128,878,000 *($139,213,000 in 1988)*. Equity investments in respect of the accident and health business are carried at cost.

Equity securities have a market value of $434,744,000 *($263,109,000 in 1988)*.

(e) Investments in real estate at December 31, 1989 are carried at a written-down value of $593,779,000 *($879,941,000 in 1988)* plus an adjustment which consists of net realized losses, as well as a market value adjustment which is a portion of the difference between adjusted book value and market value of all real estate holdings. The adjustment at December 31, 1989 amounted to $93,856,000 *(in 1988 a net gain of $6,607,000)*.

The market value of the real estate portfolio has been calculated at $733,065,000 *($942,631,000 in 1988)*.

(f) Investments held for segregated investment funds are carried at market value. Net realized and unrealized capital gains on segregated investment funds were $111,741,000 *($36,237,000 in 1988)*. Such capital gains are reflected in the increase in policy reserves and do not affect net income of the Company.

(g) Income taxes of The Great-West Life Assurance Company are calculated using the deferred-tax method on a present value basis.

(h) Policy reserves represent the amount which, in the judgement of the Valuation Actuary of The Great-West Life Assurance Company, is required, together with future premiums and investment income, to provide for future policy benefits, administrative expenses and taxes on insurance and annuity policies and are calculated using assumptions considered to be appropriate to the policies in force. Policyholder dividends *(except for the small portion derived from investment earnings on surplus)* are included in future policy benefits at the current scale of policyholder dividends. The Valuation Actuary, in setting the valuation assumptions, has assumed that policyholder dividends will be changed from the current scale to reflect any differing operating experience of the participating account in future years. Also, asset values and projected maturities of assets and liabilities are continuously monitored and appropriately considered in the determination of policy reserves.

Policy reserves recognize the deferral of certain costs of acquiring policies. The amount of unamortized deferred acquisition costs deducted in arriving at the policy reserves was $416,706,000 at December 31, 1989 *($375,733,000 at December 31,1988)*.

(i) The Great-West Life Assurance Company follows the current rate method of foreign currency translation for its net investment in its self-sustaining United States operations. United States assets and liabilities are translated into Canadian dollars at the December 31, 1989 market rate of $1.16 *($1.19 in 1988)* and all income and expense items are translated at an average rate of $1.18 *($1.23 in 1988)*. The provision for unrealized loss of $38,793,000 *($28,265,000 in 1988)* on foreign currency translation of the Company's net investment in its United States operations is recorded in the capital stock and surplus section of the Consolidated Balance Sheet.

Note 2. Investment in The Great-West Life Assurance Company

The equity investment of Great-West Lifeco Inc. in The Great-West Life Assurance Company was 99.4% at December 31, 1989 *(97.4% at December 31, 1988)*. The minority and other interests in The Great-West Life Assurance Company are:

	1989	1988
	(000)	(000)
(i) participating policyholders' share of undistributed surplus	**$ 384,766**	$ 366,768
(ii) preferred shareholders: Series A	**150,000**	150,000
Series B	**100,000**	100,000
(iii) minority interests in capital stock and surplus	**4,705**	18,177
	$ 639,471	$ 634,945

Note 3. Surplus

The Company's total interest in the capital stock and surplus of The Great-West Life Assurance Company is $742,179,000 *($668,396,000 in 1988)*. Of this amount $533,293,000 *($465,841,000 in 1988)* was appropriated by The Great-West Life Assurance Company to cover various contingencies as required by the Office of the Superintendent of Financial Institutions.

Note 4. Capital Stock

	1989		1988	
	Number	**Stated Value**	Number	Stated Value
		(000)		(000)
Authorized - unlimited				
Issued -				
Balance, beginning of period	**77,340,300**	**$ 549,987**	77,674,900	$ 554,053
Exchanged for shares of The Great-West Life Assurance Company	**1,602,635**	**23,840**	-	-
Purchased and cancelled under Normal Course Issuer Bid	-	-	(334,600)	(4,066)
Balance, end of year	**78,942,935**	**$ 573,827**	77,340,300	$ 549,987

Note 5. Other Items

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

	1989	1988
	(000)	(000)
Net realized and unrealized loss on assets	**$ (36,901)**	$ (7,976)
Realization of income tax adjustments applicable to prior years	**14,017**	5,868
Release of prior years' premium tax provision	**4,323**	-
Release of insurance guarantee association assessments	**710**	-
Changes in policy reserves	-	(2,808)
Sub total	**$ (17,851)**	$ (4,916)
Participating policyholders	**(1,270)**	976
Total	**$ (19,121)**	$ (3,940)

Note 6. Pension Plans

The Great-West Life Assurance Company maintains contributory and non-contributory pension plans for certain of its employees and agents. The plans provide pensions based on length of service and final average earnings.

Actuarial reports prepared during the year, which were based on projections of compensation levels to the time of retirement, indicate that the present value of the accumulated benefits at December 31, 1989 is $198,861,000 *($161,785,000 in 1988)*. The net assets available to provide for these benefits, at market value, as of December 31, 1989 is $219,579,000 *($191,189,000 in 1988)*.

The cumulative difference between the amounts expensed and the funding contributions has been reflected in the balance sheet in Other Assets and amounts to $2,347,000 *($2,254,000 in 1988)*.

Note 7. Related Party Transactions

Transactions with related parties 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.

Note 8. Company's Effective Income Tax Rate

The Company's effective income tax rate is made up as follows:

	1989	1988
Combined basic Canadian federal and provincial tax rate	**44.1%**	47.5%
Increase *(Decrease)* in the income tax rate resulting from:		
Adjustment of deferred taxes to a present value basis	**(3.8)**	(12.0)
Tax exempt dividends on stocks	**(2.9)**	(3.0)
Tax exempt portion of capital gains	**(3.5)**	(5.3)
Lower effective tax rates on income not subject to tax in Canada	**(18.4)**	(16.9)
Investment income tax	**1.8**	.9
Large corporation tax	**.4**	-
Miscellaneous	**4.2**	.9
Effective income tax rate	**21.9%**	12.1%

Recent changes to the United States Internal Revenue Code could result in significant increases in income taxes payable by Canadian life insurance companies carrying on business in the United States. The Great-West Life Assurance Company has reflected the impact of these changes in its financial statements. The changes to the Code continue to be unclear and are not yet finalized.

Note 9. Contingent Liabilities

The Great-West Life Assurance Company has entered into a number of joint ventures and partnerships and has equity positions in a number of real estate development corporations which have not been consolidated in its financial results. The contingent liability in respect of these participations is $35,300,000 *($61,400,000 in 1988)*. This amount is supported by the underlying value of the assets of the various entities.

The board of directors of Canadian Commercial Bank *(a Canadian chartered bank presently in liquidation)* included three directors who were serving at the Company's request. These three directors are amongst the many persons against whom, following the collapse of Canadian Commercial Bank, two legal actions for significant amounts have been instituted. The Company may be obligated to indemnify these three directors for losses they may suffer in connection with such legal actions. However, the Company believes that the two actions should fail as against these three directors and it is therefore not expected that the extent of any indemnification obligation of the Company will be material.

AUDITORS' REPORT

To the Shareholders,
Great-West Lifeco Inc.

We have examined the consolidated balance sheets of Great-West Lifeco Inc. as at December 31, 1989 and 1988 and the summaries of consolidated operations, the consolidated statements of surplus and the consolidated statements of changes in financial position for the years 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 consolidated financial statements present fairly the financial position of the Company as at December 31, 1989 and 1988 and the results of its operations and the changes in its financial position for the years then ended in accordance with the accounting practices described in Note 1 to the financial statements applied on a consistent basis.

Touche Ross & Co.

Chartered Accountants
Winnipeg, Manitoba
January 25, 1990

FIVE YEAR SUMMARY

(in thousands of dollars except earnings per share)

	Compound Growth Rate 1985 - 1989	1989
At December 31		
Life insurance in force *(face amount)*	11.6%	$ 155,492,627
Annuities in force *(funds held)*	16.2	12,886,728
Health insurance in force *(annualized premiums)*	23.0	2,414,036
Assets	15.0	18,890,170
For the Year		
New insurance	7.0	18,992,730
New annuities	9.0	1,682,548
Premiums including self-funded premium equivalents	13.2	4,648,306
Net investment income	14.4	1,716,485
Total paid or credited to policyholders including dividends and experience refunds	11.6	4,509,153
Condensed Summary of Operations		
Income		
Premiums		$ 3,470,989
Net investment income		1,716,485
Net realized and unrealized capital gains *(losses)* on assets on segregated funds		111,741
Total income		5,299,215
Benefits and Expenses		
Total paid or credited to policyholders		4,509,153
Commissions and operating expenses		529,843
Premium taxes		41,591
Net operating income before income taxes		218,628
Income taxes - current		12,331
- deferred		35,563
Net income from operations		170,734
Other items		(19,121)
Net income before minority and other interests		$ 151,613
Minority and other interests of The Great-West Life Assurance Company		
Participating policyholders		21,393
Preferred shareholder dividends		19,713
Minority interest		1,780
		$ 42,886
Net income		$ 108,727
Earnings per Share		
From operations		$ 1.615
Including other items		$ 1.391
Return on shareholders' equity		16.1%
Book value per share		$ 9.09
Dividends to shareholders - per share		$ 0.50

(1) Great-West Lifeco was formed during 1986. The Condensed Summary of Operations is presented to show what Great-West Lifeco's earnings would have been if it had acquired The Great-West Life Assurance Company at the beginning of 1985.

1988	1987	1986	1985
		Pro-forma (1)	Pro-forma (1)
$ 139,182,935	$ 127,884,666	$ 112,684,790	$ 100,304,517
11,777,537	10,762,398	8,929,278	7,072,642
1,708,699	1,402,511	1,201,298	1,054,732
17,224,489	15,494,934	13,089,536	10,801,022
21,435,571	14,212,606	17,193,311	14,487,198
1,735,380	1,943,849	1,895,813	1,193,560
4,312,998	4,209,424	3,820,597	2,831,773
1,516,903	1,351,572	1,212,842	1,001,464
4,305,133	4,213,236	3,853,916	2,904,464
$ 3,414,051	$ 3,489,043	$ 3,188,615	$ 2,319,703
1,516,903	1,351,572	1,212,842	1,001,464
36,237	(29,494)	38,236	94,140
4,967,191	4,811,121	4,439,693	3,415,307
4,305,133	4,213,236	3,853,916	2,904,464
472,388	435,090	411,347	368,639
40,011	30,980	26,827	20,675
149,659	131,815	147,603	121,529
12,101	6,771	5,217	3,414
6,012	13,482	7,648	2,280
131,546	111,562	134,738	115,835
(3,940)	(18,910)	(10,677)	4,784
$ 127,606	$ 92,652	$ 124,061	$ 120,619
17,885	15,436	13,044	32,045
11,550	11,550	11,550	2,354
2,593	1,719	1,466	-
$ 32,028	$ 28,705	$ 26,060	$ 34,399
$ 95,578	$ 63,947	$ 98,001	$ 86,220
$ 1.296	$ 1.026	$ 1.310	$ 1.070
$ 1.234	$ 0.821	$ 1.258	$ 1.077
15.3%	10.7%	15.8%	15.8%
$ 8.21	$ 7.86	$ 7.55	$ 7.17
$ 0.50	$ 0.50	$ 0.45	$ 0.375

BOARD OF DIRECTORS

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

James W. Burns, O.C.
Chairman of the Board of the Corporation;
Deputy Chairman,
Power Corporation of Canada;
Chairman and Chief Executive Officer,
Power Financial Corporation

Dr. Walter Curlook
Executive Vice-President,
Inco Ltd.

Paul Desmarais, C.C.
Chairman of the Board and Chief Executive Officer,
Power Corporation of Canada

Paul Desmarais, Jr.
Vice-Chairman,
Power Financial Corporation;
Vice-President,
Power Corporation of Canada

Robert G. Graham
President and Chief Executive Officer,
Inter-City Gas Corporation

N. Berne Hart**
Chairman of the Board and Chief Executive Officer,
United Banks of Colorado, Inc.

Charles H. Hollenberg, M.D.
Director,
Banting & Best Diabetes Centre,
University of Toronto

Robert H. Jones
Chairman of the Board,
Investors Group Inc.

Kevin P. Kavanagh
President and Chief Executive Officer of the Corporation

A. Frank Knowles, C.A.**
President,
Power Corporation of Canada;
Deputy Chairman,
Power Financial Corporation

J. Blair MacAulay
Partner, Fraser & Beatty

William Mackness
Dean, Faculty of Management,
University of Manitoba

Randall L. Moffat**
Chairman and President,
Moffat Communications Limited

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

The Honourable P. Michael Pitfield, P.C., Q.C.
Vice-Chairman,
Power Corporation of Canada;
Vice-Chairman,
Power Financial Corporation

Abraham L. Simkin, Q.C.
Chairman of the Board,
President and Chief Executive Officer,
CMS Creative Management Services Limited

Sister Mary Andrew Talle
Director of Community Relations,
Denver Health Group

Ross J. Turner
Chairman of the Board,
Genstar Investment Corporation

*** Member of the Audit Committee*

EXECUTIVE OFFICERS

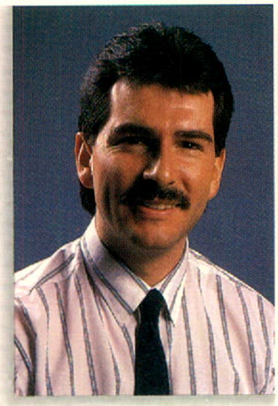
Kevin P. Kavanagh
President and Chief Executive Officer

Orest T. Dackow
Executive Vice-President

Jack A. Miller
Vice-President, Finance

D. Craig Lennox
Vice-President, Counsel and Secretary

The Great-West Life Assurance Company



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
8505-8515 E. Orchard Road, Englewood, Colorado 80111

Stock Exchanges
Winnipeg, Toronto and Montreal
7.70% Series A Preferred Shares
7.80% Series B Preferred Shares

Transfer Agent and Registrar Offices
Montreal Trust Company of Canada in Toronto, Winnipeg, Edmonton and Vancouver; and Montreal Trust Company in Montreal.

Annual General Meeting
The fourth Wednesday of April at 11:00 a.m. at Corporate Headquarters, Winnipeg.

For further information contact:
Corporate Communications
100 Osborne Street North
Winnipeg, Manitoba R3C 3A5
(204) 946-7663

CORPORATE PROFILE

Great-West Life is an international corporation offering a wide range of insurance, retirement and investment products and services for individuals, businesses and organizations.

Incorporated in Canada in 1891, Great-West Life has been active in the U.S. market since 1906, when we established our first United States office in Fargo, North Dakota. We now have 156 marketing, benefit payment and property investment offices located in 49 states, the District of Columbia and across Canada.

In Canada, Great-West Life is a major insurance carrier in all markets. For individuals, we offer traditional and universal life products, disability income insurance, and a range of retirement planning and income products, including RRSPs, RRIFs and annuities. For groups of all sizes, along with the traditional life and health coverage, we offer group universal life plans, pre-paid dental programs, the full range of pension and retirement savings plans, and innovative products and services aimed at helping clients administer their group benefit plans more efficiently.

In the United States, our individual business is primarily in the business insurance and executive benefit planning markets, where we help companies provide benefits for key executives through various life insurance products. Our employee benefits organization provides a complete range of products and services for corporations, and public and non-profit organizations. Our health insurance business is characterized by an emphasis on managed care and self-funded plans.

Business philosophy

Great-West Life's Corporate Mission is "to achieve excellence in providing financial products and services for people, and to do so in a responsible manner."

Our strategy for achieving this mission is through the creative anticipation of, and response to, the changing needs and preferences of our clients.

Great-West Life is governed by a Statement of Guiding Principles, which forms the basis for its management and relations with employees, clients and shareholders.

Financial performance

Great-West Life has $18.9 billion in assets and $155 billion of life insurance in force. For its financial performance, Great-West Life continues to receive an A+ *(Superior)* rating from the A.M. Best Company, an authority on the financial services industry.

In addition, the Company has earned a "AAA" rating for its claims-paying ability from Standard & Poor's Corporation, recognizing an "extremely strong capacity to meet contractual policy obligations". Great-West Life also received a P-1 rating from the Dominion Bond Rating Service and the Canadian Bond Rating Service on its preferred share issue in 1988.

Great-West Life is a subsidiary of Great-West Lifeco Inc., a member of the Power Financial Corporation group of companies. Our Canadian and Corporate headquarters are located in Winnipeg, Canada and our United States headquarters is in Englewood, Colorado.

SUMMARY OF CONSOLIDATED OPERATIONS

(in thousands of dollars except earnings per share)

	1989	1988
Income:		
Life insurance and annuity premiums	$ 2,593,494	$ 2,743,832
Accident and health premiums	877,495	670,219
Net investment income	1,715,642	1,516,171
Net realized and unrealized capital gains on assets of segregated investment funds *(note 1e)*	111,741	36,237
Total Income	5,298,372	4,966,459
Benefits and Expenses:		
Life and annuity benefits	1,929,716	1,403,812
Accident and health benefits	590,052	475,789
Interest on funds on deposit	49,577	43,959
Increase in policy reserves *(note 1g)*	1,748,349	2,226,810
Policyholder dividends and experience refunds	191,459	154,763
Total paid or credited to policyholders	4,509,153	4,305,133
Commissions and operating expenses	529,355	472,131
Premium taxes	41,591	40,011
Net operating income before income taxes	218,273	149,184
Income taxes - current	12,116	11,867
- deferred	35,612	6,012
Net Income from Operations	170,545	131,305
Other Items *(note 3)*	(19,121)	(3,940)
Net Income	$ 151,424	$ 127,365
Summary of Net Income *(note 1h)*		
Attributable to participating policyholders		
Net income before policyholder dividends	$ 152,066	$ 114,865
Policyholder dividends	129,403	97,956
Net income from operations	22,663	16,909
Other items *(note 3)*	(1,270)	976
Net Income - participating policyholders	$ 21,393	$ 17,885
Attributable to shareholders		
Net income from operations before preferred shareholder dividends	$ 147,882	$ 114,396
Preferred shareholder dividends	19,713	11,550
Net income from operations - common shareholders	128,169	102,846
Other items *(note 3)*	(17,851)	(4,916)
Net Income - common shareholders	$ 110,318	$ 97,930
Earnings per common share		
From operations	$ 64.08	$ 51.42
Including other items	$ 55.15	$ 48.96

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1989 (in thousands of dollars)

	1989	1988
Assets		
Bonds *(note 1b)*	**$ 6,992,491**	$ 6,219,798
Mortgages and sale agreements *(note 1b)*	**7,068,085**	6,728,850
Stocks *(note 1c)*	**254,356**	88,603
Real estate *(note 1d)*	**687,635**	873,334
Loans to policyholders	**965,296**	794,246
Cash and certificates of deposit	**341,846**	124,960
Premiums in course of collection	**136,792**	189,576
Interest due and accrued	**258,366**	228,047
Segregated investment funds *(note 1e)*	**2,048,207**	1,840,223
Other assets	**161,136**	170,093
	$ 18,914,210	$ 17,257,730

Approved by the Board

J W Burns K P Kavanagh

Director *Director*

	1989	1988
Liabilities		
Policy benefit liabilities		
Policy reserves *(note 1g)*	**$ 13,683,085**	$ 12,378,918
Segregated investment funds	**2,048,207**	1,840,223
Provision for claims	**725,246**	605,898
Provision for 1990 policyholders' dividends	**87,667**	81,813
Provision for experience rating refunds	**152,290**	140,853
	16,696,495	15,047,705
Policyholders' funds	**482,051**	440,467
Mortgages on real estate	**96,811**	174,881
Income taxes payable	**17,673**	18,743
Deferred income taxes *(note 1f)*	**53,527**	46,786
Other liabilities	**186,002**	225,807
	17,532,559	15,954,389
Capital stock and surplus		
Capital stock *(note 2)*	**252,000**	252,000
Appropriated surplus *(note 4)*		
- participating policyholders	**89,133**	104,913
- shareholders	**536,674**	478,510
Provision for unrealized loss on translation of net investment in United States operations *(note 1i)*		
- participating policyholders	**(14,275)**	(10,880)
- shareholders	**(39,039)**	(29,033)
Unappropriated surplus		
- participating policyholders	**309,908**	272,735
- shareholders	**247,250**	235,096
	1,381,651	1,303,341
	$ 18,914,210	$ 17,257,730

CONSOLIDATED STATEMENT OF SURPLUS

for the year 1989 (in thousands of dollars)

	Participating Policyholders	Shareholders	Total
Appropriated			
Balance January 1	$ 104,913	$ 478,510	$ 583,423
Add:			
Increase in special reserves			
Investment valuation reserve	60	(9,910)	(9,850)
Real estate appraisal valuation reserve	(12,014)	16,745	4,731
Reserve for cash value deficiencies and amounts of negative reserves	(5,231)	24,502	19,271
Reserve for miscellaneous assets	1,405	26,827	28,232
	(15,780)	58,164	42,384
Balance December 31	$ 89,133	$ 536,674	$ 625,807
Unappropriated			
Balance January 1	$ 272,735	$ 235,096	$ 507,831
Add:			
Total net income for year from summary of operations	21,393	130,031	151,424
Deduct:			
Dividends to shareholders			
- preferred shareholders	-	19,713	19,713
- common shareholders	-	40,000	40,000
Changes in special reserves appropriated from surplus	(15,780)	58,164	42,384
Balance December 31	$ 309,908	$ 247,250	$ 557,158

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(in thousands of dollars)

	1989	1988
Operations		
Net income	$ 151,424	$ 127,365
Non-cash charges		
Increase in policy benefit liabilities	1,822,154	1,851,294
Increase in policyholders' funds	43,946	(4,285)
Deferred income taxes	6,771	985
Other	29,702	287,203
	2,053,997	2,262,562
Financing Activities		
Issue of preferred shares	-	100,000
Dividends paid	(59,713)	(51,550)
	(59,713)	48,450
Investment Activities		
Bond sales and maturities	4,089,592	3,211,283
Mortgages and sale agreements repayments	549,722	557,362
Stock sales	133,270	178,456
Real estate sales	87,849	108,665
Policy loan repayments	62,197	46,471
Investment in bonds	(4,941,092)	(4,809,867)
Investment in mortgages and sale agreements	(987,069)	(966,225)
Investment in stocks	(270,283)	(114,487)
Investment in real estate	(32,622)	(55,491)
Policy loan advances	(253,361)	(290,410)
Increase in segregated investment funds	(215,601)	(195,268)
	(1,777,398)	(2,329,511)
Increase in cash and certificates of deposit	216,886	(18,499)
Cash and certificates of deposit, beginning of year	124,960	143,459
Cash and certificates of deposit, end of year	$ 341,846	$ 124,960

NOTES TO 1989 CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Practices

The accounting practices followed by the Company are as prescribed or permitted by the Office of the Superintendent of Financial Institutions for the purpose of reporting to policyholders and shareholders.

(a) Financial results are reported on a consolidated basis. All significant intercompany balances and transactions are eliminated on consolidation and subsidiary results are conformed with the Company's accounting practices. The principal subsidiaries are:
Great-West Life & Annuity Insurance Company
G.W.L. Properties Ltd.
Gold Circle Insurance Company
GWL Properties Inc.
Great-West Realty Investments, Inc.
Great-West Life Financial Corp.

(b) 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, 1989 are $23,619,000 of net gains for bonds *($21,536,000 in 1988)* and $9,547,000 of net gains for mortgages *($7,659,000 in 1988)*.

Bonds, mortgages and sale agreements have a market value on a basis authorized by the Office of the Superintendent of Financial Institutions of $14,363,646,000 *($13,041,877,000 in 1988)*. 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.

(c) 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, 1989 amounted to $128,878,000 *($139,213,000 in 1988)*. Equity investments in respect of the accident and health business are carried at cost.

Equity securities have a market value on a basis authorized by the Office of the Superintendent of Financial Institutions of $434,744,000 *($263,109,000 in 1988)*.

(d) Investments in real estate at December 31, 1989 are carried at a written-down value of $593,779,000 *($879,941,000 in 1988)* plus an adjustment which consists of net realized losses, as well as a market value adjustment which is a portion of the difference between adjusted book value and market value of all real estate holdings. The adjustment at December 31, 1989 amounted to $93,856,000 *(in 1988 a net gain of $6,607,000)*.

The market value of the real estate portfolio has been calculated at $733,065,000 *($942,631,000 in 1988)*.

(e) Investments held for segregated investment funds are carried at market value. Net realized and unrealized capital gains on segregated investment funds were $111,741,000 *($36,237,000 in 1988)*. Such capital gains are reflected in the increase in policy reserves and do not affect net income of the Company.

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

(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 and are calculated using assumptions considered to be appropriate to the policies in force. Policyholder dividends *(except for the small portion derived from investment earnings on surplus)* are included in future policy benefits at the current scale of policyholder dividends. The Valuation Actuary, in setting the valuation assumptions, has assumed that policyholder dividends will be changed from the current scale to reflect any differing operating experience of the participating account in future years. Also, asset values and projected maturities of assets and liabilities are continuously monitored and appropriately considered in the determination of policy reserves.

Policy reserves recognize the deferral of certain costs of acquiring policies. The amount of unamortized deferred acquisition costs deducted in arriving at the policy reserves was $416,706,000 at December 31, 1989 *($375,733,000 at December 31,1988).*

(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 2 1/2%, as restricted by law, of the distributions from the participating account.

(i) The Company's net investment in its self-sustaining United States operations is translated using the current rate method. All United States dollar assets and liabilities are translated into Canadian dollars at the December 31, 1989 market rate of $1.16 *($1.19 in 1988)* and all income and expense items are translated at an average rate of $1.18 *($1.23 in 1988).* The provision for unrealized loss of $53,314,000 *($39,913,000 in 1988)* on foreign currency translation of the Company's net investment in its United States operations is recorded in the capital stock and surplus section of the Consolidated Balance Sheet.

Note 2. Capital Stock

	1989	1988
	(000)	(000)
Authorized		
20,000,000 Preferred Shares, par value of $25		
50,000,000 Common Shares, par value of $1		
Issued and Outstanding		
6,000,000 Series A, 7.70% Cumulative Preferred Shares	**$ 150,000**	$ 150,000
4,000,000 Series B, 7.80% Cumulative Preferred Shares	**100,000**	100,000
2,000,000 Common Shares	**2,000**	2,000
	$ 252,000	$ 252,000

The Series A 7.70% Cumulative Preferred Shares are redeemable at the option of the Company. These Shares are retractable at the option of the holder, subject to requisite statutory approval, on December 31, 1990 at par.

The Series B 7.80% Cumulative Preferred Shares are redeemable at the option of the Company on or after December 31, 1991. These Shares are retractable at the option of the holder, subject to requisite statutory approval, on December 31, 1993 at par.

Note 3. Other Items

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

	1989		1988	
Attributable to:	**Participating Policyholders (000)**	**Shareholders (000)**	Participating Policyholders (000)	Shareholders (000)
Net realized and unrealized loss on assets *(note 3a)*	**$ (4,450)**	**$ (36,901)**	$ (744)	$ (7,976)
Realization of income tax adjustments applicable to prior years *(note 3b)*	**3,101**	**14,017**	1,720	5,868
Release of prior years' premium tax provision	**-**	**4,323**	-	-
Release of insurance guarantee association assessments	**79**	**710**	-	-
Changes in policy reserves	**-**	**-**	-	(2,808)
	$ (1,270)	**$ (17,851)**	$ 976	$ (4,916)
	$ (19,121)		$ (3,940)	

(a) Net realized and unrealized loss on assets in 1989, net of income taxes of $22,483,000 *($82,000 in 1988)* includes the results of:
   (i) write-down of assets
   (ii) all disposals of assets of the accident and health account
   (iii) loss on wind-up of subsidiary
   (iv) provision for interest deficiencies on asset losses.

(b) Realization of income tax adjustments applicable to prior years includes:
   (i) realization of income tax benefits from loss carry-forwards
   (ii) prior years' income tax adjustments.

Note 4. Appropriation of Surplus

Appropriated surplus represents reserves required by the Office of the Superintendent of Financial Institutions:

	1989	1988
	(000)	(000)
Participating account:		
Investment valuation reserve	**$ 31,334**	$ 31,274
Real estate appraisal valuation reserve *(note 4a)*	**-**	12,014
Reserve for cash value deficiencies and amounts of negative reserves	**33,600**	38,832
Reserve for miscellaneous assets	**24,199**	22,793
Total	**$ 89,133**	$ 104,913
Non-participating and health accounts:		
Investment valuation reserve	**$ 127,169**	$ 137,080
Real estate appraisal valuation reserve *(note 4a)*	**82,070**	65,324
Reserve for cash value deficiencies and amounts of negative reserves	**211,363**	186,861
Reserve for miscellaneous assets	**116,072**	89,245
Total	**$ 536,674**	$ 478,510

(a) In 1989 the Office of the Superintendent of Financial Institutions changed the method for calculating the real estate appraisal valuation reserve from an individual parcel basis to a portfolio basis. Appropriated surplus is required for the non-participating portion of the net realized loss described in note (1d).

Note 5. Pension Plans

The Company maintains contributory and non-contributory pension plans for certain of its employees and agents. The plans provide pensions based on length of service and final average earnings.

Actuarial reports prepared during the year, which were based on projections of compensation levels to the time of retirement, indicate that the present value of the accumulated benefits at December 31, 1989 is $198,861,000 *($161,785,000 in 1988)*. The net assets available to provide for these benefits, at market value, as of December 31,1989 is $219,579,000 *($191,189,000 in 1988)*.

The cumulative difference between the amounts expensed and the funding contributions has been reflected in the balance sheet in Other Assets and amounts to $2,347,000 *($2,254,000 in 1988)*.

Note 6. Related Party Transactions

Transactions with related parties 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.

Note 7. Company's Effective Income Tax Rate

The Company's effective income tax rate is made up as follows:

	1989	1988
Combined basic Canadian federal and provincial tax rate	**44.1%**	47.5%
Increase *(Decrease)* in the income tax rate resulting from:		
Adjustment of deferred taxes to a present value basis	**(3.8)**	(12.1)
Tax exempt dividends on stocks	**(2.9)**	(3.0)
Tax exempt portion of capital gains	**(3.5)**	(5.3)
Lower effective tax rates on income not subject to tax in Canada	**(18.4)**	(16.9)
Investment income tax	**1.8**	.9
Large corporation tax	**.4**	-
Miscellaneous	**4.2**	.9
Effective income tax rate	**21.9%**	12.0%

Recent changes to the United States Internal Revenue Code could result in significant increases in income taxes payable by Canadian life insurance companies carrying on business in the United States. The Company has reflected the impact of these changes in the financial statements. The changes to the code continue to be unclear and are not yet finalized.

Note 8. Contingent Liabilities

The Company has entered into a number of joint ventures and partnerships and has equity positions in a number of real estate development corporations which have not been consolidated in its financial results. The contingent liability in respect of these participations is $35,300,000 *($61,400,000 in 1988)*. This amount is supported by the underlying value of the assets of the various entities.

The board of directors of Canadian Commercial Bank *(a Canadian chartered bank presently in liquidation)* included three directors who were serving at the Company's request. These three directors are amongst the many persons against whom, following the collapse of Canadian Commercial Bank, two legal actions for significant amounts have been instituted. The Company may be obligated to indemnify these three directors for losses they may suffer in connection with such legal actions. However, the Company believes that the two actions should fail as against these three directors and it is therefore not expected that the extent of any indemnification obligation of the Company will be material.

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 and its consolidated life insurance company subsidiary, Great-West Life & Annuity Insurance Company, for the consolidated balance sheet at December 31, 1989 and the summary of consolidated 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 Companies' policies; iii) a proper charge on account of those liabilities has been made in the summary of consolidated operations; and iv) the amount of surplus appropriation for policies whose cash value exceeds the policy benefit liability is proper.

D. E. Morrison

D.E. Morrison, F.S.A., F.C.I.A., M.A.A.A.
Senior Vice-President and Actuary
January 25, 1990

AUDITORS' REPORT

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

We have examined the consolidated balance sheets of The Great-West Life Assurance Company as at December 31, 1989 and 1988 and the summaries of consolidated operations, the consolidated statements of surplus and the consolidated statements of changes in financial position for the years 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 consolidated financial statements present fairly the financial position of the Company as at December 31, 1989 and 1988 and the results of its operations and the changes in its financial position for the years then ended in accordance with the accounting practices described in Note 1 to the financial statements applied on a consistent basis.

Touche Ross & Co.

Chartered Accountants
Winnipeg, Manitoba
January 25, 1990

BOARD OF DIRECTORS

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

James W. Burns, O.C.*+
Chairman of the Board of the Company;
Deputy Chairman,
Power Corporation of Canada;
Chairman and Chief Executive Officer,
Power Financial Corporation

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

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

Paul Desmarais, Jr.*+
Vice-Chairman,
Power Financial Corporation;
Vice-President,
Power Corporation of Canada

Robert G. Graham+
President and Chief Executive Officer,
Inter-City Gas Corporation

Robert Gratton*+
President,
Power Financial Corporation

N. Berne Hart**
Chairman of the Board and Chief Executive Officer,
United Banks of Colorado, Inc.

Charles H. Hollenberg, M.D.*
Director,
Banting & Best Diabetes Centre,
University of Toronto

Robert H. Jones*+
Chairman of the Board,
Investors Group Inc.

Kevin P. Kavanagh*+
President and Chief Executive Officer of the Company

A. Frank Knowles, C.A.**+
President,
Power Corporation of Canada;
Deputy Chairman,
Power Financial Corporation

J. Blair MacAulay+
Partner, Fraser & Beatty

William Mackness+
Dean, Faculty of Management,
University of Manitoba

Randall L. Moffat**
Chairman and President,
Moffat Communications Limited

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

The Honourable P. Michael Pitfield, P.C., Q.C.*
Vice-Chairman,
Power Corporation of Canada;
Vice-Chairman,
Power Financial Corporation

Sister Mary Andrew Talle*
Director of Community Relations,
Denver Health Group

Ross J. Turner+
Chairman of the Board,
Genstar Investment Corporation

** Member of the Policy Committee*

*** Member of the Audit Committee*

+ Member of the Investment Committee

EXECUTIVE OFFICERS

Kevin P. Kavanagh
President and Chief Executive Officer

Canadian Region

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

Christopher D. Chapman
Senior Vice-President, Individual

James R. Grant
Senior Vice-President, Group

United States Region

William T. McCallum
Executive Vice-President — Chief Operating Officer, United States

John T. Hughes
Senior Vice-President — Chief Investment Officer, United States

Dennis Low
Senior Vice-President, Individual

Alan D. MacLennan
Senior Vice-President, Group

Investment Division

Marshall G. Smith
Executive Vice-President, Investments

Raymond L. McFeetors
Senior Vice-President, Fixed Income Investments, Canada

Edward J. Ransby
Senior Vice-President, Capital Markets and Pension Investments

Corporate Finance and Control

Orest T. Dackow
Executive Vice-President, Corporate Finance and Control

Jack A. Miller
Senior Vice-President and Controller

David E. Morrison
Senior Vice-President and Actuary

Corporate Resources

Roderick B. Pennycook
Executive Vice-President, Corporate Resources

Corporate Staff

D. Craig Lennox
Senior Vice-President, General Counsel and Secretary

CANADIAN OFFICES

INDIVIDUAL

BRITISH COLUMBIA

Burnaby
8th floor, Metro Town Place II
5945 Kathleen Avenue
Burnaby, British Columbia
V5H 4J7

Kamloops
#300-153 Seymour St.
Kamloops, British Columbia
V2C 2C7

Kelowna
Suite #113-565 Bernard Ave.
Town Centre Mall
Kelowna, British Columbia
V1Y 8R4

Prince George
Suite 505, 1488 - 4th Avenue
Prince George, British Columbia
V2L 4Y2

Terrace
4548 Lakelse Avenue
Terrace, British Columbia
V8G 1P7

Vancouver
Suite 1500
Thorne, Ernst, Whinney Tower
1177 West Hastings St.
Vancouver, British Columbia
V6E 3Y9

Vancouver Island
Suite 410, 910 Government St.
Victoria, British Columbia
V8W 1X3

ALBERTA

Calgary
Suite 200
2924-11th Street N.E.
Calgary, Alberta
T2E 7V7

Edmonton
Suite 600
Canada Trust Tower
10104-103 Avenue
Edmonton, Alberta
T5J 0H8

Grande Prairie
2nd floor, Financial Building
10124-101 Avenue
Grande Prairie, Alberta
T8V 0Y2

Lethbridge
1003-4th Avenue South
Lethbridge, Alberta
T1J 0P7

Red Deer
303 South Hill Towers
4406 Gaetz Avenue
Red Deer, Alberta T4N 3Z6

SASKATCHEWAN

Regina
2275 Albert Street
Regina, Saskatchewan
S4P 2V5

Saskatoon
605-230 22nd Street East
Saskatoon, Saskatchewan
S7K 0E9

Swift Current
9-1081 Central N.
Swift Current, Saskatchewan
S9H 4Z2

MANITOBA

Brandon
#400 Royal Bank Building
740 Rosser Avenue
Brandon, Manitoba R7A 0K9

Winnipeg
100 Osborne Street North
Winnipeg, Manitoba R3C 3A5

ONTARIO

Belleville
5th floor, Century Place
199 Front Street
Belleville, Ontario K8N 5H5

Brockville
202A-125 Stewart Blvd.
Brockville, Ontario
K6V 4W4

Cobourg
258 Division Street
Cobourg, Ontario K9A 4W5

Cornwall
2nd floor
14 Third St. E.
Cornwall, Ontario K6H 2C7

Hamilton
8th floor, Stelco Tower
100 King Street West
Hamilton, Ontario L8P 1A2

Kingston
#201-780 Midpark Drive
Kingston, Ontario K7M 7P6

Kitchener
Suite 202-7 Duke Street W.
Kitchener, Ontario N2H 6N7

London
Mezzanine Level
Talbot Centre
Suite 208
140 Fullarton Street
London, Ontario N6A 1K2

Mississauga
#400-89 Queensway West
Mississauga, Ontario L5B 2V2

Oshawa
Suite 520-2 Simcoe Street
Oshawa, Ontario L1H 8C1

Ottawa
Suite 600-11 Holland Avenue
Ottawa, Ontario K1Y 4S1

Peterborough
Suite 304
340 George St. N.
Peterborough, Ontario
K9H 7E8

Thunder Bay
202-215 Red River Road
Arthur Square
Thunder Bay, Ontario
P7B 1A5

Toronto
#900-200 Consumer Road
Willowdale, Ontario
M2J 4R4

Windsor
Suite 300-880 Ouellette Ave.
Windsor, Ontario N9A 1C7

QUEBEC

Chicoutimi
Suite 106
1299 des Champs Elysee
Chicoutimi, Quebec G7H 6P3

Hull
6th floor
15 Gamelin Boul.
Hull, Quebec J8Y 1V4

Montreal
Eastern Canada Marketing
25 Edison, Floor 'E'
Place Bonaventure
Montreal, Quebec H5A 1B7

Montreal
26th floor
500 Montreal Place d'Armes
Montreal, Quebec H2Y 2W2

Sherbrooke
Suite 206
2313 King Street W.
Sherbrooke, Quebec J1J 2G2

Ste-Foy
Place de la Cite
8th floor
2635 boul. Hochelaga
Ste-Foy, Quebec G1V 4W2

St. Jean
Suite 240
365 Normand St.
St. Jean-sur-Richelieu
Quebec J3A 1T6

Trois Rivieres
Suite 201, 1410 Cypres
Trois Rivieres, Quebec
G8Y 4S3

NEW BRUNSWICK

Bathurst
1154 St. Peter Avenue
Bathurst, New Brunswick
E2A 2Z9

Fredericton
2nd floor, 371 Queen St.
Fredericton, New Brunswick
E3B 1B1

Saint John
4th floor
Bank of Canada Building
75 Prince William St.
Saint John, New Brunswick
E2L 2B2

NOVA SCOTIA

Halifax
Suite 1010,
1809 Barrington St.
Halifax, Nova Scotia
B3J 3K8

NEWFOUNDLAND

St. John's
4th floor, Beothuck Bldg.
Crosbie Place
St. John's, Newfoundland
A1B 3Y8

GROUP

BRITISH COLUMBIA

Vancouver
Suite 1510
1177 West Hastings St.
Vancouver, British Columbia
V6E 3Y9

ALBERTA

Calgary
Suite 720, 101-6th Avenue S.W.
Calgary, Alberta
T2P 3P4

Edmonton
Suite 610
Canada Trust Tower
10104-103 Avenue
Edmonton, Alberta T5J 0H8

SASKATCHEWAN

Regina
Main Floor
2271 Albert Street
Regina, Saskatchewan
S4P 2V5

Saskatoon
607-230 22nd Street E.
Saskatoon, Saskatchewan
S7K 0E9

MANITOBA

Winnipeg
1C-100 Osborne Street North
Winnipeg, Manitoba
R3C 1V3

ONTARIO

Hamilton
Suite 800
1 King Street West
Hamilton, Ontario L8P 1A4

Ottawa
Suite 520
Churchill Office Park
1600 Carling Avenue
Ottawa, Ontario K1Z 8R7

Toronto
14th floor, 200 King Street W.
Toronto, Ontario M5H 3T4

QUEBEC

Montreal
#4125-One Place Ville Marie
Montreal, Quebec
H3B 3P9

Ste-Foy
Place de la Cite
Suite 800
2635 boul. Hochelaga
Ste-Foy, Quebec G1V 4W2

NOVA SCOTIA

Halifax
Suite 1404
1809 Barrington St.
Bank of Commerce Building
Halifax, Nova Scotia
B3J 3K8

NEWFOUNDLAND

St. John's
167 Kenmount Road
St. John's, Newfoundland
A1B 3P9

BENEFIT PAYMENT

VANCOUVER
1210-1177 West Hastings St.
Vancouver, British Columbia
V6E 4J7

EDMONTON
8th floor, 10104-103 Avenue
Edmonton, Alberta T5J 4R5

WINNIPEG
1601-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4
1700-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

TORONTO
4th floor
245 Eglington Avenue East
Toronto, Ontario M4P 3C1

HAMILTON
Suite 800-1 King Street West
Hamilton, Ontario L8P 1A4

OTTAWA
Suite 201
Carling Executive Park
1525 Carling Avenue
Ottawa, Ontario K1Z 8T1

MONTREAL
18 Dolbeau, Floor 'D'
Place Bonaventure
Montreal, Quebec H5A 1B9

HALIFAX
Suite 1306
1809 Barrington St.
Halifax, Nova Scotia B3J 3K8

SYDNEY
Suite 503-56 Inglis St.
Sydney, Nova Scotia B1P 1W7

ST. JOHN'S
167 Kenmount Road
St. John's, Newfoundland
A1B 4A2

MORTGAGE

VANCOUVER
Suite 3114, Bentall IV
1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1G4

CALGARY
Suite 1110
530-8th Avenue S.W.
Calgary, Alberta T2P 3S8

WINNIPEG
1400-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

TORONTO
Suite 1400, 200 King Street W.
Toronto, Ontario M5H 3T4

MONTREAL
Suite 500
1010 Sherbrooke Street W.
Montreal, Quebec H3A 2R7

REAL ESTATE

VANCOUVER
Suite 3114, Bentall IV
1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1G4

CALGARY
Suite 1110
530-8th Avenue S.W.
Calgary, Alberta T2P 3S8

WINNIPEG
1400-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

TORONTO
Suite 1400
200 King Street W.
Toronto, Ontario M5H 3T4

MONTREAL
Suite 500
1010 Sherbrooke Street West
Montreal, Quebec H3A 2R7

UNITED STATES OFFICES

INDIVIDUAL

ARIZONA

Phoenix
Suite 500, The Esplanade
2425 E. Camelback Road
Phoenix, AZ 85016

CALIFORNIA

Fresno
Suite 115, 575 E. Locust
Fresno, CA 93710

Los Angeles
Suite 660, 3699 Wilshire Blvd.
Los Angeles, CA 90010

San Francisco
Suite 1460
350 California Street
San Francisco, CA 94104

COLORADO

Denver
Suite 2800
1775 Sherman
Denver, CO 80203

CONNECTICUT

Hartford
Suite 225
100 Constitution Plaza
Hartford, CT 06103

FLORIDA

Fort Lauderdale
Suite 119
4700 North State Road 7
Ft. Lauderdale, FL 33319

GEORGIA

Atlanta
Suite 208, One Piedmont Center
Atlanta, GA 30305

ILLINOIS

Chicago
Suite 2160
LaSalle Bank Building
135 South LaSalle Street
Chicago, IL 60603

INDIANA

Indianapolis
Suite 550
8900 Keystone Crossing
Indianapolis, IN 46240

KANSAS

Kansas City
Suite 506, Lighton Plaza
7300 College Blvd.
Overland Park, KS 66210

MARYLAND

Columbia
Suite 610
5950 Symphony Woods Road
Columbia, MD 21044

MASSACHUSETTS

Boston
Suite 770
21 Custom House St.
Boston, MA 02110

MICHIGAN

Detroit
Suite 340
28588 Northwestern Hwy.
Southfield, MI 48034

Grand Rapids
Suite 2000
Campau Square Building
180 Monroe N.W.
Grand Rapids, MI 49503

MINNESOTA

Minneapolis
Suite 100
7101 Metro Boulevard
Minneapolis, MN 55435

MISSOURI

St. Louis
Suite 510
7700 Bonhomme Avenue
Clayton, MO 63105

NORTH CAROLINA

Charlotte
N.C. Federal Building
6201 Fairview Road
Charlotte, NC 28210

NORTH DAKOTA

Fargo
Suite 100
1351 Page Drive
Fargo, ND 58103

OHIO

Cleveland
Suite 225
25800 Science Park Dr.
Beachwood, OH 44122

Columbus
Suite 375
700 Ackerman Road
Columbus, OH 43202

OREGON

Portland
Suite 200, Macadam Center
5125 S.W. Macadam Avenue
Portland, OR 97201

PENNSYLVANIA

Philadelphia
Suite 400, 2130 Arch Street
Philadelphia, PA 19103

TEXAS

Dallas
Suite 950
7557 Rambler Road
Dallas, TX 75231

Houston
Suite 1710, 24 Greenway Plaza
Houston, TX 77046

WASHINGTON

Seattle
Suite 105
3005-112th Avenue N.E.
Bellevue, WA 98004

WISCONSIN

Milwaukee
Suite 545, Commerce Centre
744 N. 4th Street
Milwaukee, WI 53203

GROUP

ARIZONA

Phoenix
Suite 500, The Esplanade
2425 E. Camelback Road
Phoenix, AZ 85016

CALIFORNIA

Los Angeles
Suite 660, 3699 Wilshire Blvd.
Los Angeles, CA 90010

San Francisco
18th floor
Spear Street Tower
1 Market Plaza
San Francisco, CA 94105

San Jose
Suite 440
226 Airport Parkway
San Jose, CA 95110

Santa Ana
Koll Center Irvine #550
18500 Von Karman Avenue
Irvine, CA 92715

COLORADO

Denver
Suite 2900
1775 Sherman Street
Denver, CO 80203

CONNECTICUT

Windsor
Suite 403
350 Bloomfield Avenue
Windsor, CT 06095

FLORIDA

Fort Lauderdale
Suite 522
800 Corporate Drive
Fort Lauderdale, FL 33334

Tampa
Suite 1150, Tower Place
1511 North Westshore Blvd.
Tampa, FL 33607

GEORGIA

Atlanta
Suite 630, Building 400
1000 Abernathy Road
Atlanta, GA 30328

ILLINOIS

Chicago
Suite 370
9701 West Higgins Road
Rosemont, IL 60018

MARYLAND

Baltimore
Suite 750
250 W. Pratt Street
Baltimore, MD 21201

MASSACHUSETTS

Wellesley
Suite 110
20 William Street
Wellesley, MA 02181

MICHIGAN

Detroit
Suite 2200
100 Renaissance Center
Detroit, MI 48243

Grand Rapids
Suite 103
2851 Charlevoix Drive S.E.
Grand Rapids, MI 49546

MINNESOTA

Minneapolis
Suite 150, 7101 Metro Blvd.
Edina, MN 55435

MISSOURI

St. Louis
Suite 500
7700 Bonhomme Avenue
Clayton, MO 63105

NEW JERSEY

Parsippany Corporate Center
10 Sylvan Way
Parsippany, NJ 07054

NORTH CAROLINA

Charlotte
N.C. Federal Building
Suite 201, 6201 Fairview Road
Charlotte, NC 28210

OHIO

Cleveland
Suite 225, Corporate Place
25800 Science Park Drive
Beachwood, OH 44122-8003

Columbus
Suite 360
700 Ackerman Road
Columbus, OH 43202

OKLAHOMA

Oklahoma City
Suite 590, 50 Penn Place
Oklahoma City, OK 73118

OREGON

Portland
Suite 910, 121 S.W. Morrison
Portland, OR 97204

PENNSYLVANIA

Philadelphia
Suite 320, 640 Lee Road
Wayne, PA 19087

TEXAS

Dallas
Suite 1100, 7557 Rambler Road
Dallas, TX 75231

Houston
Suite 1525, 3000 Post Oak Blvd.
Houston, TX 77056-6577

WASHINGTON

Seattle
Suite 200
Corporate Campus East
3005-112th Avenue N.E.
Bellevue, WA 98009

WASHINGTON, D.C.

Suite 370
2445 M. Street N.W.
Washington, DC 20037

BENEFIT PAYMENT

ATLANTA
Suite 2295 Tower Place
3340 Peachtree Road N.E.
Atlanta, GA 30326

Suite 400
1200 Ashwood Parkway
Atlanta, GA 30338

CHICAGO
Suite 200
230 West Monroe Street
Chicago, IL 60606

CLEVELAND
25145 Country Club Blvd.
North Olmsted, OH 44070

COLUMBUS
1377 Dublin Road
Columbus, OH 43215

DALLAS
Suite 296, 7557 Rambler Road
Dallas, TX 75231

DENVER
Suite 2900
7400 E. Orchard Road
Englewood, CO 80111

DETROIT
Suite 2166
200 Renaissance Center
Detroit, MI 48243

LOS ANGELES
Suite 400, 225 W. Broadway
Glendale, CA 91209

MINNEAPOLIS
Suite 100, 7151 Metro Blvd.
Minneapolis, MN 55435

NEW JERSEY
517 Route One, South
Woodbridge Place
Iselin, NJ 08830

PHILADELPHIA
Suite 350
200 Gibralter Road
Horsham, PA 19044-1000

PITTSBURGH
Suite 101
420 Rouser Road
Caraopolis, PA 15108

PORTLAND
Suite 160
1800 S.W. 1st Avenue
Harrison Square Bldg.
Portland, OR 97201

ST. LOUIS
Suite 550
7700 Bonhomme Avenue
Clayton, MO 63105

SAN FRANCISCO
Suite 830-333 Market Street
San Francisco, CA 94105

SEATTLE
Suite 210
Corporate Campus East
3005-112th Avenue N.E.
Bellevue, WA 98004

TAMPA
Suite 301, 5445 W. Cypress
Tampa, FL 33607

REAL ESTATE

CHICAGO
Suite 132, 1100 Jorie Blvd.
Oak Brook, IL 60521

DALLAS
Suite 122
12606 Greenville Avenue
Dallas, TX 75243

DENVER
Suite 230
7400 East Orchard Road
Englewood, CO 80111

HOUSTON
Suite 1200, 55 Waugh Drive
Houston, TX 77007

The Company is represented by mortgage correspondents in its major operational regions in the United States.

Great-West Lifeco Inc.

THE
Great-West Life
ASSURANCE COMPANY

MEMBERS OF THE POWER FINANCIAL CORPORATION GROUP OF COMPANIES

Printed in Canada