

SECURITIES AND EXCHANGE COMMISSION

**FORM 485BPOS**

Post-effective amendments [Rule 485(b)]

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**FILER**

**SEPARATE ACCOUNT B OF GOLDEN AMERICAN LIFE  
INSURANCE CO**

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-4

REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933  
Pre-Effective Amendment No. \_\_\_\_\_  
Post-Effective Amendment No. 3  
and/or

REGISTRATION STATEMENT UNDER  
THE INVESTMENT COMPANY ACT OF 1940  
Amendment No. 58

SEPARATE ACCOUNT B  
(EXACT NAME OF REGISTRANT)

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
(NAME OF DEPOSITOR)

1001 Jefferson Street  
Wilmington, DE 19801  
302-576-3400

(ADDRESS AND TELEPHONE NUMBER OF DEPOSITOR'S PRINCIPAL OFFICES)

Marilyn Talman, Esq.  
Golden American Life Insurance Company  
1001 Jefferson Street, Suite 400  
Wilmington, DE 19801  
(NAME AND ADDRESS OF AGENT FOR SERVICE  
OF PROCESS)

COPY TO:  
Stephen E. Roth, Esq.  
Sutherland Asbill & Brennan LLP  
1275 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-2404

APPROXIMATE DATE OF PROPOSED PUBLIC OFFERING:

A soon as practical after the effective date of the Registration Statement

IT IS PROPOSED THAT THIS FILING WILL BECOME EFFECTIVE:

- immediately upon filing pursuant to paragraph (b) of Rule 485
- on December 7, 1998 pursuant to paragraph (b) of Rule 485
- 60 days after filing pursuant to paragraph (a)(1) of Rule 485
- on \_\_\_\_\_ pursuant to paragraph (a)(1) of Rule 485

IF APPROPRIATE, CHECK THE FOLLOWING BOX:

- this Post-Effective Amendment designates a new effective date for a previously filed Post-Effective Amendment.

TITLE OF SECURITIES BEING REGISTERED:

Deferred Combination Variable and Fixed Annuity Contracts

PART A

PROSPECTUS SUPPLEMENT

PREMIUM PLUS PROSPECTUS SUPPLEMENT

FOR USE IN STATES WHICH DO NOT PERMIT MARKET VALUE ADJUSTMENTS

PROSPECTUS SUPPLEMENT

DATED DECEMBER 7, 1998

Supplement to the  
Prospectus dated DECEMBER 7, 1998 for  
DEFERRED COMBINATION VARIABLE AND FIXED ANNUITY CONTRACT  
issued  
by Golden American Life Insurance Company  
(the "GoldenSelect PREMIUM PLUS Prospectuses")

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This supplement should be retained with your Prospectus.

A Fixed Interest Division option is available through the group and individual deferred variable annuity contracts offered by Golden American Life Insurance Company. The Fixed Interest Division is part of the Golden American General Account. Interests in the Fixed Interest Division have not been registered under the Securities Act of 1933, and neither the Fixed Interest Division nor the General Account are registered under the Investment Company Act of 1940.

Interests in the Fixed Interest Division are offered through an Offering Brochure, dated October 1, 1997. The Fixed Interest Division is different from the Fixed Account which is described in the prospectus but which is not available in your state. When reading through the GoldenSelect PREMIUM PLUS Prospectus, the Fixed Interest Division should be counted among the various divisions available for the allocation of your premiums, in lieu of the Fixed Account. The Fixed Interest Division may not be available in some states. Some restrictions may apply.

More complete information relating to the Fixed Interest Division is found in the Offering Brochure. Please read the Offering Brochure carefully before you invest in the Fixed Interest Division.

G3316 FID PREMIUM PLUS 12/98

PROSPECTUS SUPPLEMENT

GOLDEN AMERICAN LIFE INSURANCE COMPANY

PROSPECTUS SUPPLEMENT

DECEMBER 7, 1998

SUPPLEMENT TO THE PROSPECTUS DATED DECEMBER 7, 1998 FOR DEFERRED COMBINATION VARIABLE AND FIXED ANNUITY CONTRACTS (THE "GOLDENSELECT/r/ PREMIUM PLUS PROSPECTUS") ISSUED BY GOLDEN AMERICAN LIFE INSURANCE COMPANY FOR USE ONLY IN THE STATE OF WASHINGTON

The following information supplements and replaces certain information contained in the Deferred Combination Variable and Fixed Annuity Prospectus, dated December 7, 1998 (the "Prospectus"). All capitalized terms have the meaning set forth in the Prospectus. This supplement should be retained with your Prospectus.

GoldenSelect PREMIUM PLUS contracts issued for delivery in the State of Washington will have a "5.5% Enhanced Death Benefit Option." This option replaces that referred to as the "7% Solution Enhanced Death Benefit Option" in the Prospectus. The following describes the option and its features.

The following replaces the paragraph titled "7% Solution Enhanced Death Benefit Option" on page 2 of the Prospectus:

5.5% Solution Enhanced Death Benefit Option

An enhanced death benefit option that may be elected only at issue and only if the Owner or Annuitant (when the Owner is other than an individual) is age 80 or younger. The enhanced death benefit provided by this option is equal to premiums paid plus any Credits accumulated at an annual rate of return of 5.5%, except on those premiums and Credits invested in the Liquid Asset Division, Limited Maturity Bond Division, and the General Account, as adjusted for additional premiums and partial withdrawals. Any Credit applied within twelve months prior to the date of death may reduce the death benefit. Each accumulated initial or additional premium payment plus any Credits reduced by any partial withdrawals taken will continue to grow at 5.5% for as long as the contract remains in force.

The following supplements the section titled "Fee Table," beginning on page 5 of the Prospectus:

The following changes the table titled "Annual Contract Fees" on page 5:

Administrative Charge..... \$30

The following changes the table titled "Separate Account Annual Expenses" on page 6:

Replace the column headed "7% Solution" with a column

identical to the column "Annual Ratchet" but headed "5.5% Solution" under the heading "Enhanced Death Benefit" (shown below):

	5.5% Solution
Mortality and Expense Risk Charge.....	1.40%
Asset Based Administrative Charge.....	0.15%
	-----
Total Separate Account Expenses.....	1.55%

The examples shown on pages 8 and 9 of the Prospectus are the highest expenses associated with a contract which would occur based on the election of the 7% Solution Enhanced Death Benefit Option. If all other assumptions are the same, the fees associated with an election of the 5.5% Solution Enhanced Death Benefit Option would not exceed those shown on pages 8 and 9.

The following changes the first two paragraphs under the heading "Death Benefit Options" on page 30:

Replace the text "7% Solution" with "5.5% Solution" in all instances.

The following replaces the discussion titled "7% Solution Enhanced Death Benefit Option" on page 30 of the Prospectus:

#### 5.5% Solution Enhanced Death Benefit Option

- (1) We take the enhanced death benefit from the prior Valuation Date. On the Contract Date, the enhanced death benefit is equal to the Initial Premium plus any Credits.
- (2) We calculate interest on (1) for the current Valuation Period at the enhanced death benefit interest rate, which rate is an annual rate of 5.5%; except that with respect to amounts in the Liquid Asset Division and the Limited Maturity Bond Division, the interest rate applied to such amounts will be the respective net rate of return for such Divisions during the current Valuation Period, if it is less than an annual rate of 5.5%; and except with respect to amounts in a Fixed Allocation, the interest rate applied to such amounts will be the interest credited to such Fixed Allocation during the current Valuation Period, if it is less than an annual rate of 5.5%.
- (3) We add (1) and (2).
- (4) We add to (3) any additional premiums paid and any Credits during the current Valuation Period.
- (5) We subtract from (4) any partial withdrawals (including any surrender charges incurred) made during the current Valuation Period.

The following supplements the paragraph titled "Administrative Charge," appearing on page 34 of the Prospectus:

The administrative charge, if applicable, is \$30 per Contract Year.

The following supplements the paragraph titled "Mortality and Expense Risk Charge," appearing on page 34 of the Prospectus:

The annual charge for the mortality and expense risk is the same as that described for the Annual Ratchet Death Benefit Option. If the 5.5% Solution Death Benefit Option is elected,

the charge is equivalent, on an annual basis, to 1.40% of the assets in each Division. The charge is deducted on each Valuation Date at the rate of .003863% for each day in the Valuation Period.

This supplement should be retained with your GoldenSelect/r/  
PREMIUM PLUS Prospectus.

Golden American Life Insurance Company  
Golden American Life Insurance Company is a stock company domiciled  
in Wilmington, Delaware

IN G3760-WA PREMIUM PLUS 12/98

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
Golden American Life Insurance Company is a stock company domiciled in  
Wilmington, Delaware

DEFERRED COMBINATION VARIABLE AND  
FIXED ANNUITY PROSPECTUS  
GOLDENSELECT PREMIUM PLUS

-----  
This prospectus describes group and individual deferred variable annuity Contracts (the "Contract") offered by Golden American Life Insurance Company ("Golden American" "we" "our" or "us"). The Owner ("you" or "your") purchases the Contract with an Initial Premium and is permitted to make additional premium payments.

The Contract is funded by two accounts, Separate Account B ("Account B") and the Fixed Account (collectively, the "Accounts").

Twenty-three Divisions of Account B are currently available under the Contract. The investments available through the Divisions of Account B include mutual fund portfolios (the "Series") of The GCG Trust (the "GCG Trust"), the Warburg Pincus Trust (the "WP Trust") and the PIMCO Variable Insurance Trust (the "PIMCO Trust"). The investments available through the Fixed Account include various Fixed Allocations which we credit with fixed rates of interest for the Guarantee Periods you select. We currently offer Guarantee Periods with durations of 6 months and 1, 3, 5, 7 and 10 years. We reserve the right at any time to increase or decrease the number of Guarantee Periods offered. Not all Guarantee Periods may be available.

This prospectus describes the Contract and provides background information regarding Account B and the Fixed Account. The prospectuses for the GCG Trust, the WP Trust and the PIMCO Trust (individually, "a Trust," and collectively, "the Trusts"), which must accompany this prospectus, provide information regarding investment activities and policies of the Trusts.

You may allocate your premiums and Credits among the twenty-three Divisions and the Fixed Allocations available under the Contract in any way you choose, subject to certain restrictions. You may change the allocation of your Accumulation Value during a Contract Year free of charge. We reserve the right, however, to assess a charge for each allocation change after the twelfth allocation change in a Contract Year.

Your Accumulation Value in Account B will vary in accordance with the investment performance of the Divisions selected by you. Therefore, you bear the entire investment risk for all amounts allocated to Account B. You also bear investment risk with respect to surrenders, partial withdrawals, transfers and annuitization from a Fixed Allocation prior

to the end of the applicable Guarantee Period. Such surrender, partial withdrawal, transfer or annuitization may be subject to a Market Value Adjustment, which could have the effect of either increasing or decreasing your Accumulation Value.

We will pay a death benefit to the Beneficiary if the Owner dies prior to the Annuity Commencement Date or the Annuitant dies prior to the Annuity Commencement Date when the Owner is other than an individual.

This prospectus describes your principal rights and limitations and sets forth the information concerning the Accounts that investors should know before investing. A Statement of Additional Information, dated December 7, 1998, about Account B has been filed with the Securities and Exchange Commission ("SEC") and is available without charge upon request. To obtain a copy of this document call or write our Customer Service Center. The Table of Contents of the Statement of Additional Information may be found on the last page of this prospectus. The Statement of Additional Information is incorporated herein by reference.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CONTRACTS AND UNDERLYING SERIES SHARES WHICH FUND THE CONTRACTS ARE NOT INSURED BY THE FDIC OR ANY OTHER AGENCY. THEY ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK AND ARE NOT BANK GUARANTEED. THEY ARE SUBJECT TO MARKET FLUCTUATION, REINVESTMENT RISK AND POSSIBLE LOSS OF PRINCIPAL INVESTED.

PLEASE READ THIS PROSPECTUS AND KEEP IT FOR FUTURE REFERENCE. IT IS NOT VALID UNLESS ACCOMPANIED BY THE CURRENT PROSPECTUSES FOR THE GCG TRUST, THE WP TRUST AND THE PIMCO TRUST.

THE FIXED ACCOUNT AND ENHANCED DEATH BENEFITS MAY NOT BE AVAILABLE IN ALL STATES. YOU MAY CONTACT OUR CUSTOMER SERVICE CENTER TO FIND OUT ABOUT STATE AVAILABILITY.

<TABLE>		
<CAPTION>		
ISSUED BY:	DISTRIBUTED BY:	ADMINISTERED AT:
<S><C>		
Golden American Life Insurance Company	Directed Services, Inc. Wilmington, Delaware 19801	Customer Service Center Mailing Address: P.O. Box 8794 Wilmington, Delaware 19899-8794 1-800-366-0066
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PROSPECTUS DATED: DECEMBER 7, 1998

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DEFINITION OF TERMS

ACCOUNTS -- Separate Account B and the Fixed Account.

ACCUMULATION VALUE -- The total amount invested under the Contract. Initially, this amount is equal to the premium paid plus any Credit. Thereafter, the Accumulation Value will reflect the premiums paid, plus any Credit, investment experience of the Divisions and interest credited to your Fixed Allocations, charges deducted and any partial withdrawals.

ANNUAL RATCHET ENHANCED DEATH BENEFIT OPTION -- An enhanced death benefit option that may be elected only at issue and only if the Owner or Annuitant (when the Owner is other than an individual) is age 79 or younger. The enhanced death benefit provided by this option is the highest Accumulation Value on any Contract Anniversary on or prior to the Owner turning age 80, as adjusted for additional premiums, credits and partial withdrawals. The death benefit may be reduced for any Credit applied within 12 months prior to the date of death.

ANNUITANT -- The person designated by the Owner to be the measuring life in determining Annuity Payments.

ANNUITY COMMENCEMENT DATE -- The date on which Annuity Payments begin.

ANNUITY OPTIONS -- Options the Owner selects that determine the form and amount of Annuity Payments.

ANNUITY PAYMENT -- The periodic payment an Owner receives. It may be either a fixed or a variable amount based on the Annuity Option chosen.

ATTAINED AGE -- The Issue Age of the Owner or Annuitant plus the number of full years elapsed since the Contract Date.

BENEFICIARY -- The person designated to receive benefits in the case of the death of the Owner or the Annuitant (when the Owner is other than an individual).

BUSINESS DAY -- Any day the New York Stock Exchange ("NYSE") is open for trading, exclusive of Federal holidays, or any day on which the SEC requires that mutual funds, unit investment trusts or other investment portfolios be valued.

CASH SURRENDER VALUE -- The amount the Owner receives upon surrender of the Contract, including any Market Value Adjustment.

CHARGE DEDUCTION DIVISION -- The Division from which all charges are deducted if so designated by you. The Charge Deduction Division currently is the Liquid Asset Division.

CONTINGENT ANNUITANT -- The person designated by the Owner who, upon the Annuitant's death prior to the Annuity Commencement Date, becomes the Annuitant.

CONTRACT -- The entire Contract consisting of the basic Contract and any riders or endorsements.

CONTRACT ANNIVERSARY -- The anniversary of the Contract Date.

CONTRACT DATE -- The date on which we have received the Initial Premium and upon which we begin determining the Contract values. It may or may not be the same as the Issue Date. This date is used to determine Contract months, processing dates, years and anniversaries.

CONTRACT PROCESSING DATES -- The days when we deduct certain charges from the Accumulation Value. If the Contract Processing Date is not a Valuation Date, it will be on the next succeeding Valuation Date. The Contract Processing Dates will be once each year on the Contract Anniversary.

CONTRACT PROCESSING PERIOD -- The first Contract processing period begins with the Contract Date and ends at the close of business on the first Contract Processing Date. All subsequent Contract processing periods begin at the close of business on the most recent Contract Processing Date and extend to the close of business on the next Contract Processing Date. There is one Contract processing period each year.

CONTRACT YEAR -- The period between Contract anniversaries.

CREDIT -- An amount added to the Contract's Accumulation Value at the time a premium payment is made.

CUSTOMER SERVICE CENTER -- Where service is provided to you. The mailing address and telephone number of the Customer Service Center are shown on the cover.

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DIVISIONS -- The investment options available under Account B.

ENDORSEMENTS -- An endorsement changes or adds provisions to the Contract.

EXPERIENCE FACTOR -- The factor which reflects the investment experience of the portfolio in which a Division invests and also reflects the charges assessed against the Division for a Valuation Period.

FIXED ACCOUNT -- An Account which contains all of our assets that support Owner Fixed Allocations and any interest credited thereto.

FIXED ALLOCATION -- An amount allocated to the Fixed Account that is credited with a Guaranteed Interest Rate for a specified Guarantee Period.

FREE LOOK PERIOD -- The period of time within which the Owner may examine the Contract and return it for a refund.

GUARANTEED INTEREST RATE -- The effective annual interest rate which we will credit for a specified Guarantee Period. The Guaranteed Interest Rate will never be less than 3%.

GUARANTEE PERIOD -- The period of time for which a rate of interest is guaranteed to be credited to a Fixed Allocation. We currently offer Guarantee Periods with durations of 6 months (actual Guarantee Period of one-half or 0.5 year) and 1, 3, 5, 7 and 10 years.

INDEX OF INVESTMENT EXPERIENCE -- The index that measures the performance of a Division.

INITIAL PREMIUM -- The payment required to put a Contract into effect.

ISSUE AGE --- The Owner's or Annuitant's age on his or her last birthday on or before the Contract Date.

ISSUE DATE -- The date the Contract is issued at our Customer Service Center.

MARKET VALUE ADJUSTMENT -- A positive or negative adjustment made to a Fixed Allocation. It may apply to certain withdrawals and transfers, whether in whole or in part, and annuitizations of all or part of a Fixed Allocation prior to the end of a Guarantee Period.

MATURITY DATE -- The date on which a Guarantee Period matures.

OWNER -- The person who owns the Contract and is entitled to exercise all rights under the Contract. This person's death also initiates payment of the death benefit.

RIDER -- A rider amends the Contract, in certain instances adding benefits.

7% SOLUTION ENHANCED DEATH BENEFIT OPTION -- An enhanced death benefit option that may be elected only at issue and only if the Owner or Annuitant (when the Owner is other than an individual) is age 80 or younger. The enhanced death benefit provided by this option is equal to premiums paid plus Credits accumulated at an annual rate of return of 7%, except those invested in the Liquid Asset Division, Limited Maturity Bond Division, and the Fixed Account, as adjusted for additional premiums, Credits and partial withdrawals. Any Credit applied within twelve months prior to the date of death may reduce the death benefit. Each accumulated initial or additional premium payment, including any Credit and reduced by any partial withdrawals taken will continue to grow at 7% until it reaches the maximum enhanced death benefit.

SPECIALLY DESIGNATED DIVISION -- The Division to which distributions from a portfolio underlying a Division in which reinvestment is not available will be allocated unless you specify otherwise. The Specially Designated Division currently is the Liquid Asset Division.

STANDARD DEATH BENEFIT OPTION -- The death benefit option that you will

receive under the Contract unless one of the enhanced death benefit options is elected. The death benefit provided by this option is equal to the greatest of (i) Accumulation Value less an amount equal to all Credits applied within 12 months prior to the date of the death; (ii) total premium payments less any partial withdrawals; and (iii) Cash Surrender Value.

VALUATION DATE -- The day at the end of a Valuation Period when each Division is valued.

VALUATION PERIOD -- Each business day together with any non-business days before it.

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SUMMARY OF THE CONTRACT

This prospectus has been designed to provide you with information regarding the Contract and the Accounts which fund the Contract. Information concerning the Series underlying the Divisions of Account B is set forth in the Trusts' prospectuses.

This summary is intended to provide only a very brief overview of the more significant aspects of the Contract. Further detail is provided in this prospectus and in the Contract. The Contract, together with any Riders or Endorsements, constitutes the entire agreement between you and us and should be retained.

This prospectus has been designed to provide you with the necessary information to make a decision on purchasing the Contract. You have a choice of investments. We do not promise that your Accumulation Value will increase. Depending on the investment experience of the Divisions and interest credited to the Fixed Allocations in which you are invested, your Accumulation Value, Cash Surrender Value and death benefit may increase or decrease on any day. You bear the investment risk.

DESCRIPTION OF THE CONTRACT

This Contract provides a 4% Credit to each Purchase Payment which increases the Accumulation Value, except for certain circumstances. See Additional Credit to Premium. The Contract is designed to establish retirement benefits for two types of purchasers. The first type of purchaser is one who is eligible to participate in, and purchases a Contract for use with, a "qualified plan." A qualified plan is an individual retirement annuity ("IRA") or another annuity meeting the requirements of section 408(b) or other sections of the Internal Revenue Code of 1986, as amended (the "Code"), an individual retirement annuity ("Roth IRA") meeting the requirements of section 408A of the Code, or some other retirement plan meeting the respective section of the Code. For a Contract funding a qualified plan, distributions may be made to you to satisfy requirements imposed by Federal tax law. The second type of purchaser is one who purchases a Contract outside of a qualified plan ("non-qualified plan").

The Contract also offers a choice of Annuity Options to which you may apply all or a portion of the Accumulation Value on the Annuity Commencement Date or the Cash Surrender Value upon surrender of the Contract. See Choosing Your Annuity Options.

AVAILABILITY

We can issue a Contract if both the Annuitant and the Owner are not older than age 85 and accept additional premium payments until either the Annuitant or Owner reaches the Attained Age of 85 for non-qualified plans (age 70 for qualified plans, except for rollover contributions and contributions to a Roth IRA). The minimum Initial Premium is \$10,000 for a non-qualified plan and \$1,500 for a qualified plan. We may change the minimum initial or additional premium requirements for certain group or sponsored arrangements. See Other Contract Provisions,

## Group or Sponsored Arrangements.

The minimum additional premium payment we will accept is \$500 for a non-qualified plan and \$250 for a qualified plan. You must receive our prior approval before making a premium payment that causes the Accumulation Value of all annuities that you maintain with us to exceed \$1,000,000.

The annual limits on contributions to IRAs and Roth IRAs are described under Federal Tax Considerations.

## THE DIVISIONS

Each of the twenty-three Divisions of Account B offered under this prospectus invests in a mutual fund portfolio with its own distinct investment objectives and policies. Each Division of Account B invests in a corresponding Series of the GCG Trust, managed by Directed Services, Inc. ("DSI"), a corresponding Series of the WP Trust, managed by Warburg Pincus Asset Management, Inc. ("Warburg") or a corresponding Series of the PIMCO Trust, managed by Pacific Investment Management Company ("PIMCO"). The GCG Trust and DSI have retained several portfolio managers to manage the assets of each Series of the GCG Trust. See Facts About the Company and the Accounts, Account B Divisions.

## HOW THE ACCUMULATION VALUE VARIES

The Accumulation Value in the Divisions varies each day based on investment results. You bear the risk of poor investment performance and you receive the benefits from favorable investment performance. The Accumulation

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Value also reflects premium payments, Credits, charges deducted and partial withdrawals. See Facts About the Contract, Accumulation Value in each Division.

## THE FIXED ACCOUNT

The investments available through the Fixed Account include various Fixed Allocations which we credit with fixed rates of interest for the Guarantee Periods you select. We reset the interest rates for new Guarantee Periods periodically based on our sole discretion. We may offer Guarantee Periods from 6 months to ten years. We currently offer Guarantee Periods with durations of 6 months and 1, 3, 5, 7 and 10 years. Additionally, we may offer one or more additional Guarantee Periods only in conjunction with dollar cost averaging -- DCA Fixed Allocations.

You bear investment risk with respect to surrenders, partial withdrawals, transfers and annuitization from your Fixed Allocations. A surrender, partial withdrawal, transfer or annuitization made prior to the end of a Guarantee Period may be subject to a Market Value Adjustment, which could have the effect of either increasing or decreasing your Accumulation Value. We will not apply a Market Value Adjustment on a surrender, partial withdrawal, transfer or annuitization made within 30 days prior to the Maturity Date of the applicable Guarantee Period or certain transfers made in connection with the dollar cost averaging program. Systematic withdrawals from a Fixed Allocation also are not subject to a Market Value Adjustment.

## MARKET VALUE ADJUSTMENT

We will apply a Market Value Adjustment, subject to certain exceptions, to a surrender, partial withdrawal, transfer or annuitization from a Fixed Allocation made prior to the end of a Guarantee Period. The Market Value Adjustment does not apply to amounts invested in Account B.

#### SURRENDERING YOUR CONTRACT

You may surrender the Contract and receive its Cash Surrender Value at any time while both the Annuitant and Owner are living and before the Annuity Commencement Date. See Facts About the Contract, Cash Surrender Value and Surrendering to Receive the Cash Surrender Value.

#### TAKING PARTIAL WITHDRAWALS

After the Free Look Period, prior to the Annuity Commencement Date and while the Contract is in effect, you may take partial withdrawals from the Accumulation Value of your Contract. You may elect in advance to take systematic partial withdrawals on a monthly, quarterly, or annual basis. If you have an IRA Contract or a Roth IRA Contract, you may elect IRA partial withdrawals on a monthly, quarterly or annual basis.

Partial withdrawals are subject to certain restrictions as defined in this prospectus, including a surrender charge and a Market Value Adjustment. Partial withdrawals above a specified percentage of your Accumulation Value may be subject to a surrender charge. See Facts About the Contract, Partial Withdrawals.

#### DOLLAR COST AVERAGING

Under this program, you may choose to have a specified dollar amount transferred from either the Limited Maturity Bond Division or the Liquid Asset Division or from a Fixed Allocation with either a 6 month or a one year Guarantee Period to the (other) Divisions of Account B on a monthly basis with the objective of shielding your investment from short-term price fluctuations. We may also offer one or more DCA Fixed Allocations with a Guarantee Period of 6 months or one year only in conjunction with dollar cost averaging. See Facts About the Contract, Dollar Cost Averaging.

#### YOUR RIGHT TO CANCEL THE CONTRACT

You may cancel your Contract within the Free Look Period which is a ten day period of time beginning once you receive the Contract. For purposes of administering our allocation and certain other administrative rules, we deem this period to end 15 days after the Contract is mailed from our Customer Service Center. Some states may require that we provide a longer free look period. In some states we restrict the Initial Premium allocation during the Free Look Period. See Other Contract Provisions, Your Right to Cancel or Exchange Your Contract.

#### YOUR RIGHT TO CHANGE THE CONTRACT

The Contract may be changed to another annuity plan subject to our rules at the time of the change. See Other Contract Provisions, Other Contract Changes.

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#### DEATH BENEFIT OPTIONS

The Contract provides a death benefit to the Beneficiary if the Owner dies prior to the Annuity Commencement Date. Subject to our rules, there are three death benefit options that may be available to you under the Contract: the Standard Death Benefit Option; the 7% Solution Enhanced Death Benefit Option; and the Annual Ratchet Enhanced Death Benefit Option. See Facts About the Contract, Death Benefit Options. We may offer a reduced death benefit under certain group and sponsored arrangements. See Other Contract Provisions, Group or Sponsored Arrangements.

#### DEDUCTIONS FOR CHARGES AND FEES

We invest the entire amount of the initial and any additional premium payments in the Divisions and the Fixed Allocations you select, subject to certain restrictions we impose. See Facts About the Contract, Restrictions on Allocation of Premium Payments. We then may deduct an annual Contract fee from your Accumulation Value. See Other Contract

Provisions, Charges and Fees. We may reduce certain charges under group or sponsored arrangements. See Other Contract Provisions, Group or Sponsored Arrangements. Unless you have elected the Charge Deduction Division, charges are deducted proportionately from all Account B Divisions in which you are invested. If there is no Accumulation Value in these Divisions, charges will be deducted from your Fixed Allocations starting with Guarantee Periods nearest their Maturity Dates until such charges have been deducted.

FEDERAL INCOME TAXES

The ultimate effect of Federal income taxes on the amounts held under an annuity Contract, on Annuity Payments and on the economic benefits to the Owner, Annuitant or Beneficiary depends on Golden American's tax status and upon the tax status of the individuals concerned. In general, an Owner is not taxed on increases in value under an annuity Contract until some form of distribution is made under it. There may be tax penalties if you make a withdrawal or surrender the Contract before reaching age 59 1/2. See Federal Tax Considerations.

OTHER CONTRACTS

We offer other variable annuity contracts which also invest in many of the same Series of the Trusts. These contracts may have different charges that could affect contract performance, and may offer different benefits more suitable to your needs. To obtain information about these contracts, contact your agent, or call 1-800-366-0066.

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FEE TABLE

TRANSACTION EXPENSES (1)

Contingent Deferred Sales Charge(2) (imposed as a percentage of premium payments withdrawn upon excess partial withdrawal or surrender):(3)

COMPLETE YEARS SINCE PREMIUM	ELAPSED SURRENDER PAYMENT CHARGE
0	8%
1	8%
2	8%
3	8%
4	7%
5	6%
6	5%
7	3%
8	1%
9+	0%

Excess Allocation Charge ..... \$0 (4)

ANNUAL CONTRACT FEES:

Administrative Charge ..... \$40  
(Waived if the Accumulation Value equals or exceeds \$100,000 at the end of the Contract Year, or once the sum of premiums paid equals or exceeds \$100,000.)

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SEPARATE ACCOUNT ANNUAL EXPENSES (percentage of assets in each Division):(5)

	STANDARD	ENHANCED DEATH BENEFIT	
	DEATH BENEFIT	ANNUAL RATCHET	7% SOLUTION
Mortality and Expense Risk Charge .....	1.25%	1.40%	1.55%
Asset Based Administrative Charge .....	0.15%	0.15%	0.15%
Total Separate Account Expenses .....	1.40%	1.55%	1.70%

THE GCG TRUST ANNUAL EXPENSES (as a percentage of the average daily net assets of a Series or on the combined average daily net assets of the indicated groups of Series):

SERIES	MANAGEMENT FEES (6)	OTHER EXPENSES (7) AFTER EXPENSE REIMBURSEMENT (8)	TOTAL EXPENSES AFTER EXPENSE REIMBURSEMENT (8)
Multiple Allocation, Fully Managed, Capital Appreciation, Rising Dividends, All-Growth, Real Estate, Hard Assets, Value Equity, Strategic Equity, and Small Cap Series:	0.98%	0.01%	0.99%
Mid-Cap Growth and Total Return Series(9):	0.96%	0.01%	0.97%
Research Series(9):	0.96%	0.00%	0.96%
Growth Opportunities, Growth & Income and Value + Growth Series:	1.10%	0.01%	1.11%
Developing World Series:	1.75%	0.05%	1.80%
Global Fixed Income Series:	1.60%	0.00%	1.60%
Limited Maturity Bond and Liquid Asset Series:	0.60%	0.01%	0.61%

THE WP TRUST ANNUAL EXPENSES (as a percentage of the average daily net assets of a Series):

SERIES	FEES	OTHER EXPENSES AFTER EXPENSE REIMBURSEMENT (10)	TOTAL EXPENSES AFTER EXPENSE REIMBURSEMENT (10)
International Equity Portfolio:	1.00%	0.36%	1.36%

THE PIMCO TRUST ANNUAL EXPENSES (as a percentage of the average daily net assets of a Series):

SERIES	FEES	OTHER EXPENSES (11)	TOTAL EXPENSES (11)
PIMCO High Yield Bond Portfolio:	0.50%	0.25%	0.75%
PIMCO StocksPLUS Growth and Income Portfolio:	0.40%	0.25%	0.65%

(1) A Market Value Adjustment, which may increase or decrease your Accumulation Value, may apply to certain transactions. See Market Value Adjustment.

(2) We also deduct a charge for premium taxes (which can range from 0% to 3.5% of premium) from your Accumulation Value upon surrender, excess partial withdrawals or on the Annuity Commencement Date. See Premium Taxes.

(3) For purposes of calculating the surrender charge for the excess partial withdrawal, (i) we treat premium payments as being withdrawn on a first-in first-out basis, and (ii) amounts withdrawn which are not considered an excess partial withdrawal are not treated as a withdrawal of any premium payments. See Charges



Deducted from the Accumulation Value, Surrender Charge for Excess Partial Withdrawals.

- (4) We reserve the right to impose a charge in the future at a maximum of \$25 for each allocation change in excess of twelve per Contract Year. See Excess Allocation Charge.
- (5) See Facts About the Contract, Death Benefit Options, for a description of the Contract's Standard and Enhanced Death Benefit Options.
- (6) Management Fees decline as combined assets increase (see Account B Divisions and the Trust prospectuses for details).

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- (7) Other Expenses generally consist of independent trustees fees and expenses and certain expenses associated with investing in international markets. Other Expenses are estimated for the Growth Opportunities and Developing World Series, since as of December 31, 1997, these Series had not yet commenced operations.
- (8) DSI has agreed voluntarily to reimburse expenses and waive management fees, if necessary, to maintain total expenses at the levels shown for the Research, and the Global Fixed Income Series (formerly the International Fixed Income Portfolio). This agreement will remain in place through December 31, 1999, and after that time may be terminated at any time. Without this agreement and based on current estimates, Total Expenses would be 0.97%, and 1.65%, for the Research and the Global Fixed Income Series, respectively.
- (9) The assets of the Mid-Cap Growth, Research and the Total Return Series will be combined to determine the actual fee payable to DSI.
- (10) Total Expenses are based on actual expenses for the fiscal year ended December 31, 1997. Expenses for the Portfolio were reduced by 0.1% for the fiscal year ended December 31, 1997 as a result of certain arrangements that served to offset portions of the Portfolio's transfer agent expense. After reflecting these arrangements, "Total Expenses (after fee waivers)" for the Portfolio were 1.35% for the fiscal year ended December 31, 1997.
- (11) PIMCO has agreed to waive some or all of its administrative fee, subject to potential future reimbursement, to the extent that total portfolio operating expenses would exceed 0.75% of average daily net assets of the High Yield Bond Portfolio and 0.65% of average daily net assets of the StocksPLUS Growth and Income Portfolio due to payment by the Portfolios of their pro rata portions of Trustees' fees. Absent this contractual undertaking, the Portfolios' total operating expenses, based on estimates for the current fiscal year, would be 0.88% and 0.77%, respectively.

EXAMPLES:

The examples do not take into account any deduction for premium taxes. Premium taxes currently range from 0% to 3.5% of premium payments. There may be surrender charges if you choose to annuitize within the first five Contract Years.

If at issue you elect the 7% Solution Enhanced Death Benefit Option and you surrender your Contract at the end of the applicable time period, you would pay the following expenses for each \$1,000 of Initial Premium assuming a 5% annual return on assets:

DIVISION	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
Multiple Allocation	\$108.91	\$168.67	\$221.09	\$319.65
Fully Managed	\$108.91	\$168.67	\$221.09	\$319.65
Capital Appreciation	\$108.91	\$168.67	\$221.09	\$319.65
Rising Dividends	\$108.91	\$168.67	\$221.09	\$319.65
All-Growth	\$108.91	\$168.67	\$221.09	\$319.65
Real Estate	\$108.91	\$168.67	\$221.09	\$319.65
Hard Assets	\$108.91	\$168.67	\$221.09	\$319.65
Value Equity	\$108.91	\$168.67	\$221.09	\$319.65

Strategic Equity	\$108.91	\$168.67	\$221.09	\$319.65
Small Cap	\$108.91	\$168.67	\$221.09	\$319.65
Growth Opportunities	\$110.16	\$172.38	\$227.23	\$331.64
Developing World	\$117.29	\$193.46	\$261.81	\$397.64
Mid-Cap Growth	\$108.71	\$168.05	\$220.06	\$317.63
Research	\$108.60	\$167.74	\$219.55	\$316.62
Total Return	\$108.71	\$168.05	\$220.06	\$317.63
Growth & Income	\$110.06	\$172.07	\$226.72	\$330.65
Value + Growth	\$110.06	\$172.07	\$226.72	\$330.65
Global Fixed Income	\$115.23	\$187.39	\$251.91	\$379.02
International Equity	\$112.75	\$180.07	\$239.90	\$356.13
High Yield Bond	\$106.42	\$161.21	\$208.69	\$295.18
StocksPLUS Growth and Income	\$105.38	\$158.08	\$203.48	\$284.80
Limited Maturity Bond	\$104.96	\$156.83	\$201.39	\$280.62
Liquid Asset	\$104.96	\$156.83	\$201.39	\$280.62

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If at issue you elect the 7% Solution Enhanced Death Benefit Option and you do not surrender your Contract or if you annuitize on the Annuity Commencement Date, you would pay the following expenses for each \$1,000 of initial premium assuming a 5% annual return on assets:

DIVISION	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
Multiple Allocation	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Fully Managed	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Capital Appreciation	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Rising Dividends	\$ 28.91	\$ 88.67	\$151.09	\$319.65
All-Growth	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Real Estate	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Hard Assets	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Value Equity	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Strategic Equity	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Small Cap	\$ 28.91	\$ 88.67	\$151.09	\$319.65
Growth Opportunities	\$ 30.16	\$ 92.38	\$157.23	\$331.64
Developing World	\$ 37.29	\$113.46	\$191.81	\$397.64
Mid-Cap Growth	\$ 28.71	\$ 88.05	\$150.06	\$317.63
Research	\$ 28.60	\$ 87.74	\$149.55	\$316.62
Total Return	\$ 28.71	\$ 88.05	\$150.06	\$317.63
Growth & Income	\$ 30.06	\$ 92.07	\$156.72	\$330.65
Value + Growth	\$ 30.06	\$ 92.07	\$156.72	\$330.65
Global Fixed Income	\$ 35.23	\$107.39	\$181.91	\$379.02
International Equity	\$ 32.75	\$100.07	\$169.90	\$356.13
High Yield Bond	\$ 26.42	\$ 81.21	\$138.69	\$295.18
StocksPLUS Growth and Income	\$ 25.38	\$ 78.08	\$133.48	\$284.80
Limited Maturity Bond	\$ 24.96	\$ 76.83	\$131.39	\$280.62
Liquid Asset	\$ 24.96	\$ 76.83	\$131.39	\$280.62

The purpose of the Fee Table is to assist you in understanding the various costs and expenses that you will bear directly or indirectly. For purposes of computing the annual per Contract administrative charge, the dollar amounts shown in the examples are based on an Initial Premium of \$65,000.

The examples reflect the election at issue of the 7% Solution Enhanced Death Benefit Option. If the Standard Death Benefit Option or the Annual Ratchet Enhanced Death Benefit Option is elected, the actual expenses incurred will be less than those represented in the Examples.

THIS EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF PAST OR FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE

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 CONDENSED FINANCIAL AND OTHER INFORMATION

INDEX OF INVESTMENT EXPERIENCE

The following table gives the index of investment experience for each Division of Account B available under the Contract for each death benefit option. Information for the Growth Opportunities, Developing World, High Yield Bond and StocksPLUS Growth and Income Divisions is not available because they had not commenced operations as of December 31, 1997. The Divisions became available on October 1, 1997, and started with the index of investment experience as shown below, except for the Growth Opportunities and Developing World Divisions which became available for investment on February 19, 1998 and the High Yield Bond and StocksPLUS Growth and Income Divisions which became available for investment on May 1, 1998. The index of investment experience is equal to the value of a unit for each Division of the Accounts. The total investment value of each Division as of the end of 1997 is shown in the right hand columns.

<TABLE>  
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DIVISION	INDEX OF INVESTMENT EXPERIENCE						TOTAL INVESTMENT VALUE		
							IN THOUSANDS		
	STANDARD		ANNUAL RATCHET		7% SOLUTION		STANDARD	ANNUAL RATCHET	7% SOLUTION
	10/1/97	12/31/97	10/1/97	12/31/97	10/1/97	12/31/97	12/31/97	12/31/97	12/31/97
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Multiple Allocation	\$20.55	\$20.55	\$20.29	\$20.28	\$19.99	\$19.97	\$ 542	\$ 269	\$ 699
Fully Managed	\$19.49	\$19.66	\$19.24	\$19.40	\$18.96	\$19.11	\$ 725	\$ 552	\$2,064
Capital Appreciation	\$21.95	\$22.05	\$21.78	\$21.87	\$21.57	\$21.65	\$ 267	\$ 449	\$1,449
Rising Dividends	\$19.30	\$20.09	\$19.19	\$19.96	\$19.05	\$19.81	\$1,105	\$ 686	\$3,360
All-Growth	\$15.42	\$14.28	\$15.22	\$14.09	\$15.00	\$13.88	\$ 725	\$ 551	\$ 563
Real Estate	\$25.25	\$25.48	\$24.92	\$25.14	\$24.56	\$24.76	\$ 272	\$ 204	\$1,102
Hard Assets	\$24.00	\$20.57	\$23.68	\$20.29	\$23.34	\$19.99	\$ 88	\$ 98	\$ 213
Value Equity	\$18.85	\$18.28	\$18.78	\$18.20	\$18.67	\$18.09	\$ 517	\$ 737	\$2,117
Strategic Equity	\$14.14	\$14.31	\$14.10	\$14.26	\$14.04	\$14.20	\$ 188	\$ 229	\$ 704
Small Cap	\$13.85	\$12.88	\$13.82	\$12.84	\$13.78	\$12.81	\$ 754	\$ 259	\$1,280
Mid-Cap Growth	\$18.94	\$18.52	\$18.88	\$18.45	\$18.79	\$18.36	\$ 666	\$ 253	\$ 885
Research	\$19.33	\$18.87	\$19.24	\$18.77	\$19.15	\$18.67	\$1,106	\$ 561	\$2,892
Total Return	\$15.82	\$16.10	\$15.75	\$16.02	\$15.68	\$15.94	\$ 874	\$ 415	\$2,354
Growth + Income	\$15.99	\$15.41	\$15.95	\$15.36	\$15.92	\$15.32	\$1,569	\$2,472	\$3,772
Value + Growth	\$15.18	\$13.03	\$15.14	\$12.99	\$15.10	\$12.96	\$1,274	\$ 447	\$2,938
Limited Maturity									
Bond	\$15.72	\$15.91	\$15.52	\$15.70	\$15.29	\$15.47	\$ 268	\$ 159	\$ 195
Liquid Asset	\$13.71	\$13.83	\$13.53	\$13.65	\$13.33	\$13.44	\$1,818	\$ 846	\$4,009
Global Fixed Income	\$11.99	\$11.87	\$11.93	\$11.81	\$11.87	\$11.75	\$ 41	\$ 4	\$ 76
International Equity	\$11.57	\$ 9.90	\$11.62	\$ 9.95	\$11.60	\$ 9.92	\$ 381	\$ 359	\$ 724

</TABLE>

FINANCIAL STATEMENTS

The audited financial statements of Separate Account B for the years ended December 31, 1997 and 1996 (as well as the auditors' report thereon) appear in the Statement of Additional Information. The unaudited financial statements of Golden American for the nine months ended September 30, 1998 and the audited financial statements of Golden American prepared in accordance with generally accepted accounting principles for the years ended December 31, 1997 and 1996 (as well as the auditors' report thereon) are contained in the Prospectus.

## PERFORMANCE RELATED INFORMATION

Performance information for the Divisions of Account B, including the yields, standard annual total returns, and other non-standard measures of performance may appear in reports and promotional literature to current or prospective Owners. Such performance data will be computed, or accompanied by performance data computed, in accordance with standards defined by the SEC.

Current yield for the Liquid Asset Division will be based on income received by a hypothetical investment over a given 7-day period (less expenses accrued during the period), and then "annualized" (i.e., assuming that the 7-day yield would be received for 52 weeks, stated in terms of an annual percentage return on the investment). "Effective yield" for the Liquid Asset Division is calculated in a manner similar to that used to calculate yield,

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but when annualized, the income earned by the investment is assumed to be reinvested. The "effective yield" will be slightly higher than the "yield" because of the compounding effect of earnings.

For the remaining Divisions, quotations of yield will be based on all investment income per unit (Accumulation Value divided by the index of investment experience, see Facts About the Contract, Measurement of Investment Experience, Index of Investment Experience and Unit Value) earned during a given 30-day period, less expenses accrued during the period ("net investment income"). Quotations of average annual total return for any Division will be expressed in terms of the average annual compounded rate of return on a hypothetical investment in a Contract over a period of one, five, and ten years (or, if less, up to the life of the Division), and will reflect the deduction of the applicable surrender charge, the administrative charge and the applicable mortality and expense risk charge. See Charges and Fees. Quotations of total return may simultaneously be shown for other periods that do not take into account certain contractual charges, such as the surrender charge.

Performance information for a Division may be compared, in reports and promotional literature, to: (i) the Standard & Poor's 500 Stock Index ("S&P 500"), Dow Jones Industrial Average ("DJIA"), Donoghue Money Market Institutional Averages, or other indices measuring performance of a pertinent group of securities so that investors may compare a Division's results with those of a group of securities widely regarded by investors as representative of the securities markets in general; (ii) other variable annuity separate accounts or other investment products tracked by Lipper Analytical Services, a widely used independent research firm which ranks mutual funds and other investment companies by overall performance, investment objectives, and assets, or tracked by other ratings services, including VARDS, companies, publications, or persons who rank separate accounts or other investment products on overall performance or other criteria; and (iii) the Consumer Price Index (measure for inflation) to assess the real rate of return from an investment in the Contract. Unmanaged indices may assume the reinvestment of dividends but generally do not reflect deductions for administrative and management costs and expenses. Performance information for any Division reflects only the performance of a hypothetical Contract under which the Accumulation Value is allocated to a Division during a particular time period on which the calculations are based. Performance information should be considered in light of the investment objectives and policies, characteristics and quality of the portfolio of the Series of the respective Trust in which the Division invests and the market conditions during the given time period, and should not be considered as a representation of what may be achieved in the future. For a description of the methods used to determine yield and total return for the Divisions, see the Statement of Additional Information. Reports and promotional literature may also contain other information including the ranking of any Division derived from rankings

of variable annuity separate accounts or other investment products tracked by Lipper Analytical Services or by rating services, companies, publications, or other persons who rank separate accounts or other investment products on overall performance or other criteria.

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INTRODUCTION

The following information describes the Contract and the Accounts which fund the Contract, Account B and the Fixed Account. Account B invests in mutual fund portfolios of the Trusts. The Fixed Account contains all of the assets that support Owner Fixed Allocations which we credit with Guaranteed Interest Rates for the Guarantee Periods you select.

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FACTS ABOUT THE COMPANY AND THE ACCOUNTS

GOLDEN AMERICAN

Golden American Life Insurance Company ("Golden American" or the "Company") is a stock life insurance company organized under the laws of the State of Delaware and is a wholly owned subsidiary of Equitable of Iowa Companies, Inc. ("Equitable of Iowa") which, in turn, is a wholly owned subsidiary of ING Groep N.V. ("ING"). Prior to December 30, 1993, Golden American was a Minnesota corporation. Prior to August 13, 1996, Golden American was a wholly owned indirect subsidiary of Bankers Trust Company. We are authorized to do business in all States, except New York, and the District of Columbia. In May 1996, we established a subsidiary, First Golden American Life Insurance Company of New York, which is authorized to do business in New York and Delaware. We offer variable annuities and variable life insurance. Administrative services for the Contract are provided at our Customer Service Center, the address is shown on the cover.

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Equitable of Iowa is the holding company for Equitable Life Insurance Company of Iowa, USG Annuity & Life Company, Locust Street Securities, Inc., Equitable American Insurance Company, Equitable of Iowa Securities Network, Inc., Directed Services, Inc. ("DSI"), and Golden American. On October 24, 1997, ING acquired all interest in Equitable of Iowa and its subsidiaries including Golden American. ING, based in The Netherlands, is a global financial services holding company with over \$307.6 billion in assets at December 31, 1997. Equitable of Iowa and another ING affiliate own ING Investment Management, LLC, who assumed certain portfolio management responsibilities for the GCG Trust as of January 1, 1998.

THE TRUSTS

The GCG Trust is an open-end management investment company, more commonly called a mutual fund. The GCG Trust's shares may also be available to certain separate accounts funding variable life insurance policies offered by Golden American. This is called "mixed funding."

The GCG Trust may also sell its shares to separate accounts of other insurance companies, both affiliated and not affiliated with Golden American. This is called "shared funding." After the GCG Trust receives the requisite order from the SEC, shares of the GCG Trust may also be sold to certain qualified pension and retirement plans.

The WP Trust is also an open-end management investment company. The WP Trust's shares are available to separate accounts of life insurance companies including that of Golden American and Equitable Life Insurance Company of Iowa and to certain qualified pension and retirement plans.

The PIMCO Trust is also an open-end management investment company. The Series of the PIMCO Trust were designated to be used as investment

vehicles by separate accounts of insurance companies, including Golden American, for both variable annuity contracts and variable life insurance policies and by qualified pension and retirement plans.

Golden American does not anticipate any inherent difficulties arising from the mixed and/or shared funding or sales to pension or retirement plans by the GCG Trust, the WP Trust or the PIMCO Trust. However, there is a possibility that, due to differences in tax treatment or other considerations, the interests of Contractowners of various contracts participating in the Trusts may conflict. The Board of Trustees of the GCG Trust, the WP Trust and PIMCO Trust, DSI, Warburg, PIMCO and we and any other insurance companies participating in the Trusts are required to monitor events to identify any material conflicts that arise from the use of the GCG Trust, the WP Trust and/or the PIMCO Trust for mixed and/or shared funding between various policy owners and pension and retirement plans. In the event of a material conflict, Golden American will take the necessary steps including removing the Separate Account from that Trust, to resolve the matter. See the GCG Trust, WP Trust and PIMCO Trust prospectuses for more information.

You will find complete information about the Trusts, including the risks associated with each Series, in the accompanying Trusts' prospectuses. You should read them carefully in conjunction with this prospectus before investing. Additional copies of the Trusts' prospectuses may be obtained by contacting our Customer Service Center.

#### SEPARATE ACCOUNT B

All obligations under the Contract are general obligations of Golden American. Account B is a separate investment account used to support our variable annuity Contracts and for other purposes as permitted by applicable laws and regulations. The assets of Account B are kept separate from our general account and any other separate accounts we may have. We may offer other variable annuity Contracts investing in Account B which are not discussed in this prospectus. Account B may also invest in other series which are not available to the Contract described in this prospectus.

We own all the assets in Account B. Income and realized and unrealized gains or losses from assets in the account are credited to or charged against that account without regard to other income, gains or losses in our other investment accounts. As required, the assets in Account B are at least equal to the reserves and other liabilities of that account. These assets may not be charged with liabilities from any other business we conduct.

They may, however, be subject to liabilities arising from Divisions whose assets are attributable to other variable annuity Contracts supported by Account B. If the assets exceed the required reserves and other liabilities, we may transfer the excess to our general account.

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Account B was established on July 14, 1988 to invest in mutual funds, unit investment trusts or other investment portfolios which we determine to be suitable for the Contract's purposes. Account B is treated as a unit investment trust under Federal securities laws. It is registered with the SEC under the Investment Company Act of 1940 (the "1940 Act") as an investment company and meets the definition of a separate account under the Federal securities laws. It is governed by the laws of Delaware, our state of domicile, and may also be governed by the laws of other states in which we do business. Registration with the SEC does not involve any supervision by the SEC of the management or investment policies or practices of Account B.

#### ACCOUNT B DIVISIONS

Account B is divided into Divisions. Currently, each Division of Account B offered under this prospectus invests in a portfolio of the GCG Trust, the WP Trust or the PIMCO Trust. DSI serves as the Manager to each Series of the GCG Trust, Warburg serves as the investment adviser to the WP Trust, and PIMCO serves as Adviser to each Series of the PIMCO Trust. See the Trusts' prospectuses for details. The GCG Trust, and DSI have retained several portfolio managers to manage the assets of the respective Series as indicated below. There may be restrictions on the amount of the allocation to certain Divisions based on state laws and regulations. The investment objectives of the various Series in the Trusts are described below. There is no guarantee that any portfolio or Series will meet its investment objectives. Meeting objectives depends on various factors, including, in certain cases, how well the portfolio managers anticipate changing economic and market conditions. Account B also has other Divisions investing in other series which are not available to the Contract described in this prospectus.

DSI and PIMCO provide the overall business management and administrative services necessary for the Series' operation and provide or procure the services and information necessary to the proper conduct of the business of the Series. See the Trusts' prospectuses for details.

DSI and PIMCO are responsible for providing or procuring, at their own expense, the services reasonably necessary for the ordinary operation of the Series of the GCG and PIMCO Trusts. DSI and PIMCO do not bear the expense of brokerage fees and other transactional expenses for securities or other assets (which are generally considered part of the cost for assets), taxes (if any) paid by a Series of the GCG Trust or the PIMCO Trust, interest on borrowing, fees and expenses of the independent trustees, and extraordinary expenses, such as litigation or indemnification expenses. See the GCG and PIMCO Trusts prospectuses for details.

The GCG Trust pays DSI for its services a fee, payable monthly, based on the annual rates of the average daily net assets of the respective Series shown in the tables below. DSI (and not the Trust) pay each portfolio manager a monthly fee for managing the assets of the respective Series. The WP Trust pays Warburg a fee for managing the International Equity Portfolio of the WP Trust.

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THE GCG TRUST

SERIES	FEES (based on combined assets of the indicated groups of Series)
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Multiple Allocation, Fully Managed, Capital Appreciation, Rising Dividends, All-Growth, Real Estate, Hard Assets, Value Equity, Strategic Equity, and Small Cap Series:	1.00% of first \$750 million; 0.95% of next \$1.250 billion; 0.90% of next \$1.5 billion; and 0.85% of amount in excess of \$3.5 billion
Growth Opportunities Series, Growth & Income and Value + Growth Series:	1.10% of first \$250 million; 1.05% of next \$400 million; 1.00% of next \$450 million; and 0.95% of amount in excess of \$1.1 billion
Mid-Cap Growth, Total Return, and Research Series:	1.00% of first \$250 million in combined assets of these Series; 0.95% of next \$400 million; 0.90% of next \$450 million; and 0.85% of amount in excess of \$1.1 billion

Developing World Series:	1.75%
Global Fixed Income Series:	1.60%
Limited Maturity Bond and Liquid Asset Series:	0.60% of first \$200 million; 0.55% of next \$300 million; and 0.50% of amount in excess of \$500 million

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THE WP TRUST	
SERIES	FEES
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International Equity Portfolio:	1.00%

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The PIMCO Trust pays PIMCO an advisory fee (see the table following) and an administrative fee of 0.25%, each payable monthly, based on the average daily net assets of each of the Series for managing the assets of the Series and for administering the Trust.

THE PIMCO TRUST	
SERIES	FEES
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PIMCO High Yield Bond Portfolio:	0.50%
PIMCO StocksPLUS Growth and Income Portfolio:	0.40%

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The following Divisions invest in designated Series of the GCG Trust.

MULTIPLE ALLOCATION DIVISION  
MULTIPLE ALLOCATION SERIES  
OBJECTIVE -- The highest total return, consisting of capital appreciation and current income, consistent with the preservation of capital and elimination of unnecessary risk.  
INVESTMENTS -- Investment in equity and debt securities and the use of certain sophisticated investment strategies and techniques.  
PORTFOLIO MANAGER -- Zweig Advisors Inc.

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FULLY MANAGED DIVISION  
FULLY MANAGED SERIES  
OBJECTIVE -- High total investment return over the long term, consistent with the preservation of capital and prudent investment risk.  
INVESTMENTS -- Pursues an active asset allocation strategy whereby investments are allocated, based upon an evaluation of economic and market trends and the anticipated relative total return available, among three asset classes -- debt securities, equity securities and money market instruments.  
PORTFOLIO MANAGER -- T. Rowe Price Associates, Inc.

CAPITAL APPRECIATION DIVISION  
CAPITAL APPRECIATION SERIES  
OBJECTIVE -- Long-term capital growth.  
INVESTMENTS -- Invests in common stocks and preferred stock that will be allocated among various categories of stocks referred to as "components" which consist of the following: (i) The Growth Component -- Securities that the portfolio manager believes have the following characteristics: stability and quality of earnings and positive earnings momentum; dominant competitive positions; and demonstrate above-average growth rates as compared to published S&P 500 earnings projections; and (ii) The Value Component -- Securities that the portfolio manager regards as fundamentally undervalued, i.e.,



securities selling at a discount to asset value and securities with a relatively low price/earnings ratio. The securities eligible for this component may include real estate stocks, such as securities of publicly owned companies that, in the portfolio manager's judgment, offer an optimum combination of current dividend yield, expected dividend growth, and discount to current real estate value.

PORTFOLIO MANAGER -- INVESCO (NY), Inc. (formerly Chancellor LGT Asset Management, Inc.)

#### RISING DIVIDENDS DIVISION

##### RISING DIVIDENDS SERIES

OBJECTIVE -- Capital appreciation, with dividend income as a secondary objective.

INVESTMENTS -- Investment in equity securities of high quality companies that meet the following four criteria: consistent dividend increases; substantial dividend increases; reinvested profits; and an under-leveraged balance sheet.

PORTFOLIO MANAGER -- Kayne Anderson Investment Management, LLC

#### ALL-GROWTH DIVISION

##### ALL-GROWTH SERIES

OBJECTIVE -- Capital appreciation.

INVESTMENTS -- Investment in securities selected for their long-term growth prospects.

PORTFOLIO MANAGER -- Pilgrim, Baxter & Associates, Ltd.

#### REAL ESTATE DIVISION

##### REAL ESTATE SERIES

OBJECTIVE -- Capital appreciation, with current income as a secondary objective.

INVESTMENTS -- Investment in publicly traded equity securities of companies in the real estate industry listed on national exchanges or on the National Association of Securities Dealers Automated Quotation System.

PORTFOLIO MANAGER -- EII Realty Securities, Inc.

#### HARD ASSETS DIVISION

##### HARD ASSETS SERIES

OBJECTIVE -- Long-term capital appreciation.

INVESTMENTS -- Investment in equity and debt securities of companies engaged in the exploration, development, production, management, and distribution of hard assets.

PORTFOLIO MANAGER -- Van Eck Associates Corporation

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#### VALUE EQUITY DIVISION

##### VALUE EQUITY SERIES

OBJECTIVE -- Capital appreciation with a secondary objective of dividend income.

INVESTMENTS -- Investment primarily in equity securities of U.S. and foreign issuers which, when purchased, meet quantitative standards believed by the Portfolio Manager to indicate above average financial soundness and high intrinsic value relative to price.

PORTFOLIO MANAGER -- Eagle Asset Management, Inc.

#### STRATEGIC EQUITY DIVISION

##### STRATEGIC EQUITY SERIES

OBJECTIVE -- Long-term capital appreciation.

INVESTMENTS -- Investment primarily in equity securities based on various equity market timing techniques. The amount of the Series' assets allocated to equities shall vary from time to time to seek positive investment performance from advancing equity markets and to reduce exposure to equities when risk/reward characteristics are believed to be less attractive.

PORTFOLIO MANAGER -- Zweig Advisors Inc.

SMALL CAP DIVISION

SMALL CAP SERIES

OBJECTIVE -- Long-term capital appreciation.

INVESTMENTS -- Investment primarily in equity securities of companies that, at the time of purchase, have a total market capitalization -- present market value per share multiplied by the total number of shares outstanding -- within the range of companies included in the Russell 2000 Growth Index.

PORTFOLIO MANAGER -- Fred Alger Management, Inc.

GROWTH OPPORTUNITIES DIVISION

GROWTH OPPORTUNITIES SERIES

OBJECTIVE -- Capital appreciation.

INVESTMENTS -- Investment primarily in equity securities of domestic companies emphasizing companies with market capitalizations of \$1 billion or more.

PORTFOLIO MANAGER -- Montgomery Asset Management, LLC

GROWTH & INCOME DIVISION

GROWTH & INCOME SERIES

OBJECTIVE -- Long-term total return.

INVESTMENTS -- Investment primarily in equity and debt securities, focusing on small- and mid-cap companies that offer potential appreciation, current income, or both.

PORTFOLIO MANAGER -- Robertson, Stephens & Company Investment Management, L.P.

VALUE + GROWTH DIVISION

VALUE + GROWTH SERIES

OBJECTIVE -- Capital appreciation.

INVESTMENTS -- Investment primarily in mid-cap growth companies with favorable relationships between price/earnings ratios and growth rates. Mid-cap companies are those with market capitalizations ranging from \$750 million to approximately \$2.0 billion.

PORTFOLIO MANAGER -- Robertson, Stephens & Company Investment Management, L.P.

DEVELOPING WORLD DIVISION

DEVELOPING WORLD SERIES

OBJECTIVE -- Capital appreciation.

INVESTMENTS -- Investment primarily in equity securities of companies in countries having economies and markets generally considered to be emerging or developing.

PORTFOLIO MANAGER -- Montgomery Asset Management, LLC

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MID-CAP GROWTH DIVISION (formerly the OTC Division)

MID-CAP GROWTH SERIES

OBJECTIVE -- Long-term growth of capital.

INVESTMENTS -- Investment primarily in equity securities with medium market capitalization.

PORTFOLIO MANAGER -- Massachusetts Financial Services Company

RESEARCH DIVISION

RESEARCH SERIES

OBJECTIVE -- Long-term growth of capital and future income.

INVESTMENTS -- Investment primarily in common stocks or securities convertible into common stocks of companies believed to possess better than average prospects for long-term growth.

PORTFOLIO MANAGER -- Massachusetts Financial Services Company

TOTAL RETURN DIVISION

TOTAL RETURN SERIES

OBJECTIVE -- Above-average income consistent with prudent employment of capital.

INVESTMENTS -- Investment primarily in equity securities.

PORTFOLIO MANAGER -- Massachusetts Financial Services Company

GLOBAL FIXED INCOME DIVISION (formerly the International Fixed Income Division)

GLOBAL FIXED INCOME SERIES

OBJECTIVE -- High Total Return.

INVESTMENTS -- Investment primarily in both domestic and foreign debt securities and related foreign currency transactions. The total return will be sought through a combination of current income, capital gains and gains in currency positions.

PORTFOLIO MANAGER -- Baring International Investment Limited

LIMITED MATURITY BOND DIVISION

LIMITED MATURITY BOND SERIES

OBJECTIVE -- Highest current income consistent with low risk to principal and liquidity. Also seeks to enhance its total return through capital appreciation when market factors indicate that capital appreciation may be available without significant risk to principal.

INVESTMENTS -- Investment primarily in a diversified portfolio of limited maturity debt securities. No individual security will at the time of purchase have a remaining maturity longer than seven years and the dollar-weighted average maturity of the Series will not exceed five years.

PORTFOLIO MANAGER -- ING Investment Management, LLC

LIQUID ASSET DIVISION

LIQUID ASSET SERIES

OBJECTIVE -- High level of current income consistent with the preservation of capital and liquidity.

INVESTMENTS -- Obligations of the U.S. Government and its agencies and instrumentalities; bank obligations; commercial paper and short-term corporate debt securities.

TERM -- All issues maturing in less than one year.

PORTFOLIO MANAGER -- ING Investment Management, LLC

The following Division invests in the designated Series of the WP Trust.

INTERNATIONAL EQUITY DIVISION

INTERNATIONAL EQUITY PORTFOLIO

OBJECTIVE -- Long-term capital appreciation.

INVESTMENTS -- Investment primarily in a broadly diversified portfolio of equity securities of companies that have their principal business activities and interests outside of the United States.

PORTFOLIO MANAGER -- Warburg Pincus Asset Management, Inc.

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The following Divisions invest in designated Series of the PIMCO Trust.

HIGH YIELD BOND DIVISION

PIMCO HIGH YIELD BOND PORTFOLIO

OBJECTIVE -- Maximize total return.

INVESTMENTS -- Invests in at least 65% of its assets in a diversified portfolio of junk bonds rated at least B by Moody's Investor Services, Inc. or Standard & Poor's Rating Services, a Division of the McGraw Hill Cos., Inc., or, if unrated, determined by the Adviser to be of comparable quality.

PORTFOLIO MANAGER -- PIMCO

STOCKSPUS GROWTH AND INCOME DIVISION

PIMCO STOCKSPUS GROWTH AND INCOME PORTFOLIO

OBJECTIVE -- Total return that exceeds the total return of the S&P 500.

INVESTMENTS -- Invests in common stocks, options, futures, options on futures and swaps consistent with its portfolio management strategy to attempt to equal or exceed the performance of the S&P 500.

PORTFOLIO MANAGER -- PIMCO

#### CHANGES WITHIN ACCOUNT B

We may from time to time make additional Divisions available. These Divisions will invest in investment portfolios we find suitable for the Contract. We also have the right to eliminate investment Divisions from Account B, to combine two or more Divisions, or to substitute a new portfolio for the portfolio in which a Division invests. A substitution may become necessary if, in our judgment, a portfolio no longer suits the purposes of the Contract. This may happen due to a change in laws or regulations, or a change in a portfolio's investment objectives or restrictions, or because the portfolio is no longer available for investment, or for some other reason. In addition, we reserve the right to transfer assets of Account B, which we determine to be associated with the class of Contracts to which your Contract belongs, to another account. If necessary, we will get prior approval from the insurance department of our state of domicile before making such a substitution or transfer. We will also get any required approval from the SEC and any other required approvals before making such a substitution or transfer. We will notify you as soon as practicable of any proposed changes.

When permitted by law, we reserve the right to:

- (1) deregister Account B under the 1940 Act;
- (2) operate Account B as a management company under the 1940 Act if it is operating as a unit investment trust;
- (3) operate Account B as a unit investment trust under the 1940 Act if it is operating as a managed separate account;
- (4) restrict or eliminate any voting rights as to Account B; and
- (5) combine Account B with other accounts.

#### THE FIXED ACCOUNT

Premium payments and Credits may be allocated to the Fixed Account at the time of the Initial Premium payment or as subsequently made. Note certain restrictions may apply; see Crediting Premium Payments. In addition, all or part of your Accumulation Value may be transferred to the Fixed Account. Assets supporting amounts allocated to the Fixed Account are available to fund the claims of all classes of our customers, Owners and other creditors. Interests under your Contract relating to the Fixed Account are registered under the Securities Act of 1933 but the Fixed Account is not registered under the 1940 Act.

**SELECTING A GUARANTEE PERIOD.** You may select one or more Fixed Allocations with specified Guarantee Periods for investment. Each Fixed Allocation will have a Maturity Date corresponding to the last day of the calendar month of the applicable Guarantee Period. We currently offer Guarantee Periods with durations of 6 months (actual Guarantee Period of one-half or 0.5 year) and 1, 3, 5, 7 and 10 years. We reserve the right at any time to decrease or increase the number of Guarantee Periods offered. Not all Guarantee Periods may be

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available for new allocations, and we may offer one or more additional Guarantee Periods (called DCA Fixed Allocations) only in conjunction with dollar cost averaging. The interest rates credited to DCA Fixed Allocations may differ from one another as well as from the regular Fixed Allocations. Except as noted following or discussed in "Dollar Cost Averaging - DCA Fixed Allocations," DCA Fixed Allocations are treated the same as Fixed Allocations. If we are offering DCA Fixed Allocations, any premium payment and Credit allocated to a Fixed Allocation will be automatically allocated to a DCA Fixed Allocation with the corresponding Guarantee Period unless you specify to us at the time of the premium payment that you are allocating to a regular Fixed Allocation.

Your Accumulation Value in the Fixed Account equals the sum of your Fixed Allocations, plus Credits, plus the interest credited thereto, as adjusted for any partial withdrawals, reallocations or other charges we may impose. Your Fixed Allocation will be credited with the Guaranteed

Interest Rate in effect on the date we receive and accept your premium or reallocation of Accumulation Value. The Guaranteed Interest Rate will be credited daily to yield the quoted Guaranteed Interest Rate.

GUARANTEED INTEREST RATES. Each Guarantee Period will have an interest rate that is guaranteed. We do not have a specific formula for establishing the Guaranteed Interest Rates for the different Guarantee Periods. The determination made will be influenced by, but not necessarily correspond to, interest rates available on fixed income investments which we may acquire with the amounts we receive as premium payments or reallocations of Accumulation Value under the Contracts. These amounts will be invested primarily in investment-grade fixed income securities including: securities issued by the United States Government or its agencies or instrumentalities, which issues may or may not be guaranteed by the United States Government; debt securities that have an investment grade rating, at the time of purchase, within the four highest grades assigned by Moody's Investor Services, Inc. (Aaa, Aa, A or Baa), Standard & Poor's Ratings Group (AAA, AA, A or BBB) or any other nationally recognized rating service; mortgage-backed securities collateralized by the Federal Home Loan Mortgage Association, the Federal National Mortgage Association or the Government National Mortgage Association, or that have an investment grade rating at the time of purchase within the four highest grades described above; other debt investments; commercial paper; and cash or cash equivalents. You will have no direct or indirect interest in these investments. We will also consider other factors in determining the Guaranteed Interest Rates, including regulatory and tax requirements, sales commissions and administrative expenses borne by us, general economic trends and competitive factors. We cannot predict or guarantee the level of future interest rates. However, no Fixed Allocation will ever have a Guaranteed Interest Rate of less than 3% per year.

We may offer interest rate specials from time to time during which times the interest rates declared for new premiums are higher than the base rate supported by current investment yields. Interest rates credited to a DCA Fixed Allocation may differ from one another, as well as from other Fixed Allocations. Renewal rates for such rate specials will be derived from the base rate not the special rates initially declared. Such rate specials are offered at our discretion and only if you have a Fixed Allocation.

While the foregoing generally describes our investment strategy with respect to the Fixed Account, we are not obligated to invest according to any particular strategy, except as may be required by Delaware and other state insurance laws.

TRANSFERS FROM A FIXED ALLOCATION. You may transfer your Accumulation Value from a Fixed Allocation to one or more new Fixed Allocations with new Guarantee Periods of any length offered by us or to the Divisions of Account B. Unless you specify in writing the Fixed Allocations from which such transfers will be made, we will transfer amounts from the Fixed Allocations starting with the Guarantee Period nearest its Maturity Date, until we have honored your transfer request. Accumulation Value cannot be transferred from a DCA Fixed Allocation to a new DCA Fixed Allocation although you may transfer your Accumulation Value from a DCA Fixed Allocation to one or more new Fixed Allocations or the Divisions of Account B.

Transfers from a Fixed Allocation made within 30 days prior to the Maturity Date of the applicable Guarantee Period or pursuant to the dollar cost averaging program will not be subject to a Market Value Adjustment. All other transfers from your Fixed Allocations will be subject to a Market Value Adjustment. The minimum amount that can be transferred to or from any Fixed Allocation is \$100. If a transfer

request would reduce the Accumulation Value remaining in your Fixed Allocation to less than \$100, we will treat such transfer request as a request to transfer the entire Accumulation Value in such Fixed Allocation.

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At the end of a Fixed Allocation's Guarantee Period, you may transfer amounts in that Fixed Allocation to the Divisions and one or more new Fixed Allocations with Guarantee Periods of any length then offered by us. You may not, however, transfer amounts to any Fixed Allocation with a Guarantee Period that extends beyond your Annuity Commencement Date.

At least 30 calendar days prior to a Maturity Date of any of your Fixed Allocations, or earlier if required by state law, we will send you a notice of the Guarantee Periods then available. Prior to the Maturity Date of your Fixed Allocations you must notify us as to which Division or new Guarantee Period you have selected. If timely instructions are not received, we will transfer your Accumulation Value in the maturing Fixed Allocation to a Fixed Allocation with a Guarantee Period equal in length to the expiring Guarantee Period. If such Guarantee Period is not available or extends beyond your Annuity Commencement Date, we will transfer your Accumulation Value in the maturing Fixed Allocation to the next shortest Guarantee Period which does not extend beyond the Annuity Commencement Date. If no such Guarantee Period is available, we will transfer your Accumulation Value to the Specially Designated Division.

**PARTIAL WITHDRAWALS FROM A FIXED ALLOCATION.** Prior to the Annuity Commencement Date and while your Contract is in effect, you may take partial withdrawals from the Accumulation Value in a Fixed Allocation by sending satisfactory notice to our Customer Service Center. You may make systematic withdrawals of interest earnings only from a Fixed Allocation under our Systematic Partial Withdrawal Option. (See, Partial Withdrawals, Systematic Partial Withdrawal Option.) Systematic withdrawals from a Fixed Allocation are not permitted if such Fixed Allocation participates in the dollar cost averaging program. Withdrawals from a Fixed Allocation taken within 30 days prior to the Maturity Date and systematic withdrawals are not subject to a Market Value Adjustment; however, a surrender charge may be imposed. Withdrawals may have federal income tax consequences, including a 10% penalty tax. See Surrender Charge, Surrender Charge for Excess Partial Withdrawals and Federal Tax Considerations.

If you specify a Fixed Allocation from which your partial withdrawal will be made, we will assess the partial withdrawal against that Fixed Allocation. If you do not specify the investment option from which the partial withdrawal will be taken, we will not assess your partial withdrawal against any Fixed Allocations unless the partial withdrawal exceeds the Accumulation Value in the Divisions of Account B. If there is no Accumulation Value in those Divisions, partial withdrawals will be deducted from your Fixed Allocations starting with the Guarantee Periods nearest their Maturity Dates until we have honored your request.

**MARKET VALUE ADJUSTMENT.** We will apply a Market Value Adjustment, determined by application of the formula described below, in the following circumstances: (i) whenever you make a withdrawal or transfer from a Fixed Allocation, other than withdrawals or transfers made within 30 days prior to the Maturity Date of the applicable Guarantee Period, systematic partial withdrawals, or pursuant to the dollar cost averaging program; and (ii) on the Annuity Commencement Date with respect to any Fixed Allocation having a Guarantee Period that does not end on or within 30 days after the Annuity Commencement Date.

The Market Value Adjustment is determined by multiplying the amount withdrawn, transferred or annuitized by the following factor:

$$\frac{(1+I)^{(N/365)}}{(1+J+.0050)} - 1$$

Where "I" is the Index Rate for a Fixed Allocation as of the first day of the applicable Guarantee Period; "J" is: (a) for a Fixed Allocation of one year or more, the Index Rate for new Fixed Allocations with Guarantee Periods equal to the number of years (fractional years are rounded up to the next full year except in Pennsylvania) remaining in the Guarantee Period at the time of the withdrawal, transfer or annuitization, and (b) for a Fixed Allocation of six months, the Index Rate for new Fixed Allocations with a six month Guarantee Period, at the time of the withdrawal, transfer or annuitization; and "N" is the remaining number of days in the Guarantee Period at the time of the withdrawal, transfer or annuitization.

The Index Rate is the average of the Ask Yields for U.S. Treasury Strips as reported by a national quoting service for the applicable maturity. The average currently is based on the period from the 22nd day of the calendar

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month two months prior to the calendar month of the Index Rate determination to the 21st day of the calendar month immediately prior to the month of determination. The applicable maturity is the maturity date for these U.S. Treasury Strips on or next following the last day of the Guarantee Period. If the Ask Yields are no longer available, the Index Rate will be determined using a suitable replacement method approved where required.

We currently calculate the Index Rate once each calendar month. However, we reserve the right to calculate the Index Rate more frequently than monthly, but in no event will such Index Rate be based upon a period of less than 28 days.

The Market Value Adjustment may result in either an increase or decrease in the Accumulation Value of your Fixed Allocation. If a full surrender, transfer or annuitization from the Fixed Allocation has been requested, the balance of the Market Value Adjustment will be added to or subtracted from the amount surrendered, transferred or annuitized. If a partial withdrawal, transfer or annuitization has been requested, the Market Value Adjustment will be calculated on the total amount that must be withdrawn, transferred or annuitized in order to provide the amount requested. If a negative Market Value Adjustment exceeds the Accumulation Value in the Fixed Allocation, such transaction will be considered a full surrender, transfer or annuitization. The Appendix contains several examples which illustrate the application of the Market Value Adjustment.

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 FACTS ABOUT THE CONTRACT

THE OWNER

You are the Owner. You are also the Annuitant unless another Annuitant is named in the application or enrollment form. You have the rights and options described in the Contract. One or more persons may own the Contract. If there are multiple Owners named, the age of the oldest Owner shall determine the applicable death benefit.

Death of an Owner activates the death benefit provision. In the case of a sole Owner who dies prior to the Annuity Commencement Date, we will pay the Beneficiary the death benefit when due. The sole Owner's estate will be the Beneficiary if no Beneficiary designation is in effect, or if the designated Beneficiary has predeceased the Owner. In the case of

a joint Owner of the Contract dying prior to the Annuity Commencement Date, we will designate the surviving Owner(s) as the Beneficiary(ies). This supersedes any previous Beneficiary designation.

In the case where the Owner is a trust and a beneficial Owner of the trust has been designated, the beneficial Owner will be treated as the Owner of the Contract solely for the purpose of determining the death benefit provisions. If a beneficial Owner is changed or added after the Contract Date, this will be treated as a change of Owner for purposes of determining the death benefit. See Change of Owner or Beneficiary. If no beneficial Owner of the Trust has been designated, the availability of enhanced death benefits will be determined by the age of the Annuitant at issue.

#### THE ANNUITANT

The Annuitant is the person designated by the Owner to be the measuring life in determining Annuity Payments. The Owner will receive the annuity benefits of the Contract if the Annuitant is living on the Annuity Commencement Date. If the Annuitant dies before the Annuity Commencement Date, and a Contingent Annuitant has been named, the Contingent Annuitant becomes the Annuitant (unless the Owner is not an individual, in which case the death benefit becomes payable). Once named, the Annuitant may not be changed at any time.

If there is no Contingent Annuitant when the Annuitant dies prior to the Annuity Commencement Date, the Owner will become the Annuitant. The Owner may designate a new Annuitant within 60 days of the death of the Annuitant.

If there is no Contingent Annuitant when the Annuitant dies prior to the Annuity Commencement Date and the Owner is not an individual, we will pay the Beneficiary the death benefit then due. The Beneficiary will be as provided in the Beneficiary designation then in effect. If no Beneficiary designation is in effect, or if there is no designated Beneficiary living, the Owner will be the Beneficiary. If the Annuitant was the sole Owner and there is no Beneficiary designation, the Annuitant's estate will be the Beneficiary.

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Regardless of whether a death benefit is payable, if the Annuitant dies and any Owner is not an individual, such death will trigger application of the distribution rules imposed by Federal tax law.

#### THE BENEFICIARY

The Beneficiary is the person to whom we pay death benefit proceeds and who becomes the successor Owner if the Owner dies prior to the Annuity Commencement Date. We pay death benefit proceeds to the primary Beneficiary (unless there are joint Owners, in which case death proceeds are payable to the surviving Owner(s)). See Proceeds Payable to the Beneficiary.

If the Beneficiary dies before the Annuitant or Owner, the death benefit proceeds are paid to the contingent Beneficiary, if any. If there is no surviving Beneficiary, we pay the death benefit proceeds to the Owner's estate.

One or more persons may be named as Beneficiary or contingent Beneficiary. In the case of more than one Beneficiary, unless otherwise specified, we will assume any death benefit proceeds are to be paid in equal shares to the surviving Beneficiaries.

You have the right to change Beneficiaries during the Annuitant's lifetime unless you have designated an irrevocable Beneficiary. When an irrevocable Beneficiary has been designated, you and the irrevocable Beneficiary may have to act together to exercise certain rights and options under the Contract.



#### CHANGE OF OWNER OR BENEFICIARY

During the Annuitant's lifetime and while your Contract is in effect, you may transfer ownership of the Contract (if purchased in connection with a non-qualified plan) subject to our published rules at the time of the change. A change in Ownership may affect the amount of the death benefit and the guaranteed death benefit. You may also change the Beneficiary. To make either of these changes, you must send us written notice of the change in a form satisfactory to us. The change will take effect as of the day the notice is signed. The change will not affect any payment made or action taken by us before recording the change at our Customer Service Center. See Federal Tax Considerations, Assignments, Pledges and Gratuitous Transfers.

#### AVAILABILITY OF THE CONTRACT

We can issue a Contract if both the Annuitant and the Owner are not older than age 85.

#### TYPES OF CONTRACTS

**QUALIFIED CONTRACTS.** The Contract may be issued as an Individual Retirement Annuity or in connection with an individual retirement account or other qualified plan. In the latter cases, the Contract will be issued without an Individual Retirement Annuity endorsement, and the rights of the participant under the Contract will be affected by the terms and conditions of the particular individual retirement trust or custodial account, and by provisions of the Code and the regulations thereunder. For example, the individual retirement trust or custodial account will impose minimum distribution rules, which may require distributions to commence not later than April 1st of the calendar year following the calendar year in which you attain age 70 1/2. For both Individual Retirement Annuities and individual retirement accounts, the minimum Initial Premium is \$1,500. The annual limits on contributions to IRAs and Roth IRAs are described under Federal Tax Considerations.

IF THE CONTRACT IS PURCHASED TO FUND A QUALIFIED PLAN OTHER THAN A ROTH IRA, DISTRIBUTION MUST COMMENCE NOT LATER THAN APRIL 1ST OF THE CALENDAR YEAR FOLLOWING THE CALENDAR YEAR IN WHICH YOU ATTAIN AGE 70 1/2. IF YOU OWN MORE THAN ONE QUALIFIED PLAN, YOU SHOULD CONSULT YOUR TAX ADVISOR.

**NON-QUALIFIED CONTRACTS.** The Contract may fund any non-qualified plan. Non-qualified Contracts do not qualify for any tax-favored treatment other than the benefits provided for by annuities.

#### YOUR RIGHT TO SELECT OR CHANGE CONTRACT OPTIONS

Before the Annuity Commencement Date, you may change the Annuity Commencement Date, frequency of Annuity Payments or the Annuity Option by sending a written request to our Customer Service Center. The Annuitant may not be changed at any time.

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#### PREMIUMS

You purchase the Contract with an Initial Premium. After the end of the Free Look Period, you may make additional premium payments. See Making Additional Premium Payments. The minimum Initial Premium is \$10,000 for a non-qualified Contract and \$1,500 for a qualified Contract.

You must receive our prior approval before making a premium payment that causes the Accumulation Value of all annuities that you maintain with us to exceed \$1,000,000. We may change the minimum initial or additional premium requirements for certain group or sponsored arrangements. See Group or Sponsored Arrangements.

#### QUALIFIED PLANS

For IRA Contracts, the annual premium on behalf of any individual Contract may not exceed \$2,000. Provided your spouse does not make a contribution to an IRA, you may set up a spousal IRA even if your spouse has earned some compensation during the year. The maximum

deductible amount for a spousal IRA program is the lesser of \$2,250 or 100% of your compensation reduced by the contribution (if any) made by you for the taxable year to your own IRA. However, no more than \$2,000 can go to either your or your spouse's IRA in any one year. For example, \$1,750 may go to your IRA and \$500 to your spouse's IRA. These maximums are not applicable if the premium is the result of a rollover from another qualified plan.

For Roth IRA Contracts, the annual premium on behalf of any individual Contract, together with the total amount of any contributions you have made to any non-Roth IRAs (except for rollover contributions), may not exceed the lesser of \$2,000 or 100% of your compensation. Contributions to a Roth IRA are subject to income limits. See IRA Contracts and Other Qualified Retirement Plans.

WHERE TO MAKE PAYMENTS. Remit premium payments to our Customer Service Center. The address is shown on the cover. We will send you a confirmation notice.

#### MAKING ADDITIONAL PREMIUM PAYMENTS

You may make additional premium payments after the end of the Free Look Period. We can accept additional premium payments until either the Annuitant or Owner reaches the Attained Age of 85 under non-qualified plans. For qualified plans, no contributions may be made to an IRA Contract other than a Roth IRA for the taxable year in which you attain age 70 1/2 and thereafter (except for rollover contributions). The minimum additional premium payment we will accept is \$500 for a non-qualified plan and \$250 for a qualified plan.

#### CREDITING PREMIUM PAYMENTS

The Initial Premium will be accepted or rejected within two business days of receipt by us if accompanied by information sufficient to permit us to determine if we are able to issue a Contract. We may retain an Initial Premium for up to five business days while attempting to obtain information sufficient to enable us to issue the Contract. If we are unable to do so within five business days, the applicant or enrollee will be informed of the reasons for the delay and the Initial Premium will be returned immediately unless the applicant or enrollee consents to our retaining the Initial Premium until we have received the information we require. Thereafter, all additional premiums will be accepted on the day received.

In certain states we will also accept, by agreement with broker-dealers, transmittal of initial and additional premium payments by wire order from the broker-dealer to our Customer Service Center. Such transmittals must be accompanied by a simultaneous telephone facsimile or other electronic data transmission containing the essential information we require to open an account and allocate the premium payment. Contact our Customer Service Center to find out about state availability and broker-dealer requirements.

Upon our acceptance of premium payments received via wire order and accompanied by sufficient electronically transmitted data, we will issue the Contract, allocate the premium payment and Credit according to your instructions, and invest the payment at the value next determined following receipt. See Restrictions on Allocation of Premium Payments. Wire orders not accompanied by sufficient data to enable us to accept the premium payment may be retained for up to five business days while we attempt to obtain information sufficient to enable us to issue the Contract. If we are unable to do so, our Customer Service Center will inform the broker-dealer, on behalf of the applicant or enrollee, of the reasons for the delay and return the premium payment immediately to the broker-dealer for return to the applicant or enrollee, unless the applicant or enrollee specifically consents to allow us to retain the premium payment until our Customer Service Center receives the required information.

On the date we receive and accept your initial or additional premium payment:

- (1) We allocate the Initial Premium and any Credit among the Divisions and Fixed Allocations according to your instructions, subject to any restrictions. See Restrictions on Allocation of Premium Payments. For additional premium payments, the Accumulation Value will increase by the amount of the premium and any Credit. If we do not receive instructions from you, the increase in the Accumulation Value will be allocated among the Divisions in proportion to the amount of Accumulation Value in each Division as of the date we receive and accept the additional premium payment. If there is no Accumulation Value in the Divisions, the increase in the Accumulation Value will be allocated to a Fixed Allocation with the shortest Guarantee Period then available.
- (2) For an Initial Premium, we calculate your applicable death benefit. When an additional premium payment is made, we increase your applicable death benefit in accordance with the death benefit option in effect for your contract.

Following receipt and acceptance of the wire order and accompanying data, and investment of the premium payment, we will follow one of the two procedures set forth below. The one we follow is determined by state availability and the procedures of the broker-dealer which submitted the wire order.

- (1) We will issue the Contract. However, until we have received and accepted a properly completed application or enrollment form, we reserve the right to rescind the Contract. If the form is not received within fifteen days of receipt of the premium payment, we will refund the Accumulation Value adjusted for any applicable Market Value Adjustment less any Credit plus any charges we deducted, and the Contract will be voided. Some states require that we return the premium paid. In these states, different rules will apply.
- (2) Based on the information provided, we will issue the Contract. We will mail the Contract to you, together with an Application Acknowledgment Statement. You must execute the Application Acknowledgment Statement and return it to us at our Customer Service Center. Until we receive the executed Application Acknowledgment Statement, neither you nor the broker-dealer may execute any financial transactions with respect to the Contract unless such transactions are appropriately requested in writing by you.

#### RESTRICTIONS ON ALLOCATION OF PREMIUM PAYMENTS

We may require that an Initial Premium plus Credit designated for a Division of Account B or the Fixed Account be allocated to the Specially Designated Division during the Free Look Period for Initial Premiums received from some states. After the Free Look Period, if your Initial Premium plus Credit was allocated to the Specially Designated Division, we will transfer the Accumulation Value to the Divisions you previously selected based on the index of investment experience next computed for each Division. See Facts About the Contract, Measurement of Investment Experience, Index of Investment Experience and Unit Value. Initial premiums designated for the Fixed Account will be allocated to a Fixed Allocation with the Guarantee Period you have chosen; however we reserve the right to allocate to the Specially Designated Division for the Free Look Period, then to your selected Fixed Allocations.

#### YOUR RIGHT TO REALLOCATE

You may reallocate your Accumulation Value among the Divisions and Fixed Allocations at the end of the Free Look Period. We currently do not assess a charge for allocation changes made during a Contract Year. We reserve the right, however, to assess a \$25 charge for each

allocation change after the twelfth allocation change in a Contract Year. We require that each reallocation of your Accumulation Value equal at least \$100 or, if less, your entire Accumulation Value within a Division or Fixed Allocation. We reserve the right to limit, upon notice, the maximum number of reallocations you may make within a Contract Year. In addition, we reserve the right to defer the reallocation privilege at any time we are unable to purchase or redeem shares of a Trust. We also reserve the right to modify or terminate your right to reallocate your Accumulation Value at any time in accordance with applicable law. Reallocations from the Fixed Account are subject to the Market Value Adjustment unless taken as part of the dollar cost averaging program or within 30 days prior to the Maturity Date of the applicable Guarantee Period. To make a reallocation change, you must provide us with satisfactory notice at our Customer Service Center. All reallocation changes must be submitted by the earlier of 4:00 p.m. eastern time or the close of the New York Stock Exchange.

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We reserve the right to limit the number of reallocations of your Accumulation Value among the Divisions and Fixed Allocations or refuse any reallocation request if we believe that: (a) excessive trading by you or a specific reallocation request may have a detrimental effect on unit values or the share prices of the underlying Series; or (b) we are informed by a Trust that the purchase or redemption of shares is to be restricted because of excessive trading or a specific reallocation or group of reallocations is deemed to have a detrimental effect on share prices of the respective Trust.

Where permitted by law, we may accept your authorization of third party reallocation on your behalf, subject to our rules. We may suspend or cancel such acceptance at any time. We will notify you of any such suspension or cancellation. We may restrict the Divisions and Fixed Allocations that will be available to you for reallocations of premiums during any period in which you authorize such third party to act on your behalf. We will give you prior notification of any such restrictions. However, we will not enforce such restrictions if we are provided evidence satisfactory to us that: (a) such third party has been appointed by a court of competent jurisdiction to act on your behalf; or (b) such third party has been appointed by you to act on your behalf for all your financial affairs.

Some restrictions may apply based on the free look provisions of the state where the Contract is issued. See Your Right to Cancel or Exchange Your Contract.

#### DOLLAR COST AVERAGING

If you have at least \$1,200 of Accumulation Value in the Limited Maturity Bond Division, the Liquid Asset Division or a Fixed Allocation with a one year Guarantee Period, you may elect the dollar cost averaging program and have a specified dollar amount transferred on a monthly basis from one of those Divisions or such Fixed Allocation to the (other) Divisions of Account B.

The main objective of dollar cost averaging is to attempt to shield your investment from short-term price fluctuations. Since the same dollar amount is transferred to other Divisions each month, more units are purchased in a Division if the value per unit is low and less units are purchased if the value per unit is high.

Therefore, a lower than average value per unit may be achieved over the long term. This plan of investing allows investors to take advantage of market fluctuations but does not assure a profit or protect against a loss in declining markets.

Dollar cost averaging may be elected at issue or at a later date. The minimum amount that may be transferred each month is \$100. The maximum amount which may be transferred is equal to your Accumulation Value in

the Limited Maturity Bond Division, the Liquid Asset Division or a Fixed Allocation with a one year Guarantee Period when you elect the dollar cost averaging program, divided by 12.

The transfer date will be the same calendar day each month as the Contract Date. The dollar amount will be allocated to the Divisions in which you are invested in proportion to your Accumulation Value in each Division unless you specify otherwise. If, on any transfer date, your Accumulation Value is equal to or less than the amount you have elected to have transferred, the entire amount will be transferred and the program will end. You may change the transfer amount once each Contract Year, or cancel this program by sending satisfactory notice to our Customer Service Center at least seven days before the next transfer date. Any allocation under this program will not be included in determining if the excess allocation charge will apply. We currently do not permit transfers under the dollar cost averaging program from Fixed Allocations with other than one year Guarantee Periods. Transfers from a Fixed Allocation under the dollar cost averaging program will not be subject to a Market Value Adjustment. See, Market Value Adjustment. A Fixed Allocation may not participate simultaneously in both the dollar cost averaging program and the Systematic Partial Withdrawal Option.

DCA FIXED ALLOCATIONS. The dollar cost averaging program with respect to a Fixed Allocation and a DCA Fixed Allocation operate concurrently but are independent of each other. Dollar cost averaging from a DCA Fixed Allocation works in a manner similar to the program for Fixed Allocations, but with the following differences. A DCA Fixed Allocation must be selected upon payment of an initial or additional premium of at least \$1,200 allocated to the DCA Fixed Allocation. Your entire Accumulation Value in the DCA Fixed Allocation will be transferred on a monthly basis, in a set dollar amount (the "DCA Transfer Amount") to the Division(s) of Account B selected by you and based on the allocation percentage determined by you. The monthly DCA Transfer

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Amount is the initial Accumulation Value in your DCA Fixed Allocation, divided by the number of months in the Guarantee Period. The last DCA Transfer Amount will also include the interest credited. The DCA Transfer Amount is fixed and is not affected in the event you make any transfers from a DCA Fixed Allocation outside the scope of the dollar cost averaging program. Therefore any transfers from a DCA Fixed Allocation made outside the scope of the dollar cost averaging program may reduce the number of transfers made under dollar cost averaging.

You may have Accumulation Value in more than one DCA Fixed Allocation or Fixed Allocation at the same time, but all transfers under the dollar cost averaging program from all Fixed Allocations will be allocated to all Division(s) of Account B selected by you in the same allocation percentage.

If you terminate dollar cost averaging for a DCA Fixed Allocation, any remaining Accumulation Value in the DCA Fixed Allocation will be transferred immediately to the Liquid Asset Division, unless you give us alternate transfer instructions. Such a transfer may not be made to another DCA Fixed Allocation and may be subject to a Market Value Adjustment.

We may in the future stop offering DCA Fixed Allocations or otherwise modify, suspend or terminate this program or the dollar cost averaging program. Any such change would not affect dollar cost averaging allocation currently in operation.

#### WHAT HAPPENS IF A DIVISION IS NOT AVAILABLE

When a distribution is made from an investment portfolio supporting a Division of Account B in which reinvestment is not available, we will allocate the distribution, unless you specify otherwise, to the

Specially Designated Division.

Such a distribution can occur when (a) an investment portfolio matures, or (b) a distribution from a portfolio or Division cannot be reinvested in the portfolio or Division due to the unavailability of securities for acquisition. When an investment portfolio matures, we will notify you in writing 30 days in advance of that date. To elect an allocation of the distribution to other than the Specially Designated Division, you must provide satisfactory notice to us at least seven days prior to the date the portfolio matures. Such allocations are not counted for purposes of the number of free allocation changes permitted. When a distribution from a portfolio or Division cannot be reinvested in the portfolio due to the unavailability of securities for acquisition, we will notify you promptly after the allocation has occurred. If within 30 days you allocate the Accumulation Value from the Specially Designated Division to other Divisions or Fixed Allocations of your choice, such allocations will not be included in determining if the excess allocation charge will apply.

#### ADDITIONAL CREDIT TO PREMIUM

A Credit will be added to each premium payment applied to the Accumulation Value. The Credit will be applied pro rata to each Division or Fixed Allocation in the same ratio as the premium payment is allocated. The Credit is equal to 4% of the premium payment applied to the Accumulation Value. In any of the following circumstances, the Credit may not be payable:

- (1) If you return your Contract within your Free Look Period, any Credit will be deducted from the refund amount;
- (2) If a death benefit becomes payable, any Credit based on any premium payment received within one year prior to the date of death of the Owner or Annuitant (when the Owner is other than an individual) may reduce the death benefit payable; and
- (3) If any surrender charge is waived under the Waiver of Surrender Charge Rider: (i) the Accumulation Value will be reduced for all Credits applied within one year prior to the date such surrender charges are waived; and (ii) no Credit will be applied to any premium payment received after the earliest date on which any surrender charges are waived.

Any gains or losses attributable to a Credit will not be considered part of any Credit deducted from any refund amount or death benefit.

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#### YOUR ACCUMULATION VALUE

Your Accumulation Value is the sum of the amounts in each of the Divisions and the Fixed Allocations in which you are invested, and is the amount available for investment at any time. You select the Divisions and Fixed Allocations to which to allocate your Accumulation Value. We adjust your Accumulation Value on each Valuation Date to reflect the Divisions' investment performance and interest credited to your Fixed Allocations, any additional premium payments and Credits or partial withdrawals since the previous Valuation Date, and on each Contract processing date to reflect any deduction of the annual Contract fee. Your Accumulation Value is applied to your choice of an Annuity Option on the Annuity Commencement Date subject to our published rules at such time. See Choosing an Income Plan.

#### ACCUMULATION VALUE IN EACH DIVISION

ON THE CONTRACT DATE. On the Contract Date, your Accumulation Value is allocated to each Division as you have specified, unless the Contract is issued in a state that requires the return of premium payments during the Free Look Period, in which case, the portion of your Initial Premium not allocated to a Fixed Allocation, and any Credit thereon, will be allocated to the Specially Designated Division during the Free

Look Period. See Your Right to Cancel or Exchange Your Contract.

ON EACH VALUATION DATE. At the end of each subsequent Valuation Period, the amount of Accumulation Value in each Division will be calculated as follows:

- (1) We take the Accumulation Value in the Division at the end of the preceding Valuation Period.
- (2) We multiply (1) by the Division's net rate of return for the current Valuation Period.
- (3) We add (1) and (2).
- (4) We add to (3) any additional premium payments and Credits allocated to the Division during the current Valuation Period.
- (5) We add or subtract allocations to or from that Division during the current Valuation Period.
- (6) We subtract from (5) any partial withdrawals and any associated charges allocated to that Division during the current Valuation Period.
- (7) We subtract from (6) the amounts allocated to that Division for:
  - (a) any Contract fees; and
  - (b) any charge for premium taxes.

All amounts in (7) are allocated to each Division in the proportion that (6) bears to the Accumulation Value in Account B, unless the Charge Deduction Division has been specified. See Charges Deducted from the Accumulation Value.

#### MEASUREMENT OF INVESTMENT EXPERIENCE

INDEX OF INVESTMENT EXPERIENCE AND UNIT VALUE. The investment experience of a Division is determined on each Valuation Date. We use an index to measure changes in each Division's experience during a Valuation Period. We set the index at \$10 when the first investments in a Division are made, unless the underlying Series in which the Division invests has been available under other contracts for some period of time. See Condensed Financial Information, Index of Investment Experience, for the initial index value for each Division when the Division became available under the Contract. The index for a current Valuation Period equals the index for the preceding Valuation Period multiplied by the experience factor for the current Valuation Period.

We may express the value of amounts allocated to the Divisions in terms of units. We determine the number of units for a given amount on a Valuation Date by dividing the dollar value of that amount by the index of investment experience for that date. The index of investment experience is equal to the value of a unit.

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HOW WE DETERMINE THE EXPERIENCE FACTOR. For Divisions of Account B the experience factor reflects the investment experience of the Series of the Trust in which a Division invests as well as the charges assessed against the Division for a Valuation Period. The factor is calculated as follows:

- (1) We take the net asset value of the portfolio in which the Division invests at the end of the current Valuation Period.
- (2) We add to (1) the amount of any dividend or capital gains distribution declared for the investment portfolio and reinvested in such portfolio during the current Valuation Period. We subtract from that amount a charge for our taxes, if any.
- (3) We divide (2) by the net asset value of the portfolio at the end of the preceding Valuation Period.
- (4) We subtract the applicable daily mortality and expense risk charge from each Division for each day in the Valuation Period.
- (5) We subtract the daily asset based administrative charge from each Division for each day in the Valuation Period.

Calculations for Divisions investing in a Series are made on a per

share basis.

NET RATE OF RETURN FOR A DIVISION. The net rate of return for a Division during a Valuation Period is the experience factor for that Valuation Period minus one.

#### CASH SURRENDER VALUE

Your Contract's Cash Surrender Value fluctuates daily with the investment results of the Divisions, interest credited to Fixed Allocations and any Market Value Adjustment. We do not guarantee any minimum Cash Surrender Value. On any date before the Annuity Commencement Date while the Contract is in effect, the Cash Surrender Value is calculated as follows:

- (1) We take the Contract's Accumulation Value;
- (2) We adjust (1) for any Market Value Adjustment;
- (3) We deduct from (2) any surrender charge and any charge for premium taxes; and
- (4) We deduct from (3) any charges incurred but not yet deducted.

#### SURRENDERING TO RECEIVE THE CASH SURRENDER VALUE

The Contract may be surrendered by the Owner at any time while the Annuitant is living and before the Annuity Commencement Date.

A surrender will be effective on the date your written request and the Contract are received at our Customer Service Center. The Cash Surrender Value is determined and all benefits under the Contract will then be terminated, as of that date. For administrative purposes, we will reallocate your funds to the Specially Designated Division prior to processing the surrender. This reallocation will have no effect on the Cash Surrender Value. You may receive the Cash Surrender Value in a single sum payment or apply it under one or more Annuity Options. See The Annuity Options. We will usually pay the Cash Surrender Value within seven days but we may delay payment. See When We Make Payments.

#### PARTIAL WITHDRAWALS

Prior to the Annuity Commencement Date, while the Annuitant is living and the Contract is in effect, you may take partial withdrawals from the Accumulation Value by sending satisfactory notice to our Customer Service Center. Unless you specify otherwise, the amount of the withdrawal, including any surrender charge and Market Value Adjustment, will be taken in proportion to the amount of Accumulation Value in each Division in which you are invested. If there is no Accumulation Value in those Divisions, partial withdrawals will be deducted from your Fixed Allocations starting with the Guarantee Periods nearest their Maturity Dates until we have honored your request.

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There are three options available for selecting partial withdrawals, the Conventional Partial Withdrawal Option, the Systematic Partial Withdrawal Option and the IRA Partial Withdrawal Option. All three options are described below. The maximum amount you may withdraw each Contract Year without incurring a surrender charge is 10% of your Accumulation Value. See Surrender Charge for Excess Partial Withdrawals. Partial withdrawals may not be repaid. A partial withdrawal request for an amount in excess of 90% of the Cash Surrender Value will be treated as a request to surrender the Contract.

CONVENTIONAL PARTIAL WITHDRAWAL OPTION. After the Free Look Period, you may take conventional partial withdrawals. The minimum amount you may withdraw under this option is \$100. A conventional partial withdrawal from a Fixed Allocation may be subject to a Market Value Adjustment.

SYSTEMATIC PARTIAL WITHDRAWAL OPTION. This option may be elected at the time you apply for a Contract, or at a later date. This option may be elected to commence in a Contract Year where a conventional partial withdrawal has been taken. However, it may not be elected while the IRA



Partial Withdrawal Option is in effect.

You may choose to receive systematic partial withdrawals on a monthly, quarterly, or annual basis from your Accumulation Value in the Divisions or the Fixed Allocations. The commencement of payments under this option may not be elected to start sooner than 28 days after the Contract Issue Date. You select the date when the withdrawals will be made but no later than the 28th day of the month. If no date is selected, the withdrawals will be made on the same calendar day of each month as the Contract Date.

You may select a dollar amount or a percentage of the Accumulation Value from the Divisions in which you are invested as the amount of your withdrawal subject to the following maximums, but in no event can a payment be less than \$100:

FREQUENCY	MAXIMUM
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Monthly	0.833%
Quarterly	2.50%
Annual	10.00%

If a dollar amount is selected and the amount to be systematically withdrawn would exceed the applicable maximum percentage of your Accumulation Value on the withdrawal date, the amount withdrawn will be reduced so that it equals such percentage. For example, if a \$500 monthly withdrawal was elected and on the withdrawal date 0.833% of the Accumulation Value equaled \$300, the withdrawal amount would be reduced to \$300. If a percentage is selected and the amount to be systematically withdrawn based on that percentage would be less than the minimum of \$100, we would increase the amount to \$100 provided it does not exceed the maximum percentage. If it is below the maximum percentage we will send the minimum. If it is above the maximum percentage we will send the amount and then cancel the option. For example, if you selected 0.67% to be systematically withdrawn on a monthly basis and that amount equaled \$90, and since \$100 is less than 0.833% of the Accumulation Value, we would send \$100. If 0.67% equaled \$75, and since \$100 is more than 0.833% of the Accumulation Value we would send \$75 and then cancel the option. In such a case, in order to receive systematic partial withdrawals in the future, you would be required to submit a new notice to our Customer Service Center.

Systematic Partial Withdrawals from Fixed Allocations are limited to interest earnings during the prior month, quarter, or year, depending on the frequency chosen. Systematic withdrawals are not subject to a Market Value Adjustment. A Fixed Allocation, however, may not participate simultaneously in both the dollar cost averaging program and the Systematic Partial Withdrawal Option.

You may change the amount or percentage of your withdrawal once each Contract Year or cancel this option at any time by sending satisfactory notice to our Customer Service Center at least seven days prior to the next scheduled withdrawal date. However, you may not change the amount or percentage of your withdrawals in any Contract Year during which you have previously taken a conventional partial withdrawal.

IRA PARTIAL WITHDRAWAL OPTION. If you have an IRA Contract and will attain age 70 1/2 in the current calendar year, distributions may be made to you to satisfy requirements imposed by Federal tax law. IRA partial withdrawals provide payout of amounts required to be distributed by the Internal Revenue Service rules governing mandatory distributions under qualified plans. See Federal Tax Considerations. We will send you

a notice before your distributions commence, and you may elect this option at that time, or at a later date. You may not elect IRA partial withdrawals while the Systematic Partial Withdrawal Option

is in effect. If you do not elect the IRA Partial Withdrawal Option, and distributions are required by Federal tax law, distributions adequate to satisfy the requirements imposed by Federal tax law may be made. Thus, if the Systematic Partial Withdrawal Option is in effect, distributions under that option must be adequate to satisfy the mandatory distribution rules imposed by Federal tax law.

You may choose to receive IRA partial withdrawals on a monthly, quarterly or annual frequency. You select the day of the month when the withdrawals will be made, but it cannot be later than the 28th day of the month. If no date is selected, the withdrawals will be made on the same calendar day of the month as the Contract Date.

At your request, we will determine the amount that is required to be withdrawn from your Contract each year based on the information you give us and various choices you make. For information regarding the calculation and choices you have to make, see the Statement of Additional Information. The minimum dollar amount you can withdraw is \$100. At the time we determine the required partial withdrawal amount for a taxable year based on the frequency you select, if that amount is less than \$100, we will pay \$100. At any time where the partial withdrawal amount is greater than the Accumulation Value, we will cancel the Contract and send you the amount of the Cash Surrender Value.

You may change the payment frequency of your withdrawals once each Contract Year or cancel this option at any time by sending us satisfactory notice to our Customer Service Center at least seven days prior to the next scheduled withdrawal date.

An IRA partial withdrawal in excess of the amount allowed under the Systematic Partial Withdrawal Option may be subject to a Market Value Adjustment.

PARTIAL WITHDRAWALS IN GENERAL. CONSULT YOUR TAX ADVISOR REGARDING THE TAX CONSEQUENCES ASSOCIATED WITH TAKING PARTIAL WITHDRAWALS. A partial withdrawal made before the taxpayer reaches age 59 1/2 may result in imposition of a tax penalty of 10% of the taxable portion withdrawn. See Federal Tax Considerations for more details.

#### AUTOMATIC REBALANCING

If you have at least \$10,000 of Accumulation Value invested in the Divisions, you may elect to participate in our automatic rebalancing program. Automatic rebalancing provides you with an easy way to maintain the particular asset allocation that you and your financial advisor have determined are most suitable for your individual long-term investment goals. We do not charge a fee for participating in our automatic rebalancing program.

Under the program you may elect to have all your allocations among the Divisions rebalanced on a quarterly, semi-annual, or annual calendar basis. The minimum size of an allocation to a Division must be in full percentage points. Rebalancing does not affect any amounts that you have allocated to the Fixed Account. The program may be used in conjunction with the systematic partial withdrawal option only where such withdrawals are taken pro rata. Automatic rebalancing is not available if you participate in dollar cost averaging. Automatic rebalancing will not take place during the Free Look Period.

To participate in automatic rebalancing you must submit to our Customer Service Center written notice in a form satisfactory to us. We will begin the program on the last Valuation Date of the applicable calendar period in which we receive the notice. You may cancel the program at any time. The program will automatically terminate if you choose to reallocate your Accumulation Value among the Divisions or if you make an additional premium payment or partial withdrawal on other than a pro rata basis. Additional premium payments and partial withdrawals effected on a pro rata basis will not cause the automatic rebalancing

program to terminate.

#### PROCEEDS PAYABLE TO THE BENEFICIARY

If the Owner or the Annuitant (when the Owner is other than an individual) dies prior to the Annuity Commencement Date, we will pay the Beneficiary the death benefit proceeds under the Contract. Such amount may be received in a single sum or applied to any of the Annuity Options. See The Annuity Options. If we do not receive a request to apply the death benefit proceeds to an Annuity Option, a single sum distribution will be made. Any Credit based on any premium received within one year prior to the date of death of the Owner or

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#### Annuitant

(when the Owner is other than an individual) may be deducted from the death benefit proceeds payable. Any gains or losses attributable to a Credit will not be considered part of any Credit deducted from any refund amount or death benefit. Any distributions from non-qualified Contracts must comply with applicable Federal tax law distribution requirements.

#### DEATH BENEFIT OPTIONS

Subject to our rules, there are three death benefit options that may be elected by you at issue under the Contract: the Standard Death Benefit Option; the 7% Solution Enhanced Death Benefit Option; and the Annual Ratchet Enhanced Death Benefit Option.

The 7% Solution Enhanced Death Benefit Option may only be elected at issue and only if the Owner or Annuitant (when the Owner is other than an individual) is age 80 or younger at issue. The 7% Solution Enhanced Death Benefit Option may not be available where a Contract is held by joint Owners. The Annual Ratchet Enhanced Death Benefit Option may only be elected at issue and only if the Owner or Annuitant (when the Owner is other than an individual) is age 79 or younger at issue.

If an enhanced death benefit is elected, the death benefit under the Contract is equal to the greatest of: (i) the Accumulation Value less an amount equal to all Credits applied within one year prior to the date of death; (ii) total premium payments less any partial withdrawals; (iii) the Cash Surrender Value; and (iv) the enhanced death benefit less an amount equal to all Credits applied within one year prior to the date of death (see below).

We may offer a reduced death benefit under certain group and sponsored arrangements. See Other Contract Provisions, Group or Sponsored Arrangements.

**STANDARD DEATH BENEFIT OPTION.** You will automatically receive the Standard Death Benefit Option unless you elect one of the enhanced death benefits. The Standard Death Benefit Option for the Contract is equal to the greatest of: (i) your Accumulation Value less an amount equal to all Credits applied within one year prior to the date of death; (ii) total premiums less any partial withdrawals; and (iii) the Cash Surrender Value.

#### 7% SOLUTION ENHANCED DEATH BENEFIT OPTION.

(1) We take the enhanced death benefit from the prior Valuation Date.

On the Contract Date, the enhanced death benefit is equal to the Initial Premium plus any Credits.

(2) We calculate interest on (1) for the current Valuation Period at the enhanced death benefit interest rate, which rate is an annual rate of 7%; except that with respect to amounts in the Liquid Asset Division and Limited Maturity Bond Division, the interest rate applied to such amounts will be the respective net rate of return for such Divisions during the current Valuation Period, if it is less than an annual rate of 7%; and except with respect to amounts in a Fixed Allocation, the interest rate applied to such amounts will be the interest credited to such Fixed Allocation during the

current Valuation Period, if it is less than an annual rate of 7%.

Each accumulated initial or additional premium payment and Credit reduced by any partial withdrawals (including any associated Market Value Adjustment and surrender charge incurred) allocated to such premium will continue to grow at the enhanced death benefit interest rate until reaching the maximum enhanced death benefit. Such maximum enhanced death benefit is equal to two times the cumulative premiums paid plus two times the cumulative Credits applied, less an adjustment to reflect partial withdrawals. Each partial withdrawal reduces the maximum enhanced death benefit as follows: first, the maximum enhanced death benefit is reduced by any partial withdrawal of earnings; second, the maximum enhanced death benefit is reduced in proportion to the reduction in the Accumulation Value for other partial withdrawals of premium (in each case, including any associated market value adjustment and surrender charge incurred). To the extent that partial withdrawals in a contract year do not exceed 7% of cumulative premiums and did not exceed 7% of cumulative premiums in any prior contract year, such withdrawals will be treated as withdrawals of earnings for the purpose of calculating the maximum enhanced death benefit. Once partial withdrawals in any contract year exceed 7% of the cumulative premiums, partial withdrawals will reduce the enhanced death benefit in proportion to the reduction in Accumulation Value.

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- (3) We add (1) and (2).
- (4) We add to (3) any additional premiums paid and any Credits applied during the current Valuation Period.
- (5) We subtract from (4) any partial withdrawals (including any Market Value Adjustments and surrender charges incurred) made during the current Valuation Period.

#### ANNUAL RATCHET ENHANCED DEATH BENEFIT OPTION.

- (1) We take the enhanced death benefit from the prior Valuation Date. On the Contract Date, the enhanced death benefit is equal to the Initial Premium plus any Credits.
- (2) We add to (1) any additional premiums paid and any Credits applied since the prior Valuation Date and subtract from (1) any partial withdrawals (including any Market Value Adjustments and surrender charges incurred) taken since the prior Valuation Date.
- (3) On a Valuation Date that occurs on or prior to the Owner's Attained Age 80 which is also a Contract Anniversary, we set the enhanced death benefit equal to the greater of (2) or the Accumulation Value as of such date.

On all other Valuation Dates, the enhanced death benefit is equal to (2).

HOW TO CLAIM PAYMENTS TO BENEFICIARY. We must receive due proof of the death of the Owner or the Annuitant (if the Owner is other than an individual) (such as an official death certificate) at our Customer Service Center before we will make any payments to the Beneficiary. We will calculate the death benefit as of the date we receive due proof of death. The Beneficiary should contact our Customer Service Center for instructions.

REPORTS TO OWNERS. We will send you a report once each calendar quarter within 31 days after the end of each calendar quarter. The report will show the Accumulation Value, the Cash Surrender Value, and the death benefit as of the end of the calendar quarter. The report will also show the allocation of your Accumulation Value as of such date and the amounts deducted from or added to the Accumulation Value since the last report. The report will also include any other information that may be currently required by the insurance supervisory official of the jurisdiction in which the Contract is delivered.

We will also send you copies of any shareholder reports of the

portfolios or securities in which Account B invests, as well as any other reports, notices or documents required by law to be furnished to Owners.

#### WHEN WE MAKE PAYMENTS

We will generally pay death benefit proceeds and the Cash Surrender Value within seven days after our Customer Service Center receives all the information needed to process the payment.

However, we may delay payment of amounts derived from the Divisions if it is not practical for us to value or dispose of shares of Account B because:

- (1)The NYSE is closed for trading;
- (2)The SEC determines that a state of emergency exists;
- (3)An order or pronouncement of the SEC permits a delay for the protection of Owners; or,
- (4)The check used to pay the premium has not cleared through the banking system. This may take up to 15 days.

During such times, as to amounts allocated to the Divisions, we may delay:

- (1)Determination and payment of any Cash Surrender Value;
- (2)Determination and payment of any death benefit if death occurs before the Annuity Commencement Date;
- (3)Allocation changes of the Accumulation Value; or,

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- (4)Application under an Annuity Option of the Accumulation Value.

We reserve the right to delay payment of amounts from the Fixed Account for up to six months.

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#### CHARGES AND FEES

We deduct the charges described below to cover our cost and expenses, services provided and risks assumed under the Contracts. We incur certain costs and expenses for the distribution and administration of the Contracts, for providing the benefits payable thereunder and for bearing various risks thereunder. The amount of a charge will not necessarily correspond to the costs associated with providing the services or benefits indicated by the designation of the charge. For example, the surrender charge collected may not fully cover all of the distribution expenses incurred by us. In the event there are any profits from fees and charges deducted under the Contract, including but not limited to mortality and expense risk charges, such profits could be used to finance distribution of the contracts.

#### CHARGE DEDUCTION DIVISION

You may specify at issue if you wish to have all charges against the Accumulation Value deducted from the Liquid Asset Division. We call this the Charge Deduction Division Option, and within this context refer to the Liquid Asset Division as the Charge Deduction Division. If you do not elect this option, or if the amount of the charges is greater than the amount in the Division, the charges will be deducted as discussed below. You may also choose to elect or cancel this option while the Contract is in force by sending satisfactory notice to our Customer Service Center.

#### CHARGES DEDUCTED FROM THE ACCUMULATION VALUE

We invest the entire amount of the initial and any additional premium payments and Credits in the Divisions and the Fixed Allocations you select, subject to certain restrictions. See Restrictions on Allocation of Premium Payments. We then may deduct certain amounts from your Accumulation Value. We may reduce certain fees and charges, including any surrender, administration, and mortality and expense risk charges,

under group or sponsored arrangements. See Group or Sponsored Arrangements. Unless you have elected the Charge Deduction Division, charges are deducted proportionately from all affected Divisions in which you are invested. If there is no Accumulation Value in those Divisions, we will deduct charges from your Fixed Allocations starting with the Guarantee Periods nearest their Maturity Dates until such charges have been paid. The charges we deduct are:

**SURRENDER CHARGE.** A contingent deferred sales charge ("Surrender Charge") is imposed as a percentage of each premium payment if the Contract is surrendered or an excess partial withdrawal is taken during the nine year period from the date we receive and accept such premium payment. The percentage of premium payments deducted at the time of surrender or excess partial withdrawal depends upon the number of complete years that have elapsed since that premium payment was made. We determine the surrender charge as a percentage of each premium payment as follows:

COMPLETE YEARS ELAPSED SINCE PREMIUM PAYMENT	SURRENDER CHARGE
-----	-----
0	8%
1	8%
2	8%
3	8%
4	7%
5	6%
6	5%
7	3%
8	1%
9+	0%

Subject to our rules and as described in the Contract, the surrender charge arising from a surrender or excess partial withdrawal will be waived in the following events:

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- (1) you begin receiving qualified extended medical care on or after the first Contract anniversary for at least 45 days during any continuous 60-day period, and your request for the surrender or withdrawal, together with all required proof of such qualified extended medical care, must be received at our Customer Service Center during the term of such care or within ninety days after the last day upon which you received such care.
- (2) you are first diagnosed by a qualifying medical professional, on or after the first Contract Anniversary, as having a Qualifying Terminal Illness. Written proof of terminal illness, satisfactory to us, must be received at our Customer Service Center. We reserve the right to require an examination by a physician of our choice.

See Additional Credit to Premium. See your Contract for more information. The waiver of surrender charge may not be available in all states.

**SURRENDER CHARGE FOR EXCESS PARTIAL WITHDRAWALS.** There is considered to be an excess partial withdrawal in any Contract Year in which the amount withdrawn exceeds 10% of your Accumulation Value on the date of the withdrawal minus any amount withdrawn during that Contract Year. Where you are receiving systematic partial withdrawals, any combination of conventional partial withdrawals taken and any systematic partial withdrawals expected to be received in a Contract Year will be considered in determining the amount of the excess partial withdrawal. Such a withdrawal will be considered a partial surrender of the Contract and we will impose a surrender charge and any associated premium tax. See Facts About the Contract, The Fixed Account, Market Value Adjustment. Such charges will be deducted from the Accumulation Value in proportion to the Accumulation Value in each Division or Fixed

Allocation from which the excess partial withdrawal was taken. In instances where the excess partial withdrawal equals the entire Accumulation Value in each such Division or Fixed Allocation, charges will be deducted proportionately from all other Divisions and Fixed Allocations in which you are invested.

For purposes of calculating the surrender charge for the excess partial withdrawal, (i) we treat premium payments as being withdrawn on a first-in first-out basis, and (ii) amounts withdrawn which are not considered an excess partial withdrawal are not treated as a withdrawal of any premium payments. Although we treat premium payments as being withdrawn before earnings for purposes of calculating the surrender charge for excess partial withdrawals, the Federal income tax law treats earnings as withdrawn first. See Federal Tax Considerations, Taxation of Non-Qualified Annuities.

For example, the following assumes an Initial Premium payment of \$10,000 and additional premium payments of \$10,000 in each of the second and third Contract Years, for total premium payments under the Contract of \$30,000. It also assumes a partial withdrawal at the beginning of the fifth Contract Year of 15% of the Accumulation Value of \$35,000.

In this example, \$3,500 ( $\$35,000 \times .10$ ) is the maximum partial withdrawal that may be withdrawn during the Contract Year without the imposition of a surrender charge. The total partial withdrawal would be \$5,250 ( $\$35,000 \times .15$ ). Therefore, \$1,750 ( $\$5,250 - \$3,500$ ) is considered an excess partial withdrawal of a part of the Initial Premium payment of \$10,000 and would be subject to a 7% surrender charge of \$122.50 ( $\$1,750 \times .07$ ). This example does not take into account any Market Value Adjustment or deduction of any premium taxes.

**PREMIUM TAXES.** We make a charge for state and local premium taxes in certain states which can range from 0% to 3.5% of premium. The charge depends on the Owner's state of residence. We reserve the right to change this amount to conform with changes in the law or if the Owner changes state of residence.

Premium taxes are generally incurred on the Annuity Commencement Date and a charge for such premium taxes is then deducted from your Accumulation Value on such date. However, some jurisdictions impose a premium tax at the time that initial and additional premiums are paid, regardless of the Annuity Commencement Date. In those states we may initially defer collection of the amount of the charge for premium taxes from your Accumulation Value and deduct it against Accumulation Value on surrender of the Contract, excess partial withdrawals or on the Annuity Commencement Date.

**ADMINISTRATIVE CHARGE.** The administrative charge is incurred at the beginning of the Contract processing period and deducted at the end of each Contract processing period. We deduct this charge when determining

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the Cash Surrender Value payable if you surrender the Contract prior to the end of a Contract processing period. If the Accumulation Value at the end of the Contract processing period equals or exceeds \$100,000 or the sum of the premiums paid equals or exceeds \$100,000, the charge is zero. Otherwise, the amount deducted is \$40 per Contract Year.

**EXCESS ALLOCATION CHARGE.** We currently do not assess a charge for allocation changes made during a Contract Year. We reserve the right, however, to assess a \$25 charge for each allocation change after the twelfth allocation change in a Contract Year. This amount represents the maximum we will charge. The charge would be deducted from the Divisions and the Fixed Allocations from which each such reallocation is made in proportion to the amount being transferred from each such Division and Fixed Allocation unless you have chosen to use the Charge Deduction Division. Any allocations or transfers due to the election of

dollar cost averaging and reallocation under the provision What Happens if a Division is Not Available will not be included in determining if the excess allocation charge should apply.

#### CHARGES DEDUCTED FROM THE DIVISIONS

**MORTALITY AND EXPENSE RISK CHARGE.** The amount of the mortality and expense risk charge depends on the death benefit option that has been elected. If the Standard Death Benefit Option is elected, the charge is equivalent, on an annual basis, to 1.25% of the assets in each Division. The charge is deducted on each Valuation Date at the rate of .003446% for each day in the Valuation Period. If an enhanced death benefit is elected, the charge is equivalent, on an annual basis, to 1.40% for the Annual Ratchet Death Benefit Option, or 1.55% for the 7% Solution Death Benefit Option, of the assets in each Division. The charge is deducted on each Valuation Date at the rate of .003863% or .004280%, respectively, for each day in the Valuation Period.

**ASSET BASED ADMINISTRATIVE CHARGE.** We will deduct a daily charge from the assets in each Division, to compensate us for a portion of the administrative expenses under the Contract. The daily charge is at a rate of 0.000411% (equivalent to an annual rate of 0.15%) on the assets in each Division.

#### TRUST EXPENSES

There are fees and charges deducted from each Series of the GCG Trust, the WP Trust and the PIMCO Trust. Please read the respective Trust prospectus for details.

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**CHOOSING YOUR ANNUITIZATION OPTIONS**

#### ANNUITIZATION OF YOUR CONTRACT

If the Annuitant and Owner are living on the Annuity Commencement Date, we will begin making payments to the Owner under an income plan. We will make these payments under the Annuity Option chosen. You may change an Annuity Option by making a written request to us at least 30 days prior to the Annuity Commencement Date of the Contract. The amount of the payments will be determined by applying your Accumulation Value adjusted for any applicable Market Value Adjustment on the Annuity Commencement Date in accordance with The Annuity Options section below, subject to our published rules at such time. See When We Make Payments.

You may also elect an Annuity Option on surrender of the Contract for its Cash Surrender Value or you may choose one or more Annuity Options for the payment of death benefit proceeds while it is in effect and before the Annuity Commencement Date. If, at the time of the Owner's death or the Annuitant's death (if the Owner is not an individual), no option has been chosen for paying death benefit proceeds, the Beneficiary may choose an option within 60 days. In all events, payments of death benefit proceeds must comply with the distribution requirements of applicable Federal tax law.

The minimum monthly annuity income payment that we will make is \$20. We may require that a single sum payment be made if the Accumulation Value is less than \$2,000 or if the calculated monthly annuity income payment is less than \$20.

For each option we will issue a separate written agreement putting the option into effect. Before we pay any annuity benefits, we require the return of the Contract. If your Contract has been lost, we will require that you complete and return the applicable Contract form. Various factors will affect the level of annuity benefits

including the Annuity Option chosen, the applicable payment rate used and the investment



results of the Divisions and interest credited to the Fixed allocations in which the Accumulation Value has been invested.

Some annuity options may provide only for fixed payments. Fixed Annuity Payments are regular payments, the amount of which is fixed and guaranteed by us. The amount of the payments will depend only on the form and duration of payments chosen, the age of the Annuitant or Beneficiary (and sex, where appropriate), the total Accumulation Value applied to purchase the fixed option, and the applicable payment rate.

Our approval is needed for any option where:

- (1) The person named to receive payment is other than the Owner or Beneficiary;
- (2) The person named is not a natural person, such as a corporation; or
- (3) Any income payment would be less than the minimum annuity income payment allowed.

#### ANNUITY COMMENCEMENT DATE SELECTION

You select the Annuity Commencement Date. You may select any date following the fifth Contract Anniversary but before the Contract Processing Date in the month following the Annuitant's 90th birthday, or 10 years from the contract date, if later. If, on the Annuity Commencement Date, a Surrender Charge remains, the elected Annuity Option must include a period certain of at least five years duration. If you do not select a date, the Annuity Commencement Date will be in the month following the Annuitant's 90th birthday, or 10 years from the contract date, if later. If the Annuity Commencement Date occurs when the Annuitant is at an advanced age, such as over age 85, it is possible that the Contract will not be considered an annuity for Federal tax purposes. See Federal Tax Considerations. For a Contract purchased in connection with a qualified plan other than a Roth IRA, distribution must commence not later than April 1st of the calendar year following the calendar year in which you attain age 70 1/2. Consult your tax advisor.

#### FREQUENCY SELECTION

You choose the frequency of the Annuity Payments. They may be monthly, quarterly, semi-annually or annually. If we do not receive written notice from you, the payments will be made monthly. There may be certain restrictions on minimum payments that we will allow.

#### THE ANNUITIZATION OPTIONS

There are four options to choose from as shown below. Options 1 through 3 are fixed and option 4 may be fixed or variable. For a fixed option, the Accumulation Value in the Divisions is transferred to the general account.

**OPTION 1. INCOME FOR A FIXED PERIOD.** Payment is made in equal installments for a fixed number of years based on the Accumulation Value as of the Annuity Commencement Date. We guarantee that each monthly payment will be at least the amount set forth in the Contract. Guaranteed amounts for annual, semi-annual and quarterly payments are available upon request. Illustrations are available upon request. If the Cash Surrender Value or Accumulation Value is applied under this option, a 10% penalty tax may apply to the taxable portion of each income payment until the Owner reaches age 59 1/2.

**OPTION 2. INCOME FOR LIFE.** Payment is made in equal monthly installments and guaranteed for at least a period certain. The period certain can be 10 or 20 years. Other periods certain may be available on request. A refund certain may be chosen instead. Under this arrangement, income is guaranteed until payments equal the amount applied. If the person named lives beyond the guaranteed period, payments continue until his or her death. We guarantee that each payment will be at least the amount set forth in the Contract corresponding to the person's age on his or her last birthday before the option's effective date. Amounts for ages not shown in the Contract

are available upon request.

OPTION 3. JOINT LIFE INCOME. This option is available if there are two persons named to receive payments. At least one of the persons named must be either the Owner or Beneficiary of the Contract. Monthly payments are guaranteed and are made as long as at least one of the named persons is living. There is no minimum number of payments. Monthly payment amounts are available upon request.

OPTION 4. ANNUITY PLAN. An amount can be used to buy any single premium annuity we choose to offer as an annuitization option on the option's effective date.

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#### PAYMENT WHEN NAMED PERSON DIES

When the person named to receive payment dies, we will pay any amounts still due as provided by the option agreement. The amounts still due are determined as follows:

- (1) For option 1, or any remaining guaranteed payments under option 2, payments will be continued. Under options 1 and 2, the discounted values of the remaining guaranteed payments may be paid in a single sum. This means we deduct the amount of the interest each remaining guaranteed payment would have earned had it not been paid out early. The discount interest rate is never less than 3% for option 1 and option 2 per year. We will, however, base the discount interest rate on the interest rate used to calculate the payments for options 1 and 2 if such payments were not based on the tables in the Contract.
- (2) For option 3, no amounts are payable after both named persons have died.
- (3) For option 4, the annuity agreement will state the amount due, if any.

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#### OTHER CONTRACT PROVISIONS

##### IN CASE OF ERRORS IN APPLICATION INFORMATION

If an age or sex given in the application or enrollment form is misstated, the amounts payable or benefits provided by the Contract shall be those that the premium payment would have bought at the correct age or sex.

SENDING NOTICE TO US. Any written notices, inquiries or requests should be sent to our Customer Service Center. Please include your name, your Contract number and, if you are not the Annuitant, the name of the Annuitant.

ASSIGNING THE CONTRACT AS COLLATERAL. You may assign a non-qualified Contract as collateral security for a loan or other obligation. This does not change the Ownership. However, your rights and any Beneficiary's rights are subject to the terms of the assignment. See Assignments, Pledges and Gratuitous Transfers. An assignment may have Federal tax consequences. See Federal Tax Considerations.

You must give us satisfactory written notice at our Customer Service Center in order to make or release an assignment. We are not responsible for the validity of any assignment.

NON-PARTICIPATING. The Contract does not participate in the divisible surplus of Golden American.

AUTHORITY TO MAKE AGREEMENTS. All agreements made by us must be signed by our president or a vice president and by our secretary or an assistant secretary. No other person, including an insurance agent or broker, can change any of the Contract's terms, make any change to any of the Contract's terms, make any agreements binding on us or extend

the time for premium payments.

#### CONTRACT CHANGES -- APPLICABLE TAX LAW

We reserve the right to make changes in the Contract to the extent we deem it necessary to continue to qualify the Contract as an annuity. Any such changes will apply uniformly to all Contracts that are affected. You will be given advance written notice of such changes.

#### YOUR RIGHT TO CANCEL OR EXCHANGE YOUR CONTRACT

**CANCELLING YOUR CONTRACT.** You may cancel your Contract within your Free Look Period, which is ten days after you receive your Contract. For purposes of administering our allocation and administrative rules, we deem this period to expire 15 days after the Contract is mailed to you. Some states may require a longer Free Look Period. If you decide to cancel, you may mail or deliver the Contract to our Customer Service Center. We will refund the Accumulation Value adjusted for any Market Value Adjustment less any Credit plus any charges we deducted, and the Contract will be voided as of the date we receive the Contract and your request. Any gains or losses attributable to a Credit will not be considered part of any credit deducted from any refund amount or death benefit. Some states require that we return the premium paid. In these states, we require your premiums designated for investment in the Divisions of Account B be allocated to the Specially Designated Division during the Free Look Period. Premiums designated for the Fixed Account will be allocated to a Fixed Allocation with the Guarantee Period you have chosen; however, we reserve the right to require such premiums to allocate to the Specially Designated Division during the Free Look Period. If you do not choose to exercise your right to

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cancel

during the Free Look Period, then at the end of the Free Look Period your money will be invested in the Divisions chosen by you, based on the index of investment experience next computed for each Division. See Facts About the Contract, Measurement of Investment Experience, Index of Experience and Unit Value.

**EXCHANGING YOUR CONTRACT.** For information regarding exchanges under Section 1035 of the Internal Revenue Code of 1986, as amended, see Federal Tax Considerations.

#### OTHER CONTRACT CHANGES

You may change the Contract to another annuity plan subject to our rules at the time of the change.

#### GROUP OR SPONSORED ARRANGEMENTS

For certain group or sponsored arrangements, we may reduce any surrender, administration, and mortality and expense risk charges. We may also change the minimum initial and additional premium requirements, or offer a reduced death benefit. Group arrangements include those in which a trustee or an employer, for example, purchases Contracts covering a group of individuals on a group basis. Sponsored arrangements include those in which an employer allows us to sell Contracts to its employees on an individual basis.

Our costs for sales, administration, and mortality generally vary with the size and stability of the group among other factors. We take all these factors into account when reducing charges. To qualify for reduced charges, a group or sponsored arrangement must meet certain requirements, including our requirements for size and number of years in existence. Group or sponsored arrangements that have been set up solely to buy Contracts or that have been in existence less than six months will not qualify for reduced charges.

We may credit additional amounts to Contracts owned by persons who meet certain criteria established by us, which may include employees of U.S. ING affiliates, their spouses and their immediate family members, registered representatives appointed with Golden American and their

spouses, and Trustees of The GCG Trust and their spouses. We will credit additional amounts to these Contracts if such Contracts are purchased directly through Directed Services, Inc., and the contract owner will not be afforded the benefit of services of any other broker-dealer nor will commissions be payable to any broker-dealer in connection with such purchases. The additional amount credited to these Contracts will equal the reduction in our costs that we experience by not incurring brokerage commissions in selling the Contracts.

We will make these and any similar reductions and arrangements according to our rules in effect when an application or enrollment form for a Contract is approved. We may change these rules from time to time. Any variation in the administrative charge will reflect differences in costs or services and will not be unfairly discriminatory.

#### SELLING THE CONTRACT

DSI is principal underwriter and distributor of the Contract as well as for other Contracts issued through Account B and other separate accounts of Golden American. We pay DSI for acting as principal underwriter under a distribution agreement. The offering of the Contract will be continuous.

DSI has entered into and will continue to enter into sales agreements with broker-dealers to solicit for the sale of the Contract through registered representatives who are licensed to sell securities and variable insurance products including variable annuities. These agreements provide that applications for Contracts may be solicited by registered representatives of the broker-dealers appointed by Golden American to sell its variable life insurance and variable annuities. These broker-dealers are registered with the SEC and are members of the National Association of Securities Dealers, Inc. ("NASD"). The registered representatives are authorized under applicable state regulations to sell variable life insurance and variable annuities. The writing agent normally will receive commissions the equivalent of up to 5.50% of any initial or additional premium payments made. Certain sales agreements may provide for a combination of a certain percentage of commission at the time of sale and an annual trail commission (which when combined could exceed 5.50% of total premium payments).

Additionally, we intend to reimburse registered representatives for any covered actual expenses they incur with regard to the distribution of the Contract as provided for under the non-cash compensation regulation recently adopted by the NASD and approved by the SEC.

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#### REGULATORY INFORMATION

##### VOTING RIGHTS

ACCoUNT B. We will vote the shares of a Trust owned by Account B according to your instructions. However, if the Investment Company Act of 1940 or any related regulations should change, or if interpretations of it or related regulations should change, and we decide that we are permitted to vote the shares of a Trust in our own right, we may decide to do so.

We determine the number of shares that you have in a Division by dividing the Contract's Accumulation Value in that Division by the net asset value of one share of the portfolio in which a Division invests. Fractional votes will be counted. We will determine the number of shares you can instruct us to vote 180 days or less before a Trust's meeting. We will ask you for voting instructions by mail at least 10 days before the meeting.

If we do not get your instructions in time, we will vote the shares in the same proportion as the instructions received from all Contracts in that Division. We will also vote shares we hold in Account B which are not attributable to Owners in the same proportion.

#### STATE REGULATION

We are regulated and supervised by the Insurance Department of the State of Delaware, which periodically examines our financial condition and operations. We are also subject to the insurance laws and regulations of all jurisdictions where we do business. The variable Contract offered by this prospectus has been approved by the Insurance Department of the State of Delaware and by the Insurance Departments of other jurisdictions. We are required to submit annual statements of our operations, including financial statements, to the Insurance Departments of the various jurisdictions in which we do business to determine solvency and compliance with state insurance laws and regulations.

#### LEGAL PROCEEDINGS

The Company and its subsidiaries, like other insurance companies, may be involved in lawsuits, including class action lawsuits. In some class action and other lawsuits involving insurers, substantial damages have been sought and/or material settlement payments have been made. Although the outcome of any litigation cannot be predicted with certainty, the Company believes that at the present time, there are no pending or threatened lawsuits that are reasonably likely to have a material adverse impact on Separate Account B or the Company.

#### LEGAL MATTERS

The legal validity of the Contract described in this prospectus has been passed on by Myles R. Tashman, Esquire, Executive Vice President, General Counsel and Secretary of Golden American. Sutherland Asbill & Brennan LLP of Washington, D.C. has provided advice on certain matters relating to Federal securities laws.

#### EXPERTS

The audited financial statements of Golden American Life Insurance Company and Separate Account B appearing or incorporated by reference in the Statement of Additional Information and Registration Statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon appearing or incorporated by reference in the Statement of Additional Information and in the Registration Statement and are included or incorporated by reference in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

#### MORE INFORMATION ABOUT GOLDEN AMERICAN LIFE INSURANCE COMPANY

##### SELECTED FINANCIAL DATA

The following selected financial data prepared in accordance with generally accepted accounting principles ("GAAP") for Golden American should be read in conjunction with the financial statements and notes thereto included in this Prospectus.

On October 24, 1997, PFHI Holding, Inc. ("PFHI"), a Delaware corporation, acquired all of the outstanding capital stock of Equitable of Iowa Companies ("Equitable of Iowa"), pursuant to a merger agreement among Equitable of Iowa, PFHI and ING Groep N.V. On August 13, 1996, Equitable of Iowa acquired all of the outstanding capital stock of BT Variable, Inc., the parent of Golden American. For GAAP financial statement purposes, the merger was accounted for as a purchase effective October 25, 1997 and the change in control of Golden American through the acquisition of BT Variable, Inc. was accounted for as a purchase effective August 14, 1996. The merger and acquisition resulted in new bases of accounting reflecting estimated fair values of assets and

liabilities at their respective dates. As a result, the GAAP financial data presented below for the period subsequent to October 24, 1997, are presented as the Post-Merger new basis of accounting, for the period August 14, 1996 through October 24, 1997, are presented as the Post-Acquisition basis of accounting, and for August 13, 1997 and prior periods are presented as the Pre-Acquisition basis of accounting.

<TABLE>  
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SELECTED GAAP BASIS FINANCIAL DATA  
(IN THOUSANDS)

	POST-MERGER		POST-ACQUISITION	
	(UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998	FOR THE PERIOD OCTOBER 25, 1997 THROUGH DECEMBER 31, 1997	FOR THE PERIOD JANUARY 1, 1997 THROUGH OCTOBER 24, 1997	FOR THE PERIOD AUGUST 14, 1996 THROUGH DECEMBER 31, 1996
<S>	<C>	<C>	<C>	<C>
Annuity and Interest Sensitive Life				
Product Charges .....	\$ 26,984	\$ 3,834	\$18,288	\$ 8,768
Net Income before Federal Income Tax .....	\$ 9,171	\$ (279)	\$ (608)	\$ 570
Net Income (Loss) .....	\$ 4,877	\$ (425)	\$ 729	\$ 350
Total Assets .....	\$3,776,542	\$ 2,445,835	N/A	\$1,677,899
Total Liabilities .....	\$3,471,107	\$ 2,218,522	N/A	\$1,537,415
Total Stockholder's Equity ...	\$ 305,435	\$ 227,313	N/A	\$ 140,484

</TABLE>

PRE-ACQUISITION

	FOR THE PERIOD JANUARY 1, 1996 THROUGH FOR THE FISCAL YEARS ENDED DECEMBER 31,				
	AUGUST 13, 1996	1995	1994	1993	1992 (a)
Annuity and Interest Sensitive Life					
Product Charges .....	\$12,259	\$ 18,388	\$ 17,519	\$ 10,192	\$ 694
Net Income before Federal Income Tax ...	\$ 1,736	\$ 3,364	\$ 2,222	\$ (1,793)	\$ (508)
Net Income (Loss) .....	\$ 3,199	\$ 3,364	\$ 2,222	\$ (1,793)	\$ (508)
Total Assets .....	N/A	\$1,203,057	\$1,044,760	\$886,155	\$320,539
Total Liabilities .....	N/A	\$1,104,932	\$ 955,254	\$857,558	\$306,197
Total Stockholder's Equity .....	N/A	\$ 98,125	\$ 89,506	\$ 28,597	\$ 14,342

(a) Results for 1992 are for the period September 30, 1992 (date of acquisition) to December 31, 1992.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this section is to discuss and analyze the Company's condensed consolidated results of operations. In addition, some analysis and information regarding financial condition as well as liquidity and capital resources has also been provided. This analysis should be read in conjunction with the condensed consolidated financial statements, the related notes and the

Cautionary Statement Regarding Forward-Looking Statements which appear elsewhere in this report. The Company reports financial results on a consolidated basis. The condensed consolidated financial statements include the accounts of Golden American Life Insurance Company ("Golden American") and its wholly owned subsidiary, First Golden American Life Insurance Company of New York ("First Golden," and collectively with Golden American, the "Company").

**BUSINESS ENVIRONMENT.** The current business and regulatory environment remains challenging for the insurance industry. The variable annuity industry is dominated by a number of large variable product companies with strong distribution, name recognition and wholesaling capabilities. Increasing competition from traditional insurance carriers as well as banks and mutual fund companies offer consumers many choices. However, overall demand for variable products remains strong for several reasons including: strong stock market performance over the last four years; relatively low interest rates; an aging U.S. population that is increasingly concerned about retirement and estate planning, as well as maintaining their standard of living in retirement; and potential reductions in government and employer-provided benefits at retirement as well as lower public confidence in the adequacy of those benefits.

In 1995, Golden American experienced a significant decline in sales, due to a number of factors. First, some portfolio managers performed poorly in 1993 and 1994. Second, as more products came to market the cost structure of the "DVA" deferred variable annuity product became less competitive. Third, market share was lost because no fixed interest rate options were available in 1994 during the time of rising interest rates and flat or declining equity markets. Consequently, the Company took steps to respond to these business challenges. Several portfolio managers were replaced and new funds were added to give contractholders more investment options. In October of 1995, the Company introduced the Combination Deferred Variable and Fixed Annuity (GoldenSelect DVA Plus) and the GoldenSelect Genesis I and Genesis Flex life insurance products, and sales increased substantially. In October of 1997, Golden American introduced three new variable annuity products (GoldenSelect Access, GoldenSelect ES II and GoldenSelect Premium Plus), which have contributed significantly to sales.

#### RESULTS OF OPERATIONS

**MERGER.** On October 23, 1997, Equitable of Iowa shareholders approved the Agreement and Plan of Merger ("Merger Agreement") dated as of July 7, 1997, among Equitable of Iowa, PFHI Holdings, Inc. ("PFHI"), and ING Groep N.V. ("ING"). On October 24, 1997, PFHI, a Delaware corporation, acquired all of the outstanding capital stock of Equitable of Iowa pursuant to the Merger Agreement. PFHI is a wholly owned subsidiary of ING, a global financial services holding company based in The Netherlands. Equitable of Iowa, an Iowa corporation, in turn owned all the outstanding capital stock of Equitable Life Insurance Company of Iowa ("Equitable Life") and Golden American and their wholly owned subsidiaries. Equitable of Iowa also owned all the outstanding capital stock of Locust Street Securities, Inc., Equitable Investment Services, Inc., Directed Services, Inc. ("DSI"), Equitable of Iowa Companies Capital Trust, Equitable of Iowa Companies Capital Trust II and Equitable of Iowa Securities Network, Inc. In exchange for the outstanding capital stock of Equitable of Iowa, ING paid total consideration of approximately \$2.1 billion in cash and stock plus the assumption of approximately \$400 million in debt according to the Merger Agreement. As a result of the merger, Equitable of Iowa was merged into PFHI which was simultaneously renamed Equitable of Iowa Companies, Inc. ("EIC" or the "Parent").

For financial statement purposes, the change in control of the Company through the ING acquisition of EIC, was accounted for as a purchase effective October 25, 1997. This merger resulted in a new basis of accounting reflecting estimated fair values of assets and liabilities at that date. As a result, the Company's financial statements for the period subsequent to October 24, 1997, are presented on the Post-Merger new basis of accounting.

The purchase price was allocated to the companies mentioned previously. Goodwill of \$1.4 billion was established for the excess of the merger cost over the fair

pushed down to the Company. The allocation of the purchase price to the Company was \$227.6 million. The cost of the acquisition is preliminary as it relates to estimated expenses, and as a result, the allocation of the purchase price to the Company may change. Goodwill resulting from the merger is being amortized over 40 years on a straight-line basis. The carrying value will be reviewed periodically for any indication of impairment in value.

CHANGE IN CONTROL - ACQUISITION. On August 13, 1996, Equitable of Iowa acquired all of the outstanding capital stock of BT Variable, Inc. ("BT Variable") and its wholly owned subsidiaries Golden American and DSI. Subsequent to the acquisition, the BT Variable, Inc. name was changed to EIC Variable, Inc. On April 30, 1997, EIC Variable, Inc. was liquidated and its investments in Golden American and DSI were transferred to Equitable of Iowa while the remainder of its net assets were contributed to Golden American. On December 30, 1997, EIC Variable, Inc. was dissolved.

For financial statement purposes, the change in control of Golden American through the acquisition of BT Variable was accounted for as a purchase effective August 14, 1996. This acquisition resulted in a new basis of accounting reflecting estimated fair value of assets and liabilities at that date. As a result, the Company's financial statements for the period August 14, 1996 through October 24, 1997, are presented on the Post-Acquisition basis of accounting and for August 13, 1996 and prior periods are presented on the Pre-Acquisition basis of accounting.

The purchase price was allocated to the three companies purchased - BT Variable, DSI, and Golden American. Goodwill of \$41.1 million was established for the excess of the acquisition cost over the fair value of the assets and liabilities and pushed down to Golden American. At June 30, 1997, goodwill was increased by \$1.8 million to adjust the value of a receivable existing at that date. The allocation of the purchase price to Golden American was approximately \$139.9 million. Goodwill resulting from the acquisition was being amortized over 25 years on a straight-line basis.

THE FIRST NINE MONTHS OF 1998 COMPARED TO THE SAME PERIOD OF 1997

PREMIUMS

(DOLLARS IN MILLIONS)

NINE MONTHS ENDED SEPTEMBER 30	POST-MERGER			POST- ACQUISITION
	1998	PERCENTAGE CHANGE	DOLLAR CHANGE	1997
Variable annuity premiums:				
Separate account	\$1,125.3	651.6%	\$975.5	\$149.8
Fixed account	346.6	51.7	118.1	228.5
Total variable annuity premiums	1,471.9	289.1	1,093.6	378.3
Variable life premiums	11.4	(16.2)	(2.2)	13.6
Total premiums	\$1,483.3	278.5%	\$1,091.4	\$391.9
	=====	=====	=====	=====

Variable annuity separate account premiums increased 651.6% during the first nine months of 1998 and increased 2.5% in the third quarter compared to second quarter 1998 premiums. These increases resulted from increased sales of the



new Premium Plus product introduced in October of 1997 and the increased sales levels of the Company's other products. The fixed account portion of the Company's variable annuity premiums increased 51.7% during the first nine months of 1998 and increased 39.1% in the third quarter of 1998 compared to the second quarter of 1998. Although variable life premiums decreased 16.2% during the first nine months of 1998, third quarter 1998 variable life premiums increased 11.1% over second quarter 1998 premiums.

Premiums, net of reinsurance, for variable products from four significant broker/dealers totaled \$546.9 million, or 37% of total premiums, for the first nine months of 1998.

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REVENUES  
(DOLLARS IN MILLIONS)

NINE MONTHS ENDED SEPTEMBER 30	POST-MERGER		DOLLAR CHANGE	POST- ACQUISITION
	1998	PERCENTAGE CHANGE		1997
Annuity and interest sensitive life product charges	\$27.0	69.3%	\$11.1	\$15.9
Management fee revenue	3.3	61.7	1.3	2.0
Net investment income	29.3	54.6	10.3	19.0
Realized gains on investments	0.4	658.7	0.3	0.1
Other income	4.8	1,026.6	4.4	0.4
	<u>\$64.8</u>	<u>73.2%</u>	<u>\$27.4</u>	<u>\$37.4</u>
	=====	=====	=====	=====

Total revenues increased 73.2% in the first nine months of 1998 from the same period in 1997. Annuity and interest sensitive life product charges increased 69.3% in the first nine months of 1998 due to additional fees earned from the increasing block of business under management in the separate accounts and an increase in surrender charges. This increase was partially offset by the elimination of the unearned revenue reserve related to in force acquired at the merger date which resulted in lower annuity and interest sensitive life product charges compared to Post-Acquisition levels.

Golden American provides certain managerial and supervisory services to DSI. The fee paid to Golden American for these services, which is calculated as a percentage of average assets in the variable separate accounts, was \$3.3 million and \$2.0 million for the first nine months of 1998 and 1997, respectively.

Net investment income increased 54.6% in the first nine months of 1998 due to the increase in invested assets. The Company had \$436,000 of realized gains on the sale of investments in the first nine months of 1998, compared to gains of \$58,000 in the same period of 1997.

Other income increased \$4.4 million to \$4.8 million in the first nine months of 1998 due primarily to income received from a modified coinsurance agreement with an unaffiliated reinsurer as a result of increased sales.

EXPENSES

Total insurance benefits and expenses increased \$17.4 million, or 49.3%, to \$52.6 million in the first nine months of 1998. Interest credited to account balances increased \$47.3 million, or 280.7%, to \$64.1 million in the first nine months of 1998. The extra credit bonus on the new Premium Plus product introduced in October of 1997 generated a \$35.8 million increase in interest credited during the first nine months of 1998. The remaining increase in

interest credited relates to higher account balances associated with the Company's fixed account option within its variable products.

Commissions increased \$61.8 million, or 267.6%, to \$85.0 million in the first nine months of 1998. Insurance taxes increased \$1.0 million, or 58.3%, to \$2.7 million in the first nine months of 1998. Increases and decreases in commissions and insurance taxes are generally related to changes in the level of variable product sales. Insurance taxes are impacted by several other factors which include an increase in FICA taxes primarily due to bonuses. Most costs incurred as the result of new sales have been deferred, thus having very little impact on current earnings.

General expenses increased \$11.7 million, or 99.6%, to \$23.5 million in the first nine months of 1998. Management expects general expenses to continue to increase in 1998 as a result of the emphasis on expanding the salaried wholesaler distribution network. The Company uses a network of wholesalers to distribute its products and the salaries of these wholesalers are included in general expenses. The portion of these salaries and related expenses which varies with sales production levels is deferred, thus having little impact on current earnings. The increase in general expenses was partially offset by reimbursements received from Equitable Life, an affiliate, for certain advisory, computer and other resources and services provided by Golden American.

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At the merger date, the Company's deferred policy acquisition costs ("DPAC"), previous balance of present value of in force acquired ("PVIF") and unearned revenue reserve were eliminated and an asset of \$44.3 million representing PVIF was established for all policies in force at the merger date. During the third quarter of 1998, PVIF was unlocked by \$0.8 million to reflect changes in the assumptions related to the timing of future gross profits. PVIF decreased \$2.7 million in the second quarter of 1998 to adjust the value of other receivables and increased \$0.2 million in the first quarter of 1998 as a result of an adjustment to the merger costs. The amortization of PVIF and DPAC increased \$1.4 million, or 23.2%, in the first nine months of 1998. During the second quarter of 1997, PVIF was unlocked by \$2.3 million to reflect narrower current spreads than the gross profit model assumed. Based on current conditions and assumptions as to the impact of future events on acquired policies in force, the expected approximate net amortization is \$1.0 million for the remainder of 1998, \$4.1 million in 1999, \$4.1 million in 2000, \$4.0 million in 2001, \$3.8 million in 2002 and \$3.5 million in 2003. Certain expense estimates inherent in the cost of the merger may change resulting in changes of the allocation of the purchase price. If changes occur, the impact could result in changes to PVIF and the related amortization and deferred taxes. Actual amortization may vary based upon changes in assumptions and experience.

Amortization of goodwill during the first nine months of 1998 totaled \$2.8 million. Goodwill resulting from the merger is being amortized on a straight-line basis over 40 years and is expected to approximate \$3.8 million annually.

Interest expense on the \$25 million surplus note issued in December 1996 was \$1.5 million in the first nine months of 1998 and the same period of 1997. In addition, Golden American paid interest of \$0.2 million on the line of credit during the first nine months of 1998. Golden American also paid \$1.3 million in the first nine months of 1998 to ING America Insurance Holdings, Inc. ("ING AIH") for interest on the reciprocal loan agreement.

NET INCOME. Net income for the first nine months of 1998 was \$4.9 million, an increase of \$4.6 million over net income of \$0.3 million in the same period of 1997.

#### 1997 COMPARED TO 1996

The following analysis combines Post-Merger and Post-Acquisition activity for 1997 and Post-Acquisition and Pre-Acquisition activity for 1996 for comparison purposes. Such a comparison does not recognize the impact of the purchase accounting and goodwill amortization except for the periods after August 13,

1996.

PREMIUMS  
(DOLLARS IN MILLIONS)

<TABLE>  
<CAPTION>

	POST-MERGER	COMBINED	POST-ACQUISITION
	FOR THE PERIOD OCTOBER 25, 1997 THROUGH DECEMBER 31, 1997	FOR THE YEAR ENDED DECEMBER 31, 1997 COMBINED	FOR THE PERIOD JANUARY 1, 1997 THROUGH OCTOBER 24, 1997
<S>	<C>	<C>	<C>
Variable annuity premiums:			
Separate account	\$111.0	\$291.2	\$180.2
Fixed account	60.9	318.0	257.1
	<u>171.9</u>	<u>609.2</u>	<u>437.3</u>
Variable life premiums	1.2	15.6	14.4
Total premiums	<u>\$173.1</u>	<u>\$624.8</u>	<u>\$451.7</u>
	=====	=====	=====

</TABLE>

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<TABLE>  
<CAPTION>

	POST-ACQUISITION	COMBINED	PRE-ACQUISITION
	FOR THE PERIOD AUGUST 14, 1996 THROUGH DECEMBER 31, 1996	FOR THE YEAR ENDED DECEMBER 31, 1996 COMBINED	FOR THE PERIOD JANUARY 1, 1996 THROUGH AUGUST 13, 1996
<S>	<C>	<C>	<C>
Variable annuity premiums:			
Separate account	\$ 51.0	\$182.4	\$131.4
Fixed account	118.3	245.3	127.0
	<u>169.3</u>	<u>427.7</u>	<u>258.4</u>
Variable life premiums	3.6	14.1	10.5
Total premiums	<u>\$172.9</u>	<u>\$441.8</u>	<u>\$268.9</u>
	=====	=====	=====

</TABLE>

Variable annuity separate account and variable life premiums increased 59.6% and 10.1%, respectively in 1997. During 1997, stock market returns, a relatively low interest rate environment and flat yield curve have made returns provided by variable annuities and mutual funds more attractive than fixed rate products such as certificates of deposits and fixed annuities. The fixed account portion of the Company's variable annuity premiums increased 29.7% in 1997 due to the Company's marketing emphasis on fixed rates during the second and third quarters. Premiums, net of reinsurance, for variable products from six significant broker/dealers for the year ended December 31, 1997, totaled \$445.3 million, or 71% of premiums (\$298.0 million or 67% from two significant broker/dealers for the year ended December 31, 1996).

REVENUES  
(DOLLARS IN MILLIONS)

<TABLE>  
<CAPTION>

	POST-MERGER	COMBINED	POST-ACQUISITION
--	-------------	----------	------------------

	FOR THE PERIOD OCTOBER 25, 1997 THROUGH DECEMBER 31, 1997	FOR THE YEAR ENDED DECEMBER 31, 1997 COMBINED	FOR THE PERIOD JANUARY 1, 1997 THROUGH OCTOBER 24, 1997
<S>	<C>	<C>	<C>
Annuity and interest sensitive life product charges	\$3.8	\$22.1	\$18.3
Management fee revenue	0.5	2.8	2.3
Net investment income	5.1	26.8	21.7
Realized gains (losses) on investments	--	0.1	0.1
Other income	0.3	0.7	0.4
	<u>\$9.7</u>	<u>\$52.5</u>	<u>\$42.8</u>
	=====	=====	=====

</TABLE>

<TABLE>  
<CAPTION>

	POST-ACQUISITION	COMBINED	PRE-ACQUISITION
	FOR THE PERIOD AUGUST 14, 1996 THROUGH DECEMBER 31, 1996	FOR THE YEAR ENDED DECEMBER 31, 1996 COMBINED	FOR THE PERIOD JANUARY 1, 1996 THROUGH AUGUST 13, 1996
<S>	<C>	<C>	<C>
Annuity and interest sensitive life product charges	\$ 8.8	\$21.0	\$12.2
Management fee revenue	0.9	2.3	1.4
Net investment income	5.8	10.8	5.0
Realized gains (losses) on investments	--	(0.4)	(0.4)
Other income	0.5	0.6	0.1
	<u>\$16.0</u>	<u>\$34.3</u>	<u>\$18.3</u>
	=====	=====	=====

</TABLE>

44

Total revenues increased 53.3%, or \$18.2 million, to \$52.5 million in 1997. Annuity and interest sensitive life product charges increased 5.2%, or \$1.1 million in 1997 due to additional fees earned from the increasing block of business under management in the Separate Accounts and an increase in the surrender charge revenues.

Golden American provides certain managerial and supervisory services to DSI. The fee paid to Golden American for these services, which is calculated as a percentage of average assets in the variable separate accounts, was \$2.8 million for 1997 and \$2.3 million for 1996.

Net investment income increased 148.3%, or \$16.0 million, to \$26.8 million in 1997 from \$10.8 million in 1996 due to growth in invested assets. During 1997, the Company had net realized gains on the disposal of investments, resulting from voluntary sales, of \$0.1 million compared to net realized losses of \$0.4 million in 1996.

EXPENSES  
(DOLLARS IN MILLIONS)

<TABLE>  
<CAPTION>

	POST-MERGER	COMBINED	POST-ACQUISITION
	FOR THE PERIOD	FOR THE YEAR	FOR THE PERIOD

	OCTOBER 25, 1997   THROUGH   DECEMBER 31, 1997	ENDED   DECEMBER 31, 1997   COMBINED	JANUARY 1, 1997   THROUGH   OCTOBER 24, 1997
<S>	<C>	<C>	<C>
Insurance benefits and expenses:			
Annuity and interest sensitive life benefits:			
Interest credited to account balances	\$7.4	\$26.7	\$19.3
Benefit claims incurred in excess of account balances	--	0.1	0.1
Underwriting, acquisition and insurance expenses:			
Commissions	9.4	36.3	26.9
General expenses	3.4	17.3	13.9
Insurance taxes	0.5	2.3	1.8
Policy acquisition costs deferred	(13.7)	(42.7)	(29.0)
Amortization:			
Deferred policy acquisition costs	0.9	2.6	1.7
Present value of in force acquired	0.9	6.1	5.2
Goodwill	0.6	2.0	1.4
	<u>\$9.4</u>	<u>\$50.7</u>	<u>\$41.3</u>
	=====	=====	=====

</TABLE>

<TABLE>  
<CAPTION>

	POST-ACQUISITION	COMBINED	PRE-ACQUISITION
	FOR THE PERIOD   AUGUST 14, 1996   THROUGH   DECEMBER 31, 1996	FOR THE YEAR   ENDED   DECEMBER 31, 1996   COMBINED	FOR THE PERIOD   JANUARY 1, 1996   THROUGH   AUGUST 13, 1996
<S>	<C>	<C>	<C>
Insurance benefits and expenses:			
Annuity and interest sensitive life benefits:			
Interest credited to account balances	\$ 5.7	\$10.1	\$ 4.4
Benefit claims incurred in excess of account balances	1.3	2.2	0.9
Underwriting, acquisition and insurance expenses:			
Commissions	9.9	26.5	16.6
General expenses	5.9	15.3	9.4
Insurance taxes	0.7	1.9	1.2
Policy acquisition costs deferred	(11.7)	(31.0)	(19.3)
Amortization:			
Deferred policy acquisition costs	0.2	2.6	2.4
Present value of in force acquired	2.7	3.7	1.0
Goodwill	0.6	0.6	--
	<u>\$15.3</u>	<u>\$31.9</u>	<u>\$16.6</u>

Total insurance benefits and expenses increased 59.3%, or \$18.8 million, in 1997 from \$31.9 million in 1996. Interest credited to account balances increased 164.4%, or \$16.6 million, in 1997 as a result of higher account balances associated with the Company's fixed account option within its variable products.

Commissions increased 37.3%, or \$9.8 million, in 1997 from \$26.5 million in 1996. Insurance taxes increased 23.3%, or \$0.4 million, in 1997 from \$1.9 million in 1996.

General expenses increased 12.6%, or \$2.0 million, in 1997 from \$15.3 million in 1996 due in part to certain expenses associated with the merger occurring on October 24, 1997. This increase in general expenses was partially offset by reimbursements received from Equitable Life, an affiliate, for certain advisory, computer and other resources and services provided by Golden American. Management expects general expenses to continue to increase in 1998 as a result of the emphasis on expanding the salaried wholesaler distribution network.

During the second quarter of 1997, present value of in force acquired ("PVIF") was unlocked by \$2.3 million to reflect narrower current spreads than the gross profit model assumed. The Company's deferred policy acquisition costs ("DPAC"), previous balance of PVIF and unearned revenue reserve, as of the merger date, were eliminated and an asset of \$44.3 million representing PVIF was established for all policies in force at the merger date. The amortization of PVIF and DPAC increased \$2.4 million, or 37.1%, in 1997.

Amortization of goodwill for the year ended December 31, 1997 totaled \$2.0 million compared to \$0.6 million for the year ended December 31, 1996.

Interest expense on the \$25 million surplus note issued December 1996 was \$2.0 million for the year ended December 31, 1997. Interest on any line of credit borrowings was charged at the rate of Equitable of Iowa's monthly average aggregate cost of short-term funds plus 1.00%. During 1997, the Company paid \$0.6 million to Equitable of Iowa for interest on the line of credit.

NET INCOME. Net income on a combined basis for 1997 was \$0.3 million, a decrease of \$3.2 million, or 91.4%, from 1996.

1996 COMPARED TO 1995

The following analysis combines the Post-Acquisition and Pre-Acquisition activity for 1996 in order to compare the results to 1995. Such a comparison does not recognize the impact of the purchase accounting and goodwill amortization except for the period after August 13, 1996.

PREMIUMS  
(DOLLARS IN MILLIONS)

<TABLE>  
<CAPTION>

	POST- ACQUISITION	COMBINED	PRE-ACQUISITION	
	FOR THE PERIOD AUGUST 14, 1996 THROUGH DECEMBER 31, 1996	FOR THE YEAR ENDED DECEMBER 31, 1996	FOR THE PERIOD JANUARY 1, 1996 THROUGH AUGUST 13, 1996	FOR THE YEAR ENDED DECEMBER 31, 1995
<S>	<C>	<C>	<C>	<C>
Variable annuity premiums..	\$169.3	\$427.7	\$258.4	\$110.6
Variable life premiums.....	3.6	14.1	10.5	5.1

Total premiums.....	\$172.9		\$441.8		\$268.9	\$115.7
	=====		=====		=====	=====

</TABLE>

Variable annuity premiums increased 286.4%, or \$317.1 million, in 1996, and variable life premiums increased 176.2%, or \$9.0 million, in 1996. During 1995, the fund offerings underlying Golden American's variable products were improved and a fixed account option was added. These changes and the current environment have contributed to the significant growth in the Company's variable annuity premiums from 1995. Premiums, net of reinsurance, for variable products from two significant sellers for the year ended December 31, 1996, totaled \$298.0 million, or 67% of premiums.

REVENUES

(DOLLARS IN MILLIONS)

<TABLE>

<CAPTION>

	POST- ACQUISITION		COMBINED		PRE-ACQUISITION	
	-----		-----		-----	-----
	FOR THE PERIOD		FOR THE YEAR		FOR THE PERIOD	FOR THE YEAR
	AUGUST 14, 1996		ENDED		JANUARY 1, 1996	ENDED
	THROUGH		DECEMBER 31,		THROUGH	DECEMBER 31,
	DECEMBER 31,		1996		THROUGH	DECEMBER 31,
	1996		COMBINED		AUGUST 13, 1996	1995
	-----		-----		-----	-----
<S>	<C>		<C>		<C>	<C>
Annuity and interest sensitive life product charges.....	\$ 8.8		\$21.0		\$12.2	\$18.4
Management fee revenue..	0.9		2.3		1.4	1.0
Net investment income...	5.8		10.8		5.0	2.8
Realized gains (losses) on investments.....	--		(0.4)		(0.4)	0.3
Other income.....	0.5		0.6		0.1	0.1
	-----		-----		-----	-----
	\$16.0		\$34.3		\$18.3	\$22.6
	=====		=====		=====	=====

</TABLE>

Total revenues increased 51.9%, or \$11.7 million, to \$34.3 million in 1996. Annuity and interest sensitive life product charges increased 14.4%, or \$2.6 million in 1996. The increase is due to additional fees earned from the increasing block of business under management in the Separate Accounts and an increase in surrender charge revenues partially offset by a decrease in the revenue recognition of net distribution fees.

Golden American provides certain managerial and supervisory services to DSI. The fee for these services, which is calculated as a percentage of average assets in the variable separate accounts, was \$2.3 million for 1996 and \$1.0 million for 1995.

Net investment income increased 282.7%, or \$8.0 million, to \$10.8 million in 1996 from \$2.8 million in 1995. This increase resulted from growth in invested assets. During 1996, the Company had realized losses on the disposal of investments, resulting from voluntary sales, of \$0.4 million compared to realized gains of \$0.3 million in 1995.

EXPENSES

(DOLLARS IN MILLIONS)

<TABLE>

<CAPTION>

POST-

	ACQUISITION	COMBINED	PRE-ACQUISITION	
	FOR THE PERIOD AUGUST 14, 1996 THROUGH DECEMBER 31, 1996	FOR THE YEAR ENDED DECEMBER 31, 1996 COMBINED	FOR THE PERIOD JANUARY 1, 1996 THROUGH AUGUST 13, 1996	FOR THE YEAR ENDED DECEMBER 31, 1995
<S>	<C>	<C>	<C>	<C>
Insurance benefits and expenses:				
Annuity and interest sensitive life benefits:				
Interest credited to account balances....	\$ 5.7	\$10.1	\$ 4.4	\$ 1.3
Benefit claims incurred in excess of account balances.....	1.3	2.2	0.9	1.8
Underwriting, acquisition, and insurance expenses:				
Commissions.....	9.9	26.5	16.6	8.0
General expenses.....	5.9	15.3	9.4	12.7
Insurance taxes.....	0.7	1.9	1.2	0.9
Policy acquisition costs deferred.....	(11.7)	(31.0)	(19.3)	(9.8)
Amortization:				
Deferred policy acquisition costs.....	0.2	2.6	2.4	2.7
Present value of in force acquired.....	2.7	3.7	1.0	1.6
Goodwill.....	0.6	0.6	--	--
	-----	-----	-----	-----
	\$15.3	\$31.9	\$16.6	\$19.2
	=====	=====	=====	=====

</TABLE>

Total insurance benefits and expenses increased 66.1%, or \$12.7 million, in 1996 from \$19.2 million in 1995. Interest credited to account balances increased 663.6%, or \$8.8 million, in 1996 as a result of higher account balances associated with the Company's fixed account option within its variable products. Benefit claims incurred in excess of account balances increased 19.4%, or \$0.4 million, in 1996 from \$1.8 million in 1995.

Commissions increased 230.9%, or \$18.5 million, in 1996 from \$8.0 million in 1995. Insurance taxes increased 99.3%, or \$1.0 million, in 1996 from \$1.0 million in 1995.

General expenses increased 21.2%, or \$2.6 million, in 1996 from \$12.7 million in 1995.

The Company's deferred policy acquisition costs ("DPAC"), previous balance of present value of in force acquired ("PVIF") and unearned revenue reserve, as of the purchase date, were eliminated and an asset of \$85.8 million representing the PVIF was established for all policies in force at the acquisition date.

Amortization of goodwill during the period from the acquisition date to December 31, 1996 totaled \$0.6 million. Goodwill resulting from the acquisition was being amortized on a straight-line basis over 25 years.

Net income on a combined basis for 1996 was \$3.5 million, an increase of \$0.2 million, or 5.5%, from 1995.

#### FINANCIAL CONDITION

RATINGS. During 1997, the Company's ratings were upgraded by A.M. Best from A to A+ and by Duff & Phelps from AA to AA+.

INVESTMENTS. The financial statement carrying value of the Company's total investment portfolio grew 39.6% in the first nine months of 1998. The amortized



cost basis of the Company's total investment portfolio grew 39.0% during the same period. The financial statement carrying value and amortized cost basis of the Company's total investments each increased 65.1% in 1997. All of the Company's investments, other than mortgage loans, are carried at fair value in the Company's financial statements. As such, growth in the carrying value of the Company's investment portfolio included changes in unrealized appreciation and depreciation of fixed maturity and equity securities as well as growth in the cost basis of these securities. Growth in the cost basis of the Company's investment portfolio resulted from the investment of premiums from the sale of the Company's fixed account option. The Company manages the growth of its insurance operations in order to maintain adequate capital ratios.

To support the fixed account option of the Company's variable insurance products, cash flow was invested primarily in fixed maturity and equity securities and mortgage loans. At September 30, 1998, the Company's investment portfolio at amortized cost was \$722.4 million with a yield of 7.1% and carrying value of \$726.4 million. At December 31, 1997, the Company's investment portfolio at amortized cost was \$519.6 million with a yield of 6.7% and carrying value of \$520.2 million.

**Fixed Maturity Securities:** At September 30, 1998 the Company had fixed maturities with an amortized cost of \$610.3 million and an estimated fair value of \$618.7 million. At December 31, 1997, the Company had fixed maturities with an amortized cost of \$413.3 million and an estimated fair value of \$414.4 million. The individual securities in the Company's fixed maturities portfolio (at amortized cost) include investment grade securities (\$471.5 million or 77.3% at September 30, 1998, and \$368.0 million or 89.1% at December 31, 1997), which include securities issued by the U.S. Government, its agencies and corporations that are rated at least BBB- by Standard & Poor's Rating Services, a Division of the McGraw Hill Cos., Inc. ("Standard & Poor's"), and below investment grade securities (\$47.2 million or 7.7% at September 30, 1998, and \$41.4 million or 10.0% at December 31, 1997), which are securities issued by corporations that are rated BB+ to B- by Standard & Poor's. Securities not rated by Standard & Poor's had a National Association of Insurance Commissioners ("NAIC") rating of 1, 2 or 3 (\$90.5 million or 14.8%) or a rating of 4 (\$1.1 million or 0.2%) at September 30, 1998, and 1, 3 or 4 (3.9 million or 0.9%) at December 31, 1997.

The Company classifies 100% of its securities as available for sale. On September 30, 1998, fixed income securities with an amortized cost of \$610.3 million and an estimated fair value of \$618.7 million were designated as available for sale, and on December 31, 1997, fixed income securities with an amortized cost of \$413.3 million and an estimated fair value of \$414.4 million were designated as available for sale. At September 30, 1998, and December 31, 1997, net unrealized appreciation of fixed maturity securities of \$8.4 million and \$1.1 million, respectively, was comprised of gross appreciation of \$11.3 million and \$1.4 million, respectively, and gross depreciation of \$2.9 million and \$0.3 million, respectively. Net unrealized holding gains on these securities, net of adjustments to DPAC, PVIF and deferred income taxes, increased stockholder's equity by \$3.7 million at September 30, 1998, and \$0.6 million at December 31, 1997.

The Company began investing in below investment grade securities during 1996. At September 30, 1998, and December 31, 1997 the amortized cost value of the Company's total investment in below investment grade securities was \$55.1 million and \$41.4 million, or 7.6% and 8.0%, respectively, of the Company's investment portfolio. The Company intends to purchase additional below investment grade securities, but it does not expect the percentage of its portfolio invested in such securities to exceed 10% of its investment portfolio. At September 30, 1998, and December 31, 1997, the yield at amortized cost on the Company's below investment grade portfolio was 8.0% compared to 6.4%, respectively, and 7.9% compared to 6.3%, respectively, for the Company's investment grade corporate bond portfolio. The Company estimates the fair value of its below investment grade portfolio was \$53.8 million, or 97.5% of amortized cost value, at September 30, 1998, and \$41.3 million, or 99.9% of amortized cost value, at December 31, 1997.

Below investment grade securities have different characteristics than

investment grade corporate debt securities. Risk of loss upon default by the borrower is significantly greater with respect to below investment grade securities than with other corporate debt securities. Below investment grade securities are generally unsecured and are often subordinated to other creditors of the issuer. Also, issuers of below investment grade securities usually

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have higher levels of debt and are more sensitive to adverse economic conditions, such as recession or increasing interest rates, than are issuers of investment grade securities. The Company attempts to reduce the overall risk in its below investment grade portfolio, as in all of its investments, through careful credit analysis, strict investment policy guidelines, and diversification by company and by industry.

The Company analyzes its investment portfolio, including below investment grade securities, at least quarterly in order to determine if its ability to realize its carrying value on any investment has been impaired. For debt and equity securities, if impairment in value is determined to be other than temporary (i.e. if it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the security), the cost basis of the impaired security is written down to fair value, which becomes the security's new cost basis. The amount of the write-down is included in earnings as a realized loss. Future events may occur, or additional or updated information may be received, which may necessitate future write-downs of securities in the Company's portfolio. Significant write-downs in the carrying value of investments could materially adversely affect the Company's net income in future periods.

During the first nine months of 1998, and during 1997, fixed maturity securities designated as available for sale with a combined amortized cost of \$91.2 and \$49.3 million, respectively, were called or repaid by their issuers. In total, net pre-tax gains from sales, calls and repayments of fixed maturity investments amounted to \$0.5 million for the first nine months of 1998, and \$0.2 million for the year ended December 31, 1997.

At September 30, 1998, and December 31, 1997 no fixed maturity securities were deemed to have impairments in value that are other than temporary. The Company's fixed maturity investment portfolio had a combined yield at amortized cost of 6.7% at September 30, 1998, and 6.7% at December 31, 1997.

Equity Securities: At September 30, 1998, and December 31, 1997, the Company owned equity securities with a cost of \$14.4 million and \$4.4 million, respectively, and an estimated fair value of \$10.1 million and \$3.9 million, respectively. At September 30, 1998, net unrealized depreciation of equity securities of \$4.3 million was comprised entirely of gross depreciation. At December 31, 1997 gross unrealized depreciation of equity securities totaled \$0.5 million. Equity securities are comprised primarily of the Company's investment in shares of the mutual funds underlying the Company's registered separate accounts.

Mortgage Loans: Mortgage loans represented 13.5% at September 30, 1998, and 16.4% at December 31, 1997, of the Company's investment portfolio at amortized cost. Mortgages outstanding were \$98.0 million and \$85.1 million at September 30, 1998, and December 31, 1997, respectively, with an estimated fair value of \$101.9 million and \$86.3 million, respectively. At September 30, 1998, the Company's mortgage loan portfolio included 57 loans with an average size of \$1.7 million and average seasoning of 0.9 years if weighted by the number of loans. At December 31, 1997, the Company's mortgage loan portfolio included 50 loans with an average size of \$1.7 million and average seasoning of 1.1 years if weighted by the number of loans, and 1.2 years if weighted by mortgage loan carrying value. The Company's mortgage loans are typically secured by occupied buildings in major metropolitan locations and not speculative developments, and are diversified by type of property and geographic location. At September 30, 1998, and December 31, 1997, the yield on the Company's mortgage loan portfolio was 7.3% and 7.4%, respectively.

At September 30, 1998, and December 31, 1997 no mortgage loans were delinquent by 90 days or more. The Company's loan investment strategy is consistent with other life insurance subsidiaries of EIC. EIC's insurance subsidiaries have experienced an historically low default rate in their mortgage loan portfolio and have been able to recover 95.9% of the principal amount of problem mortgages resolved in the last three years ended December 31, 1997.

At September 30, 1998, and December 31, 1997, the Company had no investments in default. The Company estimates its total investment portfolio, excluding policy loans, had a fair value approximately equal to 101.1% and 100.4% of its amortized cost value for accounting purposes at September 30, 1998, and December 31, 1997, respectively.

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OTHER ASSETS. Accrued investment income increased \$3.0 million during the first nine months of 1998, and \$2.3 million during 1997, due to an increase in the overall size of the portfolio resulting from the investment of premiums allocated to the fixed account option of the Company's variable products.

DPAC represents certain deferred costs of acquiring new insurance business, principally commissions and other expenses related to the production of new business subsequent to the merger. The Company's DPAC and previous balance of PVIF, were eliminated as of the merger and acquisition dates, and an asset representing PVIF was established for all policies in force at the merger and acquisition dates. PVIF is amortized into income in proportion to the expected gross profits of the in force acquired in a manner similar to DPAC amortization. Any expenses which vary with the sales of the Company's products are deferred and amortized. At September 30, 1998, the Company had DPAC and PVIF balances of \$140.8 million and \$36.5 million, respectively. At December 31, 1997, the Company had DPAC and PVIF balances of \$12.8 million and \$43.2 million, respectively. During the third quarter of 1998, PVIF was unlocked by \$0.8 million to reflect changes in the assumptions related to the timing of future gross profits. PVIF decreased \$2.7 million in the second quarter of 1998 for an adjustment to the value of other receivables and increased \$0.2 million in the first quarter of 1998 for an adjustment made to the merger costs. During the second quarter of 1997, PVIF was unlocked by \$2.3 million to reflect narrower current spreads than the gross profit model assumed.

Goodwill totaling \$151.1 million and \$41.1 million as adjusted, representing the excess of the acquisition cost over the fair value of net assets acquired, was established at the merger and acquisition dates, respectively. At June 30, 1997, goodwill was increased by \$1.8 million to adjust the value of a receivable existing at the acquisition date. Amortization of goodwill through September 30, 1998 was \$2.8 million.

At September 30, 1998 the Company had \$2.6 billion of separate account assets compared to \$1.6 billion at December 31, 1997, and 1.2 billion at December 31, 1996. The increase in separate account assets during the first nine months of 1998 is due to growth in sales of the Company's variable annuity products, net of redemptions and market depreciation.

At September 30, 1998 the Company had total assets of \$3.8 billion, a 54.4% increase from the December 31, 1997 total asset amount of \$2.4 billion. The 1997 total asset amount was a 45.8% increase over total assets at December 31, 1996.

LIABILITIES. In conjunction with the volume of variable insurance sales, the Company's total liabilities increased \$1.3 billion, or 56.4%, during the first nine months of 1998 and totaled \$3.5 billion at September 30, 1998. For 1997 liabilities increased \$681.1 million, or 44.3%, and totaled \$2.2 billion at December 31, 1997. Future policy benefits for annuity and interest sensitive life products increased \$200.4 million, or 39.7%, to \$705.7 million during the first nine months of 1998 and \$220.0 million, or 77.1%, to \$505.3 million at

December 31, 1997, reflecting premium growth in the Company's fixed account option of its variable products. Premium growth net of redemptions, and market depreciation accounted for the \$983.2 million, or 59.7%, increase in separate account liabilities to \$2.6 billion at September 30, 1998. At December 31, 1997, separate account liabilities increased \$438.9 million, or 36.4%, to \$1.6 billion from December 31, 1996. As of the merger and acquisition dates, the Company's existing unearned revenue reserves were eliminated. This treatment corresponds with the treatment of PVIF.

Golden American maintains a reciprocal loan agreement with ING AIH, a Delaware corporation and an affiliate of EIC, to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement, which became effective January 1, 1998, and expires on December 31, 2007, Golden American and ING AIH can borrow up to \$65 million from one another. Prior to lending funds to ING AIH, Golden American must obtain approval from the State of Delaware Department of Insurance. At September 30, 1998, \$40.0 million was payable to ING AIH under this agreement.

Golden American maintained a line of credit agreement with Equitable of Iowa to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under the agreement, which became effective December 1, 1996 and expired on December 31, 1997, Golden American could borrow up to \$25 million. At December 31, 1997, \$24.1 million was outstanding under this agreement. The outstanding balance was repaid by a capital contribution.

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On December 17, 1996, Golden American issued a \$25 million, 8.25% surplus note to Equitable of Iowa which matures on December 17, 2026. As a result of the merger, the surplus note is now payable to EIC.

To enhance short-term liquidity, the Company has established a revolving note payable effective July 27, 1998, and expiring July 31, 1999, with SunTrust Bank, Atlanta (the "Bank"). The note was approved by Golden American's and First Golden's boards of directors on August 5, 1998 and September 29, 1998, respectively. The total amount the Company may have outstanding is \$85 million, of which Golden American and First Golden have individual credit sublimits of \$75 million and \$10 million, respectively. The terms of the agreement require the Company to maintain the minimum level of Company Action Level Risk Based Capital as established by applicable law or regulation. At September 30, 1998, \$20.1 million was payable to the Bank under this note by Golden American.

Other liabilities increased \$29.1 million from \$17.3 million at December 31, 1997, due primarily to a payable on investments at September 30, 1998.

Equity. Additional paid-in capital increased \$87.6 million, or 63.8%, from December 31, 1996 to \$225.0 million at December 31, 1997 primarily due to the revaluation of net assets as a result of the merger.

The effects of inflation and changing prices on the Company are not material since insurance assets and liabilities are both primarily monetary and remain in balance. An effect of inflation, which has been low in recent years, is a decline in purchasing power when monetary assets exceed monetary liabilities.

#### LIQUIDITY AND CAPITAL RESOURCES

The liquidity requirements of the Company are met by cash flow from variable insurance premiums, investment income and maturities of fixed maturity investments, mortgage loans and short term investments. The Company primarily uses funds for the payment of insurance benefits, commissions, operating expenses and the purchase of new investments.

The Company's home office operations are currently housed in leased locations in Wilmington, Delaware, various locations in Pennsylvania, and New York, New York. The office space in Pennsylvania is being leased on a short term basis for use in the transition to a new office building. The Company has entered into agreements with a developer to develop and lease a 65,000 square foot office building to house the Company's operations, except for New York.

The Company expects to spend approximately \$2.9 million on capital needs during the remainder of 1998.

The Company intends to continue expanding its operations. Future growth in the Company's operations will require additional capital. The Company believes it will be able to fund the capital required for projected new business primarily with future capital contributions from its Parent. It is ING's policy to ensure adequate capital and surplus is provided for the Company and, if necessary, additional funds will be contributed in 1998. During the first nine months of 1998, Golden American received capital contributions from EIC of \$72.5 million. On November 12, 1998, Golden American received an additional \$50 million capital contribution from EIC.

The ability of Golden American to pay dividends to its Parent is restricted because prior approval of insurance regulatory authorities is required for payment of dividends to the stockholder which exceed an annual limitation. During the remainder of 1998, Golden American cannot pay dividends to its Parent without prior approval of statutory authorities. The Company has maintained adequate statutory capital and surplus and has not used surplus relief or financial reinsurance.

Under the provisions of the insurance laws of the State of New York, First Golden cannot distribute any dividends to its stockholder unless a notice of its intention to declare a dividend and amount of the dividend has been filed not less than thirty days in advance of the proposed declaration. The superintendent may disapprove the distribution by giving written notice to First Golden within thirty days after the filing should the superintendent find that the financial condition of First Golden does not warrant the distribution.

The NAIC's risk-based capital requirements require insurance companies to calculate and report information under a risk-based capital formula. These requirements are intended to allow insurance regulators to identify

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inadequately capitalized insurance companies based upon the type and mixture of risks inherent in the Company's operations. The formula includes components for asset risk, liability risk, interest rate exposure and other factors. At December 31, 1997, the Company had complied with the NAIC's risk-based capital reporting requirements. Amounts reported indicate that the Company has total adjusted capital well above all required capital levels.

Reinsurance: At September 30, 1998, Golden American had reinsurance treaties with four unaffiliated reinsurers and one affiliated reinsurer covering a significant portion of the mortality risks under its variable contracts. Golden American remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements.

Year 2000 Project: Based on a 1997 study of its computer software and hardware, the Company has determined its exposure to the Year 2000 change of the century date issue. Some of the Company's computer programs were originally written using two digits rather than four to define a particular year. As a result, these computer programs contain "time sensitive" software that may recognize "00" as the year 1900 rather than the year 2000, which could cause system failure or miscalculations resulting in disruptions to operations. These disruptions could include, but are not limited to, a temporary inability to record transactions.

The Company has identified one system and some desktop software that will have date problems. All systems will be upgraded in the fourth quarter of 1998. To a lesser extent, the Company depends on various non-information technology systems, such as telephone switches, which could also fail or malfunction as a result of the Year 2000.

The Company has developed a plan to address the Year 2000 issue in a timely manner. The following schedule details the plan's phases, progress towards completion and actual or estimated completion dates:

PHASES	% COMPLETE AS OF SEPTEMBER 30, 1998	ACTUAL/ESTIMATED COMPLETION DATES
ASSESSMENT AND DEVELOPMENT of the steps to be taken to address Year 2000 systems issues	100%	12/31/97
IMPLEMENTATION of steps to address Year 2000 systems issues	76-99%	12/31/98
IMPLEMENTATION of steps to address Year 2000 desktop software issues	76-99%	12/31/98
TESTING of systems	26-50%	12/31/98
POINT-TO-POINT TESTING of external interfaces with third party computer systems that communicate with Company systems	1-25%	12/31/98
IMPLEMENTATION of tested software addressing Year 2000 systems issues	51-75%	12/31/98
CONTINGENCY PLAN	1-25%	03/31/99

In addition, the Company's operations could be adversely affected if significant customers, suppliers and other third parties would be unable to transact business in the Year 2000 and thereafter. To mitigate the effect of outside influences and other dependencies relative to the Year 2000, the Company has identified and contacted these third parties who have assured the Company that necessary steps are being taken to prepare for the Year 2000.

Management believes the Company's systems are or will be substantially compliant by Year 2000. Golden American has charged to expense approximately \$140,000 in the first nine months of 1998 related to the Year

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2000 project.

The Company anticipates charging to expense an additional \$180,000 to \$195,000 in 1998 which includes upgrade and internal resources costs. Management expects some internal resources will be utilized in early 1999 to finalize the contingency plan.

Despite the Company's efforts to modify or replace "time sensitive" computer and information systems, the Company could experience a disruption to its operations as a result of the Year 2000. The Company is currently developing a contingency plan to address any systems that may malfunction despite the testing being performed. The contingency plan, which is expected to be completed by March 31, 1999, will provide for the availability of staff, prioritize tasks and outline procedures to fix any malfunctioning systems.

The costs and completion date of the Year 2000 project are based on management's best estimates. These estimates were derived using numerous assumptions of future events, including the continued availability of resources, third party Year 2000 compliance and other factors. There is no guarantee these estimates will be achieved and actual results could materially differ from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of trained personnel, the ability to locate and correct all relevant computer codes and other uncertainties.

Surplus Note: On December 17, 1996, Golden American issued a surplus note in the amount of \$25 million to Equitable of Iowa. The note matures on December 17, 2026, and accrues interest of 8.25% per annum until paid. The note and accrued interest thereon shall be subordinate to payments due to policyholders, claimant and beneficiary claims, as well as debts owed to all other classes of debtors of Golden American. Any payment of principal made shall be subject to the prior approval of the Delaware Insurance Commissioner. On December 17, 1996, Golden American contributed the \$25 million to First Golden acquiring 200,000 shares of common stock (100% of shares outstanding) of First Golden.

As a result of the merger, the surplus note is now payable to EIC.

Reciprocal Loan Agreement: Golden American maintains a reciprocal loan agreement with ING AIH to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement, which became effective January 1, 1998, and expires on December 31, 2007, Golden American and ING AIH can borrow up to \$65 million from one another. Prior to lending funds to ING AIH, Golden American must obtain approval from the State of Delaware Department of Insurance. At September 30, 1998, \$40.0 million was payable to ING AIH under this agreement.

Revolving Note Payable: To enhance short-term liquidity, the Company has established a revolving note payable effective July 27, 1998, and expiring July 31, 1999, with SunTrust Bank, Atlanta (the "Bank"). The note was approved by Golden American's and First Golden's boards of directors on August 5, 1998 and September 29, 1998, respectively. The total amount the Company may have outstanding is \$85 million, of which Golden American and First Golden have individual credit sublimits of \$75 million and \$10 million, respectively. The note accrues interest at an annual rate equal to: (1) the cost of funds for the Bank for the period applicable for the advance plus 0.25% or (2) a rate quoted by the Bank to the Company for the advance. The terms of the agreement require the Company to maintain the minimum level of Company Action Level Based Capital as established by applicable state law or regulation. At September 30, 1998, \$20.1 million was payable to the Bank under this note by Golden American.

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Any forward-looking statement contained herein or in any other oral or written statement by the Company or any of its officers, directors or employees is qualified by the fact that actual results of the Company may differ materially from such statement, among other risks and uncertainties inherent in the Company's business due to the following important factors:

- (1) Prevailing interest rate levels and stock market performance which may affect the ability of the Company to sell its products, the market value and liquidity of the Company's investments and the lapse rate of the Company's policies, notwithstanding product design features intended to enhance persistency of the Company's products.
- (2) Changes in the federal income tax laws and regulations which may affect the relative tax advantages of the Company's products.
- (3) Changes in the regulation of financial services, including bank sales and underwriting of insurance products, which may affect the competitive environment for the Company's products.
- (4) Increasing competition in the sale of the Company's products.
- (5) Other factors affecting the performance of the Company, including, but not limited to, market conduct claims, litigation, insurance industry insolvencies, investment performance of the underlying portfolios of the variable products, variable product design and sales volume by significant sellers of the Company's variable products.
- (6) To the extent third parties are unable to transact business in the Year 2000 and thereafter, the Company's operations could be adversely affected.

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#### OTHER INFORMATION

SEGMENT INFORMATION. During the period since the acquisition by Bankers Trust,

September 30, 1992 to date of this Prospectus, Golden American's operations consisted of one business segment, the sale of annuity and life insurance products. Golden American and its affiliate DSI are party to in excess of 140 sales agreements with broker-dealers, three of whom, Locust Street Securities, Inc., Vestax Securities Corporation, and Multi-Financial Securities Corporation, are affiliates of Golden American. Four broker-dealers, including Locust Street Securities, Inc., are currently responsible for more than two-thirds of Golden American's product sales revenues.

REINSURANCE. Golden American reinsures a significant portion of its mortality risk associated with the Contract's guaranteed death benefit with one or more appropriately licensed insurance companies. Golden American also, effective September 1, 1994, entered into a reinsurance agreement on a modified coinsurance basis with an affiliate of a broker-dealer which distributes Golden American's products with respect to 25% of the Golden American business produced by that broker-dealer.

RESERVES. In accordance with the life insurance laws and regulations under which Golden American operates, it is obligated to carry on its books, as liabilities, actuarially determined reserves to meet its obligations on outstanding Contracts. Reserves, based on valuation mortality tables in general use in the United States, where applicable, are computed to equal amounts which, together with interest on such reserves computed annually at certain assumed rates, make adequate provision according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of Golden American.

COMPETITION. Golden American is engaged in a business that is highly competitive because of the large number of stock and mutual life insurance companies and other entities marketing insurance products comparable to those of Golden American. There are approximately 2,350 stock, mutual and other types of insurers in the life insurance business in the United States, a substantial number of which are significantly larger than Golden American.

SERVICE AGREEMENTS. Beginning in 1994 and continuing until August 13, 1996, Bankers Trust (Delaware), a subsidiary of Bankers Trust New York Corporation ("BT New York Corporation"), and Golden American became parties to a service agreement pursuant to which Bankers Trust (Delaware) agreed to provide certain accounting, actuarial, tax, underwriting, sales, management and other services to Golden American. Expenses incurred by Bankers Trust (Delaware) in relation to this service agreement were reimbursed by Golden American on an allocated cost basis. Charges billed to Golden American by Bankers Trust (Delaware) pursuant to the service agreement for 1996 through its termination as of August 13, 1996 and 1995 were \$0.5 million and \$0.8 million, respectively.

Pursuant to a service agreement between Golden American and Equitable Life, Equitable Life provides certain administrative, financial and other services to Golden American.

Golden American provides to DSI certain of its personnel to perform management, administrative and clerical services and the use of certain facilities. Golden American charges DSI for such expenses and all other general and administrative costs, first on the basis of direct charges when identifiable, and the remainder allocated based on the estimated amount of time spent by Golden American's employees on behalf of DSI. In the opinion of management, this method of cost allocation is reasonable. In 1995, the service agreement between DSI and Golden American was amended to provide for a management fee from DSI to Golden American for managerial and supervisory services provided by Golden American. This fee, calculated as a percentage of average assets in the variable separate accounts, was \$2.8 million, \$2.3 million and \$1.0 million for the years of 1997, 1996 and 1995, respectively.



DISTRIBUTION AGREEMENT. Under a distribution agreement, DSI acts as the principal underwriter (as defined in the Securities Act of 1933 and the Investment Company Act of 1940, as amended) of the variable insurance products issued by Golden American. For the years 1997, 1996 and 1995, commissions paid by Golden American to DSI aggregated \$36.4 million, \$27.1 million and \$8.4 million, respectively.

EMPLOYEES. Golden American, as a result of its Service Agreement with Bankers Trust (Delaware) and EIC Variable, Inc., had very few direct employees. Instead, various management services were provided by Bankers Trust (Delaware), EIC Variable, Inc., and Bankers Trust New York Corporation, as described above under "Service Agreement." The cost of these services were allocated to Golden American. Since August 14, 1996, Golden American has looked to Equitable of Iowa and its affiliates for management services.

Certain officers of Golden American are also officers of DSI, and their salaries are allocated among both companies. Certain officers of Golden American are also officers of other Equitable of Iowa subsidiaries. See "Directors and Executive Officers."

PROPERTIES. Golden American's principal office is located at 1001 Jefferson Street, Suite 400, Wilmington, Delaware 19801, where all of Golden American's records are maintained. This office space is leased.

STATE REGULATION. Golden American is subject to the laws of the State of Delaware governing insurance companies and to the regulations of the Delaware Insurance Department (the "Insurance Department"). A detailed financial statement in the prescribed form (the "Annual Statement") is filed with the Insurance Department each year covering Golden American's operations for the preceding year and its financial condition as of the end of that year. Regulation by the Insurance Department includes periodic examination to determine contract liabilities and reserves so that the Insurance Department may certify that these items are correct. Golden American's books and accounts are subject to review by the Insurance Department at all times. A full examination of Golden American's operations is conducted periodically by the Insurance Department and under the auspices of the NAIC.

In addition, Golden American is subject to regulation under the insurance laws of all jurisdictions in which it operates. The laws of the various jurisdictions establish supervisory agencies with broad administrative powers with respect to various matters, including licensing to transact business, overseeing trade practices, licensing agents, approving contract forms, establishing reserve requirements, fixing maximum interest rates on life insurance contract loans and minimum rates for accumulation of surrender values, prescribing the form and content of required financial statements and regulating the type and amounts of investments permitted. Golden American is required to file the Annual Statement with supervisory agencies in each of the jurisdictions in which it does business, and its operations and accounts are subject to examination by these agencies at regular intervals.

The NAIC has adopted several regulatory initiatives designed to improve the surveillance and financial analysis regarding the solvency of insurance companies in general. These initiatives include the development and implementation of a risk-based capital formula for determining adequate levels of capital and surplus. Insurance companies are required to calculate their risk-based capital in accordance with this formula and to include the results in their Annual Statement. It is anticipated that these standards will have no significant effect upon Golden American. For additional information about the Risk-Based Capital adequacy monitoring system and Golden American, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

In addition, many states regulate affiliated groups of insurers, such as Golden American, and its affiliates, under insurance holding company legislation. Under such laws, inter-company transfers of assets and dividend payments from insurance subsidiaries may be subject to prior notice or approval, depending on the size of the transfers and payments in relation to the financial positions of the companies involved.

Under insurance guaranty fund laws in most states, insurers doing business therein can be assessed (up to prescribed limits) for contract owner losses incurred by other insurance companies which have become insolvent. Most of these laws provide that an assessment may be excused or deferred if it would threaten an insurer's own financial strength. For information regarding Golden American's estimated liability for future guaranty fund assessments, see Note 10 of Notes to Financial Statements.

Although the federal government generally does not directly regulate the business of insurance, federal initiatives often have an impact on the business in a variety of ways. Certain insurance products of Golden American are subject to various federal securities laws and regulations. In addition, current and proposed federal measures which may significantly affect the insurance business include regulation of insurance company solvency, employee benefit regulation, removal of barriers preventing banks from engaging in the insurance business, tax law changes affecting the taxation of insurance companies and the tax treatment of insurance products and its impact on the relative desirability of various personal investment vehicles.

#### DIRECTORS AND EXECUTIVE OFFICERS

Name (Age)	Position(s) with the Company
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Barnett Chernow (48)	President and Director
Myles R. Tashman (56)	Director, Executive Vice President, General Counsel and Secretary
Frederick S. Hubbell (47)	Director and Chairman
Paul E. Larson (45)	Director
Keith T. Glover (48)	Executive Vice President
James R. McInnis (50)	Executive Vice President
Stephen J. Preston (41)	Executive Vice President and Chief Actuary
E. Robert Koster (40)	Senior Vice President and Chief Financial Officer
Dennis D. Hargens (56)	Treasurer
David L. Jacobson (49)	Senior Vice President and Assistant Secretary
William B. Lowe (34)	Senior Vice President
Edward M. Syring, Jr. (60)	Senior Vice President
Ronald R. Blasdell (45)	Senior Vice President
Steven G. Mandel (39)	Senior Vice President

Each director is elected to serve for one year or until the next annual meeting of shareholders or until his or her successor is elected. Some directors are directors of insurance company subsidiaries of Golden American's parent, Equitable of Iowa. The principal positions of Golden American's directors and senior executive officers for the past five years are listed below:

Mr. Barnett Chernow became President and Director of Golden American Life Insurance Company ("Golden American") and President of First Golden American Life Insurance Company of New York ("First Golden") in April, 1998. From 1993 to 1998, Mr. Chernow served as Executive Vice President of Golden American. He was elected to serve as Executive Vice President and Director of First Golden in September, 1996. From 1977 through 1993, he held various positions with Reliance Insurance Companies and was Senior Vice President and Chief Financial Officer of United Pacific Life Insurance Company from 1984 through 1993.

Mr. Myles R. Tashman joined Golden American in August, 1994 as Senior Vice President and was named Executive Vice President, General Counsel and Secretary effective January 1, 1996. He was elected to serve as a director of Golden American in January, 1998. From 1986 through 1993, he was Senior Vice President and General Counsel of United Pacific Life Insurance Company.

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Mr. Frederick S. Hubbell is a Director of Golden American since August, 1996 and Chairman since September, 1996. He also serves as a Director and Chairman of First Golden, having been first appointed as a Director in December, 1997 and as Chairman in April, 1998. He was appointed General Manager of ING Financial Services International, North America, in October, 1997 and General Manager, President and Chief Executive Officer of ING US life and annuities companies in April 1998. Mr. Hubbell served as Chairman, President and Chief Executive Officer of Equitable of Iowa from 1991 until October, 1997. He also has served as Chairman and President of Equitable Life Insurance Company of Iowa from 1987 until October, 1997.

Mr. Paul E. Larson joined Equitable of Iowa in 1977 and is currently President of Equitable Life. He was elected to serve as a director of Golden American in August, 1996. He also served as Executive Vice President, CFO, and Assistant Secretary of Golden American from December, 1996 through December, 1997.

Mr. Keith T. Glover became Executive Vice President of Golden American and First Golden in February, 1998. From 1991 to 1998, Mr. Glover served as Executive Vice President of several Golden American affiliates; from 1996 to 1998, Southland Life Insurance Company; from 1995 to 1996, ING FSI North America; and from 1991 to 1994, Security Life of Denver. From 1994 to 1995, Mr. Glover served as President of ING Insurance Services - ING American Life, another Golden American affiliate.

Mr. James R. McInnis joined Golden American in December, 1997 as Executive Vice President. From 1982 through November, 1997, he was with the Endeavor Group and was President upon leaving.

Mr. E. Robert Koster was elected Senior Vice President and Chief Financial Officer of Golden American in September, 1998. From August, 1984 to September, 1998 he has held various positions with ING companies in The Netherlands.

Mr. Dennis D. Hargens was elected Treasurer of Golden American in December, 1996. He joined Equitable Life in 1961 and is currently Treasurer and was elected Treasurer of USG Annuity & Life Company in 1996.

Mr. David L. Jacobson joined Golden American in November, 1993 as Senior Vice President and Assistant Secretary. From April, 1974 through November, 1993, he held various positions with United Pacific Life Insurance Company and was Vice President upon leaving.

Mr. Stephen J. Preston joined Golden American in December, 1993 as Senior Vice President, Chief Actuary and Controller. He currently serves as Executive Vice President and Chief Actuary. From September, 1993 through November, 1993, he was Senior Vice President and Actuary for Mutual of America Insurance Company. From July, 1987 through August, 1993, he held various positions with United Pacific Life Insurance Company and was Vice President and Actuary upon leaving.

Mr. William B. Lowe joined Equitable Life as Vice President, Sales & Marketing in January, 1994. He became a Senior Vice President, Sales & Marketing, of Golden American in August, 1997. He was also President of Equitable of Iowa Securities Network, Inc. until October, 1998. Prior to joining Equitable Life, he was an Associate Vice President of Lincoln Benefit Life from July, 1990 through December, 1993.

Mr. Edward Syring, Jr. joined Golden American in February, 1998 as a Senior Vice President, Sales & Marketing. Prior to joining Golden American, he was with Putnam Mutual Funds from April, 1991 through February, 1995.

Mr. Steven G. Mandel joined Golden American in October, 1988 and was elected Senior Vice President in June, 1998. Prior to joining Golden American, he was with Monarch Resources Inc. from June, 1982 to October, 1988.

Mr. Ronald R. Blasdel joined Golden American in February, 1994 and was elected Senior Vice President in June, 1998. Prior to joining Golden American, he was with United Pacific Life Insurance Company, from November, 1988 to November, 1993. From July, 1975 through November, 1988, he was with Colonial Penn Group, Inc.

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#### COMPENSATION TABLES AND OTHER INFORMATION

The following sets forth information with respect to the Chief Executive Officer of Golden American as well as the annual salary and bonus for the five other most highly compensated executive officers for the fiscal year ended December 31, 1997. Certain executive officers of Golden American are also officers of DSI. The salaries of such individuals are allocated between Golden American and DSI pursuant to an arrangement among these companies. Throughout 1995 and until August 13, 1996, Terry L. Kendall served as a Managing Director at Bankers Trust New York Corporation. Compensation amounts for Terry L. Kendall which are reflected throughout these tables prior to August 14, 1996 were not charged to Golden American, but were instead absorbed by Bankers Trust New York Corporation.

#### EXECUTIVE COMPENSATION TABLE

The following table sets forth information with respect to the annual salary and bonus for Golden American's Chief Executive Officer and the five other most highly compensated executive officers for the fiscal year ended December 31, 1997.

<TABLE>  
<CAPTION>

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION		
		SALARY	BONUS (/1/)	RESTRICTED STOCK AWARDS OPTIONS (/2/)	SECURITIES UNDERLYING OPTIONS	ALL OTHER COMPENSATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Terry L. Kendall,..... President and Chief Executive Officer(/3/)	1997 1996 1995	\$362,833 \$288,298 \$250,000	\$ 80,365 \$400,000 \$400,000	\$ 644,844	16,000 8,000	\$ 10,000 (/4//) \$ 11,535 (/5//) \$ 6,706 (/5//)
Paul R. Schlaack,..... Chairman, Director and Vice President	1997 1996 1995	\$351,000 \$327,875 \$311,750	\$249,185 \$249,185 \$165,890	\$1,274,518 \$ 245,875 \$ 19,594	19,000 19,000 23,000	\$ 15,000 \$ 15,000 \$ 9,000 (/4//)

Paul E. Larson,.....	1997	\$327,667	\$128,540	\$ 971,036	16,000	\$ 15,000
Executive Vice	1996	\$267,791	\$128,540	\$ 319,935	26,000	\$ 15,000
President, Chief Financial Officer and Assistant Secretary	1995	\$242,833	\$ 70,760	\$ 73,396	20,000	\$ 12,000 (/4/)
Barnett Chernow,.....	1997	\$234,167	\$ 31,859	\$ 277,576	4,000	\$ 5,000 (/4/)
Executive Vice	1996	\$207,526	\$150,000			\$ 7,755 (/5/)
President	1995	\$190,000	\$165,000			\$ 15,444 (/5/) (/6/)
Edward C. Wilson,.....	1997	\$ 80,383	\$137,700		5,000	
Executive Vice President	1996	\$190,582	\$327,473			
Myles R. Tashman,.....	1997	\$181,417	\$ 25,000	\$ 165,512	5,000	\$ 5,000 (/4/)
Executive Vice	1996	\$176,138	\$ 90,000			\$ 5,127 (/5/)
President, General Counsel and Secretary	1995	\$160,000	\$ 25,000			

</TABLE>

- (1) The amount shown relates to bonuses paid in 1997, 1996 and 1995. \$50,000 of Mr. Wilson's bonus paid in 1996 represents a signing bonus.
  - (2) Restricted stock awards granted to executive officers vested on October 24, 1997 with the change in control of Equitable of Iowa.
  - (3) Awards comprised of qualified and non-qualified stock options. All options were granted with an exercise price equal to the then fair market value of the underlying stock. All options vested with the change in control of Equitable of Iowa and were cashed out for the difference between \$68.00 and the exercise price.
  - (4) For 1997, this compensation includes payment to each named executive as perquisite payments which are classified as taxable income and are required to be applied to specific business expenses of the named executive.
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- (5) Contributions were made by the Company on behalf of the employee to PartnerShare, the deferred compensation plan sponsored by Bankers Trust New York Corporation and its affiliates for the benefit of all Bankers Trust employees, in February of the current year to employees on record as of December 31 of the previous year, after the employee completes one year of service with the company. This contribution could be in the form of deferred compensation and/or a cash payment. In 1996, Mr. Kendall received \$9,000 of deferred compensation and \$2,535 of cash payment from the plan; Mr. Chernow received \$6,000 of deferred compensation and \$1,755 of cash payment from the plan; Mr. Tashman received \$4,000 of deferred compensation and \$1,127 of cash payment from the plan; Mr. Wilson was not eligible for contributions to the Partnershare Plan in 1996. In 1995, Mr. Kendall received \$2,956 of deferred compensation and \$3,750 of cash payment from the plan; Mr. Chernow received \$1,013 of deferred compensation and \$1,267 of cash payment from the plan; Mr. Wilson and Mr. Tashman were not eligible for contributions to the PartnerShare Plan in 1995.
  - (6) Amount shown for 1995 represents relocation expenses paid on behalf of the employee.

#### Option Grants in Last Fiscal Year (1997)

On October 24, 1997, in conjunction with the acquisition of Equitable of Iowa, all outstanding options vested and were cashed out for the difference between \$68.00 and the exercise price. The table below

represents the options granted in 1997.

<TABLE>  
<CAPTION>

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (/1/)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE (/2/)	EXPIRATION DATE (/3/)	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM (/4/)	
					5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Terry L. Kendall.....	16,000	5.26	\$47.875	2/12/2007	\$481,733	\$1,220,807
Pual R. Schlaack.....	8,000	6.25	\$47.875	2/12/2007	\$572,058	\$1,449,708
Paul E. Larsen.....	8,000	6.25	\$47.875	2/12/2007	\$782,817	\$1,983,811
Barnett Chernow.....	4,000	1.32	\$47.875	2/12/2007	\$120,433	\$ 305,202
Edward C. Wilson.....	5,000	1.64	\$47.875	2/12/2007	\$150,542	\$ 381,502
Myles Tashman.....	5,000	1.64	\$47.875	2/12/2007	\$150,542	\$ 381,502

</TABLE>

- (1) Stock options granted on February 12, 1997 by Equitable of Iowa to the officers of Golden American had a five-year vesting period with 20% exercisable after 3rd year, an additional 30% after 4th year, and the final 50% after 5th year. The options vested with the change of control of Equitable of Iowa.
- (2) The exercise price was equal to the fair market value of the Common Stock on the date of grant.
- (3) Incentive Stock Options had a term of ten years. They were subject to earlier termination in certain events related to termination of employment.
- (4) Total dollar gains based on indicated rates of appreciation of share price over a ten-year term.

Directors of Golden American receive no additional compensation for serving as a director.

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FEDERAL TAX CONSIDERATIONS

INTRODUCTION

The following discussion of the federal income tax treatment of the Contract is not exhaustive, does not purport to cover all situations, and is not intended as tax advice. The federal income tax treatment of the Contract is unclear in certain circumstances, and a qualified tax adviser should always be consulted with regard to the application of the tax law to individual circumstances. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Department regulations, and interpretations existing on the date of this prospectus. These authorities, however, are subject to change by Congress, the Treasury Department, and judicial decisions.

This discussion does not address state or local tax consequences associated with the purchase of the contract. In addition, GOLDEN AMERICAN MAKES NO GUARANTEE REGARDING ANY TAX TREATMENT -- FEDERAL, STATE OR LOCAL -- OF ANY CONTRACT OR OF ANY TRANSACTION INVOLVING A CONTRACT.

#### TAX STATUS OF GOLDEN AMERICAN

Golden American is taxed as a life insurance company under the Code. Since the operations of Account B are a part of, and are taxed with, the operations of Golden American, Account B is not separately taxed as a "regulated investment company" under the Code. Under existing federal income tax laws, investment income and capital gains of Account B are not taxed to Golden American to the extent they are applied under a contract. Golden American does not anticipate that it will incur any federal income tax liability in Account B attributable to contract obligations, and therefore Golden American does not intend to make provision for any such taxes. If Golden American is taxed on investment income or capital gains of Account B, then Golden American may impose a charge against Account B, as appropriate, in order to make provision for such taxes.

#### TAXATION OF NON-QUALIFIED ANNUITIES

**TAX DEFERRAL DURING ACCUMULATION PERIOD.** Under existing provisions of the Code, except as described below, any increase in an owner's Accumulation Value is generally not taxable to the owner until amounts are received from the Contract, either in the form of annuity payments as contemplated by the Contract, or in some other form of distribution. However, this rule allowing deferral applies only if (1) the investments of Account B are "adequately diversified" in accordance with Treasury Department regulations, (2) Golden American, rather than the owner, is considered the owner of the assets of Account B for federal income tax purposes, and (3) the Contract is owned by an individual (or is treated as owned by an individual). In addition to the foregoing, if the Contract's Annuity Commencement Date occurs at a time when the annuitant is at an advanced age, such as over age 85, it is possible that the owner will be taxable currently on the annual increase in the Accumulation Value.

**Diversification Requirements.** The Code and Treasury Department regulations prescribe the manner in which the investments of a segregated asset account, such as the Divisions of Account B, are to be "adequately diversified." If a Division of Account B failed to comply with these diversification standards, contracts based on that segregated asset account would not be treated as an annuity contract for federal income tax purposes and the Owner would generally be taxable currently on the income on the contract (as defined in the tax law) beginning with the period of non-diversification. Golden American expects that the Divisions of Account B will comply with the diversification requirements prescribed by the Code and Treasury Department regulations.

**Ownership Treatment.** In certain circumstances, variable annuity contract owners may be considered the owners, for federal income tax purposes, of the assets of a segregated asset account, such as the Divisions of Account B, used to support their contracts. In those circumstances, income and gains from the segregated asset account would be includible in the contract owners' gross income. The Internal Revenue Service (the "IRS") has stated in published rulings that a variable contract owner will be considered the owner of the assets of a segregated asset account if the owner possesses incidents of ownership in those assets, such as the ability to exercise investment control over the assets. In addition, the Treasury Department announced, in connection with the issuance of regulations concerning investment diversification, that those regulations "do not provide guidance concerning the circumstances in which investor control of the investments of a segregated asset account may cause the investor, rather than the insurance company, to be treated as the owner of the assets in the account."

This announcement also stated that guidance would be issued by way of regulations or rulings on the "extent to which policyholders may direct

their investments to particular sub-accounts (of a segregated asset account) without being treated as owners of the underlying assets." As of the date of this prospectus, no such guidance has been issued.

The ownership rights under the Contract are similar to, but different in certain respects from, those described by the IRS in rulings in which it was determined that contract owners were not owners of the assets of a segregated asset account. For example, the Owner of this Contract has the choice of more investment options to which to allocate purchase payments and the Accumulation Value, and may be able to transfer among investment options more frequently, than in such rulings. These differences could result in the Owner being treated as the owner of all or a portion of the assets of Account B. In addition, Golden American does not know what standards will be set forth in the regulations or rulings which the Treasury Department has stated it expects to issue. Golden American therefore reserves the right to modify the Contract as necessary to attempt to prevent Contract Owners from being considered the owners of the assets of Account B. However, there is no assurance that such efforts would be successful.

Frequently, if the IRS or the Treasury Department sets forth a new position which is adverse to taxpayers, the position is applied on a prospective basis only. Thus, if the IRS or the Treasury Department were to issue regulations or a ruling which treated an Owner of this Contract as the owner of Account B, that treatment might apply on a prospective basis. However, if the regulations or ruling were not considered to set forth a new position, an owner might retroactively be determined to be the owner of the assets of Account B.

**Non-Natural Owner.** As a general rule, contracts held by "non-natural persons" such as a corporation, trust or other similar entity, as opposed to a natural person, are not treated as annuity contracts for federal tax purposes. The income on such contracts (as defined in the tax law) is taxed as ordinary income that is received or accrued by the Owner of the Contract during the taxable year. There are several exceptions to this general rule for non-natural Owners. First, contracts will generally be treated as held by a natural person if the nominal Owner is a trust or other entity which holds the Contract as an agent for a natural person. However, this special exception will not apply in the case of any employer who is the nominal Owner of a contract under a non-qualified deferred compensation arrangement for its employees.

In addition, exceptions to the general rule for non-natural Owners will apply with respect to (1) Contracts acquired by an estate of a decedent by reason of the death of the decedent, (2) certain Contracts issued in connection with qualified retirement plans, including certain Roth IRA Contracts, (3) certain Contracts purchased by employers upon the termination of certain qualified retirement plans, (4) certain Contracts used in connection with structured settlement agreements, and (5) Contracts purchased with a single purchase payment when the annuity starting date (as defined in the tax law) is no later than a year from purchase of the Contract and substantially equal periodic payments are made, not less frequently than annually, during the annuity period.

The remainder of this discussion assumes that the Contract will be treated as an annuity contract for federal income tax purposes.

**TAXATION OF PARTIAL WITHDRAWALS AND SURRENDERS.** In the case of a partial withdrawal prior to the Annuity Commencement Date, amounts received generally are includible in income to the extent the Owner's Accumulation Value (determined without regard to any surrender charge, within the meaning of the tax law) before the surrender exceeds his or her "investment in the contract." In the case of a surrender of the Contract for the Cash Surrender Value, amounts received are includible in income to the extent they exceed the "investment in the contract." For these purposes, the investment in the Contract at any time equals the total of the premium payments made under the Contract to that time



(to the extent such payments were neither deductible when made nor excludable from income as, for example, in the case of certain contributions to IRAs and other qualified retirement plans) less any amounts previously received from the Contract which were not includible in income.

In the case of systematic partial withdrawals, the amount of each withdrawal will generally be taxed in the same manner as a partial withdrawal made prior to the Annuity Commencement Date, as described above. However,

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there is some uncertainty regarding the tax treatment of systematic partial withdrawals, and it is possible that additional amounts may be includible in income.

The Contract provides a death benefit that in certain circumstances may exceed the greater of the premium payments and the Accumulation Value. As described elsewhere in this prospectus, Golden American imposes certain charges with respect to the death benefit. It is possible that some portion of those charges could be treated for federal tax purposes as a partial withdrawal from the Contract.

In certain circumstances, surrender charges may be waived because of the Owner's need for extended medical care or because of the Owner's terminal illness. Distributions made in respect of which surrender charges are waived are treated as partial withdrawals or surrenders, as the case may be, for income tax purposes.

**TAXATION OF ANNUITY PAYMENTS.** Normally, the portion of each annuity payment taxable as ordinary income is equal to the excess of the payment over the exclusion amount. In the case of fixed annuity payments, the exclusion amount is the amount determined by multiplying (1) the fixed annuity payment by (2) the ratio of the "investment in the contract" (defined above), adjusted for any period certain or refund feature, allocated to the fixed annuity option to the total expected amount of fixed annuity payments for the period of the Contract (determined under Treasury Department regulations). In the case of variable annuity payments, the exclusion amount for each variable annuity payment is a specified dollar amount equal to the investment in the Contract allocated to the variable annuity option when payments begin divided by the number of variable payments expected to be made (determined by Treasury Department regulations).

Once the total amount of the investment in the Contract is excluded using these formulas, annuity payments will be fully taxable. If annuity payments cease because of the death of the Annuitant and before the total amount of the investment in the Contract is recovered, the unrecovered amount generally will be allowed as a deduction to the annuitant or beneficiary (depending upon the circumstances).

**TAXATION OF DEATH BENEFIT PROCEEDS.** Prior to the Annuity Commencement Date, amounts may be distributed from a Contract because of the death of an Owner or, in certain circumstances, the death of the Annuitant. Such death benefit proceeds are includible in income as follows: (1) if distributed in a lump sum, they are taxed in the same manner as a surrender, as described above, or (2) if distributed under an annuity option, they are taxed in the same manner as annuity payments, as described above. After the Annuity Commencement Date, where a guaranteed period exists under an annuity option and the Annuitant dies before the end of that period, payments made to the Beneficiary for the remainder of that period are includible in income as follows: (1) if received in a lump sum, they are includible in income to the extent that they exceed the unrecovered investment in the contract at that time, or (2) if distributed in accordance with the existing annuity option selected, they are fully excludable from income until the remaining investment in the contract is deemed to be recovered, and all annuity payments thereafter are fully includible in income.

If certain amounts become payable in a lump sum from a Contract, such as the death benefit, it is possible that such amounts might be viewed as constructively received and thus subject to tax, even though not actually received. A lump sum will not be constructively received if it is applied under an annuity option within 60 days after the date on which it becomes payable. (Any annuity option elected must comply with applicable minimum distribution requirements imposed by the Code.)

ASSIGNMENTS, PLEDGES, AND GRATUITOUS TRANSFERS. Other than in the case of Contracts issued as IRAs or in connection with certain other qualified retirement plans (which generally cannot be assigned or pledged), any assignment or pledge (or agreement to assign or pledge) of any portion of the value of the Contract is treated for federal income tax purposes as a partial withdrawal of such amount or portion. The investment in the Contract is increased by the amount includible as income with respect to such assignment or pledge, though it is not affected by any other aspect of the assignment or pledge (including its release). If an Owner transfers a Contract without adequate consideration to a person other than the Owner's spouse (or to a former spouse incident to divorce), the Owner will be taxed on the difference between the cash surrender value (within the meaning of the tax law) and the investment in the contract at the time of transfer. In such case, the transferee's investment in the contract will be increased to reflect the increase in the transferor's income.

SECTION 1035 EXCHANGES. Code section 1035 provides that no gain or loss is recognized when an annuity contract is received in exchange for a life, endowment, or annuity contract, provided that no cash or other

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property is received in the exchange transaction. Special rules and procedures apply in order for an exchange to meet the requirements of section 1035. Also, there are additional tax considerations involved when the contracts are issued in connection with qualified retirement plans. Prospective Owners of this Contract should consult a tax advisor before entering into a section 1035 exchange (with respect to non-qualified annuity contracts) or a trustee-to-trustee transfer or rollover (with respect to qualified annuity contracts).

PENALTY TAX ON PREMATURE DISTRIBUTIONS. Where a contract has not been issued as an IRA or in connection with another qualified retirement plan, there generally is a 10% penalty tax on the taxable amount of any payment from the Contract unless the payment is: (a) received on or after the Owner reaches age 59 1/2; (b) attributable to the Owner's becoming disabled (as defined in the tax law); (c) made on or after the death of the Owner or, if the Owner is not an individual, on or after the death of the primary annuitant (as defined in the tax law); (d) made as a series of substantially equal periodic payments (not less frequently than annually) for the life (or life expectancy) of the Owner or the joint lives (or joint life expectancies) of the Owner and a designated beneficiary (as defined in the tax law), or (e) made under a Contract purchased with a single purchase payment when the annuity starting date (as defined in the tax law) is no later than a year from purchase of the Contract and substantially equal periodic payments are made, not less frequently than annually, during the annuity period.

In the case of systematic partial withdrawals, it is unclear whether such withdrawals will qualify for exception (d) above. (For reporting purposes, we currently treat such withdrawals as if they do not qualify for this exception). In addition, if withdrawals are of interest amounts only, as is the case with systematic partial withdrawals from a Fixed Allocation, exception (d) will not apply.

AGGREGATION OF CONTRACTS. In certain circumstances, the amount of an annuity payment, withdrawal or surrender from a Contract that is includible in income is determined by combining some or all of the annuity contracts owned by an individual not issued in connection with

qualified retirement plans. For example, if a person purchases two or more deferred annuity contracts from the same insurance company (or its affiliates) during any calendar year, all such contracts will be treated as one contract for purposes of determining whether any payment not received as an annuity (including withdrawals and surrenders prior to the Annuity Commencement Date) is includible in income. In addition, if a person purchases a Contract offered by this prospectus and also purchases at approximately the same time an immediate annuity, the IRS may treat the two contracts as one contract. The effects of such aggregation are not clear, however, it could affect the time when income is taxable and the amount which might be subject to the 10% penalty tax described above.

#### IRA CONTRACTS AND OTHER QUALIFIED RETIREMENT PLANS

IN GENERAL. In addition to issuing the Contracts as non-qualified annuities, Golden American also currently issues the Contracts as IRAs. (As indicated above in this prospectus, IRAs are referred to as "qualified plans.") Golden American may also issue the Contracts in connection with certain other types of qualified retirement plans which receive favorable treatment under the Code. Numerous special tax rules apply to the owners under IRAs and other qualified retirement plans and to the contracts used in connection with such plans. These tax rules vary according to the type of plan and the terms and conditions of the plan itself. For example, for both surrenders and annuity payments under certain contracts issued in connection with qualified retirement plans, there may be no "investment in the contract" and the total amount received may be taxable. Also, special rules apply to the time at which distributions must commence and the form in which the distributions must be paid. Therefore, no attempt is made to provide more than general information about the use of Contracts with the various types of qualified retirement plans. A qualified tax advisor should be consulted before purchase of a Contract in connection with a qualified retirement plan.

When issued in connection with a qualified retirement plan, a Contract will be amended as necessary to conform to the requirements of the plan. However, Owners, Annuitants, and Beneficiaries are cautioned that the rights of any person to any benefits under qualified retirement plans may be subject to the terms and conditions of the plans themselves, regardless of the terms and conditions of the Contract. In addition, Golden American is not bound by terms and conditions of qualified retirement plans to the extent such terms and conditions contradict the Contract, unless Golden American consents.

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INDIVIDUAL RETIREMENT ANNUITIES. As indicated above, Golden American currently issues the Contract as an IRA. If the Contract is used for this purpose, the Owner must be the Annuitant.

Premium Payments. Both the premium payments that may be paid, and the tax deduction that an individual may claim for such premium payments, are limited under an IRA. In general, the premium payments that may be made for an IRA for any year are limited to the lesser of \$2,000 or 100% of the individual's earned income for the year. Also, in the case of an individual who has less income than his or her spouse, premium payments may be made by that individual into an IRA to the extent of (1) \$2,000, or (2) the sum of (i) the compensation includible in the gross income of the individual's spouse for the taxable year and (ii) the compensation includible in the gross income of the individual's spouse for the taxable year reduced by the amount allowed as a deduction for IRA contributions to such spouse. An excise tax is imposed on IRA contributions that exceed the law's limits.

The deductible amount of the premium payments made for an IRA for any taxable year (including a contract for a noncompensated spouse) is limited to the amount of premium payments that may be paid for the contract for that year, or a lesser amount where the individual or his

or her spouse is an active participant in certain qualified retirement plans. For a single person who is an active participant in a qualified retirement plan (including a qualified pension, profit-sharing, or annuity plan, a simplified employee pension plan, or a "section 403(b)" annuity plan, as discussed below) and who has adjusted gross income in excess of \$40,000 may not deduct premium payments, and such a person with adjusted gross income between \$30,000 and \$40,000 may deduct only a portion of such payments. Also, married persons who file a joint return, one of whom is an active participant in a qualified retirement plan, and who have adjusted gross income in excess of \$60,000 may not deduct premium payments, and those with adjusted gross income between \$50,000 and \$60,000 may deduct only a portion of such payments.

In applying these and other rules applicable to an IRA, all individual retirement accounts and IRAs owned by an individual are treated as one contract, and all amounts distributed during any taxable year are treated as one distribution.

Tax Deferral During Accumulation Period. Until distributions are made from an IRA, increases in the Accumulation Value of the Contract are not taxed.

IRAs and individual retirement accounts (that may invest in this contract) generally may not invest in life insurance contracts, but an annuity contract that is issued as an IRA (or that is purchased by an individual retirement account) may provide a death benefit that equals the greater of the premiums paid and the contract's cash value. The Contract provides a death benefit that in certain circumstances may exceed the greater of the premium payments and the Accumulation Value. It is possible that an enhanced death benefit could be viewed as violating the prohibition on investment in life insurance contracts, with the result that the Contract would not be viewed as satisfying the requirements of an IRA and would not be a permissible investment for an individual retirement account.

Taxation of Distributions and Rollovers. If all premium payments made to an IRA were deductible, all amounts distributed from the Contract are included in the recipient's income when distributed. However, if nondeductible premium payments were made to an IRA (within the limits allowed by the tax laws), a portion of each distribution from the Contract typically is includible in income when it is distributed. In such a case, any amount distributed as an annuity payment or in a lump sum upon death or surrender is taxed as described above in connection with such a distribution from a non-qualified contract, treating as the investment in the contract the sum of the nondeductible premium payments at the end of the taxable year in which the distribution commences or is made (less any amounts previously distributed that were excluded from income). Also, in such a case, any amount distributed upon a partial withdrawal is partially includible in income. The includible amount is the excess of the distribution over the exclusion amount, which in turn generally equals the distribution multiplied by the ratio of the investment in the Contract to the Accumulation Value.

In any event, subject to the direct rollover and mandatory withholding requirements (discussed below), amounts may be "rolled over" from certain qualified retirement plans to an IRA (or from one IRA or individual retirement account to an IRA) without incurring current income tax if certain conditions are met. Only certain types of distributions to eligible individuals from qualified retirement plans, individual retirement accounts, and IRAs may be rolled over.

Penalty Taxes. Subject to certain exceptions, a penalty tax is imposed on distributions from an IRA equal to 10% of the amount of the distribution includible in income. (Amounts rolled over from an IRA generally are excludable from income.) The exceptions provide, however, that this penalty tax does not apply to distributions made to

the Owner (1) on or after age 59, (2) on or after death or because of disability (as defined in the tax law), or (3) as part of a series of substantially equal periodic payments over the life (or life expectancy) of the Owner or the joint lives (or joint life expectancies) of the Owner and his or her beneficiary (as defined in the tax law). In addition to the foregoing, failure to comply with a minimum distribution requirement will result in the imposition of a penalty tax of 50% of the amount by which a minimum required distribution exceeds the actual distribution from an IRA. Under this requirement, distributions of minimum amounts from an IRA as specified in the tax law must generally commence by April 1 of the calendar year following the calendar year in which the Owner attains age 70.

**OTHER TYPES OF QUALIFIED RETIREMENT PLANS.** The following sections describe tax considerations of Contracts used in connection with various types of qualified retirement plans other than IRAs. Golden American does not currently offer all of the types of qualified retirement plans described and may not offer them in the future. Prospective purchasers of Contracts for use in connection with such qualified retirement plans should therefore contact Golden American's Customer Service Center to ascertain the availability of the Contract for qualified retirement plans at any given time.

**Simplified Employee Pensions (Sep-IRAs).** Section 408(k) of the Code allows employers to establish simplified employee pension plans for their employees, using the employees' IRAs for such purposes, if certain criteria are met. Under these plans the employer may, within specified limits, make deductible contributions on behalf of the employees to IRAs. As discussed above (see Individual Retirement Annuities), there is some uncertainty regarding the treatment of the Contract's enhanced death benefit for purposes of certain tax rules governing IRAs (which would include SEP-IRAs). Employers intending to use the contract in connection with such plans should seek competent advice.

**SIMPLE IRAs.** Section 408(p) of the Code permits certain small employers to establish "SIMPLE retirement accounts," including SIMPLE IRAs, for their employees. Under SIMPLE IRAs, certain deductible contributions are made by both employees and employers. SIMPLE IRAs are subject to various requirements, including limits on the amounts that may be contributed, the persons who may be eligible, and the time when distributions may commence. As discussed above (see Individual Retirement Annuities), there is some uncertainty regarding the proper characterization of the Contract's enhanced death benefit for purposes of certain tax rules governing IRAs (which would include SIMPLE IRAs). Employers intending to use the Contract in connection with a SIMPLE retirement account should seek competent advice.

**Roth Individual Retirement Annuity (Roth IRA).** Golden American currently issues the Contract as a Roth IRA. If the contract is used for this purpose, the Owner must be the Annuitant.

**Premium Payments.** All premium payments to a Roth IRA are limited and are non-deductible. In general, premium payments to a Roth IRA in a taxable year are limited to the lesser of \$2,000 or 100% of an individual's earned income less any contributions made to other IRAs, including both Roth and non-Roth IRAs, but excluding any rollover contributions to IRAs. Subject to coordinated IRA contribution limits, contributions to a Roth IRA for an individual and a spouse cannot exceed \$4,000 or 100% of the individual's and spouse's earned income, if less. The maximum contribution can be made if either of the following applies: (a) for joint tax filers, their adjusted gross income is \$150,000 or less, or (b) for individual tax filers, their adjusted gross income is \$95,000 or less. For amounts over these adjusted gross incomes, the contribution limit is reduced as follows: (a) for a joint tax filer, the maximum is reduced by 20% of the excess adjusted gross income over \$150,000 (no contributions over \$160,000); (b) for an individual tax filer, the maximum is reduced by 13.3% of the

excess adjusted gross income over \$95,000 (no contributions over \$110,000).

Conversions of Non-Roth IRA to a Roth IRA. A Roth IRA may be purchased with amounts received as a qualified rollover ("Rollover Roth IRA") if the following conditions are met: (a) when a rollover is from a non-Roth IRA, the taxpayer must not be a married individual filing separately and the taxpayer's adjusted gross income must not exceed \$100,000; (b) rollovers must be made within 60 days of receipt of the taxpayer; (c) minimum distributions from a non-Roth IRA cannot be contributed to a Rollover Roth IRA; (d) an asset received in a distribution may be sold and the proceeds put in a Rollover Roth IRA; (e) all or part of a non-Roth IRA may be contributed to a

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Rollover Roth

IRA except an inherited IRA or a SIMPLE IRA; (f) a rollover contribution must be designated in writing as such by the Owner at the time the rollover is made. Any distribution from a non-Roth IRA made within 60 days to a Roth IRA is taxable in the year of the distribution. For rollovers or conversions completed in 1998, taxable income due to the distribution may be included evenly over 1998-2001 tax years.

Rollovers from a Roth IRA to a Roth IRA. A rollover from a Roth IRA to a Roth IRA may be accomplished if the following conditions are met: (a) the rollover must be a direct rollover for the five year holding period of the original Roth IRA to be preserved; (b) the rollover may be made for all or a portion of the Roth IRA; (c) a rollover contribution must be designated as such in writing at the time the rollover is made.

Taxation of Roth IRA Distributions. A distribution from a Roth IRA is not subject to income tax or to the additional 10% penalty tax on premature distributions if it is a "qualified distribution." A qualified distribution is any payment or distribution from a Roth IRA which is made: (a) following the end of the fifth taxable period (year) after a contribution or rollover is made to a Roth IRA, and (b) on or after the Owner attains age 59 1/2, or made to a beneficiary on or after the Owner's death, or as a result of the Owner becoming disabled, or qualified first-time home buyer distribution (subject to a \$10,000 lifetime limit). Distributions not meeting these definitions are "non-qualified distributions." Non-qualified distributions are treated as being made from contributions to a Roth IRA to the extent the distribution, when added to all previous distributions from a Roth IRA, does not exceed the sum of contributions to a Roth IRA. A non-qualified distribution in excess of the sum of contributions is subject to ordinary income tax in the year a distribution is made. Such taxable distribution is also subject to a 10% penalty tax unless the distribution is made under certain limited circumstances.

Roth IRAs are not subject to required distributions at age 70 1/2.

Corporate and Self-Employed ("H.R. 10" or "Keogh") Pension and Profit-Sharing Plans. Sections 401(a) and 403(a) of the Code permit corporate employers to establish various types of tax-favored retirement plans for employees. The Self-Employed Individuals' Tax Retirement Act of 1962, as amended, commonly referred to as "H.R. 10" or "Keogh," permits self-employed individuals also to establish such tax-favored retirement plans for themselves and their employees. Such retirement plans may permit the purchase of the Contract in order to provide benefits under the plans. The Contract provides a death benefit that in certain circumstances may exceed the greater of the premium payments and the Accumulation Value. It is possible that such death benefit could be characterized as an incidental death benefit. There are limitations on the amount of incidental benefits that may be provided under pension and profit sharing plans. In addition, the provision of such benefits may result in currently taxable income to participants. Employers intending to use the Contract in connection

with such plans should seek competent advice.

Section 403(b) Annuity Contracts. Section 403(b) of the Code permits public school employees, employees of certain types of charitable, educational and scientific organizations exempt from tax under section 501(c)(3) of the Code, and employees of certain types of State educational organizations specified in section 170(b)(1)(A)(ii), to have their employers purchase annuity contracts for them and, subject to certain limitations, to exclude the amount of premium payments from gross income for federal income tax purposes. Purchasers of the contracts for use as a "Section 403(b) Annuity Contract" should seek competent advice as to eligibility, limitations on permissible amounts of premium payments and other tax consequences associated with such contracts. In particular, purchasers and their advisors should consider that this Contract provides a death benefit that in certain circumstances may exceed the greater of the premium payments and the Accumulation Value. It is possible that such death benefit could be characterized as an incidental death benefit. If the death benefit were so characterized, this could result in currently taxable income to employees. In addition, there are limitations on the amount of incidental death benefits that may be provided under a Section 403(b) Annuity Contract. Even if the death benefit under the contract were characterized as an incidental death benefit, it is unlikely to violate those limits unless the purchaser also purchases a life insurance contract as part of his or her Section 403(b) Annuity Contract.

Section 403(b) Annuity Contracts contain restrictions on withdrawals of (i) contributions made pursuant to a salary reduction agreement in years beginning after December 31, 1988, (ii) earnings on those contributions, and (iii) earnings after 1988 on amounts attributable to salary reduction contributions (and earnings on those contributions) held as of the last year beginning before January 1, 1989. These amounts can be paid only if the employee has reached age 59 1/2, separated from service, died, become disabled (within the meaning of the tax

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law), or in the case of hardship. Amounts permitted to be distributed in the event of hardship are limited to actual contributions; earnings thereon cannot be distributed on account of hardship. (These limitations on withdrawals do not apply to the extent Golden American is directed to transfer some or all of the Accumulation Value as a tax-free direct transfer to the issue of another Section 403(b) Annuity Contract or into a section 403(b)(7) custodial account subject to withdrawal restrictions which are at least as stringent.)

Eligible Deferred Compensation Plans of State and Local Governments and Tax-Exempt Organizations. Section 457 of the Code permits employees of state and local governments and tax-exempt organizations to defer a portion of their compensation without paying current federal income taxes. The employees must be participants in an eligible deferred compensation plan. Generally, a Contract purchased by a state or local government or a tax-exempt organization will not be treated as an annuity contract for federal income tax purposes. Those who intend to use the contracts in connection with such plans should seek competent advice.

DIRECT ROLLOVERS AND FEDERAL INCOME TAX WITHHOLDING FOR "ELIGIBLE ROLLOVER DISTRIBUTIONS." In the case of an annuity contract used in connection with a pension, profit-sharing, or annuity plan qualified under sections 401(a) or 403(a) of the Code, or that is a Section 403(b) Annuity Contract, any "eligible rollover distribution" from the contract will be subject to direct rollover and mandatory withholding requirements. An eligible rollover distribution generally is the taxable portion of any distribution from a qualified pension plan under section 401(a) of the Code, qualified annuity plan under Section 403(a) of the Code, or Section 403(b) Annuity or custodial account, excluding certain amounts (such as minimum distributions required under section

401(a)(9) of the Code and distributions which are part of a "series of substantially equal periodic payments" made not less frequently than annually for the life (or life expectancy) of the employee, or for the joint lives (or joint life expectancies) of the employee and the employee's designated beneficiary (within the meaning of the tax law), or for a specified period of 10 years or more).

Under these new requirements, federal income tax equal to 20% of the eligible rollover distribution will be withheld from the amount of the distribution. Unlike withholding on certain other amounts distributed from the Contract, discussed below, the taxpayer cannot elect out of withholding with respect to an eligible rollover distribution. However, this 20% withholding will not apply to that portion of the eligible rollover distribution which, instead of receiving, the taxpayer elects to have directly transferred to certain eligible retirement plans (such as to this Contract when issued as an IRA).

If this Contract is issued in connection with a pension, profit-sharing, or annuity plan qualified under sections 401(a) or 403(a) of the Code, or is a Section 403(b) Annuity Contract, then, prior to receiving an eligible rollover distribution, the owner will receive a notice (from the plan administrator or Golden American) explaining generally the direct rollover and mandatory withholding requirements and how to avoid the 20% withholding by electing a direct transfer.

FEDERAL INCOME TAX WITHHOLDING

Golden American will withhold and remit to the federal government a part of the taxable portion of each distribution made under the Contract unless the distributee notifies Golden American at or before the time of the distribution that he or she elects not to have any amounts withheld. In certain circumstances, Golden American may be required to withhold tax, as explained above. The withholding rates applicable to the taxable portion of periodic annuity payments (other than eligible rollover distributions) are the same as the withholding rates generally applicable to payments of wages. In addition, the withholding rate applicable to the taxable portion of non-periodic payments (including surrenders prior to the Annuity Commencement Date) is 10%. Regardless of whether you elect to have federal income tax withheld, you are still liable for payment of federal income tax on the taxable portion of the payment. As discussed above, the withholding rate applicable to eligible rollover distributions is 20%.

UNAUDITED FINANCIAL STATEMENTS OF GOLDEN AMERICAN LIFE INSURANCE COMPANY  
For the Nine Months Ended September 30, 1998 and 1997

Golden American Life Insurance Company  
Condensed Consolidated Statements of Income (Unaudited):

	POST-MERGER	POST-ACQUISITION
	For the Nine Months ended September 30, 1998	For the Nine Months ended September 30, 1997
Revenues:		
	(Dollars in thousands)	



Annuity and interest sensitive life product charges	\$26,984	\$15,937
Management fee revenue	3,257	2,014
Net investment income	29,296	18,955
Realized gains on investments	436	58
Other income	4,805	427
	<hr/>	<hr/>
	64,778	37,391
Insurance benefits and expenses:		
Annuity and interest sensitive life benefits:		
Interest credited to account balances	64,110	16,840
Benefit claims incurred in excess of account balances	862	118
Underwriting, acquisition and insurance expenses:		
Commissions	84,958	23,113
General expenses	23,480	11,762
Insurance taxes	2,680	1,693
Policy acquisition costs deferred	(133,616)	(25,464)
Amortization:		
Deferred policy acquisition costs	4,014	1,433
Present value of in force acquired Goodwill	3,252	4,465
	2,834	1,261
	<hr/>	<hr/>
	52,574	35,221
Interest expense	3,033	1,827
	<hr/>	<hr/>
	55,607	37,048
	<hr/>	<hr/>
	9,171	343
Income taxes	4,294	1
	<hr/>	<hr/>
Net income	\$4,877	\$342
	<hr/>	<hr/>

See accompanying notes.

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Condensed Consolidated Balance Sheets (Unaudited):

	POST-MERGER	
	September 30, 1998	December 31, 1997
	(Dollars in thousands, except per share data)	
ASSETS		
Investments:		
Fixed maturities, available for sale, at fair value (cost: 1998 - \$610,316; 1997 - \$413,288)	\$618,650	\$414,401
Equity securities, at fair value (cost: 1998 - \$14,437; 1997 - \$4,437)	10,092	3,904
Mortgage loans	98,045	85,093
Policy loans	10,217	8,832
Short-term investments	11,886	14,460
	<hr/>	<hr/>
Total investments	748,890	526,690

Cash and cash equivalents	18,951	21,039
Due from affiliates	1,114	827
Accrued investment income	9,395	6,423
Deferred policy acquisition costs	140,845	12,752
Present value of in force acquired	36,502	43,174
Current income taxes recoverable	502	272
Deferred income tax asset	31,633	36,230
Property and equipment, less allowances for depreciation of \$583 in 1998 and \$97 in 1997	4,550	1,567
Goodwill, less accumulated amortization of \$3,463 in 1998 and \$630 in 1997	147,664	150,497
Other assets	7,153	755
Separate account assets	2,629,343	1,646,169
<b>Total assets</b>	<b>\$3,776,542</b>	<b>\$2,446,395</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Policy liabilities and accruals:		
Future policy benefits:		
Annuity and interest sensitive life products	\$705,673	\$505,304
Unearned revenue reserve	2,968	1,189
Other policy claims and benefits	89	10
	708,730	506,503
Reciprocal loan with affiliate	40,000	--
Line of credit with affiliate	--	24,059
Surplus note	25,000	25,000
Revolving note payable	20,082	--
Due to affiliates	1,552	80
Other liabilities	46,400	17,271
Separate account liabilities	2,629,343	1,646,169
	3,471,107	2,219,082
Commitments and contingencies		
Stockholder's equity:		
Common stock, par value \$10 per share, authorized, issued and outstanding 250,000 shares	2,500	2,500
Additional paid-in capital	297,640	224,997
Accumulated comprehensive income	842	241
Retained earnings (deficit)	4,453	(425)
<b>Total stockholder's equity</b>	<b>305,435</b>	<b>227,313</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$3,776,542</b>	<b>\$2,446,395</b>

See accompanying notes.

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Condensed Consolidated Statements of Cash Flows (Unaudited):

POST-MERGER	POST-ACQUISITION
For the Nine Months ended September 30, 1998	For the Nine Months ended September 30, 1997
(Dollars in thousands)	

NET CASH USED IN OPERATING ACTIVITIES	(\$22,666)	(\$1,659)
INVESTING ACTIVITIES		
Sale, maturity or repayment of investments:		
Fixed maturities - available for sale	92,707	35,590
Mortgage loans on real estate	3,145	5,017
Short-term investments - net	2,575	11,153
	98,427	51,760
Acquisition of investments:		
Fixed maturities - available for sale	(291,687)	(146,376)
Equity securities	(10,000)	(4,864)
Mortgage loans on real estate	(16,390)	(38,058)
Policy loans - net	(1,385)	(3,682)
	(319,462)	(192,980)
Purchase of property and equipment	(3,470)	(659)
Net cash used in investing activities	(224,505)	(141,879)
FINANCING ACTIVITIES		
Proceeds from reciprocal loan agreement borrowings	242,847	--
Repayment of reciprocal loan agreement borrowings	(202,847)	--
Proceeds from revolving note payable	20,082	--
Proceeds from line of credit borrowings	--	86,522
Repayment of line of credit borrowings	(24,059)	(69,562)
Receipts from annuity and interest sensitive life policies credited to policyholder account balances	350,385	232,635
Return of policyholder account balances on annuity and interest sensitive life policies	(50,370)	(12,674)
Net reallocations to Separate Accounts	(163,455)	(81,561)
Contribution from parent	72,500	1,011
Net cash provided by financing activities	245,083	156,371
Increase (decrease) in cash and cash equivalents	(\$2,088)	\$12,833
Cash and cash equivalents at beginning of period	21,039	5,839
Cash and cash equivalents at end of period	\$18,951	\$18,672
=====		
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	\$3,493	--
Income taxes	80	\$283
Non-cash financing activities:		
Non-cash adjustment to paid in capital for adjusted merger costs	143	--
Contribution of property, plant and equipment from EIC Variable, Inc. net of \$353 of accumulated depreciation	--	110

See accompanying notes.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. This form is being filed with the reduced disclosure format specified in General Instruction H (1)(a) and (b) of Form 10-Q. Accordingly, the financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All adjustments were of a normal recurring nature, unless otherwise noted in Management's Discussion and Analysis and the Notes to Financial Statements. Operating results for the nine months ended September 30, 1998, are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the financial statements and footnotes thereto included in the Golden American Life Insurance Company Annual Report on Form 10-K for the year ended December 31, 1997.

#### CONSOLIDATION

The condensed consolidated financial statements include Golden American Life Insurance Company ("Golden American") and its wholly owned subsidiary, First Golden American Life Insurance Company of New York ("First Golden," and collectively with Golden American, the "Company"). All significant intercompany accounts and transactions have been eliminated.

#### ORGANIZATION

On October 24, 1997, PFHI Holdings, Inc. ("PFHI"), a Delaware corporation, acquired all of the outstanding capital stock of Equitable of Iowa Companies ("Equitable") pursuant to the terms of an Agreement and Plan of Merger dated as of July 7, 1997, among Equitable, PFHI, and ING Groep N.V. ("ING"). PFHI is a wholly owned subsidiary of ING, a global financial services holding company based in The Netherlands. As a result of the merger, Equitable was merged into PFHI which was simultaneously renamed Equitable of Iowa Companies, Inc. ("EIC" or the "Parent"), a Delaware corporation.

On August 13, 1996, Equitable acquired all of the outstanding capital stock of EIC Variable, Inc. (formerly known as BT Variable, Inc.) and its wholly owned subsidiaries, Golden American and Directed Services, Inc. ("DSI"), from Whitewood Properties Corporation.

For financial statement purposes, the ING merger was accounted for as a purchase effective October 25, 1997, and the change in control of Golden American through the acquisition of BT Variable, Inc. was accounted for as a purchase effective August 14, 1996. The merger and acquisition resulted in new bases of accounting reflecting estimated fair values of assets and liabilities at their respective dates. As a result, the Company's financial statements for the period subsequent to October 24, 1997, are presented on the Post-Merger new basis of accounting, for the period August 14, 1996 through October 24, 1997, are presented on the Post-Acquisition basis of accounting, and for August 13, 1996 and prior periods are presented on the Pre-Acquisition basis of accounting.

#### FAIR VALUES

Estimated fair values of investment grade public bonds are estimated using a third party pricing system. This pricing system uses a matrix calculation assuming a spread over U.S. Treasury bonds based upon the expected average lives of the securities.

#### STATUTORY

Net income (loss) for Golden American as determined in accordance with statutory accounting practices was \$(32,198,000) and \$510,000 for the nine months ended September 30, 1998 and 1997, respectively. Total statutory capital and surplus was \$112,356,000 at September 30, 1998 and \$76,914,000 at December 31, 1997.

## RECLASSIFICATION

Certain amounts in the September 30, 1997 and December 31, 1997 financial statements have been reclassified to conform to the September 30, 1998 financial statement presentation.

## NOTE 2 -- COMPREHENSIVE INCOME

As of January 1, 1998, the Company adopted the Statement of Financial Accounting Standard ("SFAS") No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this statement had no impact on the Company's net income or stockholder's equity. SFAS No. 130 requires unrealized gains or losses on the Company's available for sale securities (net of deferred income taxes, deferred policy acquisition costs and present value of in force acquired), which prior to adoption were reported separately in stockholder's equity, to be included in other comprehensive income. Prior year financial statements have been reclassified to conform to the requirements of SFAS No. 130.

During the third quarter and first nine months of 1998, total comprehensive income for the Company amounted to \$2,426,000 and \$5,478,000, respectively (\$2,385,000 and \$2,016,000, respectively, for the same periods of 1997). Included in these amounts are total comprehensive income for First Golden of \$601,000 and \$1,174,000 for the third quarter and first nine months of 1998, respectively (\$551,000 and \$879,000, respectively, for the same periods of 1997).

## NOTE 3 -- RELATED PARTY TRANSACTIONS

DSI acts as the principal underwriter (as defined in the Securities Act of 1933 and the Investment Company Act of 1940, as amended) of the variable insurance products issued by the Company. DSI is authorized to enter into agreements with broker/dealers to distribute the Company's variable insurance products and appoint the broker/dealers as agents. As of September 30, 1998, the Company's variable insurance products are sold primarily through four broker/dealer institutions. The Company paid commissions and expenses to DSI totaling \$32,104,000 in the third quarter and \$82,548,000 for the first nine months of 1998 (\$8,849,000 and \$23,113,000, respectively, for the same periods of 1997).

Golden American provides certain managerial and supervisory services to DSI. The fee paid by DSI for these services was calculated as a percentage of average assets in the variable separate accounts. For the quarter and nine months ended September 30, 1998, the fee was \$1,234,000 and \$3,257,000 (\$736,000 and \$2,014,000, respectively, for the same periods of 1997).

Golden American provides certain advisory, computer and other resources and services to Equitable Life Insurance Company of Iowa ("Equitable Life"). Revenues for these services, which reduce general expenses incurred by Golden American, totaled \$1,524,000 in the third quarter and \$5,091,000 for the first nine months of 1998 (\$954,000 and \$2,694,000, respectively, for the same periods of 1997).

The Company has a service agreement with Equitable Life in which Equitable Life provides administrative and financial related services. The Company incurred expenses of \$261,000 in the third quarter and \$575,000 for the first nine months of 1998 under this agreement.

First Golden provides resources and services to DSI. Revenues for these services, which reduce general expenses incurred by the Company, totaled \$19,000 in the third quarter and \$57,000 for the first nine months of 1998.

Golden American maintains a reciprocal loan agreement with ING America Insurance Holdings, Inc. ("ING AIH"), a Delaware corporation and affiliate of EIC, to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement which became effective January 1,

1998, and expires December 31, 2007, Golden American and ING AIH can borrow up to \$65,000,000 from one another. Prior to lending funds to ING AIH, Golden American must obtain the approval of the State of Delaware Department of Insurance. Interest on any Golden American borrowings is charged at the rate of ING AIH's cost of funds for the interest period plus 0.15%. Interest on any ING AIH borrowings is charged at a rate based on the prevailing interest rate of U.S. commercial paper available for purchase with a similar duration. Under this agreement, Golden American incurred interest expense of \$505,000 in the third quarter and \$1,269,000 for the first nine months of 1998. At September 30, 1998, \$40,000,000 was payable to ING AIH under this agreement.

Effective January 1, 1998, the Company has an asset management agreement with ING Investment Management LLC ("ING-IM"), an affiliated company, in which ING-IM provides asset management services. Under the agreement, the Company records a fee based on the value of the assets under management. The fee is payable quarterly. For the third quarter and first nine months of 1998, the Company incurred fees of \$341,000 and \$1,013,000, respectively, under this agreement.

Golden American maintained a line of credit agreement with Equitable to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement which became effective December 1, 1996, and expired December 31, 1997, Golden American could borrow up to \$25,000,000. Interest on any borrowings was charged at the rate of Equitable's monthly average aggregate cost of short-term funds plus 1.00%. Under this agreement, Golden American incurred interest expense of \$211,000 for the first nine months of 1998 (\$165,000 and \$279,000 in the third quarter and first nine months of 1997, respectively). The outstanding balance was paid by a capital contribution.

For the nine months ended September 30, 1998, the Company had premiums, net of reinsurance, for variable products from four affiliates, Locust Street Securities, Inc., Vestax Securities Corporation, DSI and Multi-Financial Securities Corporation of \$92,900,000, \$30,100,000, \$10,700,000 and \$10,100,000, respectively.

#### NOTE 4 -- COMMITMENTS AND CONTINGENCIES

REINSURANCE: At September 30, 1998, Golden American had reinsurance treaties with four unaffiliated reinsurers and one affiliated reinsurer covering a significant portion of the mortality risks under its variable contracts. Golden American remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements. At September 30, 1998, the Company has a net receivable of \$6,539,000 for reserve credits, reinsurance claims or other receivables from these reinsurers comprised of \$257,000 for claims recoverable from reinsurers, \$451,000 for a payable for reinsurance premiums, and \$6,733,000 for a receivable from an unaffiliated reinsurer. Included in the accompanying financial statements are net considerations to reinsurers of \$1,293,000 in the third quarter and \$3,259,000 for the first nine months of 1998 compared to \$467,000 and \$1,318,000, respectively, for the same periods in 1997. Also included in the accompanying financial statements are net policy benefits of \$1,272,000 and \$2,096,000 in the third quarter and first nine months of 1998, respectively (\$142,000 and \$571,000, respectively, for the same periods of 1997).

Effective June 1, 1994, Golden American entered into a modified coinsurance agreement with an unaffiliated reinsurer. The accompanying financial statements are presented net of the effects of the treaty.

INVESTMENT COMMITMENTS: At September 30, 1998, outstanding commitments to fund mortgage loans on real estate totaled \$25,290,000.

GUARANTY FUND ASSESSMENTS: Assessments are levied on the Company by life and health guaranty associations in most states in which the Company is licensed to cover losses of policyholders of insolvent or rehabilitated insurers. In

some states, these assessments can be partially recovered through a reduction in future premium taxes. The Company cannot predict whether and to what extent legislative initiatives may affect the right to offset. The associated cost for a particular insurance company can vary significantly based upon its fixed account premium volume by line of business and state premiums as well as its potential for premium tax offset. The Company has established an undiscounted reserve to cover such assessments and regularly reviews information regarding known failures and revises its estimates of future guaranty fund assessments. Accordingly, the Company accrued and charged to expense an additional \$208,000 in the third quarter and \$598,000 for the first nine months of 1998. At September 30, 1998, the Company has an undiscounted reserve of \$1,910,000 to cover estimated future assessments (net of related anticipated premium tax credits) and has established an asset totaling \$261,000 for assessments paid which may be recoverable through future premium tax offsets. The Company believes this reserve is sufficient to cover expected future guaranty fund assessments based upon previous premium levels and known insolvencies at this time.

**LITIGATION:** The Company, like other insurance companies, may be named or otherwise involved in lawsuits, including class action lawsuits. In some class action and other lawsuits involving insurers, substantial damages have been sought and/or material settlement payments have been made. The Company currently believes no pending or threatened lawsuits exist that are reasonably likely to have a material adverse impact on the Company.

**VULNERABILITY FROM CONCENTRATIONS:** The Company's asset growth, net investment income and cash flow are primarily generated from the sale of variable products and associated future policy benefits and separate account liabilities. Substantial changes in tax laws that would make these products less attractive to consumers and extreme fluctuations in interest rates or stock market returns which may result in higher lapse experience than assumed could have a severe impact on the Company's financial condition. A significant portion of the Company's sales is generated by four broker/dealers.

The Company has various concentrations in its investment portfolio. The composition of the Company's fixed maturity securities has changed significantly from December 31, 1997. The following percentages relate to holdings at September 30, 1998, and December 31, 1997. Fixed maturity investments included investments in basic industrials (25% in 1998, 30% in 1997), conventional mortgage-backed securities (24% in 1998, 13% in 1997), financial companies (20% in 1998, 24% in 1997), asset-backed securities (11% in 1998, 0% in 1997), various government bonds or agency mortgage-backed securities (7% in 1998, 17% in 1997) and public utilities (6% in 1998, 7% in 1997).

**REVOLVING NOTE PAYABLE:** To enhance short-term liquidity, the Company has established a revolving note payable effective July 27, 1998, and expiring July 31, 1999, with SunTrust Bank, Atlanta (the "Bank"). The note was approved by Golden American's and First Golden's boards of directors on August 5, 1998 and September 29, 1998, respectively. The total amount the Company may have outstanding is \$85,000,000, of which Golden American and First Golden have individual credit sublimits of \$75,000,000 and \$10,000,000, respectively. The note accrues interest at an annual rate equal to: (1) the cost of funds for the Bank for the period applicable for the advance plus 0.25% or (2) a rate quoted by the Bank to the Company for the advance. The terms of the agreement require the Company to maintain the minimum level of Company Action Level Risk Based Capital as established by applicable state law or regulation. During the quarter and nine months ended September 30, 1998, the Company paid interest expense of \$6,000. At September 30, 1998, \$20,082,000 was payable to the Bank under this note by Golden American.

**YEAR 2000 PROJECT:** Based on a 1997 study of its computer software and hardware, the Company has determined its exposure to the Year 2000 change of the century date issue. Some of the Company's computer programs were originally written using two digits rather than four to define a particular

year. As a result, these computer programs contain "time sensitive" software that may recognize "00" as the year 1900 rather than the year 2000, which could cause system failure or miscalculations resulting in disruptions to operations. These disruptions could include, but are not limited to, a temporary inability to record transactions.

The Company has identified one system and some desktop software that will have date problems. All systems will be upgraded in the fourth quarter of 1998. To a lesser extent, the Company depends on various non-information technology systems, such as telephone switches, which could also fail or malfunction as a result of the Year 2000.

The Company has developed a plan to address the Year 2000 issue in a timely manner. The following schedule details the plan's phases, progress towards completion and actual or estimated completion dates:

Phases	% Complete as of September 30, 1998	Actual/Estimated Completion Dates
ASSESSMENT AND DEVELOPMENT of the steps to be taken to address Year 2000 systems issues	100%	12/31/97
IMPLEMENTATION of steps to address Year 2000 systems issues	76-99%	12/31/98
IMPLEMENTATION of steps to address Year 2000 desktop software issues	76-99%	12/31/98
TESTING of systems	26-50%	12/31/98
POINT-TO-POINT TESTING of external interfaces with third party computer systems that communicate with Company systems	1-25%	12/31/98
IMPLEMENTATION of tested software addressing Year 2000 systems issues	51-75%	12/31/98
CONTINGENCY PLAN	1-25%	03/31/99

In addition, the Company's operations could be adversely affected if significant customers, suppliers and other third parties would be unable to transact business in the Year 2000 and thereafter. To mitigate the effect of outside influences and other dependencies relative to the Year 2000, the Company has identified and contacted these third parties who have assured the Company that necessary steps are being taken to prepare for the Year 2000.

Management believes the Company's systems are or will be substantially compliant by Year 2000. Golden American has charged to expense approximately \$140,000 in the first nine months of 1998 related to the Year 2000 project. The Company anticipates charging to expense an additional \$180,000 to \$195,000 in 1998 which includes upgrade and internal resources costs. Management expects some internal resources will be utilized in early 1999 to finalize the contingency plan.

Despite the Company's efforts to modify or replace "time sensitive" computer and information systems, the Company could experience a disruption to its operations as a result of the Year 2000. The Company is currently developing a contingency plan to address any systems that may malfunction despite the testing being performed. The contingency plan, which is expected to be completed by March 31, 1999, will provide for the availability of staff, prioritize tasks and outline procedures to fix any malfunctioning systems.

The costs and completion date of the Year 2000 project are based on management's best estimates. These estimates were derived using numerous assumptions of future events, including the continued availability of resources, third party Year 2000 compliance and other factors. There is no guarantee these estimates will be achieved and actual results could materially differ from those anticipated. Specific factors that might cause



such material differences include, but are not limited to, the availability and cost of trained personnel, the ability to locate and correct all relevant computer codes and other uncertainties.

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FINANCIAL STATEMENTS OF GOLDEN AMERICAN LIFE INSURANCE COMPANY  
For the years ended December 31, 1997, 1996 and 1995

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholder  
Golden American Life Insurance Company

We have audited the accompanying consolidated balance sheets of Golden American Life Insurance Company as of December 31, 1997 and 1996, and the related consolidated statements of income, changes in stockholder's equity, and cash flows for the periods from October 25, 1997 through December 31, 1997, January 1, 1997 through October 24, 1997, August 14, 1996 through December 31, 1996, and January 1, 1996 through August 13, 1996, and the year ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Golden American Life Insurance Company at December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for the periods from October 25, 1997 through December 31, 1997, January 1, 1997 through October 24, 1997, August 14, 1996 through December 31, 1996, and January 1, 1996 through August 13, 1996, and the year ended December 31, 1995, in conformity with generally accepted accounting principles.

s/Ernst & Young LLP

Des Moines, Iowa  
February 12, 1998

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GOLDEN AMERICAN LIFE INSURANCE COMPANY

CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands, except per share data)

<TABLE>  
<CAPTION>

POST-MERGER                      POST-ACQUISITION

---

December 31, 1997 | December 31, 1996

<S>	<C>	<C>
ASSETS		
Investments:		
Fixed maturities, available for sale, at fair value (cost: 1997 - \$413,288; 1996 - \$275,153)	\$414,401	\$275,563
Equity securities, at fair value (cost: 1997 - \$4,437; 1996 - \$36)	3,904	33
Mortgage loans on real estate	85,093	31,459
Policy loans	8,832	4,634
Short-term investments	14,460	12,631
Total investments	526,690	324,320
Cash and cash equivalents	21,039	5,839
Due from affiliates	827	--
Accrued investment income	6,423	4,139
Deferred policy acquisition costs	12,752	11,468
Present value of in force acquired	43,174	83,051
Current income taxes recoverable	272	--
Deferred income tax asset	36,230	--
Property and equipment, less allowances for depreciation of \$97 in 1997 and \$63 in 1996	1,567	699
Goodwill, less accumulated amortization of \$630 in 1997 and \$589 in 1996	150,497	38,665
Other assets	195	2,471
Separate account assets	1,646,169	1,207,247
Total assets	\$2,445,835	\$1,677,899

</TABLE>

<TABLE>  
<CAPTION>

	POST-MERGER	POST-ACQUISITION
	December 31, 1997	December 31, 1996
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Policy liabilities and accruals:		
Future policy benefits:		
Annuity and interest sensitive life products	\$505,304	\$285,287
Unearned revenue reserve	1,189	2,063
Other policy claims and benefits	10	--
	506,503	287,350
Deferred income tax liability	--	365
Line of credit with affiliate	24,059	--
Surplus note	25,000	25,000
Due to affiliates	80	1,504
Other liabilities	16,711	15,949

Separate account liabilities	1,646,169	1,207,247
	<hr/>	<hr/>
	2,218,522	1,537,415
Commitments and contingencies		
Stockholder's equity:		
Common stock, par value \$10 per share, authorized, issued and outstanding 250,000 shares	2,500	2,500
Additional paid-in capital	224,997	137,372
Unrealized appreciation (depreciation) of securities at fair value	241	262
Retained earnings (deficit)	(425)	350
	<hr/>	<hr/>
Total stockholder's equity	227,313	140,484
	<hr/>	<hr/>
Total liabilities and stockholder's equity	\$2,445,835	\$1,677,899
	=====	=====

</TABLE>

See accompanying notes.

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GOLDEN AMERICAN LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands)

<TABLE>

<CAPTION>

	POST-MERGER	POST-ACQUISITION
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997
	<hr/>	<hr/>
<S>	<C>	<C>
Revenues:		
Annuity and interest sensitive life product charges	\$3,834	\$18,288
Management fee revenue	508	2,262
Net investment income	5,127	21,656
Realized gains (losses) on investments	15	151
Other income	236	426
	<hr/>	<hr/>
	9,720	42,783
Insurance benefits and expenses:		
Annuity and interest sensitive life benefits:		
Interest credited to account balances	7,413	19,276
Benefit claims incurred in excess of account balances	--	125
Underwriting, acquisition and insurance expenses:		
Commissions	9,437	26,818
General expenses	3,350	13,907
Insurance taxes	450	1,889
Policy acquisition costs deferred	(13,678)	(29,003)
Amortization:		
Deferred policy acquisition costs	892	1,674
Present value of in force acquired	948	5,225

Goodwill	630	1,398
	9,442	41,309
Interest expense	557	2,082
	9,999	43,391
Income (loss) before income taxes	(279)	(608)
Income taxes	146	(1,337)
Net income (loss)	(\$425)	\$729

</TABLE>

<TABLE>

<CAPTION>

	POST-ACQUISITION	PRE-ACQUISITION
	For the period August 14, 1996 through December 31, 1996	For the period January 1, 1996 through August 13, 1996
<S>	<C>	<C>
Revenues:		
Annuity and interest sensitive life product charges	\$8,768	\$12,259
Management fee revenue	877	1,390
Net investment income	5,795	4,990
Realized gains (losses) on investments	42	(420)
Other income	486	70
	15,968	18,289
Insurance benefits and expenses:		
Annuity and interest sensitive life benefits:		
Interest credited to account balances	5,741	4,355
Benefit claims incurred in excess of account balances	1,262	915
Underwriting, acquisition and insurance expenses:		
Commissions	9,866	16,549
General expenses	5,906	9,422
Insurance taxes	672	1,225
Policy acquisition costs deferred	(11,712)	(19,300)
Amortization:		
Deferred policy acquisition costs	244	2,436
Present value of in force acquired	2,745	951
Goodwill	589	--
	15,313	16,553
Interest expense	85	--
	15,398	16,553
Income (loss) before income taxes	570	1,736
Income taxes	220	(1,463)
Net income (loss)	\$350	\$3,199

</TABLE>

<TABLE>  
<CAPTION>

	PRE-ACQUISITION
	For the year ended December 31, 1995
	<C>
Revenues:	
Annuity and interest sensitive life product charges	\$18,388
Management fee revenue	987
Net investment income	2,818
Realized gains (losses) on investments	297
Other income	63
	<hr/> 22,553
Insurance benefits and expenses:	
Annuity and interest sensitive life benefits:	
Interest credited to account balances	1,322
Benefit claims incurred in excess of account balances	1,824
Underwriting, acquisition and insurance expenses:	
Commissions	7,983
General expenses	12,650
Insurance taxes	952
Policy acquisition costs deferred	(9,804)
Amortization:	
Deferred policy acquisition costs	2,710
Present value of in force acquired	1,552
Goodwill	--
	<hr/> 19,189
Interest expense	--
	<hr/> 19,189
Income (loss) before income taxes	<hr/> 3,364
Income taxes	--
Net income (loss)	<hr/> \$3,364 =====

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	PRE-ACQUISITION
	<hr/> Unreal- ized Appre- ciation

	Common Stock	Redeemable Preferred Stock	Addi- tional Paid-In Capital	(Depre- ciation) of Securities at Fair Value	Retained Earnings (Deficit)	Total Stock- holder's Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1995	\$2,500	\$50,000	\$37,086	(\$1)	(\$79)	\$89,506
Contribution of capital	--	--	7,944	--	--	7,944
Net income	--	--	--	--	3,364	3,364
Preferred stock dividends	--	--	--	--	(3,348)	(3,348)
Unrealized apprecia- tion of securities at fair value	--	--	--	659	--	659
Balance at December 31, 1995	2,500	50,000	45,030	658	(63)	98,125
Net income	--	--	--	--	3,199	3,199
Preferred stock dividends	--	--	--	--	(719)	(719)
Unrealized deprecia- tion of securities at fair value	--	--	--	(1,175)	--	(1,175)
Balance at August 13, 1996	\$2,500	\$50,000	\$45,030	(\$517)	\$2,417	\$99,430

</TABLE>

<TABLE>

<CAPTION>

POST-ACQUISITION

	Common Stock	Redeemable Preferred Stock	Addi- tional Paid-In Capital	Unreal- ized Appre- ciation (Depre- ciation) of Securities at Fair Value	Retained Earnings (Deficit)	Total Stock- holder's Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at August 14, 1996	\$2,500	\$50,000	\$87,372	--	--	\$139,872
Contribution of preferred stock to additional paid-in capital	--	(50,000)	50,000	--	--	--
Net income	--	--	--	--	\$350	350
Unrealized apprecia- tion of securities at fair value	--	--	--	\$262	--	262
Balance at December 31, 1996	2,500	--	137,372	262	350	140,484
Contribution of capital	--	--	1,121	--	--	1,121
Net income	--	--	--	--	729	729
Unrealized apprecia-						

tion of securities at fair value	--	--	--	1,543	--	1,543
Balance at October 24, 1997	\$2,500	--	\$138,493	\$1,805	\$1,079	\$143,877
POST-MERGER						
	Common Stock	Redeemable Preferred Stock	Addi- tional Paid-In Capital	Unreal- ized Appre- ciation (Depre- ciation) of Securities Fair Value	Retained at Earnings (Deficit)	Total Stock- holder's Equity
Balance at October 25, 1997	\$2,500	--	\$224,997	--	--	\$227,497
Net loss	--	--	--	--	(\$425)	(425)
Unrealized apprecia- tion of securities at fair value	--	--	--	\$241	--	241
Balance at December 31, 1997	\$2,500	--	\$224,997	\$241	(\$425)	\$227,313

</TABLE>

See accompanying notes.

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GOLDEN AMERICAN LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollars in thousands)

<TABLE>

<CAPTION>

	POST-MERGER	POST-ACQUISITION
	For the period   October 25, 1997   through   December 31, 1997	For the period   January 1, 1997   through   October 24, 1997
	<C>	<C>
OPERATING ACTIVITIES		
Net income (loss)	(\$425)	\$729
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Adjustments related to annuity and interest sensitive life products:		
Change in annuity and interest sensitive life product reserves	7,361	19,177
Change in unearned revenues	1,189	3,292
Decrease (increase) in accrued investment income	1,205	(3,489)
Policy acquisition costs deferred	(13,678)	(29,003)
Amortization of deferred policy acquisition costs	892	1,674

Amortization of present value of in force acquired	948	5,225
Change in other assets, other liabilities and accrued income taxes	4,205	(8,944)
Provision for depreciation and amortization	1,299	3,203
Provision for deferred income taxes	146	316
Realized (gains) losses on investments	(15)	(151)
Net cash provided by (used in) operating activities	3,127	(7,971)
INVESTING ACTIVITIES		
Sale, maturity or repayment of investments:		
Fixed maturities - available for sale	9,871	39,622
Mortgage loans on real estate	1,644	5,828
Short-term investments - net	--	11,415
	11,515	56,865
Acquisition of investments:		
Fixed maturities - available for sale	(29,596)	(155,173)
Equity securities	(1)	(4,865)
Mortgage loans on real estate	(14,209)	(44,481)
Policy loans - net	(328)	(3,870)
Short-term investments - net	(13,244)	--
	(57,378)	(208,389)

</TABLE>

See accompanying notes.

<TABLE>  
<CAPTION>

	POST-ACQUISITION	PRE-ACQUISITION
	For the period August 14, 1996 through December 31, 1996	For the period January 1, 1996 through August 13, 1996
	<C>	<C>
OPERATING ACTIVITIES		
Net income (loss)	\$350	\$3,199
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Adjustments related to annuity and interest sensitive life products:		
Change in annuity and interest sensitive life product reserves	5,106	4,472
Change in unearned revenues	2,063	2,084
Decrease (increase) in accrued investment income	(877)	(2,494)
Policy acquisition costs deferred	(11,712)	(19,300)
Amortization of deferred policy acquisition costs	244	2,436
Amortization of present value of in force acquired	2,745	951
Change in other assets, other liabilities and accrued income taxes	(96)	4,672
Provision for depreciation and amortization	1,242	703
Provision for deferred income taxes	220	(1,463)
Realized (gains) losses on investments	(42)	420
Net cash provided by (used in)		



operating activities	(757)	(4,320)
INVESTING ACTIVITIES		
Sale, maturity or repayment of investments:		
Fixed maturities - available for sale	47,453	55,091
Mortgage loans on real estate	40	--
Short-term investments - net	2,629	354
	<hr/>	<hr/>
	50,122	55,445
Acquisition of investments:		
Fixed maturities - available for sale	(147,170)	(184,589)
Equity securities	(5)	--
Mortgage loans on real estate	(31,499)	--
Policy loans - net	(637)	(1,977)
Short-term investments - net	--	--
	<hr/>	<hr/>
	(179,311)	(186,566)

</TABLE>

See accompanying notes.

<TABLE>  
<CAPTION>

PRE-ACQUISITION  

---

For the year  
ended  
December 31, 1995  

---

<S>	<C>
OPERATING ACTIVITIES	
Net income (loss)	\$3,364
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:	
Adjustments related to annuity and interest sensitive life products:	
Change in annuity and interest sensitive life product reserves	4,664
Change in unearned revenues	4,949
Decrease (increase) in accrued investment income	(676)
Policy acquisition costs deferred	(9,804)
Amortization of deferred policy acquisition costs	2,710
Amortization of present value of in force acquired	1,552
Change in other assets, other liabilities and accrued income taxes	4,686
Provision for depreciation and amortization	(142)
Provision for deferred income taxes	--
Realized (gains) losses on investments	(297)
	<hr/>
Net cash provided by (used in) operating activities	11,006
INVESTING ACTIVITIES	
Sale, maturity or repayment of investments:	
Fixed maturities - available for sale	24,026
Mortgage loans on real estate	--
Short-term investments - net	--
	<hr/>
	24,026

Acquisition of investments:	
Fixed maturities - available for sale	(61,723)
Equity securities	(10)
Mortgage loans on real estate	--
Policy loans - net	(1,508)
Short-term investments - net	(1,681)
	(64,922)

</TABLE>

See accompanying notes.

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GOLDEN AMERICAN LIFE INSURANCE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS - (CONTINUED)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	POST-MERGER	POST-ACQUISITION
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997
	<C>	<C>
Funds held in escrow pursuant to an Exchange Agreement	--	--
Purchase of property and equipment	(\$252)	(\$875)
Net cash used in investing activities	(46,115)	(152,399)
FINANCING ACTIVITIES		
Proceeds from issuance of surplus note	--	--
Proceeds from line of credit borrowings	10,119	97,124
Repayment of line of credit borrowings	(2,207)	(80,977)
Receipts from annuity and interest sensitive life policies credited to policyholder account balances	62,306	261,549
Return of policyholder account balances on annuity and interest sensitive life policies	(6,350)	(13,931)
Net reallocations to Separate Accounts	(17,017)	(93,069)
Contributions of capital by Parent	--	1,011
Dividends paid on preferred stock	--	--
Net cash provided by financing activities	46,851	171,707
Increase (decrease) in cash and cash equivalents	3,863	11,337
Cash and cash equivalents at beginning of period	17,176	5,839
Cash and cash equivalents at end of period	\$21,039	\$17,176
=====		
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	\$295	\$1,912
Income taxes	--	283

Non-cash financing activities:

Contribution of property, plant and equipment from EIC Variable, Inc. net of \$353 of accumulated depreciation	--	110
--	----	-----

</TABLE>

See accompanying notes.

<TABLE>  
<CAPTION>

	POST-ACQUISITION	PRE-ACQUISITION
	For the period August 14, 1996 through December 31, 1996	For the period January 1, 1996 through August 13, 1996
	<C>	<C>
<b>INVESTING ACTIVITIES - CONTINUED</b>		
Funds held in escrow pursuant to an Exchange Agreement	--	--
Purchase of property and equipment	(\$137)	--
Net cash used in investing activities	(129,326)	(\$131,121)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of surplus note	25,000	--
Proceeds from line of credit borrowings	--	--
Repayment of line of credit borrowings	--	--
Receipts from annuity and interest sensitive life policies credited to policyholder account balances	116,819	149,750
Return of policyholder account balances on annuity and interest sensitive life policies	(3,315)	(2,695)
Net reallocations to Separate Accounts	(10,237)	(8,286)
Contributions of capital by Parent	--	--
Dividends paid on preferred stock	--	(719)
Net cash provided by financing activities	128,267	138,050
Increase (decrease) in cash and cash equivalents	(1,816)	2,609
Cash and cash equivalents at beginning of period	7,655	5,046
Cash and cash equivalents at end of period	\$5,839	\$7,655
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the period for:		
Interest	--	--
Income taxes	--	--
<b>Non-cash financing activities:</b>		
Contribution of property, plant and equipment from EIC Variable, Inc. net of \$353 of accumulated depreciation	--	--

</TABLE>

See accompanying notes.

<TABLE>  
<CAPTION>

	PRE-ACQUISITION
	For the year ended December 31, 1995
	<C>
<b>INVESTING ACTIVITIES - CONTINUED</b>	
Funds held in escrow pursuant to an Exchange Agreement	(\$1,242)
Purchase of property and equipment	--
Net cash used in investing activities	(42,138)
<b>FINANCING ACTIVITIES</b>	
Proceeds from issuance of surplus note	--
Proceeds from line of credit borrowings	--
Repayment of line of credit borrowings	--
Receipts from annuity and interest sensitive life policies credited to policyholder account balances	29,501
Return of policyholder account balances on annuity and interest sensitive life policies	(1,543)
Net reallocations to Separate Accounts	--
Contributions of capital by Parent	7,944
Dividends paid on preferred stock	(3,348)
Net cash provided by financing activities	32,554
Increase (decrease) in cash and cash equivalents	1,422
Cash and cash equivalents at beginning of period	3,624
Cash and cash equivalents at end of period	\$5,046
=====	
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash paid during the period for:	
Interest	--
Income taxes	--
Non-cash financing activities:	
Contribution of property, plant and equipment from EIC Variable, Inc. net of \$353 of accumulated depreciation	--

</TABLE>

See accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

## CONSOLIDATION

The consolidated financial statements include Golden American Life Insurance Company ("Golden American") and its wholly owned subsidiary, First Golden American Life Insurance Company of New York ("First Golden," and with Golden American collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated.

## ORGANIZATION

Golden American, a wholly owned subsidiary of Equitable of Iowa Companies, Inc., offers variable insurance products and is licensed as a life insurance company in the District of Columbia and all states except New York. On January 2, 1997 and December 23, 1997, First Golden became licensed to sell insurance products in New York and Delaware, respectively. The Company's products are marketed by broker/dealers, financial institutions and insurance agents. The Company's primary customers are individuals and families.

On October 24, 1997, PFHI Holding, Inc. ("PFHI"), a Delaware corporation, acquired all of the outstanding capital stock of Equitable of Iowa Companies ("Equitable"), pursuant to the terms of the Agreement and Plan of Merger ("Merger Agreement") among Equitable, PFHI, and ING Groep N.V. ("ING"). PFHI is a wholly owned subsidiary of ING, a global financial services holding company based in The Netherlands. As a result of the merger, Equitable was merged into PFHI which was simultaneously renamed Equitable of Iowa Companies, Inc. ("EIC" or the "Parent"), a Delaware corporation. See Note 5 for additional information regarding the merger.

On August 13, 1996, Equitable acquired all of the outstanding capital stock of EIC Variable, Inc. (formerly known as BT Variable, Inc.) and its wholly owned subsidiaries, Golden American and Directed Services, Inc. ("DSI") from Whitewood Properties Corporation ("Whitewood") pursuant to the terms of a Stock Purchase Agreement between Equitable and Whitewood (the "Purchase Agreement"). On April 30, 1997, EIC Variable, Inc. was liquidated and its investments in Golden American and DSI were transferred to Equitable, while the remainder of its net assets were contributed to Golden American. On December 30, 1997, EIC Variable, Inc. was dissolved. See Note 6 for additional information regarding the acquisition.

For financial statement purposes, the merger was accounted for as a purchase effective October 25, 1997 and the change in control of Golden American through the acquisition of BT Variable was accounted for as a purchase effective August 14, 1996. The merger and acquisition resulted in new bases of accounting reflecting estimated fair values of assets and liabilities at their respective dates. As a result, the Company's financial statements for the period subsequent to October 24, 1997, are presented on the Post-Merger new basis of accounting, for the period August 14, 1996 through October 24, 1997, are presented on the Post-Acquisition basis of accounting, and for August 13, 1996 and prior periods are presented on the Pre-Acquisition basis of accounting.

## INVESTMENTS

**FIXED MATURITIES:** Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities," requires fixed maturity securities to be designated as either "available for sale," "held for investment" or "trading." Sales of fixed maturities designated as "available for sale" are not restricted by SFAS No. 115. Available for sale securities are reported at fair value and unrealized gains and losses on these securities are included directly in stockholder's equity, after adjustment for related changes in deferred policy acquisition costs ("DPAC"), present value of in force acquired ("PVIF"), policy reserves and deferred income

taxes. At December 31, 1997 and 1996, all of the Company's

fixed maturity securities are designated as available for sale although the Company is not precluded from designating fixed maturity securities as held for investment or trading at some future date.

Securities determined to have a decline in value that is other than temporary are written down to estimated fair value which becomes the security's new cost basis by a charge to realized losses in the Company's Statement of Income. Premiums and discounts are amortized/accrued utilizing the scientific interest method which results in a constant yield over the security's expected life. Amortization/accrual of premiums and discounts on mortgage-backed securities incorporates a prepayment assumption to estimate the securities' expected lives.

**EQUITY SECURITIES:** Equity securities are reported at estimated fair value if readily marketable. The change in unrealized appreciation and depreciation of marketable equity securities (net of related deferred income taxes, if any) is included directly in stockholder's equity. Equity securities determined to have a decline in value that is other than temporary are written down to estimated fair value which becomes the security's new cost basis by a charge to realized losses in the Company's Statement of Income.

**MORTGAGE LOANS:** Mortgage loans on real estate are reported at cost adjusted for amortization of premiums and accrual of discounts. If the value of any mortgage loan is determined to be impaired (i.e., when it is probable the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement), the carrying value of the mortgage loan is reduced to the present value of expected future cash flows from the loan, discounted at the loan's effective interest rate, or to the loan's observable market price, or the fair value of the underlying collateral. The carrying value of impaired loans is reduced by the establishment of a valuation allowance which is adjusted at each reporting date for significant changes in the calculated value of the loan. Changes in this valuation allowance are charged or credited to income.

**OTHER INVESTMENTS:** Policy loans are reported at unpaid principal. Short-term investments are reported at cost adjusted for amortization of premiums and accrual of discounts.

**FAIR VALUES:** Estimated fair values, as reported herein, of publicly traded fixed maturity securities are as reported by an independent pricing service. Fair values of conventional mortgage-backed securities not actively traded in a liquid market are estimated using a third party pricing system. This pricing system uses a matrix calculation assuming a spread over U.S. Treasury bonds based upon the expected average lives of the securities. Fair values of private placement bonds are estimated using a matrix that assumes a spread (based on interest rates and a risk assessment of the bonds) over U.S. Treasury bonds. Estimated fair values of equity securities which consists of the Company's investment in its registered separate accounts are based upon the quoted fair value of the securities comprising the individual portfolios underlying the separate accounts. Realized gains and losses are determined on the basis of specific identification and average cost methods for manager initiated and issuer initiated disposals, respectively.

#### CASH AND CASH EQUIVALENTS

For purposes of the consolidated statement of cash flows, the Company considers all demand deposits and interest-bearing accounts not related to the investment function to be cash equivalents. All interest-bearing accounts classified as cash equivalents have original maturities of three months or less.

Certain costs of acquiring new insurance business, principally commissions and other expenses related to the production of new business, have been deferred. Acquisition costs for variable annuity and variable life products are being amortized generally in proportion to the present value (using the assumed crediting rate) of expected future gross profits. This amortization is "unlocked" when the Company revises its estimate of current or future gross profits to be realized from a group of products. DPAC is adjusted to reflect the pro forma impact of unrealized gains and losses on fixed maturity securities the Company has designated as "available for sale" under SFAS No. 115.

#### PRESENT VALUE OF IN FORCE ACQUIRED

As a result of the merger and the acquisition, a portion of the acquisition cost related to each transaction was allocated to the right to receive future cash flows from existing insurance contracts. This allocated cost represents the PVIF which reflects the value of those purchased policies calculated by discounting actuarially determined expected future cash flows at the discount rate determined by the purchaser. Amortization of PVIF is charged to expense in proportion to expected gross profits. This amortization is "unlocked" when the Company revises its estimate of current or future gross profits to be realized from the insurance contracts acquired. PVIF is adjusted to reflect the pro forma impact of unrealized gains (losses) on available for sale fixed maturities. See Notes 5 and 6 for additional information on PVIF resulting from the merger and acquisition.

#### PROPERTY AND EQUIPMENT

Property and equipment primarily represent leasehold improvements, office furniture and equipment and capitalized computer software and are not considered to be significant to the Company's overall operations. Property and equipment are reported at cost less allowances for depreciation. Depreciation expense is computed primarily on the basis of the straight-line method over the estimated useful lives of the assets.

#### GOODWILL

Goodwill was established as a result of the merger discussed previously and is being amortized over 40 years on a straight-line basis. Goodwill established as a result of the acquisition discussed above was being amortized over 25 years on a straight-line basis. See Notes 5 and 6 for additional information on the merger and acquisition.

#### FUTURE POLICY BENEFITS

Future policy benefits for fixed interest divisions of the variable products are established utilizing the retrospective deposit accounting method. Policy reserves represent the premiums received plus accumulated interest, less mortality and administration charges. Interest credited to these policies ranged from 3.30% to 8.25% during 1997. The unearned revenue reserve represents unearned distribution fees discussed below. These distribution fees have been deferred and are amortized over the life of the contract in proportion to its expected gross profits.

#### SEPARATE ACCOUNTS

Assets and liabilities of the separate accounts reported in the accompanying balance sheets represent funds that are separately administered principally for variable annuity and variable life contracts. Contractholders, rather than the Company, bear the investment risk for variable products. At the direction of the Contractholders, the separate accounts invest the premiums from the sale of variable annuity and variable life products in shares of specified mutual funds. The assets and liabilities of the separate accounts are clearly identified and segregated from other assets and liabilities of the Company. The portion of the separate account assets applicable to variable annuity and variable life contracts cannot be charged with liabilities arising out of any other business the Company may conduct.

December 31, 1997

Variable separate account assets carried at fair value of the underlying investments generally represent Contractholder investment values maintained in the accounts. Variable separate account liabilities represent account balances for the variable annuity and variable life contracts invested in the separate accounts. Net investment income and realized and unrealized capital gains and losses related to separate account assets are not reflected in the accompanying Statements of Income.

Product charges recorded by the Company from variable annuity and variable life products consist of charges applicable to each contract for mortality and expense risk, cost of insurance, contract administration and surrender charges. In addition, some variable annuity and all variable life contracts provide for a distribution fee collected for a limited number of years after each premium deposit. Revenue recognition of collected distribution fees is amortized over the life of the contract in proportion to its expected gross profits. The balance of unrecognized revenue related to the distribution fees is reported as an unearned revenue reserve.

#### DEFERRED INCOME TAXES

Deferred tax assets or liabilities are computed based on the difference between the financial statement and income tax bases of assets and liabilities using the enacted marginal tax rate. Deferred tax assets or liabilities are adjusted to reflect the pro forma impact of unrealized gains and losses on equity securities and fixed maturity securities the Company has designated as available for sale under SFAS No. 115. Changes in deferred tax assets or liabilities resulting from this SFAS No. 115 adjustment are charged or credited directly to stockholder's equity. Deferred income tax expenses or credits reflected in the Company's Statement of Income are based on the changes in the deferred tax asset or liability from period to period (excluding the SFAS No. 115 adjustment).

#### DIVIDEND RESTRICTIONS

The Company's ability to pay dividends to its parent is restricted because prior approval of insurance regulatory authorities is required for payment of dividends to the stockholder which exceed an annual limitation. During 1998, Golden American cannot pay dividends to its parent without prior approval of statutory authorities. The Company has maintained adequate statutory capital and surplus and has not used surplus relief or financial reinsurance, which have come under scrutiny by many state insurance departments.

Under the provisions of the insurance laws of the State of New York, First Golden cannot distribute any dividends to its stockholders unless a notice of its intention to declare a dividend and amount of the dividend has been filed not less than thirty days in advance of the proposed declaration. The superintendent may disapprove the distribution by giving written notice to First Golden within thirty days after the filing should the superintendent find that the financial condition of First Golden does not warrant the distribution.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Management is required to utilize historical experience and assumptions about future events and circumstances in order to develop estimates of material reported amounts and disclosures. Included among the material (or potentially material) reported amounts and disclosures that require extensive use of estimates and assumptions are (1) estimates of fair values of investments in securities and other financial instruments, as well as fair values of policyholder liabilities, (2) policyholder liabilities, (3) deferred policy acquisition costs and present value of in force acquired, (4) fair values of assets and liabilities recorded as a result of merger and acquisition



GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

allowances, (6) guaranty fund assessment accruals, (7) deferred tax benefits (liabilities) and (8) estimates for commitments and contingencies including legal matters, if a liability is anticipated and can be reasonably estimated. Estimates and assumptions regarding all of the preceding are inherently subject to change and are reassessed periodically. Changes in estimates and assumptions could materially impact the financial statements.

## 2. BASIS OF FINANCIAL REPORTING

The financial statements of the Company differ from related statutory-basis financial statements principally as follows: (1) acquisition costs of acquiring new business are deferred and amortized over the life of the policies rather than charged to operations as incurred; (2) an asset representing the present value of future cash flows from insurance contracts acquired was established as a result of the merger/acquisition and is amortized and charged to expense; (3) future policy benefit reserves for the fixed interest divisions of the variable products are based on full account values, rather than the greater of cash surrender value or amounts derived from discounting methodologies utilizing statutory interest rates; (4) reserves are reported before reduction for reserve credits related to reinsurance ceded and a receivable is established, net of an allowance for uncollectible amounts, for these credits rather than presented net of these credits; (5) fixed maturity investments are designated as "available for sale" and valued at fair value with unrealized appreciation/depreciation, net of adjustments to deferred income taxes (if applicable), present value of in force acquired and deferred policy acquisition costs, credited/charged directly to stockholder's equity rather than valued at amortized cost; (6) the carrying value of fixed maturity securities is reduced to fair value by a charge to realized losses in the Statement of Income when declines in carrying value are judged to be other than temporary, rather than through the establishment of a formula-determined statutory investment reserve (carried as a liability), changes in which are charged directly to surplus; (7) deferred income taxes are provided for the difference between the financial statement and income tax bases of assets and liabilities; (8) net realized gains or losses attributed to changes in the level of interest rates in the market are recognized when the sale is completed rather than deferred and amortized over the remaining life of the fixed maturity security; (9) a liability is established for anticipated guaranty fund assessments, net of related anticipated premium tax credits, rather than capitalized when assessed and amortized in accordance with procedures permitted by insurance regulatory authorities; (10) revenues for variable annuity and variable life products consist of policy charges for the cost of insurance, policy administration charges, amortization of policy initiation fees and surrender charges assessed rather than premiums received; (11) the financial statements of Golden American's wholly owned subsidiary are consolidated rather than recorded at the equity in net assets; (12) surplus notes are reported as liabilities rather than as surplus; and (13) assets and liabilities are restated to fair values when a change in ownership occurs, with provisions for goodwill and other intangible assets, rather than continuing to be presented at historical cost.

Net loss for Golden American as determined in accordance with statutory accounting practices was \$428,000 in 1997, \$9,188,000 in 1996 and \$4,117,000 in 1995. Total statutory capital and surplus was \$76,914,000 at December 31, 1997 and \$80,430,000 at December 31, 1996.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

3. INVESTMENT OPERATIONS

INVESTMENT RESULTS

Major categories of net investment income are summarized below:

<TABLE>  
<CAPTION>

	POST-MERGER	POST-ACQUISITION	
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997	For the period August 14, 1996 through December 31, 1996
	(Dollars in thousands)		
<S>	<C>	<C>	<C>
Fixed maturities	\$4,443	\$18,488	\$5,083
Equity securities	3	--	103
Mortgage loans on real estate	879	3,070	203
Policy loans	59	482	78
Short-term investments	129	443	441
Other, net	(154)	24	2
Funds held in escrow	--	--	--
Gross investment income	5,359	22,507	5,910
Less investment expenses	(232)	(851)	(115)
Net investment income	\$5,127	\$21,656	\$5,795

</TABLE>

<TABLE>  
<CAPTION>

PRE-ACQUISITION	
For the period January 1, 1996 through August 13, 1996	For the year ended December 31, 1995
(Dollars in thousands)	
<S>	<C>
Fixed maturities	\$4,507
Equity securities	--
Mortgage loans on real estate	--
Policy loans	73
Short-term investments	341
Other, net	22
Funds held in escrow	145
Gross investment income	5,088
Less investment expenses	(98)
Net investment income	\$4,990

</TABLE>

Realized gains (losses) on investments are as follows:

<TABLE>  
<CAPTION>

	POST-MERGER	POST-ACQUISITION	
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997	For the period August 14, 1996 through December 31, 1996
		(Dollars in thousands)	
<S>	<C>	<C>	<C>
Fixed maturities, available for sale	\$25	\$151	\$42
Mortgage loans	(10)	--	--
Realized gains (losses) on investments	\$15	\$151	\$42

</TABLE>

<TABLE>  
<CAPTION>

	PRE-ACQUISITION	
	For the period January 1, 1996 through August 13, 1996	For the year ended December 31, 1995
	(Dollars in thousands)	
<S>	<C>	<C>
Fixed maturities, available for sale	(\$420)	\$297
Mortgage loans	--	--
Realized gains (losses) on investments	(\$420)	\$297

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

The change in unrealized appreciation (depreciation) on securities at fair value is as follows:

<TABLE>  
<CAPTION>

	POST-MERGER	POST-ACQUISITION	
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997	For the period August 14, 1996 through December 31, 1996
		(Dollars in thousands)	
<S>	<C>	<C>	<C>
Fixed maturities: Available for sale	\$1,113	\$4,607	\$410
Held for investment	--	--	--
Equity securities	(533)	(465)	(3)

Unrealized appreciation (depreciation) of securities	\$580	\$4,142	\$407
--	-------	---------	-------

</TABLE>

<TABLE>  
<CAPTION>

PRE-ACQUISITION

	For the period January 1, 1996 through August 13, 1996	For the year ended December 31, 1995
	(Dollars in thousands)	
<S>	<C>	<C>
Fixed maturities:		
Available for sale	(\$2,087)	\$958
Held for investment	--	90
Equity securities	1	3
Unrealized appreciation (depreciation) of securities	(\$2,086)	\$1,051

</TABLE>

At December 31, 1997 and December 31, 1996, amortized cost, gross unrealized gains and losses and estimated fair values of fixed maturity securities, all of which are designated as available for sale, are as follows:

<TABLE>  
<CAPTION>

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(Dollars in thousands)			
December 31, 1997	POST-MERGER			
<S>	<C>	<C>	<C>	<C>
U.S. government and governmental agencies and authorities:				
Mortgage-backed securities	\$62,988	\$155	(\$10)	\$63,133
Other	5,705	5	(1)	5,709
Foreign governments	2,062	--	(9)	2,053
Public utilities	25,899	49	(4)	25,944
Investment grade corporate	219,526	926	(32)	220,420
Below investment grade corporate	41,355	186	(210)	41,331
Mortgage-backed securities	55,753	78	(20)	55,811
Total	\$413,288	\$1,399	(\$286)	\$414,401

December 31, 1996

POST-ACQUISITION

U.S. government and governmental agencies and authorities:				
Mortgage-backed securities	\$70,902	\$122	(\$247)	\$70,777
Other	3,082	2	(4)	3,080

Public utilities	35,893	193	(38)	36,048
Investment grade corporate	134,487	586	(466)	134,607
Below investment grade corporate	25,921	249	(56)	26,114
Mortgage-backed securities	4,868	69	--	4,937
Total	\$275,153	\$1,221	(\$811)	\$275,563

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

At December 31, 1997, net unrealized investment gains on fixed maturities designated as available for sale totaled \$1,113,000. This appreciation caused an increase to stockholder's equity of \$587,000 at December 31, 1997 (net of deferred income taxes of \$316,000, an adjustment of \$35,000 to DPAC and PVIF of \$175,000). Short-term investments with maturities of 30 days or less have been excluded from the above schedules. Amortized cost approximates fair value for these securities.

Amortized cost and estimated fair value of fixed maturities designated as available for sale, by contractual maturity, at December 31, 1997, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<TABLE>  
<CAPTION>

	POST-MERGER	
December 31, 1997	Amortized Cost	Estimated Fair Value
	(Dollars in thousands)	
<S>	<C>	<C>
Due within one year	\$26,261	\$26,239
Due after one year through five years	198,249	198,781
Due after five years through ten years	70,037	70,437
	294,547	295,457
Mortgage-backed securities	118,741	118,944
Total	\$413,288	\$414,401

</TABLE>

An analysis of sales, maturities and principal repayments of the Company's fixed maturities portfolio is as follows:

<TABLE>  
<CAPTION>

	Amortized Cost	Gross Realized Gains	Gross Realized Losses	Proceeds from Sale
--	----------------	----------------------	-----------------------	--------------------

	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
For the period October 25, 1997 through December 31, 1997: Scheduled principal repayments, calls and				

tenders	\$6,708	\$2	--	\$6,710
Sales	3,138	23	--	3,161
Total	\$9,846	\$25	--	\$9,871
=====				
For the period January 1, 1997 through October 24, 1997:				
Scheduled principal repayments, calls and tenders				
	\$25,419	--	--	\$25,419
Sales	14,052	\$153	(\$2)	14,203
Total	\$39,471	\$153	(\$2)	\$39,622
=====				
For the period August 14, 1996 through December 31, 1996:				
Scheduled principal repayments, calls and tenders				
	\$1,612	--	--	\$1,612
Sales	45,799	\$115	(\$73)	45,841
Total	\$47,411	\$115	(\$73)	\$47,453
=====				
For the period January 1, 1996 through August 13, 1996:				
Scheduled principal repayments, calls and tenders				
	\$1,801	--	--	\$1,801
Sales	53,710	\$152	(\$572)	53,290
Total	\$55,511	\$152	(\$572)	\$55,091
=====				
Year ended December 31, 1995:				
Scheduled principal repayments, calls and tenders				
	\$20,279	\$305	(\$16)	\$20,568
Sales	3,450	8	--	3,458
Total	\$23,729	\$313	(\$16)	\$24,026
=====				

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

INVESTMENT VALUATION ANALYSIS: The Company analyzes its investment portfolio at least quarterly in order to determine if the carrying value of any of its investments has been impaired. The carrying value of debt and equity securities is written down to fair value by a charge to realized losses when an impairment in value appears to be other than temporary. During 1997 and 1996, no investments were identified as having an impairment other than temporary.

INVESTMENTS ON DEPOSIT: At December 31, 1997 and 1996, affidavits of deposits covering bonds with a par value of \$6,605,000 were on deposit with regulatory authorities pursuant to certain statutory requirements.

INVESTMENT DIVERSIFICATIONS: The Company's investment policies related to its investment portfolio require diversification by asset type, company and industry and set limits on the amount which can be invested in an individual

issuer. Such policies are at least as restrictive as those set forth by regulatory authorities. The following percentages relate to holdings at December 31, 1997 and December 31, 1996. Fixed maturity investments included investments in basic industrials (30% in 1997 and 1996), financial companies (24% in 1997, 18% in 1996), various government bonds and government or agency mortgage-backed securities (17% in 1997 and 27% in 1996) and public utilities (7% in 1997, 13% in 1996). Mortgage loans on real estate have been analyzed by geographical location with concentrations by state identified as Utah (13% in 1997, 4% in 1996), California (12% in 1997, 7% in 1996), and Georgia (11% in 1997, 17% in 1996). There are no other concentrations of mortgage loans in any state exceeding ten percent at December 31, 1997 and 1996. Mortgage loans on real estate have also been analyzed by collateral type with significant concentrations identified in office buildings (43% in 1997, 36% in 1996), industrial buildings (33% in 1997, 31% in 1996), retail facilities (15% in 1997, 6% in 1996) and multi-family residential buildings (9% in 1997, 27% in 1996). Equity securities and investments accounted for by the equity method are not significant to the Company's overall investment portfolio.

No investment in any person or its affiliates (other than bonds issued by agencies of the United States government) exceeded ten percent of stockholder's equity at December 31, 1997.

#### 4. FAIR VALUES OF FINANCIAL INSTRUMENTS

SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," requires disclosure of estimated fair value of all financial instruments, including both assets and liabilities recognized and not recognized in a Company's balance sheet, unless specifically exempted. SFAS No. 119, "Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments," requires additional disclosures about derivative financial instruments. Most of the Company's investments, investment contracts and debt fall within the standards' definition of a financial instrument. Fair values for the Company's insurance contracts other than investment contracts are not required to be disclosed. In cases where quoted market prices are not available, estimated fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accounting, actuarial and regulatory bodies are continuing to study the methodologies to be used in developing fair value information, particularly as it relates to such things as liabilities for insurance contracts. Accordingly, care should be exercised in deriving conclusions about the Company's business or financial condition based on the information presented herein.

The Company closely monitors the composition and yield of its invested assets, the duration and interest credited on insurance liabilities and resulting interest spreads and timing of cash flows. These amounts are taken into consideration in the Company's overall management of interest rate risk, which attempts to minimize exposure to changing interest rates through the matching of investment cash flows with amounts expected to be due under insurance contracts. As discussed be-

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

low, the Company has used discount rates in its determination of fair values for its liabilities which are consistent with market yields for related assets. The use of the asset market yield is consistent with management's opinion that the risks inherent in its asset and liability portfolios are similar. This assumption, however, might not result in values consistent with those obtained through an actuarial appraisal of the Company's business or values that might arise in a negotiated transaction.

The following compares carrying values as shown for financial reporting purposes with estimated fair values:

<TABLE>  
<CAPTION>

December 31

1997

1996

(Dollars in thousands)				
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>
<b>ASSETS</b>				
Fixed maturities, available for sale	\$414,401	\$414,401	\$275,563	\$275,563
Equity securities	3,904	3,904	33	33
Mortgage loans on real estate	85,093	86,348	31,459	30,979
Policy loans	8,832	8,832	4,634	4,634
Short-term investments	14,460	14,460	12,631	12,631
Cash and cash equivalents	21,039	21,039	5,839	5,839
Separate account assets	1,646,169	1,646,169	1,207,247	1,207,247
<b>LIABILITIES</b>				
Annuity products	493,181	431,859	280,076	253,012
Surplus note	25,000	28,837	25,000	28,878
Separate account liabilities	1,646,169	1,443,458	1,207,247	1,119,158

</TABLE>

The following methods and assumptions were used by the Company in estimating fair values.

**FIXED MATURITIES:** Estimated fair values of publicly traded securities are as reported by an independent pricing service. Estimated fair values of conventional mortgage-backed securities not actively traded in a liquid market are estimated using a third party pricing system. This pricing system uses a matrix calculation assuming a spread over U.S. Treasury bonds based upon the expected average lives of the securities.

**EQUITY SECURITIES:** Estimated fair values of equity securities, which consist of the Company's investment in the portfolios underlying its separate accounts, are based upon the quoted fair value of the individual securities comprising the individual portfolios underlying the separate accounts. For equity securities not actively traded, estimated fair values are based upon values of issues of comparable yield and quality.

**MORTGAGE LOANS ON REAL ESTATE:** Fair values are estimated by discounting expected cash flows, using interest rates currently offered for similar loans.

**POLICY LOANS:** Carrying values approximate the estimated fair value for policy loans.

**SHORT-TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS:** Carrying values reported in the Company's historical cost basis balance sheet approximate estimated fair value for these instruments, due to their short-term nature.

**SEPARATE ACCOUNT ASSETS:** Separate account assets are based upon the quoted fair values of the individual securities in the separate accounts.



ANNUITY PRODUCTS: Estimated fair values of the Company's liabilities for future policy benefits for the fixed interest division of the variable annuity products and for supplemental contracts without life contingencies are based upon discounted cash flow calculations. Cash flows of future policy benefits are discounted using the market yield rate of the assets supporting these liabilities.

SURPLUS NOTE: Estimated fair value of the Company's surplus note was based upon discounted future cash flows using a discount rate approximating the Company's return on invested assets.

SEPARATE ACCOUNT LIABILITIES: Separate account liabilities are reported at full account value in the Company's historical cost balance sheet. Estimated fair values of separate account liabilities are based upon assumptions using an estimated long-term average market rate of return to discount future cash flows. The reduction in fair values for separate account liabilities reflect the present value of future revenue from product charges, distribution fees or surrender charges.

## 5. MERGER

TRANSACTION: On October 23, 1997, Equitable shareholders approved the Merger Agreement dated as of July 7, 1997, among Equitable, PFHI and ING. On October 24, 1997, PFHI, a Delaware corporation, acquired all of the outstanding capital stock of Equitable pursuant to the Merger Agreement. PFHI is a wholly owned subsidiary of ING, a global financial services holding company based in The Netherlands. Equitable, an Iowa corporation, in turn, owned all the outstanding capital stock of Equitable Life Insurance Company of Iowa ("Equitable Life") and Golden American and their wholly owned subsidiaries. Equitable also owned all the outstanding capital stock of Locust Street Securities, Inc. ("LSSI"), Equitable Investment Services, Inc., DSI, Equitable of Iowa Companies Capital Trust, Equitable of Iowa Companies Capital Trust II and Equitable of Iowa Securities Network, Inc. In exchange for the outstanding capital stock of Equitable, ING paid total consideration of approximately \$2.1 billion in cash and stock plus the assumption of approximately \$400 million in debt according to the Merger Agreement. As a result of the merger, Equitable was merged into PFHI which was simultaneously renamed Equitable of Iowa Companies, Inc. ("EIC" or the "Parent"), a Delaware corporation. All costs of the merger, including expenses to terminate certain benefit plans, were paid by the Parent.

ACCOUNTING TREATMENT: The merger was accounted for as a purchase resulting in a new basis of accounting, reflecting estimated fair values for assets and liabilities at October 24, 1997. The purchase price was allocated to EIC and its subsidiaries. Goodwill was established for the excess of the merger cost over the fair value of the net assets and pushed down to EIC and its subsidiaries including Golden American and First Golden. The merger cost is preliminary with respect to estimated expenses and, as a result, the PVIF and related amortization and deferred taxes may change. The allocation of the purchase price to the Company was approximately \$227,497,000. The amount of goodwill allocated to the Company relating to the merger was \$151,127,000 at the merger date and is being amortized over 40 years on a straight-line basis. The carrying value of goodwill will be reviewed periodically for any indication of impairment in value. The Company's DPAC, previous balance of PVIF and unearned revenue reserve, as of the merger date, were eliminated and an asset of \$44,297,000 representing PVIF was established for all policies in force at the merger date.

PRESENT VALUE OF IN FORCE ACQUIRED: As part of the merger, a portion of the acquisition cost was allocated to the right to receive future cash flows from insurance contracts existing with the Company at the date of merger. This allocated cost represents the present value of in force acquired reflecting the value of those purchased policies calculated by discounting the actuarially determined expected future cash flow at the discount rate determined by ING.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
 December 31, 1997

An analysis of the PVIF asset is as follows:

<TABLE>  
 <CAPTION>

	POST-MERGER
	For the period October 25, 1997 through December 31, 1997
	(Dollars in thousands)
<S>	<C>
Beginning balance	\$44,297
Imputed interest	1,004
Amortization	(1,952)
Adjustment for unrealized gains on available for sale securities	(175)
Ending balance	\$43,174

</TABLE>

Interest is imputed on the unamortized balance of PVIF at a rate of 7.03% for the period October 25, 1997 through December 31, 1997. The amortization of PVIF net of imputed interest is charged to expense. PVIF is also adjusted for the unrealized gains (losses) on available for sale securities; such changes are included directly in stockholder's equity. Based on current conditions and assumptions as to the impact of future events on acquired policies in force, the expected approximate net amortization for the next five years, relating to the PVIF as of December 31, 1997, is \$6,200,000 in 1998, \$6,000,000 in 1999, \$5,600,000 in 2000, \$5,000,000 in 2001 and \$4,200,000 in 2002. Actual amortization may vary based upon final purchase price allocation and changes in assumptions and experience.

## 6. ACQUISITION

**TRANSACTION:** On August 13, 1996, Equitable acquired all of the outstanding capital stock of BT Variable from Whitewood, a wholly owned subsidiary of Bankers Trust Company ("Bankers Trust"), pursuant to the terms of the Purchase Agreement dated as of May 3, 1996 between Equitable and Whitewood. In exchange for the outstanding capital stock of BT Variable, Equitable paid the sum of \$93,000,000 in cash to Whitewood in accordance with the terms of the Purchase Agreement. Equitable also paid the sum of \$51,000,000 in cash to Bankers Trust to retire certain debt owed by BT Variable to Bankers Trust pursuant to a revolving credit arrangement. Subsequent to the acquisition, the BT Variable, Inc. name was changed to EIC Variable, Inc. At April 30, 1997, EIC Variable, Inc. was liquidated and its investments in Golden American and DSI were transferred to Equitable, while the remainder of its net assets were contributed to Golden American. On December 30, 1997, EIC Variable, Inc. was dissolved.

**ACCOUNTING TREATMENT:** The acquisition was accounted for as a purchase resulting in a new basis of accounting, which reflected estimated fair values for assets and liabilities at August 13, 1996. The purchase price was allocated to the three companies purchased - BT Variable, DSI and Golden American. Goodwill was established for the excess of the acquisition cost over the fair value of the net assets acquired and pushed down to Golden American. The allocation of the purchase price to the Company was approximately \$139,872,000. The amount of goodwill relating to the

acquisition was \$41,113,000 and was amortized over 25 years on a straight-line basis until the October 24, 1997 merger with ING. The Company's DPAC, previous balance of PVIF and unearned revenue reserve, as of the merger date, were eliminated and an asset of \$85,796,000 representing PVIF was established for all policies in force at the acquisition date.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
 December 31, 1997

PRESENT VALUE OF IN FORCE ACQUIRED: As part of the acquisition, a portion of the acquisition cost was allocated to the right to receive future cash flows from the insurance contracts existing with the Company at the date of acquisition. This allocated cost represents the present value of in force acquired reflecting the value of those purchased policies calculated by discounting the actuarially determined expected future cash flows at the discount rate determined by Equitable.

An analysis of the PVIF asset is as follows:

<TABLE>  
 <CAPTION>

	POST-ACQUISITION		PRE-ACQUISITION	
	For the period January 1, 1997 through October 24, 1997	For the period August 14, 1996 through December 31, 1996	For the period January 1, 1996 through August 13, 1996	For the year ended December 31, 1995
	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
Beginning balance	\$83,051	\$85,796	\$6,057	\$7,620
Imputed interest	5,138	2,465	273	548
Amortization	(10,363)	(5,210)	(1,224)	(2,100)
Adjustment for unrealized gains (losses) on available for sale securities	(373)	--	11	(11)
Ending balance	\$77,453	\$83,051	\$5,117	\$6,057
	=====			

</TABLE>

Pre-Acquisition PVIF represents the remaining value assigned to in force contracts when Bankers Trust purchased Golden American from Mutual Benefit Life Insurance Company in Rehabilitation ("Mutual Benefit") on September 30, 1992.

Interest was imputed on the unamortized balance of PVIF at rates of 7.70% to 7.80% for the period August 14, 1996 through October 24, 1997. The amortization of PVIF net of imputed interest was charged to expense. PVIF was also adjusted for the unrealized gains (losses) on available for sale securities; such changes were included directly in stockholder's equity.

7. INCOME TAXES

The Company will file a consolidated federal income tax return with its wholly owned life insurance subsidiary. Under the Internal Revenue Code, a newly acquired insurance company cannot file as part of its parent's consolidated

tax return for 5 years.

At December 31, 1997, Golden American has net operating loss ("NOL") carryforwards for federal income tax purposes of approximately \$8,697,000. Approximately \$5,094,000 and \$3,603,000 of these NOL carryforwards are available to offset future taxable income of the Company through the years 2011 and 2012, respectively.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

INCOME TAX EXPENSE

Income tax expense (benefit) included in the consolidated financial statements is as follows:

<TABLE>  
<CAPTION>

	POST-MERGER	POST-ACQUISITION		PRE-ACQUISITION	
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997	For the period August 14, 1996 through December 31, 1996	For the period January 1, 1996 through August 13, 1996	For the year ended December 31, 1995
		(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>	<C>
Current	--	\$12	--	--	--
Deferred	\$146	(1,349)	\$220	(\$1,463)	--
	\$146	(\$1,337)	\$220	(\$1,463)	--

=====

</TABLE>

The effective tax rate on income (loss) before income taxes is different from the prevailing federal income tax rate. A reconciliation of this difference is as follows:

<TABLE>  
<CAPTION>

	POST-MERGER	POST-ACQUISITION		PRE-ACQUISITION	
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997	For the period August 14, 1996 through December 31, 1996	For the period January 1, 1996 through August 13, 1996	For the year ended December 31, 1995
		(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>	<C>
Income (loss) before income taxes	(\$279)	(\$608)	\$570	\$1,736	\$3,364
Income tax (benefit) at federal statutory rate	(\$98)	(\$213)	\$200	\$607	\$1,177

=====

Tax effect (decrease) of:					
Realization of NOL					
carryforwards	--	--	--	(1,214)	--
Dividends received					
deduction	--	--	--	--	(350)
Goodwill amortization	220	--	--	--	--
Compensatory stock					
option and restricted					
stock expense	--	(1,011)	--	--	--
Other items	24	(113)	20	--	17
Valuation allowance	--	--	--	(856)	(844)
Income tax expense					
(benefit)	\$146	(\$1,337)	\$220	(\$1,463)	\$--

</TABLE>

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GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

DEFERRED INCOME TAXES

The tax effect of temporary differences giving rise to the Company's deferred income tax assets and liabilities at December 31, 1997 and 1996 is as follows:

<TABLE>  
<CAPTION>

December 31	POST-MERGER	POST-ACQUISITION
	1997	1996
	(Dollars in thousands)	
<S>	<C>	<C>
Deferred tax assets:		
Future policy benefits	\$27,399	\$19,102
Deferred policy acquisition costs	4,558	1,985
Goodwill	17,620	5,918
Net operating loss carryforwards	3,044	1,653
Other	1,548	235
	54,169	28,893
Deferred tax liabilities:		
Unrealized appreciation (depreciation)		
of securities at fair value	(130)	(145)
Fixed maturity securities	(1,665)	--
Present value of in force acquired	(15,172)	(29,068)
Other	(972)	(45)
	(17,939)	(29,258)
Deferred income tax asset (liability)	\$36,230	(\$365)

</TABLE>

The Company is required to establish a "valuation allowance" for any portion of the deferred tax assets that management believes will not be realized. In the opinion of management, it is more likely than not that the Company will realize the benefit of the deferred tax assets, and, therefore, no such valuation allowance has been established.

8. RETIREMENT PLANS

DEFINED BENEFIT PLANS

In 1997, the Company was allocated their share of the pension liability associated with their employees. The Company's employees are covered by the employee retirement plan of an affiliate, Equitable Life. The benefits are based on years of service and the employee's average annual compensation during the last five years of employment. Further, Equitable Life sponsors a defined contribution plan that is qualified under Internal Revenue Code Section 401(k). The Company's funding and accounting policies are consistent with the funding requirements of Federal law and regulations.

The following table sets forth the plan's funded status and amounts recognized in the Company's consolidated balance sheet:

<TABLE>

<CAPTION>

	POST-MERGER
	December 31, 1997
	(Dollars in thousands)
<S>	<C>
Accumulated benefit obligation	\$579
=====	
Plan assets at fair value, primarily bonds, common stocks, mortgage loans and short-term investments	--
Projected benefit obligation for service rendered to date	\$956
Pension liability	\$956
=====	

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

Net periodic pension cost included the following components:

<TABLE>

<CAPTION>

	POST-MERGER	POST-ACQUISITION
	For the period October 25, 1997 through December 31, 1997	For the period January 1, 1997 through October 24, 1997
	(Dollars in thousands)	
<S>	<C>	<C>
Service cost-benefits earned during the period	\$114	\$568
Interest cost on projected benefit obligation	10	15
Net amortization and deferral	--	1
Net periodic pension cost	\$124	\$584
=====		

</TABLE>

The discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.25% and 5.00%, respectively, at December 31, 1997. The average expected long term rate of return on plan assets was 9.00% in 1997.

## 9. RELATED PARTY TRANSACTIONS

DSI acts as the principal underwriter (as defined in the Securities Act of 1933 and the Investment Company Act of 1940, as amended) of the variable insurance products issued by the Company which as of December 31, 1997 are sold primarily through six broker/dealer institutions. For the periods October 25, 1997, through December 31, 1997 and January 1, 1997 through October 24, 1997, the Company paid commissions to DSI totaling \$9,931,000 and \$26,419,000, respectively (\$9,995,000 for the period August 14, 1996 through December 31, 1996 and \$17,070,000 for the period January 1, 1996 through August 13, 1996). For the year ended December 31, 1995 commissions paid by Golden American to DSI aggregated \$8,440,000.

Golden American provides certain managerial and supervisory services to DSI. Beginning in 1995, this fee was calculated as a percentage of average assets in the variable separate accounts. For the periods October 25, 1997 through December 31, 1997 and January 1, 1997 through October 24, 1997, the fee was \$508,000 and \$2,262,000, respectively. For the periods August 14, 1996 through December 31, 1996 and January 1, 1996 through August 13, 1996 the fee was \$877,000 and \$1,390,000, respectively. This fee was \$987,000 for 1995.

The Company has a service agreement with Equitable Investment Services, Inc. ("EISI"), an affiliate, in which EISI provides investment management services. Payments for these services totaled \$200,000, \$768,000 and \$72,000 for the periods October 25, 1997 through December 31, 1997, January 1, 1997 through October 24, 1997 and August 14, 1996 through December 31, 1996, respectively.

Golden American has a guaranty agreement with Equitable Life. In consideration of an annual fee, payable June 30, Equitable Life guarantees to Golden American that it will make funds available, if needed, to Golden American to pay the contractual claims made under the provisions of Golden American's life insurance and annuity contracts. The agreement is not, and nothing contained therein or done pursuant thereto by Equitable Life shall be deemed to constitute, a direct or indirect guaranty by Equitable Life of the payment of any debt or other obligation, indebtedness or liability, of any kind or character whatsoever, of Golden American. The agreement does not guarantee the value of the underlying assets held in separate accounts in which funds of variable life insurance and variable annuity policies have been invested. The calculation of the annual fee is based on risk based capital. As Golden American's risk based capital level was above required amounts, no annual fee was payable.

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GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

Golden American provides certain advisory, computer and other resources and services to Equitable Life. Revenues for these services which reduced general expenses incurred by Golden American totaled \$1,338,000 and \$2,992,000 for the periods October 25, 1997 through December 31, 1997 and January 1, 1997 through October 24, 1997, respectively. No services were provided by Golden American in 1996.

The Company has a service agreement with Equitable Life in which Equitable Life provides administrative and financial related services. For the period October 25, 1997 through December 31, 1997 and January 1, 1997 through October 24, 1997, the Company incurred expenses of \$13,000 and \$16,000, respectively, under this agreement.

The Company had premiums, net of reinsurance, for variable products from six significant broker/dealers for the year ended December 31, 1997, that totaled \$445,300,000, or 71% of premiums (\$298,000,000 or 67% from two significant broker/dealers for the year ended December 31, 1996). Included in these amounts are premiums for 1997 of \$26.2 million from LSSI, an affiliate.

**SURPLUS NOTE:** On December 17, 1996, Golden American issued an 8.25% surplus note in the amount of \$25,000,000 to Equitable. The note matures on December 17, 2026. The note and accrued interest thereon shall be subordinate to payments due to policyholders, claimant and beneficiary claims, as well as debts owed to all other classes of debtors of Golden American. Any payment of principal made shall be subject to the prior approval of the Delaware Insurance Commissioner. Golden American incurred interest totaling \$344,000 and \$1,720,000 for the period October 25, 1997 through December 31, 1997 and January 1, 1997 through October 24, 1997, respectively. On December 17, 1996, Golden American contributed the \$25,000,000 to First Golden acquiring 200,000 shares of common stock (100% of outstanding stock) of First Golden.

**RECIPROCAL LOAN AGREEMENT:** Golden American maintains a reciprocal loan agreement with ING America Insurance Holdings, Inc. ("ING America"), a Delaware corporation, and affiliate of EIC, to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement, which became effective January 1, 1998 and expires December 31, 2007, Golden American and ING America can borrow up to \$65,000,000 from one another. Interest on any Golden American borrowings is charged at the rate of ING America's cost of funds for the interest period plus 0.15%. Interest on any ING America borrowings is charged at a rate based on the prevailing interest rate of U.S. commercial paper available for purchase with a similar arrangement.

**LINE OF CREDIT:** Golden American maintained a line of credit agreement with Equitable to facilitate the handling of unusual and/or unanticipated short-term cash requirements. Under this agreement which became effective December 1, 1996 and expired December 31, 1997, Golden American could borrow up to \$25,000,000. Interest on any borrowings was charged at the rate of Equitable's monthly average aggregate cost of short-term funds plus 1.00%. Under this agreement, the Company incurred interest expense of \$213,000 for the period October 25, 1997 through December 31, 1997, \$362,000 for the period January 1, 1997 through October 24, 1997, and \$85,000 for the period August 14, 1996 through December 31, 1996. At December 31, 1997, \$24,059,000 was outstanding under this agreement. The outstanding balance was repaid by a capital contribution.

**STOCKHOLDER'S EQUITY:** On September 23, 1996, EIC Variable, Inc. contributed \$50,000,000 of Preferred Stock to the Company's additional paid-in capital.

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GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

10. COMMITMENTS AND CONTINGENCIES

**CONTINGENT LIABILITY:** In a transaction that closed on September 30, 1992, Bankers Trust acquired from Mutual Benefit, in accordance with the terms of an Exchange Agreement, all of the issued and outstanding capital stock of Golden American and DSI and certain related assets for consideration with an aggregate value of \$13,200,000 and contributed them to BT Variable. The transaction involved settlement of pre-existing claims of Bankers Trust against Mutual Benefit. The ultimate value of these claims has not yet been determined by the Superior Court of New Jersey and, prior to August 13, 1996, was contingently supported by a \$5,000,000 note payable from Golden American and a \$6,000,000 letter of credit from Bankers Trust. Bankers Trust had estimated that the contingent liability due from Golden American amounted to \$439,000 at August 13, 1996. At August 13, 1996 the balance of the escrow account established to fund the contingent liability was \$4,293,000.

On August 13, 1996, Bankers Trust made a cash payment to Golden American in an amount equal to the balance of the escrow account less the \$439,000 contingent liability discussed above. In exchange, Golden American



irrevocably assigned to Bankers Trust all of Golden American's rights to receive any amounts to be disbursed from the escrow account in accordance with the terms of the Exchange Agreement. Bankers Trust also irrevocably agreed to make all payments becoming due under the Golden American note and to indemnify Golden American for any liability arising from the note.

REINSURANCE: At December 31, 1997, the Company had reinsurance treaties with five unaffiliated reinsurers covering a significant portion of the mortality risks under its variable contracts. The Company remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements. Reinsurance in force for life mortality risks were \$96,686,000 and \$58,368,000 at December 31, 1997 and 1996. At December 31, 1997, the Company has a net payable of \$11,000 for reserve credits, reinsurance claims or other receivables from these reinsurers comprised of \$240,000 for claims recoverable from reinsurers and a payable of \$251,000 for reinsurance premiums. Included in the accompanying financial statements are net considerations to reinsurers of \$326,000, \$1,871,000, \$875,000, \$600,000 and \$2,800,000 and net policy benefits recoveries of \$461,000, \$1,021,000, \$654,000, \$1,267,000 and \$3,500,000 for the periods October 25, 1997 through December 31, 1997, January 1, 1997 through October 24, 1997, August 14, 1996 through December 31, 1996, and January 1, 1996 through August 13, 1996 and the year ended 1995, respectively.

Effective June 1, 1994, Golden American entered into a modified coinsurance agreement with an unaffiliated reinsurer. The accompanying financial statements are presented net of the effects of the treaty which increased income by \$265,000, \$335,000, \$10,000 and \$56,000 for the periods October 25, 1997 through December 31, 1997, January 1, 1997 through October 24, 1997, August 14, 1996 through December 31, 1996 and January 1, 1996 through August 13, 1996, respectively. In 1995, net income was reduced by \$109,000.

GUARANTY FUND ASSESSMENTS: Assessments are levied on the Company by life and health guaranty associations in most states in which the Company is licensed to cover losses of policyholders of insolvent or rehabilitated insurers. In some states, these assessments can be partially recovered through a reduction in future premium taxes. The Company cannot predict whether and to what extent legislative initiatives may affect the right to offset. Based upon information currently available from the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA), the Company believes that it is probable these insolvencies will result in future assessments which could be material to the Company's financial statements if the Company's reserve is not sufficient. The Company regularly reviews its reserve for these insolvencies and updates its reserve based upon the Company's interpretation of information from the NOLHGA annual report. The associated cost for a particular insurance company can vary significantly based upon its fixed account premium volume by line of business and

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GOLDEN AMERICAN LIFE INSURANCE COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)  
December 31, 1997

state premium levels as well as its potential for premium tax offset. Accordingly, the Company accrued and charged to expense an additional \$141,000 for the period October 25, 1997 through December 31, 1997, \$446,000 for the period January 1, 1997 through October 24, 1997, \$291,000 for the period August 14, 1996 through December 31, 1996 and \$480,000 for the period January 1, 1996 through August 13, 1996. At December 31, 1997, the Company has an undiscounted reserve of \$1,358,000 to cover estimated future assessments (net of related anticipated premium tax credits) and has established an asset totaling \$238,000 for assessments paid which may be recoverable through future premium tax offsets. The Company believes this reserve is sufficient to cover expected future insurance guaranty fund assessments, based upon previous premiums, and known insolvencies at this time.

LITIGATION: In the ordinary course of business, the Company is engaged in

litigation, none of which management believes is material.

**VULNERABILITY FROM CONCENTRATIONS:** The Company has various concentrations in its investment portfolio (see Note 3 for further information). The Company's asset growth, net investment income and cash flow are primarily generated from the sale of variable products and associated future policy benefits and separate account liabilities. A significant portion of the Company's sales is generated by six broker/dealers. Substantial changes in tax laws that would make these products less attractive to consumers, extreme fluctuations in interest rates or stock market returns which may result in higher lapse experience than assumed, could cause a severe impact to the Company's financial condition.

**OTHER COMMITMENTS:** At December 31, 1997, outstanding commitments to fund mortgage loans on real estate totaled \$1,825,000.

**YEAR 2000 (UNAUDITED):** Based on a study of its computer software and hardware, the Company has determined its exposure to the Year 2000 change of the century date issue. Management believes the Company's systems are or will be substantially compliant by Year 2000 and has engaged external consultants to validate this assumption. Golden American has spent approximately \$2,000 in 1997 related to the external consultants' analysis. The projected cost to the Company for the external consultants' analysis is approximately \$130,000 to \$170,000. The only system known to be affected by this issue is a system maintained by an affiliate who will incur the related costs to make the system compliant. To mitigate the effect of outside influences and other dependencies relative to the Year 2000, the Company will be contacting significant customers, suppliers and other third parties. To the extent these third parties would be unable to transact business in the Year 2000 and thereafter, the Company's operations could be adversely affected.

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STATEMENT OF ADDITIONAL INFORMATION  
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PLEASE TEAR OFF, COMPLETE AND RETURN THE FORM BELOW TO ORDER A FREE STATEMENT OF ADDITIONAL INFORMATION FOR THE CONTRACTS OFFERED UNDER THE PROSPECTUS. ADDRESS THE FORM TO OUR CUSTOMER SERVICE CENTER; THE ADDRESS IS SHOWN ON THE COVER.  
-----

PLEASE SEND ME A FREE COPY OF THE STATEMENT OF ADDITIONAL INFORMATION  
FOR SEPARATE ACCOUNT B

Please Print or Type:

\_\_\_\_\_  
NAME

\_\_\_\_\_  
SOCIAL SECURITY NUMBER

\_\_\_\_\_  
STREET ADDRESS

\_\_\_\_\_  
CITY, STATE, ZIP

G3760 PREMIUM PLUS (12/98)

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#### APPENDIX A

##### MARKET VALUE ADJUSTMENT EXAMPLES

EXAMPLE #1: FULL SURRENDER -- EXAMPLE OF A NEGATIVE MARKET VALUE  
ADJUSTMENT

Assume \$100,000 was allocated to a Fixed Allocation with a  
Guarantee Period of ten years, a Guaranteed Interest Rate of 7.50%,  
an initial Index Rate ("I") of 7.00%; that a full surrender is  
requested three years into the Guarantee Period; that the then Index  
Rate for a seven year Guarantee Period ("J") is 8.0%; and that no  
prior transfers or partial withdrawals affecting this Fixed  
Allocation have been made.

CALCULATE THE MARKET VALUE ADJUSTMENT

1. The Accumulation Value of the Fixed Allocation on the date of  
surrender is \$124,230 (  $\$100,000 \times 1.075^3$  )
2.  $N = 2,555$  (  $365 \times 7$  )
3. Market Value Adjustment =  $\$124,230 \times$   
(  $( 1.07 / 1.0850 )^{( 2,555 / 365 ) - 1}$  ) = \$11,535

Therefore, the amount paid to you on full surrender ignoring any  
surrender charge is \$112,695 (  $\$124,230 - \$11,535$  ).

EXAMPLE #2: FULL SURRENDER -- EXAMPLE OF A POSITIVE MARKET VALUE ADJUSTMENT

Assume \$100,000 was allocated to a Fixed Allocation with a Guarantee Period of ten years, a Guaranteed Interest Rate of 7.5%, an initial Index Rate ("I") of 7.00%; that a full surrender is requested three years into the Guarantee Period; that the then Index Rate for a seven year Guarantee Period ("J") is 6.0%; and that no prior transfers or partial withdrawals affecting this Fixed Allocation have been made.

CALCULATE THE MARKET VALUE ADJUSTMENT

1. The Accumulation Value of the Fixed Allocation on the date of surrender is \$124,230 (  $\$100,000 \times 1.075^3$  )
2.  $N = 2,555$  (  $365 \times 7$  )
3. Market Value Adjustment =  $\$124,230 \times (( 1.07 / 1.0650 ) ^ ( 2,555 / 365 ) - 1 ) = \$4,141$

Therefore, the amount paid to you on full surrender ignoring any surrender charge is \$128,371 (  $\$124,230 + \$4,141$  ).

EXAMPLE #3: PARTIAL WITHDRAWAL -- EXAMPLE OF A NEGATIVE MARKET VALUE ADJUSTMENT

Assume \$200,000 was allocated to a Fixed Allocation with a Guarantee Period of ten years, a Guaranteed Interest Rate of 7.5%, an initial Index Rate ("I") of 7.00%; that a partial withdrawal of \$112,695 is requested three years into the Guarantee period; that the then Index Rate ("J") for a seven year Guarantee Period is 8.0%; and that no prior transfers or partial withdrawals affecting this Fixed Allocation have been made.

First calculate the amount that must be withdrawn from the Fixed Allocation to provide the amount requested.

1. The Accumulation Value of the Fixed Allocation on the date of withdrawal is \$248,459 (  $\$200,000 \times 1.075^3$  )
2.  $N = 2,555$  (  $365 \times 7$  )
3. Amount that must be withdrawn =  $(( \$112,695 / ( 1.07 / 1.0850 ) ) ^ ( 2,555 / 365 )) = \$124,230$

Then calculate the Market Value Adjustment on that amount.

4. Market Value Adjustment =  $\$124,230 \times (( 1.07 / 1.0850 ) ^ ( 2,555 / 365 ) - 1 ) = \$11,535$

Therefore, the amount of the partial withdrawal paid to you is \$112,695, as requested. The Fixed Allocation will be reduced by the amount of the partial withdrawal, \$112,695, and also reduced by the Market Value Adjustment of \$11,535, for a total reduction in the Fixed Allocation of \$124,230.

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EXAMPLE #4: PARTIAL WITHDRAWAL -- EXAMPLE OF A POSITIVE MARKET VALUE ADJUSTMENT

Assume \$200,000 was allocated to a Fixed Allocation with a Guarantee Period of ten years, a Guaranteed Interest Rate of 7.5%, an initial Index Rate of 7.0%; that a partial withdrawal of \$128,371 requested three years into the Guarantee Period; that the then Index Rate ("J") for a seven year Guarantee Period is 6.0%; and that no prior transfers or partial withdrawals affecting this Fixed Allocation have been made.

First calculate the amount that must be withdrawn from the Fixed Allocation to provide the amount requested.

1. The Accumulation Value of Fixed Allocation on the date of surrender is \$248,459 (  $\$200,000 \times 1.075^3$  )
2.  $N = 2,555$  (  $365 \times 7$  )
3. Amount that must be withdrawn =  
( (  $\$128,371 / ( 1.07 / 1.0650 ) ^ ( 2,555 / 365 )$  ) ) = \$124,230

Then calculate the Market Value Adjustment on that amount.

4. Market Value Adjustment =  $\$124,230 \times ( ( 1.07 / 1.0650 ) ^ ( 2,555 / 365 ) - 1 ) = \$4,141$

Therefore, the amount of the partial withdrawal paid to you is \$128,371, as requested. The Fixed Allocation will be reduced by the amount of the partial withdrawal, \$130,500, but increased by the Market Value Adjustment of \$4,141, for a total reduction in the Fixed Allocation of \$124,230.

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GOLDEN AMERICAN LIFE INSURANCE COMPANY  
Golden American Life Insurance Company is a stock company  
domiciled in Wilmington, Delaware

G3760 PREMIUM PLUS 12/98

PART B

STATEMENT OF ADDITIONAL INFORMATION  
GOLDENSELECT PREMIUM PLUS

DEFERRED COMBINATION VARIABLE  
AND FIXED ANNUITY CONTRACT

ISSUED BY  
SEPARATE ACCOUNT B  
("Account B")  
(or the "Account")

OF  
GOLDEN AMERICAN LIFE INSURANCE COMPANY

THIS STATEMENT OF ADDITIONAL INFORMATION IS NOT A PROSPECTUS. THE INFORMATION CONTAINED HEREIN SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS FOR THE GOLDEN AMERICAN LIFE INSURANCE COMPANY DEFERRED VARIABLE ANNUITY CONTRACT WHICH IS REFERRED TO HEREIN.

THE PROSPECTUS SETS FORTH INFORMATION THAT A PROSPECTIVE INVESTOR OUGHT TO KNOW BEFORE INVESTING. FOR A COPY OF THE PROSPECTUS, SEND A WRITTEN REQUEST TO GOLDEN AMERICAN LIFE INSURANCE COMPANY, CUSTOMER SERVICE CENTER, P.O. BOX 8794, WILMINGTON, DE 19899-8794 OR TELEPHONE 1-800-366-0066.

DATE OF PROSPECTUS AND  
STATEMENT OF ADDITIONAL INFORMATION:

December 7, 1998

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INTRODUCTION

This Statement of Additional Information provides background information regarding Account B.

DESCRIPTION OF GOLDEN AMERICAN LIFE INSURANCE COMPANY

Golden American Life Insurance Company ("Golden American") is a stock life insurance company organized under the laws of the State of Delaware. On August 13, 1996, Equitable of Iowa Companies, Inc. (formerly Equitable of Iowa Companies) ("EIC") acquired all of the interest in Golden American and Directed Services, Inc. On October 24, 1997, Equitable of Iowa Companies and ING Groep N.V. ("ING") completed a merger agreement with Equitable of Iowa becoming a wholly owned subsidiary of ING. ING, headquartered in The Netherlands, is a global financial services holding company with over \$307.6 billion in assets as of December 31, 1997.

As of December 31, 1997, Golden American had approximately \$227.3 million in stockholder's equity and approximately \$2.4 billion in total assets, including approximately \$1.6 billion of separate account assets. Golden American is authorized to do business in all jurisdictions except New York. Golden American offers variable annuities and variable life insurance. Golden American has formed a subsidiary, First Golden American Life Insurance Company of New York ("First Golden"), who currently writes variable annuity business in the state of New York. The initial capitalization of First Golden was \$25 million.

SAFEKEEPING OF ASSETS

Golden American acts as its own custodian for Account B.

THE ADMINISTRATOR

Effective January 1, 1997, Equitable Life Insurance Company of Iowa ("Equitable Life") and Golden American became parties to a service agreement pursuant to which Equitable Life agreed to provide certain accounting, actuarial, tax, underwriting, sales, management and other

services to Golden American. Expenses incurred by Equitable Life in relation to this service agreement were reimbursed by Golden American on an allocated cost basis. Charges of \$29,000 were billed to Golden American by Equitable Life pursuant to the service agreement in 1997.

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#### INDEPENDENT AUDITORS

Ernst & Young LLP, independent auditors, will perform annual audits of Golden American and the Account.

#### DISTRIBUTION OF CONTRACTS

The offering of contracts under the prospectus associated with this Statement of Additional Information is continuous.

Directed Services, Inc. an affiliate of the Depositor, acts as the principal underwriter (as defined in the Securities Act of 1933 and the Investment Company Act of 1940, as amended) of the variable insurance products issued by Golden American which, from December 31, 1994, through December 31, 1996 were sold primarily through two broker/dealer institutions, and during the year ended December 1997 were sold primarily through six broker/dealer institutions. For the years ended 1997, 1996 and 1995 commissions paid by Golden American to Directed Services, Inc. aggregated \$36,351,000, \$27,065,000 and \$8,440,000, respectively.

Golden American provided to Directed Services, Inc. certain of its personnel to perform management, administrative and clerical services and the use of certain facilities. Golden American charged Directed Services, Inc. for such expenses and all other general and administrative costs,

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first on the basis of direct charges when identifiable, and the remainder allocated based on the estimated amount of time spent by Golden American's employees on behalf of Directed Services, Inc. In the opinion of management, this method of cost allocation is reasonable. In 1995, the service agreement between Directed Services, Inc. and Golden American was amended to provide for a management fee from Directed Services, Inc. to Golden American for managerial and supervisory services provided by Golden American. This fee, calculated as a percentage of average assets in the variable separate accounts, was \$2,770,000, \$2,267,000 and \$987,000 for the years ended 1997, 1996 and 1995, respectively.

#### PERFORMANCE INFORMATION

Performance information for the divisions of Account B, including yields, standard annual returns and other non standard measures of performance of all divisions, may appear in reports or promotional literature to current or prospective owners. Such non standard measures of performance will be computed, or accompanied by performance data computed, in accordance with standards defined by the SEC. Negative values are denoted by minus signs ("-"). Performance information for measures other than total return do not reflect any applicable premium tax that can range from 0% to 3.5%. As described in the prospectus, three death benefit options are available. The following performance values reflect the election at issue of the 7% Solution Enhanced Death Benefit Option providing values reflecting the highest aggregate contract charges. If one of the other death benefit options had been elected, the historical performance values would be higher than those represented in the examples.

#### SEC STANDARD MONEY MARKET DIVISION YIELDS

Current yield for the Liquid Asset Division will be based on the change in the value of a hypothetical investment (exclusive of capital changes or income other than investment income) over a particular 7-day period, less a pro-rata share of division expenses accrued over that period (the "base

period"), and stated as a percentage of the investment at the start of the base period (the "base period return"). The base period return is then annualized by multiplying by 365/7, with the resulting yield figure carried to at least the nearest hundredth of one percent. Calculation of "effective yield" begins with the same "base period return" used in the calculation of yield, which is then annualized to reflect weekly compounding pursuant to the following formula:

$$\text{EFFECTIVE YIELD} = [(\text{BASE PERIOD RETURN}) + 1] ^ (365/7) - 1$$

The current yield and effective yield of the Liquid Asset Division for the 7-day period December 25, 1997 to December 31, 1997 were 3.28% and 3.33%, respectively.

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#### SEC STANDARD 30-DAY YIELD FOR NON-MONEY MARKET DIVISIONS

Quotations of yield for the remaining divisions will be based on all investment income per Unit (accumulation value divided by the index of investment experience) earned during a particular 30-day period, less expenses accrued during the period ("net investment income"), and will be computed by dividing net investment income by the value of an accumulation unit on the last day of the period, according to the following formula:

$$\text{YIELD} = \frac{2 [(a - b + 1)^{(6)} - 1]}{cd}$$

Where:

- [a] equals the net investment income earned during the period by the Series attributable to shares owned by a division
- [b] equals the expenses accrued for the period (net of reimbursements)
- [c] equals the average daily number of Units outstanding during the period based on the index of investment experience
- [d] equals the value (maximum offering price) per index of investment experience on the last day of the period

Yield on divisions of Account B is earned from the increase in net asset value of shares of the Series in which the Division invests and from dividends declared and paid by the Series, which are automatically reinvested in shares of the Series.

#### SEC STANDARD AVERAGE ANNUAL TOTAL RETURN FOR ALL DIVISIONS

Quotations of average annual total return for any division will be expressed in terms of the average annual compounded rate of return of a hypothetical investment in a contract over a period of one, five and 10 years (or, if less, up to the life of the division), calculated pursuant to the formula:

$$P(1+T)^{(n)} = \text{ERV}$$

Where:

- (1) [P] equals a hypothetical initial premium payment of \$1,000
- (2) [T] equals an average annual total return
- (3) [n] equals the number of years
- (4) [ERV] equals the ending redeemable value of a hypothetical \$1,000 initial premium payment made at the beginning of the period (or fractional portion thereof)

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All total return figures reflect the deduction of the maximum sales load, the administrative charges, and the mortality and expense risk charges. The Securities and Exchange Commission (the "SEC") requires that an assumption be made that the contract owner surrenders the entire contract at the end of the one, five and 10 year periods (or, if less, up to the life of the security) for which performance is required to be calculated. This assumption may not be consistent with the typical contract owner's intentions in purchasing a contract and may adversely affect returns. Quotations of total return may simultaneously be shown for other periods, as well as quotations of total return that do not take into account certain contractual charges such as sales load.

Average Annualized Total Return for the Divisions presented on a standardized basis for the year ending December 31, 1997 were as follows:

<TABLE>

<CAPTION>

Average Annualized Total Return for Periods Ending 12/31/97 -- Standardized

Division	One Year Period Ending 12/31/97	Five Year Period Ending 12/31/97	Inception to Ending 12/31/97	Inception Date
<S>	<C>	<C>	<C>	<C>
Multiple Allocation	7.38%	7.98%*	7.95%*	1/25/89
Fully Managed	5.33%	7.27%*	7.42%*	1/25/89
Capital Appreciation	18.70%	13.83%	13.99%	5/4/92
Rising Dividends	19.56%	n/a	16.44%	10/4/93
All-Growth	-3.99%	1.20%*	3.61%*	1/25/89
Real Estate	12.64%	16.58%*	10.60%*	1/25/89
Hard Assets	-3.70%	16.49%*	7.96%*	1/25/89
WP International Equity	-11.98%	n/a	-2.89%	4/1/96
Global Fixed Income	9.11%	n/a	2.77%	10/7/94
Value Equity	17.06%	n/a	20.01%	1/1/95
Strategic Equity	13.00%	n/a	13.81%*	10/2/95
Small Cap	0.39%	n/a	9.52%	1/2/96
Mid-Cap Growth	9.57%	n/a	18.96%	10/7/94
Research	10.02%	n/a	19.61%	10/7/94
Total Return	10.75%	n/a	13.62%	10/7/94
Growth & Income	14.96%	n/a	23.77%	4/1/96
Value + Growth	5.74%	n/a	11.79%	4/1/96
Limited Maturity Bond	-3.20%	2.55%*	4.88%*	1/25/89
Liquid Asset	-4.75%	1.44%*	3.23%*	1/25/89

</TABLE>

\* Total return calculation reflects partial waiver of fees and expenses.

NON-STANDARD AVERAGE ANNUAL TOTAL RETURN FOR ALL DIVISIONS

Quotations of non-standard average annual total return for any division will be expressed in terms of the average annual compounded rate of return of a hypothetical investment in a contract over a period of one, five and 10 years (or, if less, up to the life of the division), calculated pursuant to the formula:

$$[P(1+T)^n]=ERV$$

Where:

- (1) [P] equals a hypothetical initial premium payment of \$1,000
- (2) [T] equals an average annual total return
- (3) [n] equals the number of years
- (4) [ERV] equals the ending redeemable value of a hypothetical \$1,000 initial premium payment made at the beginning of the period (or fractional portion thereof) assuming certain loading and charges are zero.

All total return figures reflect the deduction of the mortality and expense risk charge and the administrative charges, but not the deduction of the maximum sales load and the annual contract fee.

Average Annualized Total Return for the Divisions presented on a non-standardized basis for the year ending December 31, 1997 were as follows:

<TABLE>

<CAPTION>

Average Annualized Total Return for Year Ending 12/31/97 -- Non-Standardized

Division	One Year Period Ending 12/31/97	Five Year Period Ending 12/31/97	Inception to Ending 12/31/97	Inception Date
<S>	<C>	<C>	<C>	<C>
Multiple Allocation	15.44%	8.89%*	8.05%*	1/25/89
Fully Managed	13.39%	8.21%*	7.52%*	1/25/89
Capital Appreciation	26.77%	14.57%	14.59%*	5/4/92
Rising Dividends	27.62%	n/a	17.47%	10/4/93
All-Growth	4.07%	2.37%*	3.74%*	1/25/89
Real Estate	20.70%	17.25%*	10.68%*	1/25/89
Hard Assets	4.36%	17.17%*	8.06%*	1/25/89
WP International Equity	-3.92%	n/a	-0.25%	4/1/96
Global Fixed Income	-1.05%	n/a	5.11%	10/7/94
Value Equity	25.12%	n/a	21.88%	1/1/95
Strategic Equity	21.07%	n/a	16.86%	10/2/95
Small Cap	8.45%	n/a	13.20%	1/2/96
Mid-Cap Growth	17.63%	n/a	20.66%	10/7/94
Research	18.08%	n/a	21.29%	10/7/94
Total Return	18.81%	n/a	15.50%	10/7/94
Growth & Income	23.02%	n/a	27.70%	4/1/96
Value + Growth	13.80%	n/a	16.01%	4/1/96
Limited Maturity Bond	4.86%	3.67%*	5.00%*	1/25/89
Liquid Asset	3.31%	2.61%*	3.36%*	1/25/89

</TABLE>

\* Total return calculation reflects partial waiver of fees and expenses.

Performance information for a division may be compared, in reports and promotional literature, to: (i) the Standard & Poor's 500 Stock Index ("S&P 500"), Dow Jones Industrial Average ("DJIA"), Donoghue Money Market Institutional Averages, or other indices that measure performance of a pertinent group of securities so that investors may compare a division's results with those of a group of securities widely regarded by investors as representative of the securities markets in general; (ii) other groups of variable annuity separate accounts or other investment products tracked by Lipper Analytical Services, a widely used independent research firm which ranks mutual funds and other investment companies by overall performance, investment objectives, and assets, or tracked by other services, companies, publications, or persons who rank such investment companies on overall performance or other criteria; and (iii) the Consumer Price Index (measure for inflation) to assess the real rate of return from an investment in the contract. Unmanaged indices may assume the reinvestment of dividends but generally do not reflect deductions for administrative and management costs and expenses.

Performance information for any division reflects only the performance of a hypothetical contract under which accumulation value is allocated to a division during a particular time period on which the calculations are based. Performance information should be considered in light of the investment objectives and policies, characteristics and quality of the portfolio of the Series of the Trust in which the Account B divisions invest, and the market conditions during the given time period, and should not be considered as a representation of what may be achieved in the future.

Reports and promotional literature may also contain other information including the ranking of any division derived from rankings of variable annuity separate accounts or other investment products tracked by Lipper Analytical Services or by other rating services, companies, publications, or other persons who rank separate accounts or other investment products on overall performance or other criteria.

PUBLISHED RATINGS

From time to time, the rating of Golden American as an insurance company by A.M. Best may be referred to in advertisements or in reports to contract owners. Each year the A.M. Best Company reviews the financial status of thousands of insurers,

culminating in the assignment of Best's Ratings. These ratings reflect their current opinion of the relative financial strength and operating performance of an insurance company in comparison to the norms of the life/health insurance industry. Best's ratings range from A++ to F. An A++ and A+ ratings mean, in the opinion of A.M. Best, that the insurer has demonstrated the strongest ability to meet its respective policyholder and other contractual obligations.

INDEX OF INVESTMENT EXPERIENCE

The calculation of the Index of Investment Experience ("IIE") is discussed in the prospectus for the Contracts under Measurement of Investment Experience. The following illustrations show a calculation of a new IIE and the purchase of Units (using hypothetical examples). Note that the examples below are calculated for a Contract issued with the 7% Solution Enhanced Death Benefit Option, the death benefit option with the highest mortality and expense risk charge. The mortality and expense risk charge associated with the Annual Ratchet Enhanced Death Benefit Option and the Standard Death Benefit are lower than that used in the examples and would result in higher IIE's or Accumulation Values.

1. IIE, beginning of period. . . . .	\$	10.00
2. Value of securities, beginning of period. . . . .	\$	10.00
3. Change in value of securities . . . . .	\$	0.10
4. Gross investment return (3) divided by (2). . . . .		0.01
5. Less daily mortality and expense charge . . . . .		0.00004280
6. Less asset based administrative charge. . . . .		0.00000411
7. Net investment return (4) minus (5) minus (6) . . . . .		0.00995309
8. Net investment factor (1.000000) plus (7) . . . . .		1.00995309
9. IIE, end of period (1) multiplied by (8). . . . .	\$	10.0995309

ILLUSTRATION OF PURCHASE OF UNITS (ASSUMING NO STATE PREMIUM TAX)

Example 2.

1. Initial Premium Payment . . . . .	\$	1,000
2. IIE on effective date of purchase (see Example 1) . . . . .	\$	10.00
3. Number of Units purchased [(1) divided by (2)] . . . . .		100
4. IIE for valuation date following purchase (see Example 1) . . . . .	\$	10.0995309
5. Accumulation Value in account for valuation date following purchase [(3) multiplied by (4)]. . . . .	\$	1,009.95

IRA PARTIAL WITHDRAWAL OPTION

If the contract owner has a non-Roth IRA contract and will attain age 70 1/2 in the current calendar year, distributions will be made in accordance with the requirements of Federal tax law. This option is available to assure that the required minimum distributions from qualified plans under the Internal Revenue Code (the "Code") are made. Under the Code, distributions must begin no later than April 1st of the calendar year following the calendar year in which the contract owner attains age 70 1/2. If the required minimum distribution is not withdrawn, there may be a penalty tax in an amount equal to 50% of the

difference between the amount required to be withdrawn and the amount actually withdrawn. Even if the IRA Partial Withdrawal Option is not elected, distributions must nonetheless be made in accordance with the requirements of Federal tax law.

Golden American notifies the contract owner of these regulations with a letter mailed on January 1st of the calendar year in which the contract owner reaches age 70 1/2 which explains the IRA Partial Withdrawal Option and supplies an election form. If electing this option, the owner specifies whether the withdrawal amount will be based on a life expectancy calculated on a single life basis (contract owner's life only) or, if the contract owner is married, on a joint life basis (contract owner's and spouse's lives combined). The contract owner selects the payment mode on a monthly, quarterly or annual basis. If the payment mode selected on the election form is more frequent than annually, the payments in the first calendar year in which the option is in effect will be based on the amount of payment modes remaining when Golden American receives the completed election form. Golden American calculates the IRA Partial Withdrawal amount each year based on the minimum distribution rules. We do this by dividing the accumulation value by the life expectancy. In the first year withdrawals begin, we use the accumulation value as of the date of the first payment. Thereafter, we use the accumulation value on December 31st of each year. The life expectancy is recalculated each year. Certain minimum distribution rules govern payouts if the designated beneficiary is other than the contract owner's spouse and the beneficiary is more than ten years younger than the contract owner.

#### OTHER INFORMATION

Registration statements have been filed with the SEC under the Securities Act of 1933, as amended, with respect to the Contracts discussed in this Statement of Additional Information. Not all of the information set forth in the registration statements, amendments and exhibits thereto has been included in this Statement of Additional Information. Statements contained in this Statement of Additional Information concerning the content of the Contracts and other legal instruments are intended to be summaries. For a complete statement of the terms of these documents, reference should be made to the instruments filed with the SEC.

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#### FINANCIAL STATEMENTS OF SEPARATE ACCOUNT B

The audited financial statements of Separate Account B are listed below and are included in this Statement of Additional Information:

Report of Independent Auditors

Audited Financial Statements

Statement of Assets and Liability as of December 31, 1997

Statement of Operations for the Year Ended December 31, 1997

Statements of Changes in Net Assets for the Years Ended

December 31, 1996 and 1997

Notes to Financial Statements

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Financial Statements

Golden American Life Insurance Company  
Separate Account B

Years ended December 31, 1997 and 1996  
with Report of Independent Auditors

Golden American Life Insurance Company  
Separate Account B

Financial Statements

Years ended December 31, 1997 and 1996

CONTENTS

Report of Independent Auditors

Audited Financial Statements

Statement of Assets and Liability  
Statement of Operations  
Statements of Changes in Net Assets  
Notes to Financial Statements

Report of Independent Auditors

The Board of Directors  
Golden American Life Insurance Company

We have audited the accompanying statement of assets and liability of Separate Account B as of December 31, 1997, and the related statements of operations for the year then ended and the changes in net assets for each of the two years in the period then ended. These financial statements are the responsibility of the Account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 1997, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement

presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Separate Account B at December 31, 1997, and the results of its operations for the year then ended and the changes in its net assets for each of the two years in the period then ended in conformity with generally accepted accounting principles.

/S/ Ernst & Young LLP

Des Moines, Iowa  
February 12, 1998

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF ASSETS AND LIABILITY  
DECEMBER 31, 1997  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Combined
<S>	<C>
NET ASSETS	
Investments at net asset value:	
The GCG Trust:	
Liquid Asset Series,	
57,275,780 shares (cost - \$57,276)	\$57,276
Limited Maturity Bond Series,	
5,091,118 shares (cost - \$53,944)	52,489
Hard Assets Series,	
3,024,920 shares (cost - \$51,259)	45,525
All-Growth Series,	
5,212,408 shares (cost - \$68,783)	71,776
Real Estate Series,	
4,090,371 shares (cost - \$58,325)	74,731
Fully Managed Series,	
10,090,542 shares (cost - \$138,001)	158,724
Multiple Allocation Series,	
20,015,834 shares (cost - \$246,764)	262,006
Capital Appreciation Series,	
10,645,781 shares (cost - \$148,931)	187,898
Rising Dividends Series,	
10,780,319 shares (cost - \$154,551)	216,038
Emerging Markets Series,	

3,922,730 shares (cost - \$39,763)	34,520
Market Manager Series,	
412,444 shares (cost - \$4,478)	6,793
Value Equity Series,	
4,777,402 shares (cost - \$69,459)	77,059
Strategic Equity Series,	
3,701,897 shares (cost - \$42,935)	50,457
Small Cap Series,	
3,981,210 shares (cost - \$47,534)	52,751
Managed Global Series,	
9,138,658 shares (cost - \$101,193)	104,729
Equi-Select Series Trust:	
OTC Portfolio,	
1,287,578 shares (cost - \$19,583)	20,370
Growth & Income Portfolio,	
3,106,847 shares (cost - \$43,694)	44,943
Research Portfolio,	
1,918,246 shares (cost - \$34,030)	34,418
Total Return Portfolio,	
1,708,746 shares (cost - \$25,831)	26,243
Value + Growth Portfolio,	
1,754,513 shares (cost - \$24,618)	23,188
International Fixed Income Portfolio,	
19,798 shares (cost - \$216)	206

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF ASSETS AND LIABILITY  
DECEMBER 31, 1997  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Combined
<S>	<C>
NET ASSETS	
Investments at net asset value:	
Greenwich Street Series Fund:	
Appreciation Portfolio,	
14,037 shares (cost - \$272)	\$263
Travelers Series Fund, Inc.:	
Smith Barney High Income Portfolio,	
15,500 shares (cost - \$206)	209
Smith Barney Income and Growth Portfolio,	
11,307 shares (cost - \$209)	216
Smith Barney International Equity Portfolio,	
7,460 shares (cost - \$101)	96
Smith Barney Money Market Portfolio,	
181,453 shares (cost - \$182)	182
Warburg Pincus Trust:	
International Equity Portfolio,	
188,938 shares (cost - \$2,075)	1,982
 TOTAL ASSETS (cost - \$1,434,213)	 <u>1,605,088</u>
LIABILITY	
Payable to Golden American Life Insurance Company for charges and fees	 817
 TOTAL NET ASSETS	 <u>\$1,604,271</u> =====
NET ASSETS	
For Variable Annuity Insurance Contracts	\$1,587,262
Retained in Separate Account B by Golden American	



TOTAL NET ASSETS

\$1,604,271  
=====

&lt;/TABLE&gt;

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

## STATEMENT OF OPERATIONS

For the year ended December 31, 1997, Except as Noted  
(Dollars in thousands)

&lt;TABLE&gt;

&lt;CAPTION&gt;

	Liquid Asset Division	Limited Maturity Bond Division	Hard Assets Division
<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$2,290	\$3,854	\$4,545
Capital gains distributions	--	--	4,923
TOTAL INVESTMENT INCOME	2,290	3,854	9,468
Expenses:			
Mortality and expense risk and other charges	(528)	(559)	(527)
Annual administrative charges	(24)	(20)	(21)
Minimum death benefit guarantee charges	(7)	(1)	(3)
Contingent deferred sales charges	(256)	(34)	(45)
Other contract charges	(5)	(1)	(4)
Amortization of deferred charges related to:			
Deferred sales load	(503)	(540)	(302)
Premium taxes	(3)	(9)	(6)
TOTAL EXPENSES BEFORE WAIVER	(1,326)	(1,164)	(908)
Fees waived by Golden American	6	13	10
NET EXPENSES	(1,320)	(1,151)	(898)
NET INVESTMENT INCOME (LOSS)	970	2,703	8,570
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	--	139	3,106
Net unrealized appreciation (depreciation) of investments	--	(690)	(9,738)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$970	\$2,152	\$1,938

&lt;FN&gt;

- (a) Commencement of operations, February 3, 1997
- (b) Commencement of operations, February 4, 1997
- (c) Commencement of operations, August 26, 1997
- (d) Commencement of operations, September 18, 1997
- (e) Commencement of operations, September 24, 1997
- (f) Commencement of operations, October 9, 1997
- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	All- Growth Division	Real Estate Division	Fully Managed Division
	<C>	<C>	<C>
<b>INVESTMENT INCOME (LOSS)</b>			
Income:			
Dividends	\$163	\$2,740	\$5,106
Capital gains distributions	1,877	2,326	7,461
<b>TOTAL INVESTMENT INCOME</b>	<b>2,040</b>	<b>5,066</b>	<b>12,567</b>
Expenses:			
Mortality and expense risk and other charges	(809)	(710)	(1,632)
Annual administrative charges	(37)	(31)	(75)
Minimum death benefit guarantee charges	(2)	(3)	(3)
Contingent deferred sales charges	(40)	(41)	(80)
Other contract charges	(3)	(3)	(5)
Amortization of deferred charges related to:			
Deferred sales load	(662)	(380)	(1,145)
Premium taxes	(19)	(7)	(30)
<b>TOTAL EXPENSES BEFORE WAIVER</b>	<b>(1,572)</b>	<b>(1,175)</b>	<b>(2,970)</b>
Fees waived by Golden American	22	10	35
<b>NET EXPENSES</b>	<b>(1,550)</b>	<b>(1,165)</b>	<b>(2,935)</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>490</b>	<b>3,901</b>	<b>9,632</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>			
Net realized gain (loss) on investments	556	2,621	2,407
Net unrealized appreciation (depreciation) of investments	1,550	5,391	5,898
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$2,596</b>	<b>\$11,913</b>	<b>\$17,937</b>

<FN>

- (a) Commencement of operations, February 3, 1997
- (b) Commencement of operations, February 4, 1997
- (c) Commencement of operations, August 26, 1997
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- (e) Commencement of operations, September 24, 1997
- (f) Commencement of operations, October 9, 1997
- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Multiple Alloca- tion Division	Capital Apprecia- tion Division	Rising Dividends Division
<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$18,237	\$5,745	\$1,396
Capital gains distributions	8,909	11,398	3,628
TOTAL INVESTMENT INCOME	27,146	17,143	5,024
Expenses:			
Mortality and expense risk and other charges	(2,812)	(1,850)	(2,007)
Annual administrative charges	(140)	(85)	(97)
Minimum death benefit guarantee charges	(13)	(2)	(3)
Contingent deferred sales charges	(137)	(82)	(145)
Other contract charges	(11)	(8)	(10)
Amortization of deferred charges related to:			
Deferred sales load	(2,613)	(1,298)	(1,052)
Premium taxes	(58)	(43)	(17)
TOTAL EXPENSES BEFORE WAIVER	(5,784)	(3,368)	(3,331)
Fees waived by Golden American	57	44	33
NET EXPENSES	(5,727)	(3,324)	(3,298)
NET INVESTMENT INCOME (LOSS)	21,419	13,819	1,726
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	5,773	8,242	3,602
Net unrealized appreciation (depreciation) of investments	9,866	16,323	33,738
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$37,058	\$38,384	\$39,066
	=====		

<FN>

- (a) Commencement of operations, February 3, 1997
- (b) Commencement of operations, February 4, 1997
- (c) Commencement of operations, August 26, 1997
- (d) Commencement of operations, September 18, 1997
- (e) Commencement of operations, September 24, 1997
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- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted

(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Emerging Markets Division	Market Manager Division	Value Equity Division
<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$42	\$138	\$5,449
Capital gains distributions	--	329	1,347
TOTAL INVESTMENT INCOME	42	467	6,796
Expenses:			
Mortality and expense risk and other charges	(470)	--	(746)
Annual administrative charges	(19)	(2)	(36)
Minimum death benefit guarantee charges	(2)	--	(1)
Contingent deferred sales charges	(31)	--	(54)
Other contract charges	(2)	--	(2)
Amortization of deferred charges related to:			
Deferred sales load	(346)	(42)	(266)
Premium taxes	(4)	--	(3)
TOTAL EXPENSES BEFORE WAIVER	(874)	(44)	(1,108)
Fees waived by Golden American	6	1	8
NET EXPENSES	(868)	(43)	(1,100)
NET INVESTMENT INCOME (LOSS)	(826)	424	5,696
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	(1,134)	238	898
Net unrealized appreciation (depreciation) of investments	(2,698)	1,127	5,129
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	(\$4,658)	\$1,789	\$11,723

<FN>

- (a) Commencement of operations, February 3, 1997
- (b) Commencement of operations, February 4, 1997
- (c) Commencement of operations, August 26, 1997
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- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

Strategic Equity Division	Small Cap Division	Managed Global Division
---------------------------------	--------------------------	-------------------------------

<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$2,496	--	\$8,296
Capital gains distributions	58	--	394
TOTAL INVESTMENT INCOME	2,554	--	8,690
Expenses:			
Mortality and expense risk and other charges	(512)	(\$556)	(1,151)
Annual administrative charges	(20)	(26)	(47)
Minimum death benefit guarantee charges	(1)	(1)	(1)
Contingent deferred sales charges	(150)	(42)	(69)
Other contract charges	(2)	(3)	(5)
Amortization of deferred charges related to:			
Deferred sales load	(123)	(130)	(779)
Premium taxes	(2)	(1)	(15)
TOTAL EXPENSES BEFORE WAIVER	(810)	(759)	(2,067)
Fees waived by Golden American	8	5	17
NET EXPENSES	(802)	(754)	(2,050)
NET INVESTMENT INCOME (LOSS)	1,752	(754)	6,640
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	1,180	(174)	2,841
Net unrealized appreciation (depreciation) of investments	4,847	4,543	(883)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$7,779	\$3,615	\$8,598

- <FN>
- (a) Commencement of operations, February 3, 1997
  - (b) Commencement of operations, February 4, 1997
  - (c) Commencement of operations, August 26, 1997
  - (d) Commencement of operations, September 18, 1997
  - (e) Commencement of operations, September 24, 1997
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  - (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	OTC Division	Growth & Income Division	Research Division (b)
<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$809	\$3,477	\$681
Capital gains distributions	9	6	327
TOTAL INVESTMENT INCOME	818	3,483	1,008

Expenses:			
Mortality and expense risk and other charges	(146)	(298)	(156)
Annual administrative charges	(10)	(23)	(17)
Minimum death benefit guarantee charges	--	--	--
Contingent deferred sales charges	(14)	(29)	(12)
Other contract charges	(2)	(1)	(2)
Amortization of deferred charges related to:			
Deferred sales load	(35)	(76)	(21)
Premium taxes	--	(2)	--
TOTAL EXPENSES BEFORE WAIVER	(207)	(429)	(208)
Fees waived by Golden American	1	3	1
NET EXPENSES	(206)	(426)	(207)
NET INVESTMENT INCOME (LOSS)	612	3,057	801
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	57	177	19
Net unrealized appreciation (depreciation) of investments	912	980	388
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$1,581	\$4,214	\$1,208

<FN>

- (a) Commencement of operations, February 3, 1997
- (b) Commencement of operations, February 4, 1997
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- (e) Commencement of operations, September 24, 1997
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- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Total Return Division (a)	Value + Growth Division (b)	Inter- national Fixed Income Division (g)
<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$589	\$3	\$8
Capital gains distributions	240	--	1
TOTAL INVESTMENT INCOME	829	3	9
Expenses:			
Mortality and expense risk and other charges	(104)	(98)	--
Annual administrative charges	(12)	(11)	--
Minimum death benefit guarantee charges	--	(1)	--
Contingent deferred sales charges	(3)	(5)	--

Other contract charges	(1)	--	--
Amortization of deferred charges related to:			
Deferred sales load	(22)	(25)	--
Premium taxes	--	--	--
TOTAL EXPENSES BEFORE WAIVER	(142)	(140)	--
Fees waived by Golden American	--	--	--
NET EXPENSES	(142)	(140)	--
NET INVESTMENT INCOME (LOSS)	687	(137)	9
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	18	515	(1)
Net unrealized appreciation (depreciation) of investments	412	(1,430)	(10)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$1,117	(\$1,052)	(\$2)

<FN>

- (a) Commencement of operations, February 3, 1997
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- (c) Commencement of operations, August 26, 1997
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- (e) Commencement of operations, September 24, 1997
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- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Appre- ciation Division (c)	Smith Barney High Income Division (c)	Smith Barney Income and Growth Division (c)
<S>	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	\$3	--	--
Capital gains distributions	13	--	--
TOTAL INVESTMENT INCOME	16	--	--
Expenses:			
Mortality and expense risk and other charges	(1)	(\$1)	(\$1)
Annual administrative charges	--	--	--
Minimum death benefit guarantee charges	--	--	--
Contingent deferred sales charges	--	--	--
Other contract charges	--	--	--
Amortization of deferred charges related to:			
Deferred sales load	--	--	--
Premium taxes	--	--	--
TOTAL EXPENSES BEFORE WAIVER	(1)	(1)	(1)
Fees waived by Golden American	--	--	--

NET EXPENSES	(1)	(1)	(1)
NET INVESTMENT INCOME (LOSS)	15	(1)	(1)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	1	1	--
Net unrealized appreciation (depreciation) of investments	(9)	3	7
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$7	\$3	\$6

<FN>

- (a) Commencement of operations, February 3, 1997
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- (c) Commencement of operations, August 26, 1997
- (d) Commencement of operations, September 18, 1997
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- (g) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Smith Barney Inter- national Equity Division (d)	Smith Barney Money Market Division (e)	Inter- national Equity Division (f)
	<C>	<C>	<C>
INVESTMENT INCOME (LOSS)			
Income:			
Dividends	--	\$1	\$43
Capital gains distributions	--	--	41
TOTAL INVESTMENT INCOME	--	1	84
Expenses:			
Mortality and expense risk and other charges	--	(1)	(2)
Annual administrative charges	--	--	(1)
Minimum death benefit guarantee charges	--	--	--
Contingent deferred sales charges	--	--	--
Other contract charges	--	--	--
Amortization of deferred charges related to:			
Deferred sales load	--	--	--
Premium taxes	--	--	--
TOTAL EXPENSES BEFORE WAIVER	--	(1)	(3)
Fees waived by Golden American	--	--	--
NET EXPENSES	--	(1)	(3)
NET INVESTMENT INCOME (LOSS)	--	--	81
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain (loss) on investments	--	--	(12)



Net unrealized appreciation (depreciation) of investments	(\$5)	--	(93)
<hr/>			
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	(\$5)	\$--	(\$24)
<hr/>			

<FN>

- (a) Commencement of operations, February 3, 1997
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</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENT OF OPERATIONS  
For the year ended December 31, 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Combined
	<hr/>
<S>	<C>
INVESTMENT INCOME (LOSS)	
Income:	
Dividends	\$66,111
Capital gains distributions	43,287
	<hr/>
TOTAL INVESTMENT INCOME	109,398
Expenses:	
Mortality and expense risk and other charges	(15,677)
Annual administrative charges	(754)
Minimum death benefit guarantee charges	(44)
Contingent deferred sales charges	(1,269)
Other contract charges	(70)
Amortization of deferred charges related to:	
Deferred sales load	(10,360)
Premium taxes	(219)
	<hr/>
TOTAL EXPENSES BEFORE WAIVER	(28,393)
Fees waived by Golden American	280
	<hr/>
NET EXPENSES	(28,113)
	<hr/>
NET INVESTMENT INCOME (LOSS)	81,285
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain (loss) on investments	31,070
Net unrealized appreciation (depreciation) of investments	75,558
	<hr/>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$187,913
	<hr/>

<FN>

- (a) Commencement of operations, February 3, 1997
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</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Liquid Asset Division
	<C>
NET ASSETS AT JANUARY 1, 1996	\$36,491
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	730
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	730
Changes from principal transactions:	
Purchase payments	14,178
Contract distributions and terminations	(15,313)
Transfer payments from (to) Fixed Accounts and other Divisions	1,242
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	148
Increase (decrease) in net assets derived from principal transactions	255
Total increase (decrease)	985
NET ASSETS AT DECEMBER 31, 1996	37,476

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY

SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

	Liquid Asset Division
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$970
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	970
Changes from principal transactions:	
Purchase payments	29,455
Contract distributions and terminations	(18,096)
Transfer payments from (to) Fixed Accounts and other Divisions	7,253
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	196
Increase (decrease) in net assets derived from principal transactions	18,808
Total increase (decrease)	19,778
NET ASSETS AT DECEMBER 31, 1997	\$57,254

<FN>

- (a) Commencement of operations, January 3, 1996
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- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
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- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY

SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

Limited  
Maturity  
Bond  
Division

<u>&lt;S&gt;</u>	<u>&lt;C&gt;</u>
NET ASSETS AT JANUARY 1, 1996	\$67,837
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	4,507
Net realized gain (loss) on investments	314
Net unrealized appreciation (depreciation) of investments	(3,831)
Net increase (decrease) in net assets resulting from operations	<u>990</u>
Changes from principal transactions:	
Purchase payments	5,869
Contract distributions and terminations	(9,672)
Transfer payments from (to) Fixed Accounts and other Divisions	(10,189)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(501)
Increase (decrease) in net assets derived from principal transactions	<u>(14,493)</u>
Total increase (decrease)	<u>(13,503)</u>
NET ASSETS AT DECEMBER 31, 1996	<u>54,334</u>

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

Limited  
Maturity  
Bond  
Division

<u>&lt;S&gt;</u>	<u>&lt;C&gt;</u>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	

Net investment income (loss)	\$2,703
Net realized gain (loss) on investments	139
Net unrealized appreciation (depreciation) of investments	(690)
	<hr/>
Net increase (decrease) in net assets resulting from operations	2,152
Changes from principal transactions:	
Purchase payments	5,847
Contract distributions and terminations	(8,648)
Transfer payments from (to) Fixed Accounts and other Divisions	(1,150)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(68)
	<hr/>
Increase (decrease) in net assets derived from principal transactions	(4,019)
	<hr/>
Total increase (decrease)	(1,867)
	<hr/>
NET ASSETS AT DECEMBER 31, 1997	\$52,467
	=====

<FN>

- (a) Commencement of operations, January 3, 1996
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- (c) Commencement of operations, September 23, 1996
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- (e) Commencement of operations, February 4, 1997
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</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Hard Assets Division
	<hr/>
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$26,990
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	3,916
Net realized gain (loss) on investments	2,353
Net unrealized appreciation (depreciation) of investments	2,704
	<hr/>
Net increase (decrease) in net assets resulting from operations	8,973

Changes from principal transactions:	
Purchase payments	6,154
Contract distributions and terminations	(4,962)
Transfer payments from (to) Fixed Accounts and other Divisions	5,904
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	242
	<hr/>
Increase (decrease) in net assets derived from principal transactions	7,338
	<hr/>
Total increase (decrease)	16,311
	<hr/>
NET ASSETS AT DECEMBER 31, 1996	43,301

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Hard Assets Division
	<hr/>
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$8,570
Net realized gain (loss) on investments	3,106
Net unrealized appreciation (depreciation) of investments	(9,738)
	<hr/>
Net increase (decrease) in net assets resulting from operations	1,938
Changes from principal transactions:	
Purchase payments	6,936
Contract distributions and terminations	(5,699)
Transfer payments from (to) Fixed Accounts and other Divisions	(886)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(87)
	<hr/>
Increase (decrease) in net assets derived from principal transactions	264
	<hr/>
Total increase (decrease)	2,202

NET ASSETS AT DECEMBER 31, 1997

\$45,503

=====

<FN>

- (a) Commencement of operations, January 3, 1996
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- (c) Commencement of operations, September 23, 1996
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</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	All-Growth Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$91,956
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(150)
Net realized gain (loss) on investments	2,112
Net unrealized appreciation (depreciation) of investments	(4,894)
Net increase (decrease) in net assets resulting from operations	(2,932)
Changes from principal transactions:	
Purchase payments	10,539
Contract distributions and terminations	(12,597)
Transfer payments from (to) Fixed Accounts and other Divisions	(9,493)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(631)
Increase (decrease) in net assets derived from principal transactions	(12,182)
Total increase (decrease)	(15,114)
NET ASSETS AT DECEMBER 31, 1996	76,842

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	All-Growth Division
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$490
Net realized gain (loss) on investments	556
Net unrealized appreciation (depreciation) of investments	1,550
	2,596
Net increase (decrease) in net assets resulting from operations	2,596
Changes from principal transactions:	
Purchase payments	7,441
Contract distributions and terminations	(10,832)
Transfer payments from (to) Fixed Accounts and other Divisions	(4,053)
Addition to (relocation from) assets retained in the Account by Golden American Life Insurance Company	(256)
	(7,700)
Increase (decrease) in net assets derived from principal transactions	(7,700)
	(5,104)
Total increase (decrease)	(5,104)
NET ASSETS AT DECEMBER 31, 1997	\$71,738

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>



See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Real Estate Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$34,813
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	2,214
Net realized gain (loss) on investments	652
Net unrealized appreciation (depreciation) of investments	8,605
Net increase (decrease) in net assets resulting from operations	11,471
Changes from principal transactions:	
Purchase payments	5,981
Contract distributions and terminations	(4,775)
Transfer payments from (to) Fixed Accounts and other Divisions	3,076
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	115
Increase (decrease) in net assets derived from principal transactions	4,397
Total increase (decrease)	15,868
NET ASSETS AT DECEMBER 31, 1996	50,681

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

	Real Estate Division
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$3,901
Net realized gain (loss) on investments	2,621
Net unrealized appreciation (depreciation) of investments	5,391
Net increase (decrease) in net assets resulting from operations	11,913
Changes from principal transactions:	
Purchase payments	14,095
Contract distributions and terminations	(5,798)
Transfer payments from (to) Fixed Accounts and other Divisions	3,766
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	43
Increase (decrease) in net assets derived from principal transactions	12,106
Total increase (decrease)	24,019
NET ASSETS AT DECEMBER 31, 1997	\$74,700

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
  - (h) Commencement of operations, September 24, 1997
  - (i) Commencement of operations, October 9, 1997
  - (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Fully Managed Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$117,327
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	7,463
Net realized gain (loss) on investments	2,245
Net unrealized appreciation (depreciation) of investments	6,614
Net increase (decrease) in net assets resulting from operations	16,322
Changes from principal transactions:	
Purchase payments	16,217
Contract distributions and terminations	(17,846)
Transfer payments from (to) Fixed Accounts and other Divisions	2,478
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(67)
Increase (decrease) in net assets derived from principal transactions	782
Total increase (decrease)	17,104
NET ASSETS AT DECEMBER 31, 1996	134,431

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

Fully  
Managed  
Division

<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$9,632
Net realized gain (loss) on investments	2,407
Net unrealized appreciation (depreciation) of investments	5,898
Net increase (decrease) in net assets resulting from operations	17,937
Changes from principal transactions:	
Purchase payments	19,633
Contract distributions and terminations	(17,687)
Transfer payments from (to) Fixed Accounts and other Divisions	4,389
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(53)
Increase (decrease) in net assets derived from principal transactions	6,282
Total increase (decrease)	24,219
NET ASSETS AT DECEMBER 31, 1997	\$158,650

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
  - (h) Commencement of operations, September 24, 1997
  - (i) Commencement of operations, October 9, 1997
  - (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

<S>	Multiple Allocation Division
NET ASSETS AT JANUARY 1, 1996	\$305,502
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	18,091
Net realized gain (loss) on investments	6,043
Net unrealized appreciation (depreciation) of investments	(7,108)

Net increase (decrease) in net assets resulting from operations	17,026
Changes from principal transactions:	
Purchase payments	16,631
Contract distributions and terminations	(44,014)
Transfer payments from (to) Fixed Accounts and other Divisions	(23,461)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(1,257)
Increase (decrease) in net assets derived from principal transactions	(52,101)
Total increase (decrease)	(35,075)
NET ASSETS AT DECEMBER 31, 1996	270,427

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Multiple Allocation Division
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$21,419
Net realized gain (loss) on investments	5,773
Net unrealized appreciation (depreciation) of investments	9,866
Net increase (decrease) in net assets resulting from operations	37,058
Changes from principal transactions:	
Purchase payments	9,404
Contract distributions and terminations	(45,162)
Transfer payments from (to) Fixed Accounts and other Divisions	(9,649)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(209)

Increase (decrease) in net assets derived from principal transactions	(45,616)
Total increase (decrease)	(8,558)
NET ASSETS AT DECEMBER 31, 1997	\$261,869

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Capital Appreciation Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$121,049
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	7,757
Net realized gain (loss) on investments	4,853
Net unrealized appreciation (depreciation) of investments	8,839
Net increase (decrease) in net assets resulting from operations	21,449
Changes from principal transactions:	
Purchase payments	16,081
Contract distributions and terminations	(16,095)
Transfer payments from (to) Fixed Accounts and other Divisions	3,299
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	206
Increase (decrease) in net assets derived from principal transactions	3,491
Total increase (decrease)	24,940
NET ASSETS AT DECEMBER 31, 1996	145,989

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Capital Appreciation Division
	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$13,819
Net realized gain (loss) on investments	8,242
Net unrealized appreciation (depreciation) of investments	16,323
Net increase (decrease) in net assets resulting from operations	38,384
Changes from principal transactions:	
Purchase payments	17,440
Contract distributions and terminations	(20,143)
Transfer payments from (to) Fixed Accounts and other Divisions	5,915
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	232
Increase (decrease) in net assets derived from principal transactions	3,444
Total increase (decrease)	41,828
NET ASSETS AT DECEMBER 31, 1997	\$187,817 =====

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997

- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
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</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Rising Dividends Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$80,342
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(455)
Net realized gain (loss) on investments	4,125
Net unrealized appreciation (depreciation) of investments	12,317
Net increase (decrease) in net assets resulting from operations	15,987
Changes from principal transactions:	
Purchase payments	25,572
Contract distributions and terminations	(12,639)
Transfer payments from (to) Fixed Accounts and other Divisions	13,857
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	454
Increase (decrease) in net assets derived from principal transactions	27,244
Total increase (decrease)	43,231
NET ASSETS AT DECEMBER 31, 1996	123,573

</TABLE>



GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Rising Dividends Division
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$1,726
Net realized gain (loss) on investments	3,602
Net unrealized appreciation (depreciation) of investments	33,738
Net increase (decrease) in net assets resulting from operations	39,066
Changes from principal transactions:	
Purchase payments	45,995
Contract distributions and terminations	(18,620)
Transfer payments from (to) Fixed Accounts and other Divisions	25,458
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	471
Increase (decrease) in net assets derived from principal transactions	53,304
Total increase (decrease)	92,370
NET ASSETS AT DECEMBER 31, 1997	\$215,943

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

## GOLDEN AMERICAN LIFE INSURANCE COMPANY

## SEPARATE ACCOUNT B

## STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

&lt;TABLE&gt;

&lt;CAPTION&gt;

	Emerging Markets Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$36,887
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(998)
Net realized gain (loss) on investments	(2,959)
Net unrealized appreciation (depreciation) of investments	5,674
Net increase (decrease) in net assets resulting from operations	1,717
Changes from principal transactions:	
Purchase payments	6,432
Contract distributions and terminations	(6,450)
Transfer payments from (to) Fixed Accounts and other Divisions	(1,273)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(160)
Increase (decrease) in net assets derived from principal transactions	(1,451)
Total increase (decrease)	266
NET ASSETS AT DECEMBER 31, 1996	37,153

&lt;/TABLE&gt;

## GOLDEN AMERICAN LIFE INSURANCE COMPANY

## SEPARATE ACCOUNT B

## STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

&lt;TABLE&gt;

&lt;CAPTION&gt;

<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$826)
Net realized gain (loss) on investments	(1,134)
Net unrealized appreciation (depreciation) of investments	(2,698)
Net increase (decrease) in net assets resulting from operations	(4,658)
Changes from principal transactions:	
Purchase payments	5,427
Contract distributions and terminations	(5,304)
Transfer payments from (to) Fixed Accounts and other Divisions	2,002
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(119)
Increase (decrease) in net assets derived from principal transactions	2,006
Total increase (decrease)	(2,652)
NET ASSETS AT DECEMBER 31, 1997	\$34,501 =====

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
  - (h) Commencement of operations, September 24, 1997
  - (i) Commencement of operations, October 9, 1997
  - (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$5,206

INCREASE (DECREASE) IN NET ASSETS

Operations:	
Net investment income (loss)	396
Net realized gain (loss) on investments	327
Net unrealized appreciation (depreciation) of investments	245
	<hr/>
Net increase (decrease) in net assets resulting from operations	968
Changes from principal transactions:	
Purchase payments	(111)
Contract distributions and terminations	(383)
Transfer payments from (to) Fixed Accounts and other Divisions	(187)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(14)
	<hr/>
Increase (decrease) in net assets derived from principal transactions	(695)
	<hr/>
Total increase (decrease)	273
	<hr/>
NET ASSETS AT DECEMBER 31, 1996	5,479

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Market Manager Division
	<hr/>
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$424
Net realized gain (loss) on investments	238
Net unrealized appreciation (depreciation) of investments	1,127
	<hr/>
Net increase (decrease) in net assets resulting from operations	1,789
Changes from principal transactions:	
Purchase payments	(59)
Contract distributions and terminations	(189)

Transfer payments from (to) Fixed Accounts and other Divisions	(303)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(1)
Increase (decrease) in net assets derived from principal transactions	(552)
Total increase (decrease)	1,237
NET ASSETS AT DECEMBER 31, 1997	\$6,716
	=====

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Value Equity Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$28,447
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	1,157
Net realized gain (loss) on investments	1,290
Net unrealized appreciation (depreciation) of investments	601
Net increase (decrease) in net assets resulting from operations	3,048
Changes from principal transactions:	
Purchase payments	15,780
Contract distributions and terminations	(3,990)
Transfer payments from (to) Fixed Accounts and other Divisions	(376)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(48)
Increase (decrease) in net assets derived from principal transactions	11,366

Total increase (decrease)	14,414
NET ASSETS AT DECEMBER 31, 1996	42,861

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Value Equity Division
	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$5,696
Net realized gain (loss) on investments	898
Net unrealized appreciation (depreciation) of investments	5,129
Net increase (decrease) in net assets resulting from operations	11,723
Changes from principal transactions:	
Purchase payments	16,881
Contract distributions and terminations	(5,181)
Transfer payments from (to) Fixed Accounts and other Divisions	10,573
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	168
Increase (decrease) in net assets derived from principal transactions	22,441
Total increase (decrease)	34,164
NET ASSETS AT DECEMBER 31, 1997	\$77,025 =====

<FN>  
(a) Commencement of operations, January 3, 1996  
(b) Commencement of operations, September 3, 1996  
(c) Commencement of operations, September 23, 1996

- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
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- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Strategic Equity Division
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	\$8,031
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	275
Net realized gain (loss) on investments	161
Net unrealized appreciation (depreciation) of investments	2,648
Net increase (decrease) in net assets resulting from operations	3,084
Changes from principal transactions:	
Purchase payments	12,046
Contract distributions and terminations	(1,671)
Transfer payments from (to) Fixed Accounts and other Divisions	8,149
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	219
Increase (decrease) in net assets derived from principal transactions	18,743
Total increase (decrease)	21,827
NET ASSETS AT DECEMBER 31, 1996	29,858

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

	Strategic Equity Division
	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$1,752
Net realized gain (loss) on investments	1,180
Net unrealized appreciation (depreciation) of investments	4,847
Net increase (decrease) in net assets resulting from operations	7,779
Changes from principal transactions:	
Purchase payments	9,853
Contract distributions and terminations	(4,107)
Transfer payments from (to) Fixed Accounts and other Divisions	6,920
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	134
Increase (decrease) in net assets derived from principal transactions	12,800
Total increase (decrease)	20,579
NET ASSETS AT DECEMBER 31, 1997	\$50,437

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
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  - (j) Commencement of operations, October 24, 1997

</TABLE>



See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>

<CAPTION>

	Small Cap Division (a)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$369)
Net realized gain (loss) on investments	25
Net unrealized appreciation (depreciation) of investments	674
Net increase (decrease) in net assets resulting from operations	330
Changes from principal transactions:	
Purchase payments	17,552
Contract distributions and terminations	(1,530)
Transfer payments from (to) Fixed Accounts and other Divisions	16,293
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	411
Increase (decrease) in net assets derived from principal transactions	32,726
Total increase (decrease)	33,056
NET ASSETS AT DECEMBER 31, 1996	33,056

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Small Cap Division (a)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$754)
Net realized gain (loss) on investments	(174)
Net unrealized appreciation (depreciation) of investments	4,543
Net increase (decrease) in net assets resulting from operations	3,615
Changes from principal transactions:	
Purchase payments	13,691
Contract distributions and terminations	(3,143)
Transfer payments from (to) Fixed Accounts and other Divisions	5,487
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	19
Increase (decrease) in net assets derived from principal transactions	16,054
Total increase (decrease)	19,669
NET ASSETS AT DECEMBER 31, 1997	\$52,725
	=====

<FN>  
(a) Commencement of operations, January 3, 1996  
(b) Commencement of operations, September 3, 1996  
(c) Commencement of operations, September 23, 1996  
(d) Commencement of operations, February 3, 1997  
(e) Commencement of operations, February 4, 1997  
(f) Commencement of operations, August 26, 1997  
(g) Commencement of operations, September 18, 1997  
(h) Commencement of operations, September 24, 1997  
(i) Commencement of operations, October 9, 1997  
(j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

Managed  
Global  
Division  
(b)

<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$350)
Net realized gain (loss) on investments	116
Net unrealized appreciation (depreciation) of investments	4,419
Net increase (decrease) in net assets resulting from operations	4,185
Changes from principal transactions:	
Purchase payments	3,524
Contract distributions and terminations	(3,844)
Transfer payments from (to) Fixed Accounts and other Divisions	80,286
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	2,115
Increase (decrease) in net assets derived from principal transactions	82,081
Total increase (decrease)	86,266
NET ASSETS AT DECEMBER 31, 1996	86,266
</TABLE>	

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
<CAPTION>

Managed  
 Global  
 Division  
 (b)

<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$6,640
Net realized gain (loss) on investments	2,841
Net unrealized appreciation (depreciation) of investments	(883)

Net increase (decrease) in net assets resulting from operations	8,598
Changes from principal transactions:	
Purchase payments	17,472
Contract distributions and terminations	(12,081)
Transfer payments from (to) Fixed Accounts and other Divisions	4,438
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	(12)
Increase (decrease) in net assets derived from principal transactions	9,817
Total increase (decrease)	18,415
NET ASSETS AT DECEMBER 31, 1997	\$104,681

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	OTC Division (c)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$204
Net realized gain (loss) on investments	1
Net unrealized appreciation (depreciation) of investments	(125)
Net increase (decrease) in net assets resulting from operations	80
Changes from principal transactions:	
Purchase payments	1,207
Contract distributions and terminations	(36)
Transfer payments from (to) Fixed Accounts and other Divisions	3,248
Addition to (reallocation from) assets retained in the Account	

Increase (decrease) in net assets derived from principal transactions	4,491
Total increase (decrease)	4,571
NET ASSETS AT DECEMBER 31, 1996	4,571

&lt;/TABLE&gt;

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	OTC Division (c)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$612
Net realized gain (loss) on investments	57
Net unrealized appreciation (depreciation) of investments	912
Net increase (decrease) in net assets resulting from operations	1,581
Changes from principal transactions:	
Purchase payments	8,980
Contract distributions and terminations	(580)
Transfer payments from (to) Fixed Accounts and other Divisions	5,763
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	46
Increase (decrease) in net assets derived from principal transactions	14,209
Total increase (decrease)	15,790
NET ASSETS AT DECEMBER 31, 1997	\$20,361

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Growth & Income Division (c)
	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	\$1
Net unrealized appreciation (depreciation) of investments	269
Net increase (decrease) in net assets resulting from operations	270
Changes from principal transactions:	
Purchase payments	2,760
Contract distributions and terminations	(43)
Transfer payments from (to) Fixed Accounts and other Divisions	5,164
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	124
Increase (decrease) in net assets derived from principal transactions	8,005
Total increase (decrease)	8,275
NET ASSETS AT DECEMBER 31, 1996	8,275

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

	Growth & Income Division (c)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$3,057
Net realized gain (loss) on investments	177
Net unrealized appreciation (depreciation) of investments	980
	4,214
Changes from principal transactions:	
Purchase payments	22,706
Contract distributions and terminations	(1,861)
Transfer payments from (to) Fixed Accounts and other Divisions	11,481
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	107
	32,433
Increase (decrease) in net assets derived from principal transactions	32,433
Total increase (decrease)	36,647
NET ASSETS AT DECEMBER 31, 1997	\$44,922

<FN>

(a) Commencement of operations, January 3, 1996  
 (b) Commencement of operations, September 3, 1996  
 (c) Commencement of operations, September 23, 1996  
 (d) Commencement of operations, February 3, 1997  
 (e) Commencement of operations, February 4, 1997  
 (f) Commencement of operations, August 26, 1997  
 (g) Commencement of operations, September 18, 1997  
 (h) Commencement of operations, September 24, 1997  
 (i) Commencement of operations, October 9, 1997  
 (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Research Division (e)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>



GOLDEN AMERICAN LIFE INSURANCE COMPANY

SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Research Division (e)
	-----
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$801
Net realized gain (loss) on investments	19
Net unrealized appreciation (depreciation) of investments	388
	-----
Net increase (decrease) in net assets resulting from operations	1,208
Changes from principal transactions:	
Purchase payments	19,514
Contract distributions and terminations	(534)
Transfer payments from (to) Fixed Accounts and other Divisions	14,044
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	170
	-----
Increase (decrease) in net assets derived from principal transactions	33,194
	-----
Total increase (decrease)	34,402
	-----
NET ASSETS AT DECEMBER 31, 1997	\$34,402 =====

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY

SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Total Return Division (d)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
<CAPTION>

	Total Return Division (d)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	

Net investment income (loss)	\$687
Net realized gain (loss) on investments	18
Net unrealized appreciation (depreciation) of investments	412
Net increase (decrease) in net assets resulting from operations	1,117
Changes from principal transactions:	
Purchase payments	15,427
Contract distributions and terminations	(602)
Transfer payments from (to) Fixed Accounts and other Divisions	10,193
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	96
Increase (decrease) in net assets derived from principal transactions	25,114
Total increase (decrease)	26,231
NET ASSETS AT DECEMBER 31, 1997	\$26,231

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Value + Growth Division (e)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--

Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
	<hr/>
Increase (decrease) in net assets derived from principal transactions	--
	<hr/>
Total increase (decrease)	--
	<hr/>
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Value + Growth Division (e)
	<hr/>
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$137)
Net realized gain (loss) on investments	515
Net unrealized appreciation (depreciation) of investments	(1,430)
	<hr/>
Net increase (decrease) in net assets resulting from operations	(1,052)
Changes from principal transactions:	
Purchase payments	15,158
Contract distributions and terminations	(431)
Transfer payments from (to) Fixed Accounts and other Divisions	9,404
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	99
	<hr/>
Increase (decrease) in net assets derived from principal transactions	24,230
	<hr/>

Total increase (decrease)

23,178

NET ASSETS AT DECEMBER 31, 1997

\$23,178

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

Inter-  
national  
Fixed  
Income  
Division  
(j)

<S>

NET ASSETS AT JANUARY 1, 1996

<C>

--

INCREASE (DECREASE) IN NET ASSETS

Operations:

Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--

Net increase (decrease) in net assets resulting from operations	--
---	----

Changes from principal transactions:

Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--

Increase (decrease) in net assets derived from principal transactions	--
--	----

Total increase (decrease)	--
---------------------------	----

NET ASSETS AT DECEMBER 31, 1996

--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>

<CAPTION>

	Inter- national Fixed Income Division (j)
	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$9
Net realized gain (loss) on investments	(1)
Net unrealized appreciation (depreciation) of investments	(10)
Net increase (decrease) in net assets resulting from operations	(2)
Changes from principal transactions:	
Purchase payments	190
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	18
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	208
Total increase (decrease)	206
NET ASSETS AT DECEMBER 31, 1997	\$206

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997

- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

	Appre- ciation Division (f)
	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

	Appre- ciation Division (f)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$15
Net realized gain (loss) on investments	1
Net unrealized appreciation (depreciation) of investments	(9)
Net increase (decrease) in net assets resulting from operations	7
Changes from principal transactions:	
Purchase payments	256
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	256
Total increase (decrease)	263
NET ASSETS AT DECEMBER 31, 1997	\$263

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
  - (h) Commencement of operations, September 24, 1997
  - (i) Commencement of operations, October 9, 1997
  - (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted



(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Smith Barney High Income Division (f)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

Smith  
Barney  
High  
Income

	Division (f)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$1)
Net realized gain (loss) on investments	1
Net unrealized appreciation (depreciation) of investments	3
Net increase (decrease) in net assets resulting from operations	3
Changes from principal transactions:	
Purchase payments	206
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	206
Total increase (decrease)	209
NET ASSETS AT DECEMBER 31, 1997	\$209

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
  - (h) Commencement of operations, September 24, 1997
  - (i) Commencement of operations, October 9, 1997
  - (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

Smith  
Barney  
Income and  
Growth  
Division  
(f)

<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--

INCREASE (DECREASE) IN NET ASSETS  
Operations:

Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Smith Barney Income and Growth Division (f)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	(\$1)
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	7
Net increase (decrease) in net assets resulting from operations	6
Changes from principal transactions:	
Purchase payments	204
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	5

Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	209
Total increase (decrease)	215
NET ASSETS AT DECEMBER 31, 1997	\$215 =====

<FN>

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Smith Barney Inter- national Equity Division (g)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--

Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Smith Barney Inter- national Equity Division (g)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	(\$5)
Net increase (decrease) in net assets resulting from operations	(5)
Changes from principal transactions:	
Purchase payments	99
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	2
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	101
Total increase (decrease)	96
NET ASSETS AT DECEMBER 31, 1997	\$96

<FN>  
(a) Commencement of operations, January 3, 1996  
(b) Commencement of operations, September 3, 1996  
(c) Commencement of operations, September 23, 1996

- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
 SEPARATE ACCOUNT B  
 STATEMENTS OF CHANGES IN NET ASSETS  
 For the years ended December 31, 1996 and 1997, Except as Noted  
 (Continued)  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

	Smith Barney Money Market Division (h)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

	Smith Barney Money Market Division (h)
<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	\$183
Contract distributions and terminations	(1)
Transfer payments from (to) Fixed Accounts and other Divisions	(1)
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	181
Total increase (decrease)	181
NET ASSETS AT DECEMBER 31, 1997	\$181

<FN>

(a) Commencement of operations, January 3, 1996  
 (b) Commencement of operations, September 3, 1996  
 (c) Commencement of operations, September 23, 1996  
 (d) Commencement of operations, February 3, 1997  
 (e) Commencement of operations, February 4, 1997  
 (f) Commencement of operations, August 26, 1997  
 (g) Commencement of operations, September 18, 1997  
 (h) Commencement of operations, September 24, 1997  
 (i) Commencement of operations, October 9, 1997  
 (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY

SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

	Inter- national Equity Division (i)
<S>	<C>
NET ASSETS AT JANUARY 1, 1996	--
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	--
Net realized gain (loss) on investments	--
Net unrealized appreciation (depreciation) of investments	--
Net increase (decrease) in net assets resulting from operations	--
Changes from principal transactions:	
Purchase payments	--
Contract distributions and terminations	--
Transfer payments from (to) Fixed Accounts and other Divisions	--
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
Increase (decrease) in net assets derived from principal transactions	--
Total increase (decrease)	--
NET ASSETS AT DECEMBER 31, 1996	--

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY

SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>



Inter-  
national  
Equity  
Income  
Division  
(i)

<S>	<C>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	\$81
Net realized gain (loss) on investments	(12)
Net unrealized appreciation (depreciation) of investments	(93)
	(24)
Changes from principal transactions:	
Purchase payments	1,825
Contract distributions and terminations	(2)
Transfer payments from (to) Fixed Accounts and other Divisions	182
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	--
	2,005
Increase (decrease) in net assets derived from principal transactions	2,005
	1,981
Total increase (decrease)	1,981
NET ASSETS AT DECEMBER 31, 1997	\$1,981

- <FN>
- (a) Commencement of operations, January 3, 1996
  - (b) Commencement of operations, September 3, 1996
  - (c) Commencement of operations, September 23, 1996
  - (d) Commencement of operations, February 3, 1997
  - (e) Commencement of operations, February 4, 1997
  - (f) Commencement of operations, August 26, 1997
  - (g) Commencement of operations, September 18, 1997
  - (h) Commencement of operations, September 24, 1997
  - (i) Commencement of operations, October 9, 1997
  - (j) Commencement of operations, October 24, 1997

</TABLE>

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 1996 and 1997, Except as Noted

(Continued)

(Dollars in thousands)

<TABLE>  
<CAPTION>

<S>	Combined <C>
NET ASSETS AT JANUARY 1, 1996	\$960,878
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	44,388

Net realized gain (loss) on investments	21,659
Net unrealized appreciation (depreciation) of investments	37,651
Net increase (decrease) in net assets resulting from operations	<u>103,698</u>
Changes from principal transactions:	
Purchase payments	176,412
Contract distributions and terminations	(155,860)
Transfer payments from (to) Fixed Accounts and other Divisions	98,017
Addition to (reallocation from) assets retained in the Account by Golden American Life Insurance Company	1,428
Increase (decrease) in net assets derived from principal transactions	<u>119,997</u>
Total increase (decrease)	<u>223,695</u>
NET ASSETS AT DECEMBER 31, 1996	<u>1,184,573</u>

</TABLE>

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended December 31, 1996 and 1997, Except as Noted  
(Continued)  
(Dollars in thousands)

<TABLE>  
<CAPTION>

	Combined
<S>	<u>&lt;C&gt;</u>
INCREASE (DECREASE) IN NET ASSETS	
Operations:	
Net investment income (loss)	81,285
Net realized gain (loss) on investments	31,070
Net unrealized appreciation (depreciation) of investments	75,558
Net increase (decrease) in net assets resulting from operations	<u>187,913</u>
Changes from principal transactions:	
Purchase payments	304,259
Contract distributions and terminations	(184,701)
Transfer payments from (to) Fixed Accounts and other Divisions	111,251
Addition to (reallocation from) assets retained in the Account	

Increase (decrease) in net assets derived from principal transactions	231,785
Total increase (decrease)	419,698
NET ASSETS AT DECEMBER 31, 1997	\$1,604,271 =====

&lt;FN&gt;

- (a) Commencement of operations, January 3, 1996
- (b) Commencement of operations, September 3, 1996
- (c) Commencement of operations, September 23, 1996
- (d) Commencement of operations, February 3, 1997
- (e) Commencement of operations, February 4, 1997
- (f) Commencement of operations, August 26, 1997
- (g) Commencement of operations, September 18, 1997
- (h) Commencement of operations, September 24, 1997
- (i) Commencement of operations, October 9, 1997
- (j) Commencement of operations, October 24, 1997

&lt;/TABLE&gt;

See accompanying notes.

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
SEPARATE ACCOUNT B  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1997

## NOTE 1 - ORGANIZATION

Separate Account B (the "Account") was established by Golden American Life Insurance Company ("Golden American") to support the operations of variable annuity contracts ("Contracts"). Golden American is primarily engaged in the issuance of variable insurance products and is licensed as a life insurance company in the District of Columbia and all states except New York. The Account is registered as a unit investment trust with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Golden American provides for variable accumulation and benefits under the contracts by crediting annuity considerations to one or more divisions within the Account or to the Golden American Guaranteed Interest Division, the Golden American Fixed Interest Division and the Fixed Separate Account, which are not part of the Account, as directed by the Contractowners. The portion of the Account's assets applicable to Contracts will not be chargeable with liabilities arising out of any other business Golden American may conduct, but obligations of the Account, including the promise to make benefit payments, are obligations of Golden American. The assets and liabilities of the Account are clearly identified and distinguished from the other assets and liabilities of Golden American.

At December 31, 1997, the Account had, under GoldenSelect Contracts, twenty-two investment divisions: the Liquid Asset, the Limited Maturity Bond, the Hard Assets (formerly the Natural Resources), the All-Growth, the Real

Estate, the Fully Managed, the Multiple Allocation, the Capital Appreciation, the Rising Dividends, the Emerging Markets, the Market Manager, the Value Equity, the Strategic Equity, the Small Cap, the Managed Global, the OTC, the Growth & Income, the Research, the Total Return, the Value + Growth, the International Equity and the International Fixed Income Divisions ("Divisions"). The Account also had, under Granite PrimElite Contracts, eight investment divisions: the OTC, the Research, the Total Return, the Appreciation, the Smith Barney High Income, the Smith Barney Income and Growth, the Smith Barney International Equity and the Smith Barney Money Market Divisions (collectively with the divisions noted above, "Divisions"). The Managed Global Division was formerly the Managed Global Account of Golden American's Separate Account D from October 12, 1992 until September 3, 1996. The assets in each Division are invested in shares of a designated series ("Series," which may also be referred to as "Portfolio") of mutual funds of The GCG Trust, the Equi-Select Series Trust, Travelers Series Fund, Inc., the Greenwich Street Series Fund (formerly the Smith Barney Series Fund) or the Warburg Pincus Trust (the "Trusts"). The Account also includes The Fund For Life Division, which is not included in the accompanying financial statements, and which ceased to accept new Contracts effective December 31, 1994.

The Market Manager Division was open for investment for only a brief period during 1994 and 1995. This Division is now closed and Contractowners are not permitted to direct their investments into this Division. Contractowners with investments in the Market Manager Division were permitted to elect to update their Contracts to DVA PLUS Contracts.

#### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Account:

**USE OF ESTIMATES:** The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**INVESTMENTS:** Investments are made in shares of a Series or Portfolio of the Trusts and are valued at the net asset value per share of the respective Series or Portfolio of the Trusts. Investment transactions in each Series or Portfolio of the Trusts are recorded on the trade date. Distributions of net investment income and capital gains of each Series or Portfolio of the Trusts are recognized on the ex-distribution date. Realized gains and losses on redemptions of the shares of the Series or Portfolio of the Trusts are determined on the specific identification basis.

**FEDERAL INCOME TAXES:** Operations of the Account form a part of, and are taxed with, the total operations of Golden American which is taxed as a life insurance company under the Internal Revenue Code. Earnings and realized capital gains of the Account attributable to the Contractowners are excluded in the determination of the federal income tax liability of Golden American.

#### NOTE 3 - CHARGES AND FEES

Contracts currently being sold include the DVA 100, DVA Series 100, DVA PLUS, Granite PrimElite, ACCESS, ES II and the PREMIUM PLUS. The DVA PLUS, ACCESS and the PREMIUM PLUS each have three different death benefit options referred to as Standard, Annual Ratchet and 7% Solution; however, in the state of Washington, the 5.5% Solution is offered instead of the 7% Solution. Granite PrimElite has two death benefit options referred to as Standard and Annual Ratchet. Golden American discontinued external sales of DVA 80 in May 1991. In December 1995, Golden American also discontinued

external sales of DVA 100, however, both the DVA 80 and DVA 100 contracts continue to be available to Golden American employees and agents. Under the terms of the Contracts, certain charges are allocated to the Contracts to cover Golden American's expenses in connection with the issuance and administration of the Contracts. Following is a summary of these charges:

MORTALITY AND EXPENSE RISK AND OTHER CHARGES

MORTALITY AND EXPENSE RISK CHARGES: Golden American assumes mortality and expense risks related to the operations of the Account and, in accordance with the terms of the Contracts, deducts a daily charge from the assets of the Account.

NOTE 3 - CHARGES AND FEES - CONTINUED

Daily charges deducted at annual rates to cover these risks are as follows:

<TABLE>  
<CAPTION>

Series	Annual Rates
<S>	<C>
DVA 80	.80%
DVA 100	.90
DVA Series 100	1.25
DVA PLUS - Standard	1.10
DVA PLUS - Annual Ratchet	1.25
DVA PLUS - 5.5% Solution	1.25
DVA PLUS - 7% Solution	1.40
ACCESS - Standard	1.25
ACCESS - Annual Ratchet	1.40
ACCESS - 5.5% Solution	1.40
ACCESS - 7% Solution	1.55
PREMIUM PLUS - Standard	1.25
PREMIUM PLUS - Annual Ratchet	1.40
PREMIUM PLUS - 5.5% Solution	1.40
PREMIUM PLUS - 7% Solution	1.55
ES II	1.25
Granite PrimElite - Standard	1.10
Granite PrimElite - Annual Ratchet	1.25

</TABLE>

ASSET BASED ADMINISTRATIVE CHARGES: A daily charge at an annual rate of .10% is deducted from assets attributable to DVA 100 and DVA Series 100 Contracts. A daily charge at an annual rate of .15% is deducted from the assets attributable to the DVA PLUS, Granite PrimElite, ACCESS, ES II and the PREMIUM PLUS Contracts.

ANNUAL ADMINISTRATIVE CHARGES: An administrative charge of \$40 per Contract year for every Contract except ES II Contracts and DVA PLUS, PREMIUM PLUS and ACCESS Contracts in the state of Washington which charge \$30. This charge is deducted from the accumulation value of Deferred Annuity Contracts to cover ongoing administrative expenses. The charge is incurred on the Contract anniversary date and deducted at the end of the Contract anniversary period. This charge has been waived for certain offerings of the Contracts.

MINIMUM DEATH BENEFIT GUARANTEE CHARGES: For certain Contracts, a minimum death benefit guarantee charge of up to \$1.20 per \$1,000 of guaranteed death benefit per Contract year is deducted from the accumulation value of Deferred Annuity Contracts on each Contract anniversary date.

NOTE 3 - CHARGES AND FEES - CONTINUED

CONTINGENT DEFERRED SALES CHARGES: Under DVA PLUS, ES II and PREMIUM PLUS Contracts, a contingent deferred sales charge ("Surrender Charge") is imposed as a percentage of each premium payment if the Contract is surrendered or an excess partial withdrawal is taken during the period reflected in the following table, from the date a premium payment is received.

<TABLE>  
<CAPTION>

Complete Years Elapsed Since Premium Payment	Surrender Charge		
	DVA PLUS	ES II	PREMIUM PLUS
<S>	<C>	<C>	<C>
0	7%	8%	8%
1	7	7	8
2	6	6	8
3	5	5	8
4	4	4	7
5	3	3	6
6	1	2	5
7	--	1	3
8	--	--	1
9+	--	--	--

</TABLE>

OTHER CONTRACT CHARGES: Under DVA 80, DVA 100 and DVA Series 100 Contracts, a charge is deducted from the accumulation value for Contracts taking more than one conventional partial withdrawal during a contract year. For DVA 80 and DVA 100 Contracts, annual distribution fees are deducted from Contract accumulation values.

DEFERRED SALES LOAD: Under Contracts offered prior to October 1995, a sales load of up to 7.5% was applicable to each premium payment for sales-related expenses as specified in the Contracts. For DVA Series 100, the sales load is deducted in equal annual installments over the period the Contract is in force, not to exceed 10 years. For DVA 80 and DVA 100 Contracts, although the sales load is chargeable to each premium when it is received by Golden American, the amount of such charge is initially advanced by Golden American to Contractowners and included in the accumulation value and then deducted in equal installments on each Contract anniversary date over a period of six years. Upon surrender of the Contract, the unamortized deferred sales load is deducted from the accumulation value by Golden American. In addition, when partial withdrawal limits are exceeded, a portion of the unamortized deferred sales load is deducted.

PREMIUM TAXES: For certain Contracts, premium taxes are deducted, where applicable, from the accumulation value of each Contract. The amount and timing of the deduction depend on the annuitant's state of residence and currently ranges up to 3.5% of premiums.

NOTE 3 - CHARGES AND FEES - CONTINUED

FEES WAIVED BY GOLDEN AMERICAN: Certain charges and fees for various types of Contracts are currently waived by Golden American. Golden American reserves the right to discontinue these waivers at its discretion or to conform with changes in the law. The net assets retained in the Account by Golden American in the accompanying financial statements represent the unamortized deferred sales load and premium taxes advanced by Golden American, noted above. Net assets retained in the Account by Golden American are as follows:

<TABLE>  
<CAPTION>

	Combined	
	1997	1996
	(Dollars in thousands)	
	<C>	<C>
Balance at beginning of period	\$26,612	\$35,980
Sales load advanced	616	380
Premium tax advanced	7	11
Net transfer from Separate Account D, Fixed Account and other Divisions	353	2,672
Amortization of deferred sales load and premium tax	(10,579)	(12,431)
Balance at end of period	\$17,009	\$26,612

</TABLE>

NOTE 4 - PURCHASES AND SALES OF INVESTMENT SECURITIES

The aggregate cost of purchases and proceeds from sales of investments were as follows:

<TABLE>  
<CAPTION>

	Year Ended December 31,	
	1997	
	Purchases	Sales
	(Dollars in thousands)	
<S>	<C>	<C>
The GCG Trust:		
Liquid Asset Series	\$94,848	\$75,062
Limited Maturity Bond Series	12,572	13,891
Hard Assets Series	21,526	12,693
All-Growth Series	7,468	14,683
Real Estate Series	24,254	8,239
Fully Managed Series	27,691	11,768
Multiple Allocation Series	30,819	55,031
Capital Appreciation Series	41,409	24,135
Rising Dividends Series	63,949	8,887
Emerging Markets Series	8,023	6,846
Market Manager Series	467	623
Value Equity Series	32,557	4,409
Strategic Equity Series	19,475	4,918
Small Cap Series	25,870	10,563
Managed Global Series	37,985	21,524
Equi-Select Series Trust:		
OTC Portfolio	18,373	3,328
Growth & Income Portfolio	37,291	1,763
Research Portfolio	34,430	419
Total Return Portfolio	26,167	354
Value + Growth Portfolio	30,053	5,950
International Fixed Income Portfolio	224	7
Greenwich Street Series Fund:		
Appreciation Portfolio	283	12
Travelers Series Fund, Inc.:		
Smith Barney High Income Portfolio	216	11
Smith Barney Income and Growth Porfolio	210	1
Smith Barney International Equity Portfolio	103	2
Smith Barney Money Market Portfolio	194	12
Warburg Pincust Trust:		
International Equity Portfolio	2,146	59
	\$598,603	\$285,190

</TABLE>

NOTE 4 - PURCHASES AND SALES OF INVESTMENT SECURITIES - CONTINUED

<TABLE>  
<CAPTION>

	Year Ended December 31,	
	1996	



	Purchases	Sales
	(Dollars in thousands)	
<S>	<C>	<C>
The GCG Trust:		
Liquid Asset Series	\$64,148	\$63,169
Limited Maturity Bond Series	13,202	23,196
Hard Assets Series	22,965	11,706
All-Growth Series	10,482	22,833
Real Estate Series	12,388	5,777
Fully Managed Series	22,506	14,263
Multiple Allocation Series	28,625	62,678
Capital Appreciation Series	32,609	21,360
Rising Dividends Series	41,303	14,500
Emerging Markets Series	11,043	13,496
Market Manager Series	449	1,388
Value Equity Series	20,546	8,015
Strategic Equity Series	20,731	1,702
Small Cap Series	47,577	15,201
Managed Global Series	85,923	4,148
Equi-Select Series Trust:		
OTC Portfolio	4,644	164
Growth & Income Portfolio	8,037	49
Research Portfolio	--	--
Total Return Portfolio	--	--
Value + Growth Portfolio	--	--
International Fixed Income Portfolio	--	--
Greenwich Street Series Fund:		
Appreciation Portfolio	--	--
Travelers Series Fund, Inc.:		
Smith Barney High Income Portfolio	--	--
Smith Barney Income and Growth Porfolio	--	--
Smith Barney International Equity Portfolio	--	--
Smith Barney Money Market Portfolio	--	--
Warburg Pincust Trust:		
International Equity Portfolio	--	--
	\$447,178	\$283,645
	=====	=====

</TABLE>

NOTE 5 - SUMMARY OF CHANGES FROM UNIT TRANSACTIONS

Contractowners' transactions shown in the following table reflect gross inflows ("Purchases") and outflows ("Sales") in units for each Division. The activity includes Contractowners electing to update a DVA 100 or DVA Series 100 Contract to a DVA PLUS Contract. Updates to DVA PLUS Contracts resulted in both a sale (surrender of the old Contract) and a purchase (acquisition of the new Contract). All of the purchase transactions for the Market Manager Division resulted from such updates.

Contractowner transactions in units were as follows:

<TABLE>  
<CAPTION>

Year Ended December 31,

	Purchases	Sales
<S>	<C>	<C>
Liquid Asset Division	8,859,035	7,508,736
Limited Maturity Bond Division	814,102	1,099,923
Hard Assets Division	955,532	934,748
All-Growth Division	902,597	1,467,510
Real Estate Division	1,165,038	633,059
Fully Managed Division	1,588,523	1,271,492
Multiple Allocation Division	858,882	3,296,283
Capital Appreciation Division	1,899,517	1,801,059
Rising Dividends Division	4,263,972	1,391,248
Emerging Markets Division	1,231,916	1,082,071
Market Manager Division	--	31,196
Value Equity Division	1,792,574	522,420
Strategic Equity Division	1,539,555	551,638
Small Cap Division	3,022,647	1,720,403
Managed Global Division	3,674,935	2,873,007
OTC Division	1,166,129	357,910
Growth & Income Division	2,623,649	368,883
Research Division	1,962,393	137,427
Total Return Division	1,683,989	52,603
Value + Growth Division	2,598,824	818,375
International Fixed Income Division	18,902	1,482
Appreciation Division	19,581	822
Smith Barney High Income Division	15,972	739
Smith Barney Income and Growth Division	12,176	39
Smith Barney International Equity Division	7,216	138
Smith Barney Money Market Division	17,685	1,114
International Equity Division	208,851	9,015

&lt;/TABLE&gt;

## NOTE 5 - SUMMARY OF CHANGES FROM UNIT TRANSACTIONS - CONTINUED

&lt;TABLE&gt;

&lt;CAPTION&gt;

Year Ended December 31,

	1996	
	Purchases	Sales
<S>	<C>	<C>
Liquid Asset Division	5,982,248	6,003,930
Limited Maturity Bond Division	829,366	1,824,946
Hard Assets Division	1,374,569	978,096
All-Growth Division	1,228,512	2,169,543
Real Estate Division	754,585	552,462
Fully Managed Division	1,450,300	1,450,120
Multiple Allocation Division	1,330,139	4,486,173
Capital Appreciation Division	2,032,074	1,900,755
Rising Dividends Division	3,448,184	1,678,751
Emerging Markets Division	1,573,766	1,768,185
Market Manager Division	7,958	106,893
Value Equity Division	1,834,937	1,024,120
Strategic Equity Division	2,083,197	353,766

Small Cap Division	4,912,458	2,122,101
Managed Global Division	8,792,080	716,753
OTC Division	316,184	26,607
Growth & Income Division	697,746	35,755
Research Division	--	--
Total Return Division	--	--
Value + Growth Division	--	--
International Fixed Income Division	--	--
Appreciation Division	--	--
Smith Barney High Income Division	--	--
Smith Barney Income and Growth Division	--	--
Smith Barney International Equity Division	--	--
Smith Barney Money Market Division	--	--
International Equity Division	--	--

</TABLE>

NOTE 6 - NET ASSETS

Net assets at December 31, 1997 consisted of the following:

<TABLE>

<CAPTION>

	Liquid Asset Division	Limited Maturity Bond Division	Hard Assets Division	All- Growth Division
	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$51,246	\$38,691	\$29,328	\$59,765
Accumulated net investment income (loss)	6,008	15,231	21,909	8,980
Net unrealized appreciation (depreciation) of investments	--	(1,455)	(5,734)	2,993
	\$57,254	\$52,467	\$45,503	\$71,738
	=====			

</TABLE>

<TABLE>

<CAPTION>

	Real Estate Division	Fully Managed Division	Multiple Allocation Division	Capital Appreciation Division
	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$44,230	\$106,702	\$138,528	\$99,633
Accumulated net investment income (loss)	14,064	31,225	108,099	49,217
Net unrealized appreciation				

(depreciation) of investments	16,406	20,723	15,242	38,967
	\$74,700	\$158,650	\$261,869	\$187,817

</TABLE>  
<TABLE>  
<CAPTION>

	Rising Dividends Division	Emerging Markets Division	Market Manager Division	Value Equity Division
	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$144,386	\$50,608	\$2,775	\$59,096
Accumulated net investment income (loss)	10,070	(10,864)	1,626	10,329
Net unrealized appreciation (depreciation) of investments	61,487	(5,243)	2,315	7,600
	\$215,943	\$34,501	\$6,716	\$77,025

</TABLE>

NOTE 6 - NET ASSETS - CONTINUED

<TABLE>  
<CAPTION>

	Strategic Equity Division	Small Cap Division	Managed Global Division	OTC Division
	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$39,540	\$48,780	\$91,898	\$18,700
Accumulated net investment income (loss)	3,375	(1,272)	9,247	874
Net unrealized appreciation (depreciation) of investments	7,522	5,217	3,536	787
	\$50,437	\$52,725	\$104,681	\$20,361

</TABLE>  
<TABLE>  
<CAPTION>

	Growth & Income Division	Research Division	Total Return Division	Value + Growth Division
	(Dollars in thousands)			
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$40,438	\$33,194	\$25,114	\$24,230
Accumulated net investment income (loss)	3,235	820	705	378
Net unrealized appreciation (depreciation) of investments	1,249	388	412	(1,430)
	\$44,922	\$34,402	\$26,231	\$23,178

</TABLE>  
<TABLE>  
<CAPTION>

Inter-national	Smith Barney	Smith Barney
----------------	--------------	--------------

	Fixed Income Division	Appre- ciation Division	High Income Division	Income and Growth Division
(Dollars in thousands)				
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$208	\$256	\$206	\$209
Accumulated net investment income (loss)	8	16	--	(1)
Net unrealized appreciation (depreciation) of investments	(10)	(9)	3	7
	\$206	\$263	\$209	\$215

</TABLE>

NOTE 6 - NET ASSETS - CONTINUED

<TABLE>

<CAPTION>

	Smith Barney Inter- national Equity Division	Smith Barney Money Market Division	Inter- national Equity Division	Combined
(Dollars in thousands)				
<S>	<C>	<C>	<C>	<C>
Unit transactions	\$101	\$181	\$2,005	\$1,150,048
Accumulated net investment income (loss)	--	--	69	283,348
Net unrealized appreciation (depreciation) of investments	(5)	--	(93)	170,875
	\$96	\$181	\$1,981	\$1,604,271

</TABLE>

NOTE 7 - UNIT VALUES

Accumulation unit value information (which is based on total assets) for units outstanding by Contract type as of December 31, 1997 was as follows:

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
(in thousands)			
<S>	<C>	<C>	<C>
LIQUID ASSET			
Currently payable annuity products:			
DVA 80	4,190	\$14.58	\$61
DVA 100	3,369	14.32	48
Contracts in accumulation period:			
DVA 80	363,377	14.58	5,298
DVA 100	1,595,580	14.32	22,846
DVA Series 100	37,946	13.87	526
DVA PLUS - Standard	227,427	14.02	3,188
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	353,076	13.83	4,883
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,132,057	13.65	15,447
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	370,411	13.44	4,979
			57,276
LIMITED MATURITY BOND			
Currently payable annuity products:			
DVA 80	12,043	16.76	202
DVA 100	20,397	16.46	336
Contracts in accumulation period:			
DVA 80	58,275	16.76	977
DVA 100	2,349,902	16.46	38,684
DVA Series 100	22,582	15.95	360
DVA PLUS - Standard	139,323	16.13	2,247
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	133,461	15.91	2,124
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	462,583	15.70	7,263
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	19,171	15.47	296
			52,489

</TABLE>

## NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
(in thousands)			
<S>	<C>	<C>	<C>
HARD ASSETS			
Currently payable annuity products:			
DVA 80	2,001	\$21.68	\$44
DVA 100	13,390	21.30	285
Contracts in accumulation period:			
DVA 80	107,103	21.68	2,322
DVA 100	1,123,746	21.30	23,932
DVA Series 100	32,428	20.63	669
DVA PLUS - Standard	154,417	20.85	3,219
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	90,379	20.57	1,859
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	637,191	20.29	12,932
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	13,179	19.99	263
			45,525
ALL-GROWTH			
Currently payable annuity products:			
DVA 80	3,037	15.06	46
DVA 100	22,962	14.79	340
Contracts in accumulation period:			
DVA 80	107,041	15.06	1,612
DVA 100	3,135,493	14.79	46,368
DVA Series 100	26,286	14.33	377
DVA PLUS - Standard	213,900	14.48	3,097
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	263,462	14.28	3,763
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,107,672	14.09	15,610
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	40,567	13.88	563
			71,776

&lt;/TABLE&gt;

## NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Unit Total Unit

Series	Units	Value	Value
(in thousands)			
<S>	<C>	<C>	<C>
REAL ESTATE			
Currently payable annuity products:			
DVA 80	5,216	\$26.86	\$140
DVA 100	28,837	26.38	761
Contracts in accumulation period:			
DVA 80	83,412	26.86	2,240
DVA 100	1,493,690	26.38	39,399
DVA Series 100	22,395	25.55	572
DVA PLUS - Standard	173,241	25.82	4,473
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	135,993	25.48	3,465
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	897,320	25.14	22,556
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	45,472	24.76	1,125
			74,731
FULLY MANAGED			
Currently payable annuity products:			
DVA 80	8,128	20.73	168
DVA 100	71,911	20.36	1,464
Contracts in accumulation period:			
DVA 80	122,182	20.73	2,533
DVA 100	4,960,237	20.36	100,987
DVA Series 100	36,340	19.72	717
DVA PLUS - Standard	418,686	19.93	8,345
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	414,805	19.66	8,157
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,766,390	19.40	34,271
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	108,930	19.11	2,082
			158,724

</TABLE>

NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>

<CAPTION>

Series	Units	Unit Value	Total Unit Value
(in thousands)			
<S>	<C>	<C>	<C>
MULTIPLE ALLOCATION			
Currently payable annuity products:			
DVA 80	26,732	\$21.66	\$579
DVA 100	107,200	21.28	2,280



Contracts in accumulation period:			
DVA 80	524,945	21.66	11,371
DVA 100	9,544,200	21.28	203,061
DVA Series 100	86,050	20.61	1,773
DVA PLUS - Standard	328,740	20.83	6,847
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	255,396	20.55	5,248
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,485,966	20.28	30,129
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	35,953	19.97	718
			262,006

CAPITAL APPRECIATION

Currently payable annuity products:			
DVA 80	12,559	22.79	286
DVA 100	56,444	22.53	1,272
Contracts in accumulation period:			
DVA 80	112,987	22.79	2,575
DVA 100	5,668,379	22.53	127,717
DVA Series 100	46,932	22.08	1,036
DVA PLUS - Standard	353,774	22.24	7,868
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	312,229	22.05	6,885
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,772,316	21.87	38,752
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	69,624	21.65	1,507
			187,898

</TABLE>

NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
			(in thousands)
<S>	<C>	<C>	<C>
RISING DIVIDENDS			
Currently payable annuity products:			
DVA 80	8,045	\$20.58	\$166
DVA 100	21,073	20.41	430
Contracts in accumulation period:			
DVA 80	177,812	20.58	3,660
DVA 100	4,864,305	20.41	99,278
DVA Series 100	85,890	20.11	1,727
DVA PLUS - Standard	795,321	20.22	16,079
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	853,473	20.09	17,146

DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	3,706,709	19.96	73,999
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	179,402	19.81	3,553
			216,038

EMERGING MARKETS

Currently payable annuity products:

DVA 80	1,431	8.91	13
DVA 100	19,625	8.84	173

Contracts in accumulation period:

DVA 80	83,108	8.91	741
DVA 100	2,194,303	8.84	19,393
DVA Series 100	34,350	8.71	299
DVA PLUS - Standard	249,197	8.75	2,182
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	222,368	8.70	1,934
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,131,392	8.64	9,780
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	616	8.58	5
			34,520

</TABLE>

NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
			(in thousands)
<S>	<C>	<C>	<C>
MARKET MANAGER			
Contracts in accumulation period:			
DVA 100	342,383	\$19.40	\$6,641
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	7,958	19.04	152
			6,793

VALUE EQUITY

Currently payable annuity products:

DVA 80	469	18.59	9
DVA 100	6,299	18.48	116

Contracts in accumulation period:

DVA 80	57,796	18.59	1,074
DVA 100	1,362,952	18.48	25,185
DVA Series 100	24,986	18.28	457
DVA PLUS - Standard	372,681	18.36	6,843
DVA PLUS - Annual Ratchet & 5.5% Solution,			

ACCESS - Standard, PREMIUM PLUS - Standard, ES II	469,649	18.28	8,586
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,793,172	18.20	32,639
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	118,902	18.09	2,150
			77,059

STRATEGIC EQUITY

Currently payable annuity products:

DVA 100	33,665	14.42	485
---------	--------	-------	-----

Contracts in accumulation period:

DVA 80	102,523	14.49	1,485
--------	---------	-------	-------

DVA 100	977,705	14.42	14,102
---------	---------	-------	--------

DVA Series 100	34,778	14.31	498
----------------	--------	-------	-----

DVA PLUS - Standard	406,747	14.36	5,840
---------------------	---------	-------	-------

DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	554,068	14.31	7,929
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DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,361,070	14.26	19,414
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ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	49,579	14.20	704
---	--------	-------	-----

50,457

</TABLE>

NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>

<CAPTION>

Series	Units	Unit Value	Total Unit Value
(in thousands)			
<S>	<C>	<C>	<C>
SMALL CAP			
Currently payable annuity products:			
DVA 100	11,327	\$12.99	\$147
Contracts in accumulation period:			
DVA 80	42,479	13.04	554
DVA 100	884,375	12.99	11,485
DVA Series 100	38,537	12.90	497
DVA PLUS - Standard	401,090	12.92	5,183
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	559,014	12.88	7,202
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	2,049,765	12.84	26,326
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	106,014	12.81	1,357
			52,751

MANAGED GLOBAL

Currently payable annuity products:

DVA 80	3,304	12.05	40
--------	-------	-------	----

DVA 100	25,036	11.93	299
---------	--------	-------	-----

Contracts in accumulation period:

DVA 80	48,012	12.05	578
--------	--------	-------	-----

DVA 100	5,030,071	11.93	59,991
---------	-----------	-------	--------

DVA Series 100	76,803	11.72	900
----------------	--------	-------	-----

DVA PLUS - Standard	525,356	11.76	6,180
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	443,665	11.67	5,179
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	2,721,529	11.58	31,522
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	3,479	11.47	40
			104,729

</TABLE>

NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
			(in thousands)
<S>	<C>	<C>	<C>
OTC			
Contracts in accumulation period:			
DVA 80	14,078	\$18.91	\$266
DVA 100	239,052	18.79	4,492
DVA Series 100	10,361	18.57	193
DVA PLUS - Standard	85,870	18.64	1,600
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	177,125	18.52	3,280
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	518,640	18.45	9,571
Granite PrimeElite - Standard	202	18.64	4
Granite PrimeElite - Annual Ratchet	4,122	18.52	76
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	48,346	18.36	888
			20,370

GROWTH & INCOME

Contracts in accumulation period:

DVA 80	41,266	15.57	643
DVA 100	559,791	15.51	8,685
DVA Series 100	9,355	15.42	144
DVA PLUS - Standard	325,440	15.45	5,027
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	438,636	15.41	6,758
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	1,288,333	15.36	19,795
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	253,936	15.32	3,891

&lt;/TABLE&gt;

## NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
			(in thousands)
<S>	<C>	<C>	<C>
RESEARCH			
Contracts in accumulation period:			
DVA 80	22,953	\$19.23	\$441
DVA 100	310,066	19.11	5,924
DVA Series 100	10,225	18.89	193
DVA PLUS - Standard	223,067	18.95	4,227
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	268,126	18.87	5,058
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	816,216	18.77	15,317
Granite PrimeElite - Standard	102	18.95	2
Granite PrimeElite - Annual Ratchet	11,534	18.87	218
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	162,677	18.67	3,038
			<hr/> 34,418
TOTAL RETURN			
Contracts in accumulation period:			
DVA 80	4,765	16.42	78
DVA 100	206,943	16.31	3,375
DVA Series 100	4,909	16.12	79
DVA PLUS - Standard	224,763	16.18	3,636
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	286,032	16.10	4,606
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	746,754	16.02	11,962
Granite PrimeElite - Standard	63	16.18	1
Granite PrimeElite - Annual Ratchet	4,893	16.10	79
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	152,264	15.94	2,427
			<hr/> 26,243

&lt;/TABLE&gt;

## NOTE 7 - UNIT VALUES - CONTINUED

&lt;TABLE&gt;

&lt;CAPTION&gt;

Series	Units	Unit Value	Total Unit Value
(in thousands)			
<S>	<C>	<C>	<C>
VALUE + GROWTH			
Contracts in accumulation period:			
DVA 80	41,904	\$13.17	\$552
DVA 100	230,798	13.12	3,028
DVA Series 100	2,137	13.04	28
DVA PLUS - Standard	161,235	13.06	2,106
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	343,006	13.03	4,470
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	763,169	12.99	9,917
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	238,200	12.96	3,087
			23,188
INTERNATIONAL FIXED INCOME			
Contracts in accumulation period:			
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	10,655	11.87	126
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	310	11.81	4
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	6,455	11.75	76
			206
APPRECIATION			
Contracts in accumulation period:			
Granite PrimElite - Annual Ratchet	18,759	14.01	263
			263
SMITH BARNEY HIGH INCOME			
Contracts in accumulation period:			
Granite PrimElite - Standard	73	13.77	1
Granite PrimElite - Annual Ratchet	15,160	13.72	208
			209
SMITH BARNEY INCOME AND GROWTH			
Contracts in accumulation period:			
Granite PrimElite - Annual Ratchet	12,137	17.77	216
			216

&lt;/TABLE&gt;

NOTE 7 - UNIT VALUES - CONTINUED

<TABLE>  
<CAPTION>

Series	Units	Unit Value	Total Unit Value
(in thousands)			
<S>	<C>	<C>	<C>
SMITH BARNEY INTERNATIONAL EQUITY			
Contracts in accumulation period:			
Granite PrimeElite - Standard	130	\$13.65	\$2
Granite PrimeElite - Annual Ratchet	6,948	13.59	94
			96
SMITH BARNEY MONEY MARKET			
Contracts in accumulation period:			
Granite PrimeElite - Annual Ratchet	16,571	10.97	182
			182
INTERNATIONAL EQUITY			
Contracts in accumulation period:			
DVA PLUS - Annual Ratchet & 5.5% Solution, ACCESS - Standard, PREMIUM PLUS - Standard, ES II	90,783	9.90	899
DVA PLUS - 7% Solution, ACCESS - Annual Ratchet & 5.5% Solution, PREMIUM PLUS - Annual Ratchet & 5.5% Solution	36,098	9.95	359
ACCESS - 7% Solution, PREMIUM PLUS - 7% Solution	72,955	9.92	724
			1,982

</TABLE>

NOTE 8 - YEAR 2000 (Unaudited)

Based on a study of its computer software and hardware, Golden American has determined its exposure to the Year 2000 change of the century date issue. Management believes systems are substantially compliant and has engaged external consultants to validate this assumption. The only system known to be affected by this issue is a system maintained by an affiliate who will incur the related costs. To mitigate the effect of the outside influences and other dependencies relative to Year 2000, Golden American will be contacting significant customers, suppliers and other third parties. To the extent these third parties would be unable to transact business in the year 2000 and thereafter, Golden American's operations could be adversely affected.

APPENDIX: DESCRIPTION OF BOND RATINGS

Excerpts from Moody's Investors Service, Inc. ("Moody's) description of its bond ratings:

Aaa: Judged to be the best quality; they carry the smallest degree of investment risk.

Aa: Judged to be of high quality by all standards; together with the Aaa group, they comprise what are generally known as high grade bonds.

A: Possess many favorable investment attributes and are to be considered as "upper medium grade obligations."

Baa: Considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured; interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time.

Ba: Judged to have speculative elements; their future cannot be considered as well assured.

B: Generally lack characteristics of the desirable investment.

Caa: Are of poor standing; such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca: Speculative in a high degree; often in default.

C: Lowest rate class of bonds; regarded as having extremely poor prospects.

Moody's also applies numerical indicators 1, 2 and 3 to rating categories. The modifier 1 indicates that the security is in the higher end of its rating category; 2 indicates a mid-range ranking; and 3 indicates a ranking toward the lower end of the category.

Excerpts from Standard & Poor's Rating Group ("Standard & Poor's") description of its bond ratings:

AAA: Highest grade obligations; capacity to pay interest and repay principal is extremely strong.

#### A-1

AA: Also qualify as high grade obligations; a very strong capacity to pay interest and repay principal and differs from AAA issues only in small degree.

A: Regarded as upper medium grade; they have a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB: Regarded as having an adequate capacity to pay interest and repay principal; whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity than in higher rated categories -- this group is the lowest which qualifies for commercial bank investment.

BB, B,  
CCC,

CC: Predominantly speculative with respect to capacity to pay interest and repay principal in accordance with terms of the obligation: BB indicates the lowest degree of speculation and CC the highest.

Standard & Poor's applies indicators "+," no character, and "-" to its rating categories. The indicators show relative standing within the major rating categories.

#### A-2

### PART C -- OTHER INFORMATION

#### ITEM 24: FINANCIAL STATEMENTS AND EXHIBITS



## FINANCIAL STATEMENTS

- (a) (1) All financial statements are included in either the Prospectuses or the Statements of Additional Information, as indicated therein.  
 (2) Schedules I, III, IV follow:

SCHEDULE I  
 SUMMARY OF INVESTMENTS  
 OTHER THAN INVESTMENTS IN RELATED PARTIES  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

December 31, 1997	Cost 1	Value	Balance Sheet Amount
<S>	<C>	<C>	<C>
TYPE OF INVESTMENT			
Fixed maturities, available for sale:			
Bonds:			
United States government and governmental agencies and authorities	\$68,693	\$68,842	\$68,842
Foreign governments	2,062	2,053	2,053
Public utilities	25,899	25,944	25,944
Investment grade corporate	219,526	220,420	220,420
Below investment grade corporate	41,355	41,331	41,331
Mortgage-backed securities	55,753	55,811	55,811
Total fixed maturities, available for sale	413,288	414,401	414,401
Equity securities:			
Common stocks: industrial, miscellaneous and all other	4,437	3,904	3,904
Mortgage loans on real estate	85,093		85,093
Policy loans	8,832		8,832
Short-term investments	14,460		14,460
Total investments	\$526,110		\$526,690

<FN>  
 Note 1: Cost is defined as original cost for stocks and other invested assets, amortized cost for bonds and unpaid principal for policy loans and mortgage loans on real estate, adjusted for amortization of premiums and accrual of discounts.

</TABLE>

SCHEDULE III  
 SUPPLEMENTARY INSURANCE INFORMATION  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

Column A	Column B	Column C	Column D	Column E	Column F
Segment	De- ferred Policy Acqui- sition Costs	Future Policy Benefits, Losses, Claims and Loss Expenses	Un- earned Revenue Reserve	Other Policy Claims and Bene- fits Payable	Insur- ance Premiums and Charges

POST-MERGER

<S>	<C>	<C>	<C>	<C>	<C>
Period October 25, 1997 through December 31, 1997:					
Life insurance	\$12,752	\$505,304	\$1,189	\$10	\$3,834

POST-ACQUISITION

Period January 1, 1997 through October 24, 1997:					
Life insurance	N/A	N/A	N/A	N/A	18,288
Period August 14, 1996 through December 31, 1996:					
Life insurance	11,468	285,287	2,063	--	8,768

PRE-ACQUISITION

Period January 1, 1996 through August 13, 1996:					
Life insurance	N/A	N/A	N/A	N/A	12,259
Year ended December 31, 1995:					
Life insurance	67,314	33,673	6,556	--	18,388

</TABLE>

SCHEDULE III  
 SUPPLEMENTARY INSURANCE INFORMATION - CONTINUED  
 (Dollars in thousands)

<TABLE>  
 <CAPTION>

Column A	Column G	Column H	Column I	Column J	Column K
-------------	-------------	-------------	-------------	-------------	-------------

Segment	Net Invest- ment Income	Benefits Claims, Losses and Settle- ment Expenses	Amorti- zation of Deferred Policy Acqui- sition Costs	Other Operat- ing Expenses	Premiums Written
---------	----------------------------------	---	--	-------------------------------------	---------------------

POST-MERGER

<S> <C> <C> <C> <C> <C>  
 Period October 25, 1997  
 through December 31, 1997:

Life insurance	\$5,127	\$7,413	\$892	\$1,137	--
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POST-ACQUISITION

Period January 1, 1997  
 through October 24, 1997:

Life insurance	21,656	19,401	1,674	20,234	--
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Period August 14, 1996  
 through December 31, 1996:

Life insurance	5,795	7,003	244	8,066	--
----------------	-------	-------	-----	-------	----

PRE-ACQUISITION

Period January 1, 1996  
 through August 13, 1996:

Life insurance	4,990	5,270	2,436	8,847	--
----------------	-------	-------	-------	-------	----

Year ended December 31, 1995:

Life insurance	2,818	3,146	2,710	13,333	--
----------------	-------	-------	-------	--------	----

</TABLE>

SCHEDULE IV  
 REINSURANCE

<TABLE>  
 <CAPTION>

Column A	Column B	Column C	Column D	Column E	Column F
	Gross Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net

<S> <C> <C> <C> <C> <C>  
 At December 31, 1997:  
 Life insurance in  
 force \$149,842,000 \$96,686,000 -- \$53,156,000 --

At December 31, 1996:

Life insurance in

force	\$86,192,000	\$58,368,000	--	\$27,824,000	--
-------	--------------	--------------	----	--------------	----

At December 31, 1995:

Life insurance in

force	\$38,383,000	\$24,709,000	--	\$13,674,000	--
-------	--------------	--------------	----	--------------	----

</TABLE>

#### EXHIBITS

- (b) (1) Resolution of the board of directors of Depositor authorizing the establishment of the Registrant (1)
- (2) N/A
- (3) (a) Form of Distribution Agreement between the Depositor and Directed Services, Inc. (1)  
(b) Form of Dealers Agreement (1)  
(c) Organizational Agreement (1)  
(d) (i) Addendum to Organizational Agreement (1)  
(ii) Expense Reimbursement Agreement (1)  
(e) Form of Assignment Agreement for Organizational Agreement (1)
- (4) (a) Individual Deferred Combination Variable and Fixed Annuity Contract (2)  
(b) Group Deferred Combination Variable and Fixed Annuity Contract (2)  
(c) Individual Deferred Variable Annuity Contract (2)  
(d) Individual Retirement Annuity Rider Page (1)  
(e) ROTH Individual Retirement Annuity Rider (2)
- (5) (a) Individual Deferred Combination Variable and Fixed Annuity Application (3)  
(b) Group Deferred Combination Variable and Fixed Annuity Enrollment Form (3)  
(c) Individual Deferred Variable Annuity Application (3)
- (6) (a) (i) Articles of Incorporation of Golden American Life Insurance Company (1)  
(ii) Certificate of Amendment of the Restated Articles of Incorporation of Golden American Life Insurance Company (1)  
(iii) Certificate of Amendment of the Restated Articles of Incorporation of MB Variable Life Insurance Company (1)  
(iv) Certificate of Amendment of the Restated Articles of Incorporation of Golden American Life Insurance Company (12/28/93) (1)  
(b) (i) By-Laws of Golden American Life Insurance Company (1)  
(ii) By-Laws of Golden American Life Insurance Company, as amended (1)  
(iii) Certificate of Amendment of the By-Laws of MB Variable Life Insurance Company, as amended (1)  
(iv) By-Laws of Golden American Life Insurance Company, as amended (12/21/93) (1)
- (7) Not applicable
- (8) (a) Participation Agreement between Golden American Life Insurance Company and Warburg Pincus Trust (3)
- (8) (b) Participation Agreement between Golden American Life Insurance

- Company and PIMCO  
Variable Insurance Trust (3)
- (8) (c) Administrative Services Agreement between Golden American Life Insurance Company and Equitable Life Insurance Company of Iowa (3)
- (8) (d) Service Agreement between Golden American Life Company and Directed Services, Inc. (3)
- (8) (e) Service Agreement between Golden American Life Insurance Company and EISI (3)
- (9) Opinion and Consent of Myles R. Tashman (1)
- (10) (a) Consent of Sutherland Asbill & Brennan LLP  
(b) Consent of Ernst & Young LLP, Independent Auditors  
(c) Consent of Myles R. Tashman
- (11) Not applicable
- (12) Not applicable
- (13) Schedule of Performance Data (1)
- (14) Not applicable
- (15) Powers of Attorney
- (16) Affiliates of ING
- (1) Incorporated herein by reference to Pre-Effective Amendment No. 1 to a Registration Statement on Form N-4 for Separate Account B filed with the Securities and Exchange Commission on September 24, 1997 (File No. 333-28755).
- (2) Incorporated herein by reference to Post-Effective Amendment No. 1 to a Registration Statement on Form N-4 for Separate Account B filed with the Securities and Exchange Commission on February 12, 1998 (File No. 333-28755).
- (3) Incorporated herein by reference to Post-Effective Amendment No. 2 to a Registration Statement on Form N-4 for Separate Account B filed with the Securities and Exchange Commission on April 30, 1998 (File No. 333-28755).

ITEM 25: DIRECTORS AND OFFICERS OF THE DEPOSITOR

Name	Principal Business Address	Position(s) with Depositor
Barnett Chernow	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	President and Director
Paul E. Larson	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Director
Frederick S. Hubbell	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Director
Beth B. Nepl	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Director and Vice President
Myles R. Tashman	Golden American Life Ins. Co. 1001 Jefferson Street	Director, Executive Vice President, General

	Wilmington, DE 19801	Counsel and Secretary
Keith Glover	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	Executive Vice President
James R. McInnis	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	Executive Vice President
Stephen J. Preston	Golden American Life Ins. Co. 1001 Jefferson Street, Wilmington, DE 19801	Executive Vice President and Chief Actuary
Steven G. Mandel	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	Senior Vice President
Ronald R. Blasdell	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	Senior Vice President
E. Robert Koster	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	Senior Vice President and Chief Financial Officer
David L. Jacobson	Golden American Life Ins. Co. 1001 Jefferson Street Wilmington, DE 19801	Senior Vice President and Assistant Secretary
William L. Lowe	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Senior Vice President, Sales & Marketing
Edward Syring, Jr.	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Senior Vice President, Sales & Marketing
Dennis D. Hargens	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Treasurer
Lawrence W. Porter, M.D.	Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Medical Director

ITEM 26: PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH THE DEPOSITOR OR REGISTRANT

The Depositor owns 100% of the stock of a New York company, First Golden American Life Insurance Company of New York ("First Golden"). The primary purpose for the formation of First Golden is to offer variable products in the state of New York.

The following persons control or are under common control with the Depositor:

DIRECTED SERVICES, INC. ("DSI") - This corporation is a general business corporation organized under the laws of the State of New York, and is wholly owned by ING Groep N.V. The primary purpose of DSI is to act as a broker-dealer in securities. It acts as the principal underwriter and distributor of variable insurance products including variable annuities as required by the SEC. The contracts are issued by the Depositor. DSI also has the power to carry on a general financial, securities, distribution, advisory or investment advisory business; to act as a general agent or broker for insurance companies and to render advisory, managerial, research and consulting services for maintaining and improving managerial efficiency and operation. DSI is also registered with the SEC as an investment adviser.

The registrant is a segregated asset account of the Company and is therefore owned and controlled by the Company. All of the Company's outstanding stock is owned and controlled by ING. Various companies and other entities controlled by ING may therefore be considered to be under common control with the registrant or the Company. Such other companies and entities, together with the identity of their controlling persons (where applicable), are set forth on the following organizational chart.

The subsidiaries of ING are included as Exhibit 16.

ITEM 27: NUMBER OF CONTRACT OWNERS

50,901 contract owners as of October 31, 1998.

ITEM 28: INDEMNIFICATION

Golden American shall indemnify (including therein the prepayment of expenses) any person who is or was a director, officer or employee, or who is or was serving at the request of Golden American as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise for expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him with respect to any threatened, pending or completed action, suit or proceedings against him by reason of the fact that he is or was such a director, officer or employee to the extent and in the manner permitted by law.

Golden American may also, to the extent permitted by law, indemnify any other person who is or was serving Golden American in any capacity. The Board of Directors shall have the power and authority to determine who may be indemnified under this paragraph and to what extent (not to exceed the extent provided in the above paragraph) any such person may be indemnified.

Golden American or its parents may purchase and maintain insurance on behalf of any such person or persons to be indemnified under the provision in the above paragraphs, against any such liability to the extent permitted by law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant, as provided above or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification by the Depositor is against public policy, as expressed in the Securities Act of 1933, and therefore may be unenforceable. In the event that a claim of such indemnification (except insofar as it provides for the payment by the Depositor of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted against the Depositor by such director, officer or controlling person and the SEC is still of the same opinion, the Depositor or Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by the Depositor is against public policy as expressed by the Securities Act of 1933 and will be governed by the final adjudication of such issue.

ITEM 29: PRINCIPAL UNDERWRITER

(a) At present, Directed Services, Inc., the Registrant's Distributor, also serves as principal underwriter for all contracts issued by Golden American. DSI is the principal underwriter for Separate Account A, Separate Account B and Alger Separate Account A of Golden American.

(b) The following information is furnished with respect to the principal officers and directors of Directed Services, Inc., the Registrant's

Distributor:

Name and Principal Business Address -----	Positions and Offices with Underwriter -----	Positions and Offices with Depositor -----
Beth B. Neppel Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Director	Director and Vice President
R. Lawrence Roth VESTAX Capital Corporation 1931 Georgetown Road Hudson, OH 44236	Director	None
Myles R. Tashman Directed Services, Inc. 1001 Jefferson Street Wilmington, DE 19801	Director, Executive Vice President, General Counsel and Secretary	Director, Executive Vice President, General Counsel and Secretary
James R. McInnis Directed Services, Inc. 1001 Jefferson Street Wilmington, DE 19801	President	Executive Vice President
Barnett Chernow Directed Services, Inc. 1001 Jefferson Street Wilmington, DE 19801	Executive Vice President	Director and President
Stephen J. Preston Directed Services, Inc. 1001 Jefferson Street Wilmington, DE 19801	Executive Vice President	Executive Vice President and Chief Actuary
David L. Jacobson Directed Services, Inc. 1001 Jefferson Street Wilmington, DE 19801	Senior Vice President	Senior Vice President
Jodie R. Schult Equitable of Iowa Companies 909 Locust Street Des Moines, IA 50309	Treasurer	None

(c)

Name of Principal Underwriter -----	1997 Net Underwriting Discounts and Commissions -----	Compensation on Redemption -----	Brokerage Commissions -----	Compensation -----
DSI	\$35,944,000	\$0	\$0	\$0

ITEM 30: LOCATION OF ACCOUNTS AND RECORDS

Accounts and records are maintained by Golden American Life Insurance Company at 1001 Jefferson Street, Suite 400, Wilmington, DE 19801 and by Equitable Life Insurance Company of Iowa, an affiliate, at 909 Locust Street, Des Moines, IA 50309.

ITEM 31: MANAGEMENT SERVICES

None.



ITEM 32: UNDERTAKINGS

(a) Registrant hereby undertakes to file a post-effective amendment to this registration statement as frequently as it is necessary to ensure that the audited financial statements in the registration statement are never more than 16 months old so long as payments under the variable annuity contracts may be accepted.

(b) Registrant hereby undertakes to include either (1) as part of any application to purchase a contract offered by the prospectus, a space that an applicant can check to request a Statement of Additional Information, or (2) a post card or similar written communication affixed to or included in the prospectus that the applicant can remove to send for a Statement of Additional Information; and,

(c) Registrant hereby undertakes to deliver any Statement of Additional Information and any financial statements required to be made available under this Form promptly upon written or oral request.

REPRESENTATIONS

1. The account meets definition of a "separate account" under federal securities laws.
2. Golden American Life Insurance Company hereby represents that the fees and charges deducted under the Contract described in the Prospectus, in the aggregate, are reasonable in relation to the services rendered, the expenses to be incurred and the risks assumed by the Company.

SIGNATURES

As required by the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets the requirements of Securities Act Rule 485(b) for effectiveness of this Registration Statement and has caused this Registration Statement to be signed on its behalf in the City of Wilmington, and State of Delaware, on the 30th day of November, 1998.

SEPARATE ACCOUNT B  
(Registrant)

By: GOLDEN AMERICAN LIFE  
INSURANCE COMPANY  
(Depositor)

By: \_\_\_\_\_  
Barnett Chernow\*  
President

Attest: /s/ Marilyn Talman  
-----  
Marilyn Talman  
Vice President, Associate General Counsel  
and Assistant Secretary of Depositor

As required by the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on November 30, 1998.

Signature	Title
----- Barnett Chernow*	President and Director of Depositor

Senior Vice President,  
Chief Financial Officer

-----  
E. Robert Koster\*

DIRECTORS OF DEPOSITOR

-----  
Frederick S. Hubbell\*

-----  
Paul E. Larson\*

-----  
Myles R. Tashman\*

-----  
Beth B. Nepl\*

By: /s/ Marilyn Talman      Attorney-in-Fact  
-----  
Marilyn Talman

\*Executed by Marilyn Talman on behalf of those indicated pursuant  
to Power of Attorney.

10 (a)	Consent of Sutherland Asbill & Brennan LLP	EX-99.B10A
10 (b)	Consent of Ernst & Young LLP, Independent Auditors	EX-99.B10B
10 (c)	Consent of Myles R. Tashman, Esq.	EX-99.B10C
15	Powers of Attorney	EX-99.B15
16	Subsidiaries of ING Groep, N.V.	EX-99.B16

SUTHERLAND ASBILL & BRENNAN LLP  
1275 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20004-2404

November 25, 1998

VIA EDGAR  
-----

Board of Directors  
Golden American Life Insurance Company  
1001 Jefferson Street, Suite 400  
Wilmington, DE 19801

Ladies and Gentlemen:

We hereby consent to the reference to our name under the caption "Legal Matters" in the Prospectus filed as part of Post-Effective Amendment No. 3 to the registration statement on Form N-4 for the Separate Account B (File No. 333-28755). In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

Very truly yours,

SUTHERLAND ASBILL & BRENNAN LLP

By: /s/Stephen R. Roth  
-----  
Stephen R. Roth

## Exhibit 10(b) - Consent of Ernst &amp; Young LLP, Independent Auditors

We consent to the reference to our firm under the captions "Independent Auditors", "Experts" and "Financial Statements" and to the use of our reports dated February 12, 1998, with respect to the financial statements of Golden American Life Insurance Company, and February 12, 1998, with respect to the financial statements of Separate Account B, included in Post-Effective Amendment No. 3 to the Registration Statement (Form N-4 No. 333-28755) and related Prospectus of Separate Account B.

Our audit also included the financial statement schedules of Golden American Life Insurance Company included in Item 24(a)(2). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/

Des Moines, Iowa  
November 23, 1998

GOLDEN AMERICAN LIFE INSURANCE COMPANY  
1001 Jefferson Street, Suite 400, Wilmington, DE 19801

November 30, 1998

Board of Directors  
Golden American Life Insurance Company  
1001 Jefferson Street, Suite 400  
Wilmington, DE 19801

Ladies and Gentlemen:

I consent to the reference to my name under the heading "Legal Matters" in the prospectus. In giving this consent I do not thereby admit that I come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the Rules and Regulations of the Securities and Exchange Commission thereunder.

Sincerely,

/s/ Myles R. Tashman  
Myles R. Tashman  
Executive Vice President, General Counsel  
and Secretary

## GOLDEN AMERICAN LIFE INSURANCE COMPANY

1001 Jefferson Street, Suite 400, Wilmington, DE 19801

Phone: (302) 576-3400

Fax: (302) 576-3520

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned, being duly elected Directors and officers of Golden American Life Insurance Company ("Golden American"), constitute and appoint Myles R. Tashman, and Marilyn Talman, and each of them, his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her in his or her name, place and stead, in any and all capacities, to sign Golden American's registration statements and applications for exemptive relief, and any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as s/he might or could do in person, hereby ratifying and affirming all that said attorneys-in-fact and agents, or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

SIGNATURE -----	TITLE -----	DATE -----
/s/ Frederick S. Hubbell ----- Frederick S. Hubbell	Director and Chairman	April 27, 1998 -----
/s/ Barnett Chernow ----- Barnett Chernow	Director and President	April 27, 1998 -----
/s/ Myles R. Tashman ----- Myles R. Tashman	Director, Executive Vice President, General Counsel and Secretary	April 27, 1998 -----
/s/ Beth B. Neppel -----	Director and Vice President	August 26, 1996 -----
/s/ E. Robert Koster ----- E. Robert Koster	Senior Vice President and Chief Financial Officer	November 20, 1998 -----

/s/ Paul E. Larson

Director

April 27, 1998

-----  
Paul E. Larson

ING Groep N.V.  
ING Bank N.V.  
Alegron Belegging B.V.  
ING Bank Ukraine  
ING Baring Securities (Romania) S.A.  
Amsterdam Exchanges N.V.  
Argencontrol  
Artolis B.V.  
Assurantiebedrijf ING Bank N.V.  
Assurantiekantoor Honig & Hageman BV  
Noordster V.O.F.  
Volmachtbedrijf ING Bank B.V.  
Atlas Investeringsgroep N.V.  
Atlas Investors Partnership III C.V.  
B.V. Gemeenschappelijk Bezit Aandelen Necigef  
Bank Brussels Lambert S.A.  
ING Bank (Belgium) N.V./S.A.  
Bancard Company S.A.  
Cooperation Liquidation Terme Bourse S.C.  
Europay Belgium S.C.  
Institut De Reescompte S.C.  
Societe Belge D' Investissement International S.C.  
Society for Worldwide Interbank Financial Telecommunication S.C.  
Visa Belgium SC  
Bank Mendes Gans NV  
B.V. Deelnemings En Financieringsmaatschappij "Nova Zembla"  
B.V. Trust En Administratiekantoor Van Bank Mendes Gans N.V.  
Bank Mendes Gans Effectenbewaarbedrijf N.V.  
Brenko B.V.  
Cabel B.V.  
Handamar N.V.  
Handamar Corporation  
Intervest B.V.  
Intervest PPM B.V.  
Bank Slaski S.A. W Katowicach  
\*Rodkowoeropejskie Centrum Ratingu I Analiz S.A.  
Bankowe Przewodniactwo Telekom. Telebank S.A.  
BSK Konsulting SP Z.O.O.  
BSK Leasing S.A.  
Centralna Tabela Ofert S.A.  
Dom Maklerski BSK S.A.  
Gie\*Da Papierow Warto\*Clowych S.A.  
ING BSK Asset Management S.A.  
Krajowa Izba Rozliczeniowa S.A.  
Biuro Informacji Kredytowej S.A.  
Mi\*Dzvnarodowa Szko\*A Bankowo\*Ci I Finansow SP Z.O.O.  
Society for Worldwide Interbank Financial Telecommunication S.C.  
Banque Baring Brothers (Suisse) S.A.  
Benelux Investment Fund B.V.



Berliner Handels - Und Frankfurter Bank A.G.  
Buenos Aires Equity Investments N.V.  
Emprendimiento Recoleta S.A. (ERSA)  
BPEP Holdings Limited  
Baring Asia (GP) Limited  
Baring European Fund Managers Limited  
Baring Latin America GP Limited  
Baring Latin America Partners Limited  
Baring Private Equity Partners (Asia) PTE. Limited  
Baring Private Equity Partners (China) Limited  
ING Barings Private Equity (China) Limited  
ING BPE (China) Advisers Limited  
Baring Private Equity Partners (India) Limited  
Baring Private Equity Partners GMBH  
Baring Private Equity Partners Limited  
Baring Venture Partners GMBH  
Baring Venture Partners S.A  
BHB Management Limited  
BPEP General Partner I Limited  
BPEP General Partner II Limited  
BPEP Management (UK) Limited  
BPEP Nominees Limited  
Quartz Capital Partners Limited  
Transtech Limited  
BCEE Advisers Limited  
BCEF Advisers Limited  
BHR Management Limited  
BI Advisers Limited  
Blac Holdings Inc.  
Blac Corp. Incorporated  
BPEP Management Limited  
Baring Mexico (GP) Limited  
Baring Private Equity Partners Espana S.A.  
Baring Private Equity Partners Mexico S.C.  
BVP Mexico S.A.  
Cavendish Nominees Limited  
BPEP Participations Limited  
Baring Vostok Capital Partners Limited  
Baring Vostok Fund Managers Limited  
ESD Managers Limited  
Easdaq S.A.  
International Private Equity Services Limited  
Polytechnos Venture Partners GMBH  
BVP Holdings Limited  
Baring Capricorn Ventures Limited  
Baring Communications Equity Limited  
BCEA Advisers Limited  
BCEA Management PTE. Limited  
Capricorn Venture Fund N.V.  
Procuritas Partners KB  
PAB Partner AB

BVP Management Limited  
Capricorn Venture Partners N.V.  
Czech Venture Partners S.R.O.  
CI European Limited  
SCGF Advisers Limited  
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis B'  
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis'  
Amsterdamse Poort III B.V.  
Bijlmerplein Leasing BV  
Foppingadreef Leasing B.V.  
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis A'  
BV Maatschappij Van Onroerende Goederen 'Het Middenstandshuis C'  
Grondpoort III B.V.  
C.V. Exploitatiemaatschappij Tunnel Onder De Noord  
Cardona B.V.  
Cedel International S.A.  
Centrum Cocarde B.V.  
Cene Bankiers N.V.  
Administratie & Trustkantoor Beleggingsfonds Protestants Nederland BV  
Amsterdam Exchanges N.V.  
Arma Beheer B.V.  
Beheer Administratie en Beleggingsmaatschappij Kant B.V.  
Bewaarbedrijf Cene Bankiers B.V.  
BV Algemene Beleggingsmaatschappij Cene Bankiers N.V.  
Beheermaatschappij Jansen Groenekan B.V.  
Copar B.V.  
Fidele Management B.V.  
Flexibel Beheer Utrecht B.V.  
Hercules Beheer B.V.  
Langosta B.V.  
Mercurius Beheer B.V.  
Nivo Investments B.V.  
Remazon B.V.  
Cene Bankiers Holdings N.V.  
Cene Asset Management N.V.  
Cene Management N.V.  
Tawny Owl Investment Company N.V.  
Cene Verzekeringen B.V.  
N.V. Instituut Voor Ziekenhuisfinanciering  
Utrechtse Participatiemaatschappij B.V.  
Cofiton B.V.  
Sterling Developments B.V.  
Brooks Equities Inc.  
Location 3 Ltd.  
SDC Properties Inc.  
Tripolis Vastgoed B.V.  
Tripolis A C.V.  
Tripolis B C.V.  
Tripolis C C.V.  
Combdring B.V.  
Compensadora Electronica S.A.

Computer Centrum Twente B.V.  
Corporacion Financiera ING (Colombia) S.A.  
Credit Commercial De France S.A.  
Depositary Company ING Bank B.V.  
Destara B.V.  
    ING Bank Ukraine  
    ING Baring Securities (Romania) S.A.  
Effectenbeursvennootschap Van Brussel C.V.  
Effectenbewaarbedrijf ING Bank N.V.  
Euroclear Clearance System Public Limited Company  
European Investment Fund (Center 757)  
European Investment Fund (Center 920)  
Extra Clearing B.V.  
    Amsterdam Exchanges N.V.  
    Extra Clearing GMBH  
    YVOF Floorbrokers B.V.  
Easdaq S.A.  
Financial Advisory & Consultancy Services B.V.  
    Owen Stanley Financial S.A.  
Financial Facilities Management B.V.  
Finemij B.V.  
Gabela Belegging B.V.  
Hamgia Beheer B.V.  
    ING Bank Ukraine  
    ING Baring Securities (Romania)S.A.  
Ingvest III B.V.  
Institucion Financiera Externa Middenbank Curacao N.V. (Uruguay)  
Interbank On-Line System Limited  
International Bankers S.A.  
Interpay Nederland B.V.  
Interunion Bank (Antilles) N.V.  
Interadvies N.V.  
    Administratiekantoor De Leuve BV  
    Crediet Service Bank B.V.  
    Incassobureau Fiditon BV  
    NV Nationale Volksbank  
    Arenda B.V.  
    Sparfondsen Beheer B.V.  
    Sparfondsen Bewaar B.V.  
    Welvaert Financieringen NV  
    Welstand B.V.  
ING (U.S.) Financial Holdings Corporation  
ING (U.S.) Capital Financial Holdings Corporation  
    ING (U.S.) Capital Corporation  
    ING (U.S.) Capital Investors Holdings, Inc.  
    ING (U.S.) Capital Advisors, Inc.  
    ING (U.S.) Emerging Markets Investors Inc.  
    ING Equity Partners L.P.  
    ING (U.S.) Capital Securities, Inc.  
ING (U.S.) Financial Services Corporation  
    ING Baring Grupo Financiero (Mexico) S.A. De C.V.

ING Baring (U.S.) Financial Holdings Corp.  
ING (U.S.) Securities, Futures & Options, Inc.  
ING Baring (U.S.) Capital Corp.  
Brecco, Inc.  
ING (U.S.) Real Estate Investors, Inc.  
ING Baring (U.S.) Capital Markets, Inc.  
ING Baring (U.S.) Securities, Inc.  
ING Merger Inc.  
Furman Selz (Ireland) LLC  
Furman Selz Financial Services Unlimited  
Furman Selz Advisors LLC  
Furman Selz Capital LLC  
Furman Selz Capital Management LLC  
Furman Selz Investments LLC  
Furman Selz SBIC Invest LLC  
Furman Selz LLC  
Furman Selz Financial Services LLC  
Furman Selz Merchant Capital LLC  
Furman Selz Resources LLC  
FSIC LLC  
Total Resources LLC  
Furman Selz Proprietary, Inc.  
Furman Selz (Ireland) LLC  
Furman Selz Financial Services Unlimited  
Furman Selz Advisors LLC  
Furman Selz Capital LLC  
Furman Selz Capital Management LLC  
Furman Selz Financial Services LLC  
Furman Selz Financial Services Unlimited  
Furman Selz Investments LLC  
Furman Selz SBIC Invest LLC  
Furman Selz LLC  
Furman Selz Financial Services LLC  
Furman Selz Merchant Capital LLC  
Furman Selz Resources LLC  
FSIC LLC  
Total Resources LLC  
Furman Selz Merchant Capital LLC  
Furman Selz Residential Funding LLC  
Furman Selz Resources LLC  
Furman Selz SBIC Invest LLC  
FSIC LLC  
Mutual Fund Funding 1994-1  
Pacifica Funds Distributor, Inc.  
Total Resources LLC  
Furman Selz Residential Funding LLC  
FS Trust Company  
ING (U.S.) Funding Corporation  
ING Bank (Chile) S.A.  
Edibank S.A.  
Sociedad Interbancaria De Depositos De Valores S.A.

ING Bank (Eurasia)  
ING Bank (Hungary) Rt.  
Giro Elszamolasforgalmi Rt.  
ING Duna Ingatlanhasznositc KFT  
ING Bank (Luxembourg) S.A.  
CMF Advisory S.A.H.  
Euromix Advisory S.A.H.  
ING Bank Luxfund Management S.A.  
ING International Advisory S.A.H.  
ING International II Advisory S.A.H.  
ING Bank (Schweiz) A.G.  
Kredietbank S.A. Luxembourggeoise  
ING Bank (Uruguay) S.A.  
Bolsa Electronica De Valores Del Uruguay S.A.  
Compania Uruguaya De Medios De Procesamiento S.A.  
Red. De Intercomunicacion De Alta Seguridad S.R.L.  
ING Bank of Canada  
ING Bank Corporate Investments B.V.  
Entero B.V.  
Eruca Belegging B.V.  
ING Bank Mezzaninefonds B.V.  
ING Bank Participatie PPM B.V.  
MKB Beleggingen B.V.  
MKB Vliehors II B.V.  
Wijkertunnel Beheer II B.V.  
Wijkertunnel Beheer II Management B.V.  
MKB Vliehors III B.V.  
Small Business Publishing B.V.  
N&M Holding N.V.  
ING Bank Dutch Fund N.V.  
ING Bank Fondsen Beheer B.V.  
ING Bank Geldmarkt Fonds N.V.  
ING Bank Global Custody UK Nominees Limited  
ING Bank Global Fund N.V.  
ING Bank Guldem Fonds N.V.  
ING Bank I.T. Fund N.V.  
ING Bank Luxfund Management S.A.  
ING Bank Middutch Fund N.V.  
ING Bank Obligatie Fonds N.V.  
ING Bank Rentegroei Fonds N.V.  
ING Bank Spaardividend Fonds N.V.  
ING Bank Vastgoed Fonds B.V.  
ING Bank Verre Oosten Fonds N.V.  
ING Baring Capital Markets (C.R.), A.S.  
ING Baring Financial Products  
ING Baring Holding Nederland B.V.  
Atlas Capital (Thailand) Limited ("Atlas")  
ING Baring Securities (Thailand) Limited  
ING Baring Holdings Limited  
Baring Asset Management Holdings Ltd.  
Baring Asset Management Ltd.

Baring International Investment Limited  
Baring International Investment Management Holdings Ltd.  
Baring Asset Management Inc.  
Baring International Investment (Canada) Limited  
Baring International Investment Management Limited  
Baring Asset Management Holdings Inc.  
Baring Asset Management UK Holdings Limited  
Baring Asset Management (Asia) Holdings Limited  
Austin Assets Limited  
Baring Asset Management (Asia) Limited  
Baring Asset Management (Australia) Limited  
Baring Asset Management (Japan) Limited  
Baring International Fund Managers (Bermuda) Limited  
Baring International Fund Managers Limited  
Baring International Investment (Far East) Limited  
Baring Pacific Investments Limited  
Baring Asset Management (C.I.) Limited  
Baring International Fund Managers (Ireland) Ltd.  
Baring Investment Services Inc.  
Baring Mutual Fund Management S.A.  
European and Asian Fund Management S.A.  
Baring Investment Management Ltd.  
Baring Quantative Management Ltd.  
Baring Global Fund Managers Limited  
Baring Private Asset Management Ltd.  
Baring Fund Managers Limited  
Baring Managed Funds Services Ltd.  
Baring Private Investment Management Ltd.  
Baring Trust Company Ltd.  
Baring Trustees (Guernsey) Limited  
Arnold Limited  
International Metal Trading Limited  
Barings (Isle of Man) Limited  
Control Management Limited  
Doyle Administration Limited  
International Metal Trading Limited  
ING Trust (Jersey) Ltd  
Saline Nominees Limited  
Truchot Limited  
Vivian Limited  
Barings (Guernsey) Limited  
Barfield Nominees Limited  
Barings Ireland Limited  
Guernsey International Fund Managers Limited  
Arnold Limited  
International Metal Trading Limited  
Control Management Limited  
Doyle Administration Limited  
International Metal Trading Limited  
International Fund Managers (Ireland) Ltd.  
International Securitisation Managers (Ireland) Ltd

Saline Nominees Limited  
Truchot Limited  
Vivian Limited  
International Fund Managers UK Ltd.  
Ravensbourne Registration Services Ltd.  
Barings Investment Services Limited  
Baring Brothers Holdings Limited  
Baring (U.S.) Holdings Limited  
Abbotstone Investment Company Limited  
Baring Brothers Limited  
Baring Brothers (Finance) Limited  
Baring Brothers Argentina S.A.  
Baring Brothers International Limited  
Barings C.F. Holdings Limited  
B.B.A.H. Pty Limited  
Baring Brothers Burrows & Co. Limited  
Baring Brothers Burrows Securities Limited  
SAIPH Pty Limited  
BBHP Pty Limited  
Baring Brothers (Deutschland) GMBH  
Baring Brothers International GMBH  
Baring Brothers (Espana) S.A.  
Barings Brothers (Italia) SRL  
Baring Properties (London Wall) Limited  
Baring Properties Limited  
Outwich Finance Limited  
Outwich Limited  
Baring Warrants PLC  
Barings France S.A.  
Barings Nominees Limited  
Bishopscourt Holdings Limited  
Bishopscourt Leasing (Holdings) Limited  
Bishopscourt Asset Leasing Limited  
Bishopscourt Equipment Leasing Limited  
Bishopscourt Industrial Finance Limited  
Bishopscourt Limited  
Bishopscourt Securities Limited  
BVC Nominees Limited  
Cotton Nominees Limited  
ING Baring International Advisers Limited  
ING Baring Services (Eastern Europe) Limited  
ING Baring Services Limited  
The Mortgage Acceptance Corporation (Holdings) Limited  
The Mortgage Acceptance Corporation Limited  
Yealme Securities Limited  
ING Baring Financial Products  
ING Baring Securities Holdings Limited  
ING Baring Securities Limited  
ING Baring Securities (Andean Pact) Ltda  
ING Barings Peru S.A.  
ING Baring Securities Services Limited

Baring Securities (Property Services) Ltd  
BS Property Services (Japan) Limited  
ING Baring Data Limited  
INGB Dormant Holding Company Limited  
Baring Securities (London) Limited  
Baring Securities (OTC Options) Limited  
ING Baring Management Services PTE Ltd  
ING Baring Research Limited  
ING Baring Securities (Overseas) Ltd.  
ING Baring Securities Management Services (Hong Kong) Ltd  
Makettravel Limited  
INGB Securities (International) Holdings Limited  
Baring Securities (Financial Services) Limited  
Barsec (International) Limited  
Baring Nominees (Australia) Pty Ltd  
Baring Research S.A. De C.V.  
Baring Securities (Australia) Limited  
Baring Securities (France) S.A.  
Baring Securities Pakistan (Private) Limited  
Barings Mauritius Limited  
ING Barings India Private Limited  
ING Baring Securities (India) Pvt. Ltd.  
Celtec Holdings S.A.  
ING Baring Corretora De Valores Mobiliarios S.A.  
Corinvest Limited  
Epcorp Limited  
Galax Limited  
Dropny B.V.  
ING Baring Chile Limitada  
ING Baring International PTE Ltd  
ING Baring Operational Services (Taiwan) Limited  
ING Baring Securities (Andean Pact) Ltda  
ING Baring Securities (Hong Kong) Ltd  
ING Baring Far East Nominees Limited  
ING Baring Securities (Philippines) Inc.  
ING Baring Securities (Singapore) PTE Ltd  
ING Baring Nominees (Singapore) PTE Ltd  
ING Baring Research (Malaysia) SDN. Bhd.  
ING Baring Securities (Taiwan) Limited (SICE)  
ING Baring Securities, Argentina S.A.  
ING Baring South Africa Limited  
ING Barings Southern Africa (Proprietary) Ltd  
Anodyne Nominees (Proprietary) Limited  
ING Barings Peru S.A.  
ING Futures & Options (Hong Kong) Limited  
ING UK Capital Limited  
Lokmaipattana Co. Limited  
PT ING Baring Securities Indonesia  
INGB Securities Client Services Limited  
Aliwall Limited  
Barings Securities Nominees Limited



Brunera Limited  
Cereus Limited  
Dianthus Limited  
Eranthis Limited  
Francoa Limited  
Grassmere Limited  
Leacroft Limited  
Mountbatten Limited  
ING Baring Securities (Japan) Limited  
ING Baring Securities (Thailand) Limited  
ING Baring Investment (Eurasia) Zao  
ING Baring Securities (Hungary) Rt.  
ING Baring Securities (Poland) Holding B.V.  
ING Baring Securities (Romania) S.A.  
ING Baring Securities (Slovakia), S.R.O.  
Proctor & Gamble S.R.O.  
ING Barings Ecuador Casa De Valores S.A.  
ING BSK Asset Management S.A.  
ING Capital Markets (Hong Kong) Limited  
ING Compania De Inversiones Y Servicios Limitada  
Bolsa Electronica De Chile, Bolsa De Valores S.A.  
CISL Aruba A.E.C.  
ING Consultants Co., Ltd.  
ING Derivatives (London) Limited  
Belgian Futures & Options Exchange  
London Clearing House Limited  
Liffe (Holdings) PLC  
The International Petroleum Exchange of London Limited  
ING Empreendimentos E Participacoes Ltda.  
Guilder Corretora De Valores Mobiliarios S/A  
ING Guilder Distribuidora De Titulos E Valores Mobiliarios S/A  
ING Investment Management Ltda.  
ING Servicos Ltda.  
ING Finance (Ireland) Ltd  
ING Forex Corporation  
ING Futures & Options (Singapore) PTE Ltd  
ING Inversiones, Ltda.  
Corporacion Financiera ING (Colombia) S.A.  
ING Investment Management Holdings (Antilles) N.V.  
ING Lease Holding N.V.  
CW Lease Belgium NV  
CW Finance N.V.  
CW Lease Luxembourg S.A.  
Dealer Lease Service Belgium N.V.  
CW Lease Nederland BV  
Autolease OSS B.V.  
CW Finance N.V.  
CW Lease Belgium NV  
CW Finance N.V.  
CW Lease Luxembourg S.A.  
Dealer Lease Service Belgium N.V.

CW Lease France S.N.C.  
CW Lease Luxembourg S.A.  
Dealer Lease Service Belgium N.V.  
Gothia Estate II B.V.  
Westment II B.V.  
International Driver Service B.V.  
Schade Herstel Bedrijf B.V.  
ING Aircraft Lease B.V.  
Fokker Brasil B.V.  
ING Lease (Belgium) N.V.  
Real Estate Lease SPC 1 N.V.  
Savin Lease N.V.  
ING Lease (Espana) EFC, SA  
ING Lease (France) S.A.  
ING Lease (France) S.N.C.  
ING Lease (Italia) SPA  
ING Lease (Nederland) B.V.  
Blauwe IRM B.V.  
Graphic Lease B.V.  
Groen Lease B.V.  
GIL 1997 (Windkracht) B.V.  
ING Lease Vastgoed B.V.  
Newco-One Corp.  
Ship Lease International B.V.  
ZIL '96 B.V.  
ING Lease (Polska)  
ING Lease Holding (Deutschland) GMBH  
CW Lease Deutschland GMBH  
CW Lease Berlin GMBH  
ING Lease Deutschland GMBH  
IFSC Beteiligungsgesellschaft GMBH  
ING Lease (Berlin) GMBH  
ING Lease Kran und Schwertransport GMBH  
ING Leasing Besitzgesellschaft MBH  
ING Leasing Geschaeftefuhrungsgesellschaft MBH  
ING Leasing Gesellschaft Fur Beteiligungen MBH  
ING Leasing GMBH & Co. Golf KG  
ING Leasing GMBH & Co. Juliett KG  
ING Leasing Treuhandsgesellschaft GMBH  
ING Leasing Verwaltungsgesellschaft GMBH  
Uta Finanz und Leasing GMBH  
ING Lease Holdings (UK) Limited  
CW Lease UK Ltd  
CW Finance Ltd.  
Leasing Principals Limited  
ING Lease (UK) Limited  
ING Farm Finance Limited  
ING Farm Finance (June) Limited  
ING Farm Finance (March) Limited  
ING Farm Finance (September) Limited  
ING Lease (UK) Nine Limited

ING Lease (UK) Six Limited  
ING Lease (UK) Three Limited  
MKL Rentals Limited  
ING Lease Interfinance B.V.  
CW Lease France S.N.C.  
ING Lease (Italia) SPA  
Real Estate Lease SPC 1 N.V.  
Runoto Belgium N.V.  
Diamond Lease  
ING Lease International Equipment Finance B.V.  
ING Aviation Lease B.V.  
Air Finance Holland B.V.  
Aviation Service Holland B.V.  
ING Lease (Far East 2) B.V.  
ING Lease (Far East) N.V.  
ING Lease (Ireland) B.V.  
ING Lease (France) S.N.C.  
ING Lease Structured Finance B.V.  
Esbelto B.V.  
Green Assets B.V.  
Hirando B.V.  
Hokabe Lease B.V.  
ING Bank Geldmarkt Fonds Beheer B.V.  
ING Lease Milieu B.V.  
Quadralock 2 B.V.  
SFING Europe B.V.  
Tropelia B.V.  
Virgula B.V.  
ING Lease International Equipment Management B.V.  
Air Finance Amsterdam B.V.  
Air Holland Leasing II B.V.  
ING (Holland Aircraft Lease) B.V.  
ING Lease Aircraft B.V.  
ING Lease Delaware, Inc.  
Noord Lease B.V.  
Postbank-Lease B.V.  
Renting De Equipos E Inmuebles SA  
Runoto Leasing BV  
Runoto Belgium N.V.  
Diamond Lease  
ING Mercantile Mutual Bank Limited  
ING Merchant Bank (Singapore) Limited  
Export Credit Insurance Corporation of Singapore Ltd  
ING Asset Management (Singapore) Ltd  
ING Nominees (Singapore) PTE Ltd  
ING Participation Dalrybbank B.V.  
ING Private Banking Beheer B.V.  
ING Bank Vastgoed Management B.V.  
ING Securities (Eurasia) Zao  
ING Servicios, C.A.  
ING Sociedad De Bolsa (Argentina), S.A.

Mercado De Valores De Buenos Aires S.A.  
ING Sviluppo Sim S.P.A.  
ING Trust B.V.  
Ingress N.V.  
ING Management (Hong Kong) Ltd  
ING Nominees (Hong Kong) Ltd  
ING Trust (Antilles) NV  
Formid Management N.V.  
ING (Antilles) Portfolio Management N.V.  
Monna NV  
Jet NV  
Simbad N.V.  
ING Trust (Aruba) N.V.  
ING Trust (BVI) Ltd.  
ING Trust (Luxembourg) S.A.  
ING Trust (Nederland) B.V.  
ING Bank (Eurasia)  
ING Bank (Luxembourg) S.A.  
CMF Advisory S.A.H.  
Euromix Advisory S.A.H.  
ING Bank Luxfund Management S.A.  
ING International Advisory S.A.H.  
ING International II Advisory S.A.H.  
ING Baring Securities (Romania) S.A.  
ING Holdings Empreendimentos Participacao Ltda.  
Guilder Corretora De Valores Mobiliarios S/A  
Management Services ING Bank B.V.  
ING Bank (Eurasia)  
ING Baring Investment (Eurasia) Zao  
ING Securities (Eurasia) Zao  
Muteka BV  
ING Trust (Suisse) AG  
Trust Maatschappij ING Bank B.V.  
Anorga B.V.  
Corpovea B.V.  
N.V. Balmore Vastgoed U.S.A.  
Den Hamer Beheer B.V.  
Diagonac B.V.  
Henry F. Holding B.V.  
ING Aconto N.V.  
N.V. Balmore Vastgoed U.S.A.  
Mijcene B.V.  
Vitigudino B.V.  
N.V. Balmore Vastgoed U.S.A.  
N.V. Balmore Vastgoed U.S.A.  
Paramito B.V.  
Rescit I BV  
Storeria B.V.  
Tuvor B.V.  
Vitigudino B.V.  
N.V. Balmore Vastgoed U.S.A.

Vitigudino B.V.  
N.V. Balmore Vastgoed U.S.A.  
Westward Capital II B.V.  
ING Valores (Venezuela) C.A.  
ING Vastgoed B B.V.  
ING Real Estate (BHS) B.V.  
ING Real Estate International Development B.V.  
Holland Park Sp. Zoo  
ING Real Estate Iberica SL  
ING Real Estate International Development (Liege) B.V.  
ING Real Estate Sp. Zoo  
ING Real Estate Vasco Da Gama B.V.  
London & Amsterdam Properties Ltd  
London and Amsterdam Development Ltd.  
London & Amsterdam Properties Ltd  
MBO Camargo SA  
Inmolor SA  
MBO La Farga SA  
Hospitalet Center, SL  
MBO Morisson Ltd  
Warsaw I B.V.  
1300 Connecticut Avenue Joint Venture Ltd  
ING Real Estate International Investment II B.V.  
ING Real Estate International Investment III B.V.  
ING Vastgoed Financiering N.V.  
Bedrijfsgebouw MBO - Riho C.V.  
Groeneveld MBO C.V.  
M.B.O. Vastgoed Lease B.V.  
Lindenburgh C.V.  
Maria Hove C.V.  
MBO Brova C.V.  
MBO North America Finance B.V.  
Residential Financial Development LLC  
ING Vastgoed Fondsen B.V.  
Winkelfonds Nederland Management B.V.  
ING Vastgoed Ontwikkeling B.V.  
Amsterdamse Poort Holding IV B.V.  
Amsterdamse Poort IV B.V.  
Grondpoort IV B.V.  
Amsterdamse Poort II B.V.  
BV Bedrijvenpark G.P.  
CV Bedrijvenpark G.P.  
Grondpoort II B.V.  
Gulogulo B.V.  
Antibes Holding B.V.  
ING Vastgoed Arena B.V.  
Muller Bouwparticipatie B.V.  
V.O.F. Winkelcentrum Markt Noorderpromenade Drachten  
MBO - Ruijters B.V.  
Holding 'T Loon B.V.  
Vastgoed 'T Loon B.V.

Wolfstreet Holding B.V.  
Wolfstreet B.V.  
Wolfstreet Grond B.V.  
MBO Brinkstraat Holding B.V.  
MBO Brinkstraat B.V.  
MBO Brinkstraat Grond B.V.  
MBO Catharijnesingel Holding B.V.  
MBO Catharijnesingel B.V.  
MBO Catharijnesingel Grond B.V.  
MBO De Centrale Holding B.V.  
MBO De Centrale B.V.  
MBO De Centrale Grond B.V.  
MBO Dommelstaete Holding B.V.  
MBO Dommestaete B.V.  
MBO Emmasingel Holding B.V.  
MBO Emmasingel B.V.  
MBO Emmasingel Grond B.V.  
MBO Guyotplein Holding B.V.  
MBO Guyotplein B.V.  
MBO Guyotplein Grond B.V.  
MBO Kousteensedijk Holding B.V.  
MBO Kousteensedijk B.V.  
MBO Kousteensedijk Grond B.V.  
MBO Kruseman Van Eltenweg Holding B.V.  
MBO Kruseman Van Eltenweg B.V.  
MBO Kruseman Van Eltenweg Grond B.V.  
MBO Marienburg B.V.  
Marienburg V.O.F.  
MBO Martinetsingel Holding B.V.  
MBO Martinetsingel B.V.  
MBO Martinetsingel Grond B.V.  
MBO Oranjerie Holding B.V.  
MBO Oranjerie B.V.  
MBO Oranjerie Grond B.V.  
MBO Pleintoren Holding b.V.  
MBO Pleintoren BV  
MBO Pleintoren Grond BV  
MBO Via Catarina B.V.  
Via Catarina "Empredimentos Imobiliarios" SA  
MBO Walburg Holding B.V.  
MBO Walburg B.V.  
MBO Walburg Grond B.V.  
MBO Willem II Singel Holding B.V.  
MBO Willem II Singel B.V.  
MBO Willem II Singel Grond B.V.  
Q-Park Bovenmaas I B.V.  
Q-Park N.V.  
Q-Park Nederland B.V.  
Q-Park Exploitatie B.V.  
Q-Park De Bijenkorf B.V.  
Q-Park Beheer B.V.

Q-Park Brabant B.V.  
Q-Park Reserve I B.V.  
Q-Park Byzantium B.V.  
Q-Park City Holding B.V.  
Q-Park City B.V.  
Q-Park Schouwburg B.V.  
Q-Park De Klomp B.V.  
Q-Park Raadhuis B.V.  
Q-Park Reserve II B.V.  
Stadsherstel Historisch Rotterdam N.V.  
Supermarkt Krouwel B.V.  
V.O.F. Winkelcentrum Markt Noorderpromenade Drachten  
Vastgoed De Brink Holding B.V.  
Vastgoed De Brink B.V.  
Wilhelminahof MBO B.V.  
Zuidplein Beheer BV  
ING Verwaltung (Deutschland) GMBH A.G.  
Allgemeine Deutsche Direktbank AG  
BNL Beteiligungs-gesellschaft Neue Laender GMBH & Co. KG  
Liquiditats-Konsortialbank GMBH  
ING-North East Asia Bank  
INIB N.V.  
Locura Belegging B.V.  
Luteola B.V.  
Melifluo B.V.  
Middenbank Curacao N.V.  
Advisory Company Luxembourg  
Altasec N.V.  
Corporacion Financiera ING (Colombia) S.A.  
Aralco N.V.  
Atlas Venture Fund I, L.P.  
Banco Latino-Americano De Exportaciones S.A.  
Cayman Islands Funds N.V.  
Corporacion Financiera ING (Colombia) S.A.  
Datasegur S.R.L.  
Fiseco N.V.  
Granity Shipping N.V.  
Institucion Financiera Externa Middenbank Curacao N.V. (Uruguay)  
ING Bank (Chile) S.A.  
Edibank S.A.  
Sociedad Interbancaria De Depositor De Valores S.A.  
ING Barings Ecuador Casa De Valores S.A.  
ING Compania De Inversiones Y Servicios Limitada  
Bolsa Electronica De Chile, Bolsa De Valores S.A.  
CISL Aruba A.E.C.  
ING Inversiones, Ltda.  
Corporacion Financiera ING (Colombia) S.A.  
ING Sociedad De Bolsa (Argentina), S.A.  
Mercado De Valores De Buenos Aires S.A.  
Kamadora Investments N.V.  
Corporacion Financiera ING (Colombia) S.A.

Lerac Investment S.A.  
Red Rose Investments N.V.  
Unilarse  
Zermatt N.V.  
Miopia B.V.  
Multiaccess B.V.  
MKB Adviseurs B.V.  
MKB Card B.V.  
MKB Investments BV  
De Springelberg B.V.  
Het Dijkhuis B.V.  
Palino B.V.  
Tiberia B.V.  
MKB Punt B.V.  
Business Compass Holding B.V.  
N.V. Instituut Voor Ziekenhuisfinanciering  
Nationale-Nederlanden Financiële Diensten B.V.  
B.V. Financieringsmaatschappij Vola  
B.V. Kredietmaatschappij Vola  
Dealer Cash Plan B.V.  
Cash Plan B.V.  
Finantel B.V.  
Sentax Assurantie B.V.  
G. J. Van Geet Beheer B.V.  
Alegro Krediet B.V.  
Gelderse Discount Maatschappij B.V.  
Sentax Beheer B.V.  
Finam Krediet B.V.  
Sentax Lease B.V.  
Vola Geldleningen B.V.  
Nederlandse Bouwbank N.V.  
Nederlandse Financieringsmaatschappij Voor Ontwikkelingslanden N.V.  
Nedermex Limited N.V.  
Netherlands Caribbean Bank N.V.  
Networks Integrated Project Consultancy B.V.  
Nofegol Beheer B.V.  
NCM Holding N.V.  
NMB Equity Participations N.V.  
NMB-Heller Holding N.V.  
Handlowy-Heller SA  
Heller GMBH  
Heller Bank A.G.  
International Credit Service S.A.S.  
Heller Finanz GMBH  
Info-Und Beratungsunternehmen GMBH  
NMB-Heller Ltd.  
NMB-Heller N.V.  
Agpo Participatiemaatschappij B.V.  
Felix Tigris B.V.  
Inter Credit B.V.  
International Credit Service S.A.S.



International Credit Service S.A.S.  
NMB-Heller Zweigniederlassung Neuss  
Zamenbrink B.V.  
Zamenterp B.V.  
OB Heller AS  
Okalia N.V.  
Olivacea B.V.  
Ontwikkelingsmaatschappij Noordrand B.V.  
Orcinus B.V.  
Oscar Smit's Bank N.V.  
Bouwmaatschappij Mecklenburgplein B.V.  
Kenau B.V.  
P.T. ING Indonesia Bank  
Parmola B.V.  
Paronyme B.V.  
Pendola B.V.  
Perotis B.V.  
Policy Extra Holdings Limited  
Postbank N.V.  
Amsterdam Exchanges N.V.  
Interpartes Incasso B.V.  
Postbank Aandelenfonds N.V.  
Postbank Beleggingsfonds N.V.  
Postbank Beleggingsfondsen Beheer B.V..  
Postbank Beleggingsfondsen Bewaar B.V.  
Postbank Chipper Beheer B.V.  
Postbank Euro Aandelen Fonds N.V.  
Postbank Groen N.V.  
Postbank I.T. Fonds N.V.  
Postbank Interfinance B.V.  
Postbank Nederlandfonds N.V.  
Postbank Obligatie Fonds N.V.  
Postbank Obligatiefonds Beheer B.V.  
Postbank Vastgoedfonds N.V.  
Postbank Vermogensgroefonds N.V.  
Postbank Wereldmerkenfonds N.V.  
Postkantoren B.V.  
Prena Belegging B.V.  
T Oye Deventer B.V.  
A. Van Der Molen Herenmode B.V.  
A. Van Der Pol Beleggingsmaatschappij Amsterdam B.V.  
A. Van Venrooy Beleggingen B.V.  
A. Van Weringh Beleggingen B.V.  
A.C.M. Nienhuis Houdstermaatschappij B.V.  
B.V. Raadgevend Bureau Nienhuis Consultans  
A.H. Blok Holding B.V.  
A.H.M. Habets Beheer B.V.  
A.J. Vos Makelaardij Onroerende Goederen B.V.  
Abades B.V.  
Abrocoma B.V.  
Ad Barnhard Holding B.V.

Albranis B.V.  
Almenzor B.V.  
Altimira B.V.  
Ambito N.V.  
Aralar B.V.  
Atitlan B.V.  
B.V. Beheersmaatschappij Nuyt En Heikens  
B.V. Odripi  
B.V. Varen ABC  
B.V. Vulca Beleggingsmaatschappij  
Barbatus B.V.  
Barbuda B.V.  
Bebida B.V.  
Beheermaatschappij Van Der Reijnst B.V.  
Beheermaatschappij Van Het Beleggingsfonds Van De 7 B.V.  
Beheermaatschappij Darius B.V.  
Beheermaatschappij Stouwe B.V.  
Beheermaatschappij Van Putten B.V.  
Beheersmaatschappij Elma Schrijen B.V.  
Beheersmaatschappij K.G. Tjia B.V.  
Beheersmaatschappij Luco Zuidlaren B.V.  
Beheersmij A.J. Konst B.V.  
Belagua B.V.  
Bergara B.V.  
Bermillio B.V.  
Betulina B.V.  
Bidasoa B.V.  
Biporus B.V.  
Blarina B.V.  
Brasas B.V.  
Bravura B.V.  
Bremer-Van Mierlo Beleggingsmaatschappij B.V.  
Bustia B.V.  
C. J. Buyzen Beheer B.V.  
C. J. H. - En J. J. Heimeriks Holding B.V.  
Calando Belegging B.V.  
Camilo B.V.  
Castroverde B.V.  
Catoneria B.V.  
Cermanita B.V.  
Cicania B.V.  
Clacri B.V.  
Colocar B.V.  
OCB Beheer B.V.  
Concolor B.V.  
Cortada B.V.  
Cotranco B.V.  
Crescentes Prins B.V.  
Cumbras B.V.  
Cupula B.V.  
D'Eijk B.V.

De Groninger Lederwaren Industrie B.V.  
Delta Nederland Beheer B.V.  
Dorsalis B.V.  
Dr. De Grood Beheer B.V.  
DKP Beheer B.V.  
Dick Kooiman Publication/Productions B.V.  
DSBV-Enserink B.V.  
DSBV-Ploeger B.V.  
E. Romar Beheer B.V.  
Omnium B.V.  
Empluma B.V.  
Entorno B.V.  
Epic Investments B.V.  
Ernsatus B.V.  
Esvice B.V.  
Exel Beheer B.V.  
Exploitatie En Beleggingsmaatschappij Alja Eindhoven B.V.  
F. R. Hoffschlag Beleggingen B.V.  
Familiale Investerings Maatschappij F.I.M.  
Farlita B.V.  
Flantua Beheer B.V.  
Fregenda B.V.  
Funjob Investments B.V.  
G. Laterveer Beheer B.V.  
Garlito B.V.  
Gebrema Beheer B.V.  
Gekrabeheer B.V.  
Germs Beleggingen B.V.  
Glabana B.V.  
Golpejas B.V.  
H. Van Duinen Beheer B.V.  
H. Mekenkamp Holding B.V.  
Mekenkamp Beheer B.V.  
H. Weterings Holding B.V.  
H. D. En L.B. Meijer Beheer B.V.  
H. G. Van Der Most Beheer B.V.  
Handelsonderneming E. Spee B.V.  
Hepec Beheer B.V.  
Hilschip BV  
Hispidus B.V.  
Hof En Frieling Beheer B.V.  
Hof & Frieling Onroerend Goed B.V.  
Holding Hoveling Beheer B.v.  
Holding J.W.G. Huijbregts B.V.  
Holding Schildersbedrijf West-Friesland B.V.  
Holding Schuiling B.V.  
Holding Th. A. Wellink B.V.  
Hotel-Restaurant Boerhave B.V.  
Huaco B.V.  
Humada B.V.  
Ignaro B.V.

Imbricata B.V.  
Incoloro B.V.  
Indonea B.V.  
Allshoes Schoengroothandel B.V.  
ING Bank Spaardividend Fonds Beheer B.V.  
J & A Holding B.V.  
J. B. Van Den Brink Beleggingsmaatschappij B.V.  
J. G. Mekenkamp Holding B.V.  
Mekenkamp Beheer B.V.  
J. H. Moes Holding B.V.  
J. P. Korenwinder Beheer B.V.  
J. W. Th. M. Kohlen Beheer B.V.  
Jemaas Beheer B.V.  
Jongert Beheer B.V.  
K & M Beheer B.V.  
Kalliope B.V.  
Bacolac B.V.  
Kapellenberg B.V.  
Kijkgroep B.V.  
Koehorst Promotion Beheer B.V.  
KBM Maarssen B.V.  
L. Martens Beheer B.V.  
La Douce Vie Network B.V.  
Lagotis B.V.  
Larino B.V.  
Latourette B.V.  
Leaver B.V.  
Ledanca B.V.  
Lektura Tiel Beheer B.V.  
Licorera B.V.  
Liecene B.V.  
Lin Beheer B.V.  
Lomajoma Holdings B.V.  
Lorkendreef Beheer N.V.  
Lustroso B.V.  
M. B. Van Der Vlerk B.V.  
Madrigal B.V.  
Marres B.V.  
Masegoso B.V.  
Matthew Holding B.V.  
Mazairac Belegging B.V.  
Minnaar Holding B.V.  
Mirabilis B.V.  
Molenwiede B.V.  
Muguet B.V.  
Multicover B.V.  
Pulido B.V.  
Mustang B.V.  
Olseria B.V.  
Arend Broekhuis B.V.  
P. Nienhuis Houdstermaatschappij

P. J. Heinrici Beheer B.V.  
Pastrana B.V.  
Pedralva B.V.  
Pemac B.V.  
Penuria B.V.  
Perola Belegging B.V.  
Pertusa B.V.  
Peter Trompalphen Aan Den Rijn Beheer B.V.  
Phobos Beleggingen  
Pinicola B.V.  
Pluijmen Holding B.V.  
Portelas B.V.  
Postigo B.V.  
Prestamo B.V.  
Pruis Elburg Beheer B.V.  
Puebla B.V.  
Pulido B.V.  
Rayhold Management En Deelneming B.V.  
Rescoldo B.V.  
Ressel B.v.  
Retrasos B.V.  
Rodeba Deurne B.v.  
Roelcene B.V.  
Rowanda B.V.  
Rudlolf & Peter Herenmode En Confectie B.V.  
Sabra Holding B.V.  
Valpacos B.V.  
Sacobel Beheer B.V.  
Schnieders Beheer B.V.  
Simonis Beheer B.V.  
Simonis Beleggingsmaatschappij B.V.  
Sipororo B.V.  
Spaleta B.V.  
Spatgens Beheer B.V.  
Stampida B.V.  
Stamveld B.V.  
Steendam Beleggingsmaatschappij Drachten B.V.  
Storm Beheer B.V.  
Beheermaatschappij Baarlo B.V.  
Strokkur B.V.  
Sunrise Investments B.V.  
Sustento B.V.  
Svalbard Beheer B.V.  
T. A. Lie Beheer B.V.  
T. M. D. Beheer B.V.  
Beheermaatschappij Baarlo B.V.  
Tadavia B.V.  
Beleggings - En Beheer Maatschappij Solina B.V.  
Refina B.V.  
Talboom Beheer B.V.  
Tapirus B.V.

Tarsius B.V.  
Technisch Advies Bureau Jaba B.V.  
Ter Linden En Heijer Holding B.V.  
Tessara Zaanlandia B.V.  
Thecoar B.V.  
Theo Kentie Holding B.V.  
    Theo Kentie Design B.V.  
Traslado B.V.  
    Trasgo B.V.  
Treetop B.V.  
Trituris B.V.  
Truckstar Holding B.V.  
Tucupido B.V.  
Tricor B.V.  
U. Ringsma Beheer B.V.  
Unitres Holding B.V.  
Vaanhoud & Van Zon Holding B.V.  
Van Den Heuvel Beheer B.V.  
Van Loon Beheer B.V.  
Van Roij Holding B.V.  
Van Zwamen Holding B.V.  
Vebe Olst B.V.  
Vegem Beheer B.V.  
Venidero B.V.  
Vette Consultants B.V.  
Vicar B.V.  
Vidriales B.V.  
W. Van Den Berg B.V.  
W. N. Van Twist Holding B.V.  
Wabemij B.V.  
Wiancini B.V.  
Rentista B.V.  
Reoco Limited  
Rutilus B.V.  
RL & T (International) N.V.  
Securo De Depositos S.A.  
Siam City Asset Management Co., Ltd  
Slivast B.V.  
Societe Financiere Du Libans. A.L.  
Society for Worldwide Interbank Financial Telecommunication S.C.  
Stichting Administratiekantoor ING Bank Global Custody  
Tablero B.V.  
Tolinea B.V.  
Tripudio B.V.  
Tunnel Onder De Noord B.V.  
    C. V. Exploitatiemaatschappij Tunnel Onder De Noord  
Unidanmark A/S  
Verenigde Bankbedrijven N. V.  
Westland Utrecht Hypotheekbank N.V.  
    Amstgeld Management AG  
    Amstgeld N.V.

Amstgeld Trust AG  
Bouw En Exploitatiemaatschappij Deska XXIII B.V.  
Charterhouse Vermogensbeheer B.V.  
Hypotheccair Belang Gaasperdam I N.V.  
Assorti Beheer Amsterdam B.V.  
Muidergracht Onroerend Goed B.V.  
Amstel Gaasperdam B. V.  
Bouw-, Exploitatie En Administratie Maatschappij Amer IV B.V.  
N.V. Zeker Vast Gaasperdam  
Rijn Gaasperdam B.V.  
Juza Onroerend Goed B.V.  
Hazo Immobilia B.V.  
Kort Ambacht Maatschappij Tot Exploitatie Van Onroerende Goederen B.V.  
Utrechtse Financierings Bank N.V.  
Utrechtse Hypotheekbank N.V.  
Algemeene Waarborgmaatschappij N.V.  
Hypotheekbank Voor Nederland II N.V.  
Hypotheekbank Voor Nederland N.V.  
Standard Hypotheekbank N.V.  
ING Bank Hypotheken N.V.  
Nationale Hypotheekbank N.V.  
Hollandsche Hypotheekbank N.V.  
Zuid Nederlandsche Hypotheekbank N.V.  
Vermogensplanning N.B.I. B.V.  
W.U.H. Finanz A.G.  
Westland/Utrecht Leasing B.V.  
Berchem Onroerend Goed B.V.  
Berkelse Poort B.V.  
Beuke Poort B.V.  
Brasemer Poort B.V.  
Bruine Poort B.V.  
Denne Poort B.V.  
Doetichem Immobilia B.V.  
Dommelse Poort B.V.  
Drechtse Poort B.V.  
Eike Poort B.V.  
Esse Poort B.V.  
Frabu Immobilia B.V.  
Friese Poort B.V.  
Gelderse Poort B.V.  
Gele Poort B.V.  
Grijze Poort B.V.  
Groninger Poort B.V.  
Helo Immobilia B.V.  
Holendrecht Gemeenschappelijk Beheer B.V.  
Holendrecht Parking B.V.  
Hollandse Poort B.V.  
Iepe Poort B.V.  
Kager Poort B.V.  
Kilse Poort B.V.  
Lekse Poort B.V.

Limburgse Waterpoort B.V.  
Lingese Poort B.V.  
Markse Poort B.V.  
Oranje Poort B.V.  
Paarse Poort B.V.  
Reggese Poort B.V.  
Roerse Poort B.V.  
Schepa Immobilia B.V.  
Sparre Poort B.V.  
Spoolde B.V.  
Spuise Poort B.V.  
Thames Poort B.V.  
Utrechtse Poort B.V.  
Vechtse Poort B.V.  
Vlietse Poort B.V.  
Westland/Utrecht Bouwonderneming Wubo VI B.V.  
Westland/Utrecht Bouwonderonderneming Wubo IV B.V.  
Wilge Poort B.V.  
Zeeuwse Poort B.V.  
Westland/Utrecht Verzekeringen B.V.  
Westlandsche Hypotheekbank N.V.  
Algemeene Hypotheekbank N.V.  
Hypotheekbank Maatschappij Voor Hypothecaire Crediet N.V.  
Groningsche Hypotheekbank N.V.  
Vaderlandsche Hypotheekbank N.V.  
Zeeuwsche Hypotheekbank N.V.  
Zuid-Hollandsche Hypotheekbank N.V.  
Zugut B.V.  
ING Verzekeringen N.V.  
ING Insurance International B.V.  
Nationale-Nederlanden Intervest II B.V.  
ING North America Real Estate Holdings Inc.  
ING Financial Services International (Asia) Ltd.  
Nationale-Nederlanden Intervest XIII B.V.  
Nationale-Nederlanden Intertrust B.V.  
N.N. US Realty Corp  
B.V. Nederlandsche Flatbouwmaatschappij  
NN Korea  
ING Continental Europe Holdings B.V.  
De Vaderlandsche N.V.  
Nationale Omnium N.V.  
De Vaderlandsche Spaarbank N.V.  
RVS Financial Services N.V.  
Fiducra N.V.  
Sodefina S.A.  
SA De Vaderlandsche Luxemburg  
Immo "De Hertoghe" NV  
Westland/Utrecht Hypotheekmaatschappij N.V.  
Intermediair Services N.V.  
RVS Verzekeringen N.V.  
Gefinac N.V.



Proodos General Insurances S.A.  
NN Mutual Fund Management Co.  
The Seven Provinces International B.V.  
Nationale-Nederlanden Magyarorszagi Biztosito Rt  
NN Mutual Fund Services and Consulting Ltd.  
ING Management Services s.r.o.  
Prumy Penzijni fond a.s.  
Nationale-Nederlanden Polska S.A.  
Nationale-Nederlanden Poist'ovna S.A.  
ING Management Services Slovensko spol s.r.o.  
Nationale-Nederlanden Agencia de Valores S.A.  
NN Romania Asigurari de Viata S.A.  
Sviluppo Finanziaria  
ING Investment Management Italy  
NN Vida Compania de Seguros y Raeseguros S.A.  
NN Generales Compania e Seguros y Raeseguros  
Nationale-Nederlanden Pojistovna  
ING Latin American Holdings  
ING Insurance Chile Holdings Limitada  
ING Seguros de Vida S.A.

NNOFIC  
Nationale-Nederlanden (UK) Ltd.  
NN (UK General) Ltd.  
The Orion Insurance

ING Australia Limited  
Mercantile Mutual Holdings Ltd.  
Mercantile Mutual Funds Management  
Mercantile Mutual Global Ltd.  
Athelas  
Mercantile Mutual Insurance (Australia) Ltd.  
M.A.F.G. Ltd.  
Mercantile Equities Ltd.  
Greater Pacific (Leasing) Ltd.  
Amfas Australia Pty Ltd.  
Australian General Insurance Co. Ltd.  
"The Seven Provinces" Insurance Underwriters  
MM Investment Management Ltd.  
The Mercantile Mutual Life Insurance Co. Ltd.  
MML Properties Pty Ltd.  
Mercantile Mutual Deposits Ltd.  
Union Investment Co. Ltd.  
Mercantile Mutual Securities Ltd.  
Tazak Pty Ltd.  
Mercantile Mutual Custodians Pty. Ltd.  
Mercantile Mutual Casualty Insurance Ltd.  
Australian Brokers Holdings Ltd.  
Australian Brokers Ltd.  
Australian Community Insurance Ltd.  
Mercantile Mutual Insurance (Workers Compensation) Ltd.  
Mercantile Mutual Insurance (N.S.W. Workers Compensation) Ltd.  
Prosafe Investments Ltd.

Dinafore Pty Ltd.  
Tongkang Pty Ltd.  
MM Investment Management  
ING Canada Holdings Inc.  
AFP Financial Services  
ING Canada Inc.  
The Halifax Insurance Company  
Western Union Insurance Company  
Wellington Insurance Company  
La Compagnie d'Assurances Belair  
The Commerce Group Insurance La Compagnie d'Assurances  
NN Life Insurance Company of Canada  
NN Funds Limited  
NN Capital Management  
NN Maple Leaf  
ING America Insurance Holdings Inc.  
Equitable of Iowa Companies  
Directed Services, Inc.  
Equitable Investment Services, Inc.  
Equitable Life Insurance Company of Iowa  
Equitable American Insurance Company  
Equitable Creative Services, Ltd.  
Equitable Companies  
CLC, Ltd.  
Equitable American Marketing Services, Inc.  
Equitable Marketing Services, Inc.  
Youngers Insurance & Investments, Ltd.  
USG Annuity & Life Company  
USGL Service Corporation  
Equitable of Iowa Companies Capital Trust  
Equitable of Iowa Companies Capital Trust II  
Equitable of Iowa Securities Network, Inc.  
Golden American Life Insurance Company  
First Golden American Life Insurance Company of New York  
Locust Street Securities, Inc.  
Shiloh Farming Company  
Tower Locust, Ltd.  
ING America Life Corporation  
Georgia US Capital Inc.  
Life Insurance Company of Georgia  
Springstreet Associates, Inc.  
Southland Life Insurance Co.  
Security Life of Denver Insurance Company  
First ING Life of New York  
First Secured Mortgage Deposit Corp.  
ING American Equities, Inc.  
Midwestern United Life Insurance Company  
Wilderness Associates  
Afore Bitall ING, S.A. de C.V.  
Columbine Life Insurance Co.  
ING Fund Services Co., Inc.

ING Investment Management, Inc.  
ING Investment Management LLC  
ING Mutual Funds Management  
ING North America Insurance Corporation  
ING Seguros Sociedad Anonima de Capital Variable  
Lion Custom Investments Inc.  
Lion Custom Investments II Inc.  
MIA Office Americas, Inc.  
Multi-Financial Group, Inc.  
Multi-Financial Securities Corporation  
Multi-Financial Securities Corporation Massachusetts  
Multi-Financial Securities Corporation of Ohio  
Multi-Financial Securities Corporation of Texas  
Orange Investment Enterprises Inc.  
Security Life Assignment Corp.  
ING Seguros S.A. de C.V.  
United Protective Company  
Security Life of Denver International Ltd.  
SLR Management (Bermuda) Ltd.  
VESTAX Capital Corporation, Inc.  
VESTAX Securities Corp.  
VTX Agency Inc.  
PMG Agency, Inc.  
VTX Agency of Michigan, Inc.  
ING US P&C Corporation  
Diversified Settlements, Inc.  
Peerless Insurance Company  
The Netherlands Insurance Company  
America First Insurance Company  
Alabama First Insurance Company  
Excelsior Insurance Company  
Indiana Insurance  
Consolidated Insurance Company  
Cooling-Grumme-Mumford Company, Inc.  
Blue Cross Medical Consultancy (Singapore) Pte. Ltd.  
ING Indonesia Insurance P.T.  
ING Life Insurance Japan  
Nederlandse Reassurantie Groep Holding N.V.  
Nederlandse Reassurantie Groep N.V.  
NRG London Levensherverzekering  
Algemene Levensherverzekering Maatschappij N.V.  
Vereenigde Assurantie Bedrijven "Nederland" N.V.  
Reassurantie Holding Nederland N.V.  
Internationale Reassurantie Maatschappij Nederland N.V.  
Reassurantie Maatschappij Nederland N.V.  
Ruckversicherungs-Clearing A.G.  
Reinsurers Marketing B.V.  
N.V. Beleggingsmaatschappij NRG  
Reassurantie Beleggingen N.V.  
NRG Woningbouw B.V.  
BMA Beleggingsmaatschappij "Alliance" B.V.

"Traviata" Onroerend Goed B.V.  
The Victory Reinsurance Corporation of the Netherlands N.V.  
NRG Victory Holdings Ltd.  
NRG London Reinsurance Company Ltd.  
NRG Fenchurch Insurance Company Ltd.  
NRG Victory Australia Holdings Ltd.  
NRG Victory Australia Ltd.  
NRG Victory Reinsurance Corporation Ltd.  
The Victory Health Reinsurance Corporation Ltd.  
NRG Victory Management Ltd.  
European Life Marketing & Actuarial Consultancy Ltd.  
European Life Marketing & Actuarial Consultancy 92 Ltd.  
Medical Expenses Development and Insurance Consultancy Services Ltd.  
NRG Victory Management Services Ltd.  
General Reinsurance Syndicate Ltd.  
General Reinsurance Syndicate Ltd. (Trustee)  
London Reinsurance Comp. Ltd.  
NRG Victory Life and Health Services Ltd.  
NRG Victory Canada Management Ltd.  
NRG Victory Management (Hong Kong) Ltd.  
NRG America Holding Company  
Philadelphia Reinsurance Corporation  
NRG America Life Reassurance Corporation  
NRG American Management Corporation  
Market Run Off Services Ltd.  
NRG Antillean Holding N.V.  
NRG Antillean Reinsurance Company N.V.  
NRG Victory International Ltd.  
NRG Victory Management (Bermuda) Ltd.  
SRO Run-Off Ltd. Bermuda  
ING Life Insurance Co. (Phillippines)  
ING Penta Life Insurance Indonesia P.T.  
ING Insurance Consultants (HK) Ltd.  
ING Reinsurance International Holding Co. Ltd.  
ING Reinsurance International  
Nationale-Nederlanden Nederland B.V.  
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.  
H. van Veeren B.V.  
Nationale-Nederlanden Greek General Insurance Company S.A.  
Nationale-Nederlanden Levensverzekering Maatschappij N.V.  
B.V. Beleggingsmaatschappij Berendaal  
Consortium Scheveningen B.V.  
RVS Beroeps-en Bedrijfsfinanciering B.V.  
De Bossche Poort B.V.  
ING Vastgoed V B.V.  
ING Vastgoed Belegging B.V.  
B.V. Beleggingsmaatschappij Vinkendaal  
Muggenburg Beheer B.V.  
Muggenburg C.V.  
ING REI Investment U.K. B.V.  
Nationale-Nederlanden Real Estate Ltd.

ING Vastgoed Beheer Maatschappij I B.V.  
ING Vastgoed Bewaar Maatschappij I B.V.  
Nationale-Nederlanden Intervest 52 B.V.  
Bouwfonds Nationale-Nederlanden B.V.  
Nationale-Nederlanden Bouwfonds 1975 B.V.  
Bouwfonds AVG B.V.  
Bouwfonds Nemavo B.V.  
Bouwfonds Anklaar-Apeldoorn 1967 B.V.  
Bouwfonds Bilthoven 1969 B.V.  
Bouwfonds Roveso B.V.  
RVS Bouwfonds B.V.  
Bouwfonds Utrecht 1967 B.V.  
Amersfoort Premiewoningen B.V.  
Bouwfonds Valken Staete B.V.  
Nationale-Nederlanden Bouwfonds 1976 B.V.  
ING Real Estate International Investment I B.V.  
ING REI Investment U.K. B.V.  
ING Vastgoed Fondsbelegging BV  
Jetta Vastgoed B.V.  
B.V. Algemene Beleggingsmaatschappij "Lapeg"  
ING Insurance Argentina  
Nationale-Nederlanden Greek Life Insurance Company S.A.  
RVS Levensverzekering N.V.  
RVS Schadeverzekering N.V.  
Tiel Utrecht Levensverzekering N.V.  
Tiel Utrecht Schadeverzekering N.V.  
Utrechtsche Algemeene Brandverzekering Maatschappij N.V.  
Assurantiekantoor A Brugmans B.V.  
Algemene Zeeuwse Verzekering Maatschappij N.V.  
Apollonia Levensverzekering N.V.  
N.V. Nationale Borg-Maatschappij  
N.V. Belegging- en Beheer Maatschappij Keizersgracht  
Antilliaanse Borg-Maatschappij N.V.  
Amfas Exploitatie Maatschappij B.V.  
AVG Exploitatie en Beheer B.V.  
Amfas Hypotheken N.V.  
Noordwester Hypotheken N.V.  
Amfinex II B.V.  
Westermij B.V.  
Amfico B.V.  
AVG Exploitatie I B.V.  
ING Bewaar Maatschappij IV B.V.  
S.C.P. AVG Investissement  
Assurantiemaatschappij "De Zeven Provinciën" N.V.  
"Transatlantica" Herverzekering Maatschappij N.V.  
"The Seven Provinces" Insurance Underwriters Ltd.  
Ramus Insurance Ltd.  
Tiel Utrecht Verzekerd Sparen N.V.  
B.V. Algemene Beleggings Maatschappij Reigerdaal  
Oostermij B.V.  
Nationale-Nederlanden Pensioendiensten B.V.

Nationale-Nederlanden Zorgvezekering N.V.  
B.V. Algemene Beleggingsmaatschappij "Kievietsdaal"  
NeSBIC-Postbank B.V.  
Nitido B.V.  
Podocarpus Beheer B.V.  
Parcom Ventures B.V.  
Parcom Beheer BV  
Parcom CV  
Parcom Services BV  
Postbank Schadeverzekering N.V.  
Maatschappij tot Exploitatie van Onroerende Goederen "Gevers Deynootplein" BV  
Maatschappij tot Exploitatie van Onroerende Goederen "Kurhaus" B.V.  
Postbank Levensverzekering N.V.  
RVS Beleggingen N.V.  
Netherlands Life Insurance Company Ltd.  
AO Artsen-Verzekeringen N.V.  
Grabenstrasse Staete B.V.  
ING Life Insurance International N.V.  
Nationale-Nederlanden Internationale Schadeverzekering N.V.  
Fatum Vermogensbeheer  
N.V. Surinaamse Verzekeringsagenturen Maatschappij  
Seguros Norman Moron N.V.  
N.V. Arubaanse Verzekeringsagenturen Maatschappij  
Nationale-Nederlanden Herverzekering Maatschappij N.V.  
AVG Exploitatie IX B.V.  
Jahnstrasse Gebaude B.V.  
Maatschappij tot Exploitatie van Onroerende Goederen "Palace" B.V.  
Nationale-Nederlanden Interfinance B.V.  
Maatschappij tot Exploitatie van Onroerende Goederen "Grand Hotel" B.V.  
N.V. Haagsche Herverzekering Maatschappij van 1836  
Baring Central European Investments B.V.  
Baring Asian Flagship Investments B.V.  
ING Fund Management B.V.  
Wijkertunnel Beheer I B.V.  
Nationale-Nederlanden Beleggingsrekening N.V.  
Nationale-Nederlanden CSFR Real Estate v.o.s.  
ING Bewaar Maatschappij I B.V.  
ING Vastgoed B.V.  
ING Real Estate (Asia) PTE Ltd.  
ING Real Estate North America Corporation  
Nationale-Nederlanden Intervest XII B.V.  
B.V. Algemene Beleggingsmaatschappij Van Markenlaan  
Kantoorgebouw Johan de Wittlaan B.V.  
Nationale-Nederlanden Holdinvest B.V.  
Nationale-Nederlanden International Investment Advisors B.V.  
B.V. Algemene Beleggingsmaatschappij Fazantendaal  
Maatschappij Stadhouderslaan B.V.  
DESKA LII B.V.  
J.H. Alta en Co. B.V.  
Westland/Utrecht Projektontwikkeling B.V.  
Bouwonderneming Amer LII B.V.

ING Real Estate Colombo B.V.  
Loeffpleingarage B.V.  
B.V. Maatschappij tot Exploitatie van Onroerende Goederen Smeetsland  
B.V. Vastgoedmaatschappij "Combuta"  
B.V. Vastgoed Maatschappij "Promes"  
Beheer- en Exploitatiemaatschappij "De Vestingwachter" B.V.  
Nationale-Nederlanden Hypotheekbank N.V.  
N.V. Arnhemsche Hypotheekbank voor Nederland  
Nationale-Nederlanden Financiering Maatschappij B.V.  
B.V. Betaalzegelbedrijf "De Voorzorg" J. van Ouwel  
Nationale-Nederlanden Finance Corporation (Curacao) I.L.  
Nationale-Nederlanden Vermogensbeheer B.V.  
NeSBIC Nationale-Nederlanden B.V.  
BOZ B.V.  
ABV Staete B.V.  
B.V. "De Administratie" Maatschappij tot Exploitatie van Onroerende Goederen  
Amersfoort-Staete B.V.  
Arnhem Staete B.V.  
Belart Staete B.V.  
Belart S.A.  
N.V. Square Montgomery  
Steenstaete S.A.  
Berkel-Staete I B.V.  
Berkel-Staete II B.V.  
Blijenhoek Staete B.V.  
S.N.C. Blijenhoek Staete et Cie  
SNC Peau Bearn  
Brussel Staete B.V.  
Grote Markt Staete B.V.  
Hoogoorddreef I B.V.  
SNC Haven  
Trompenburg Parking B.V.  
Lena Vastgoed B.V.  
S.A. du 59 Avenue d'lena  
SNC le Murier  
Kleber Vastgoed B.V.  
S.A. du 42 Avenue Kleber  
B.V. De Oude Aa-Stroom  
Portefeuille Staete B.V.  
S.C.I. 1e Portefeuille  
S.C.I. le Michelet  
S.C.I. Roissy Bureaux International  
S.C.I. Square d'Asnieres  
SNC Le Dome  
B.V. Amiloh  
ING Vastgoed N.V.  
Immo Management Service S.A.  
S.A. Regent-Bruxelles  
Nationale-Nederlanden/Immobilier S.A.R.L.  
Immogérance S.A.R.L.  
Nationale-Nederlanden Interinvest IV B.V.

SAS Espace Daumesnil  
Nationale-Nederlanden V B.V.  
Nationale-Nederlanden VII B.V.  
ING Real Estate Espace Daumesnil B.V.  
ING Real Estate Parking Daumesnil Viaduc B.V.  
SAS Parking Daumesnil Viaduc  
Cadran Invest S.A.  
ING Bewaar Maatschappij II B.V.  
ING Bewaar Maatschappij III B.V.  
ING REI Investment Spain B.V.  
ING Inmeubles S.A.  
ING Bewaar Maatschappij V B.V.  
ING Asset Management B.V.  
Postbank Verzekeringen Beheer Maatschappij B.V.  
Postbank Verzekeringen Bewaar Maatschappij B.V.  
ING Vastergoed B.V.  
Nationale-Nederlanden Intervest IX B.V.  
Nationale-Nederlanden CSFR Intervest S.R.O.  
ING Real Estate Praha Housing a.s.  
Nationale-Nederlanden Praha Real Estate V.O.S.  
Nationale-Nederlanden Intervest XI B.V.  
Nationale-Nederlanden Hungary Real Estate KFT  
ING Investment Management (Hungary) Rt.  
ING Investment Management (Asia Pacific) Limited  
ING Investment Management (Czech Republic) S.A.  
IIM India (India) Private Ltd.