

Readers are referred to the cautionary notes regarding Forward-Looking Information and Non-GAAP Financial Measures at the end of this Release.

### **Great-West Lifeco reports first quarter 2010 results**

*Winnipeg, May 6, 2010* ... Great-West Lifeco Inc. (Lifeco) has reported net income attributable to common shareholders of \$441 million for the three months ended March 31, 2010, compared to \$326 million in the first quarter of 2009. On a per common share basis, this represents \$0.466 per common share for the three months ended March 31, 2010, compared to \$0.345 per common share for the same period in 2009.

The strengthening of the Canadian dollar against the US dollar, the British pound and the euro had a negative impact on Lifeco's net income of \$31 million when compared to the same period in 2009, with \$14 million attributable to the U.S. segment and \$17 million attributable to the Europe segment.

Consolidated assets under administration at March 31, 2010 were \$463.2 billion, up \$4.6 billion from December 31, 2009.

#### **Highlights**

- Sales in Canada of non-participating individual life insurance products in the quarter were 41% higher than the first quarter of 2009, and sales of participating whole life insurance increased 38% over 2009.
- Sales in the U.S. Financial Services business increased 84% in the quarter compared to the same quarter in 2009. Sales of 401(k) plans increased 67% from the first quarter of 2009.
- Sales in Europe Insurance & Annuities increased 37% over the first quarter of 2009.
- Premiums and deposits for the total Company were up 16% on a constant currency basis.
- Putnam core operating earnings were break even on a pre-tax basis, a significant improvement over the past six quarters which reported losses. This was driven by higher average assets, improved investment performance and strong expense management.
- The Company achieved a 15% return on common shareholders' equity, consistent with its long-term objective.
- The Company declared a quarterly common dividend of \$0.3075 per common share payable June 30, 2010, unchanged from the previous quarter.
- The Company's capital position remains very strong. Lifeco's Canadian operating subsidiary, Great-West Life, reported a Minimum Continuing Capital and Surplus (MCCSR) ratio of 202% at March 31, 2010. At March 31, 2010, Lifeco held, at the holding company level, approximately \$0.9 billion in liquid assets derived from recent capital raising activities.

Equity markets rose in the various economies in which the Company operates during the first quarter of 2010. As equity markets continued to improve in the first quarter, income attributable to common shareholders increased by \$52 million pre-tax as a result of higher investment management fees.

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Credit market conditions in the first quarter experienced a continuing narrowing of credit spreads and lower levels of interest rates in general. This contributed to an increase in assets under management and to a general increase in the fair value of bonds in the quarter. Indeed, gross unrealized bond losses have decreased to \$2.1 billion from \$3.1 billion at year end 2009 and \$7.5 billion from March 31, 2009. Moreover, gross unrealized bond gains at \$2.5 billion now exceed unrealized losses.

For the three months ended March 31, 2010, the Company recognized a net recovery in investment impairment charges of \$9 million, after tax. Changes in bond credit ratings for the quarter positively impacted net income attributable to common shareholders by \$13 million after tax. In aggregate, credit markets favourably impacted common shareholder net income by \$22 million or \$0.02 per common share.

At March 31, 2010, consolidated invested assets were \$101.8 billion. The gross book value of impaired investments at that date was \$825 million, against which the Company had recorded cumulative impairment provisions of \$423 million. The \$423 million impairment provisions against invested assets, together with \$2,316 million provision for future credit losses included in actuarial liabilities represented 3.0% of bond and mortgage assets at March 31, 2010.

## **OPERATING RESULTS**

Consolidated net income for Lifeco is comprised of the net income of The Great-West Life Assurance Company (Great-West Life), Canada Life Financial Corporation (CLFC), London Life Insurance Company (London Life), Great-West Life & Annuity Insurance Company (GWL&A), and Putnam Investments, LLC (Putnam), together with Lifeco's corporate results.

### **CANADA**

Net income attributable to common shareholders for the first quarter of 2010 was \$233 million compared to \$208 million in the first quarter of 2009, reflecting earnings growth in Individual Insurance & Investment Products.

Total sales for the three months ended March 31, 2010 were \$2.7 billion compared to \$1.8 billion for the same period in 2009, an increase of 50%. Sales of protection products increased over the first quarter of 2009, driven by Individual Life sales, which were up 40% over 2009.

Total assets under administration at March 31, 2010 were \$117.1 billion, compared to \$114.6 billion at December 31, 2009.

### **UNITED STATES**

Net income attributable to common shareholders for the first quarter of 2010 was \$68 million compared to \$75 million in the first quarter of 2009.

Total sales for the three months ended March 31, 2010 were \$11.6 billion compared to \$8.2 billion in the first quarter of 2009.

Total assets under administration at March 31, 2010 were \$283.4 billion compared to \$277.8 billion at December 31, 2009. Included in assets under administration at March 31, 2010 were \$120.7 billion of mutual fund and institutional account assets managed by Putnam.

## **EUROPE**

Net income attributable to common shareholders for the first quarter of 2010 was \$140 million compared to \$48 million in the first quarter of 2009 which was negatively impacted by credit markets.

Investment impairment recoveries and provisions for future credit losses increased net income attributable to common shareholders by \$27 million in the quarter, compared to a charge of \$134 million for the same period in 2009.

Total sales for the three months ended March 31, 2010 were \$1.1 billion compared to \$0.8 billion in the first quarter of 2009 due to very strong sales of payout annuity products in the U.K.

Total assets under administration at March 31, 2010 were \$62.7 billion, compared to \$66.2 billion at December 31, 2009.

## **CORPORATE**

Corporate net income for Lifeco attributable to common shareholders was nil compared to a loss of \$5 million in the first quarter of 2009.

## **QUARTERLY DIVIDENDS**

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3075 per share on the common shares of the Company payable June 30, 2010 to shareholders of record at the close of business June 2, 2010.

In addition, the Directors approved quarterly dividends on:

- Series F First Preferred Shares of \$0.36875 per share;
- Series G First Preferred Shares of \$0.3250 per share;
- Series H First Preferred Shares of \$0.30313 per share;
- Series I First Preferred Shares of \$0.28125 per share;
- Series J First Preferred Shares of \$0.3750 per share;
- Series L First Preferred Shares of \$0.353125 per share; and
- Initial dividend on Series M First Preferred Shares of \$0.46877 per share

all payable June 30, 2010 to shareholders of record at the close of business June 2, 2010.

For purposes of the Income Tax Act (Canada), and any similar provincial legislation, the dividends referred to above are eligible dividends.

## **GREAT-WEST LIFECO**

Great-West Lifeco Inc. (TSX:GWO) is a financial services holding company with interests in the life insurance, health insurance, retirement savings, investment management and reinsurance businesses. The Company has operations in Canada, the United States, Europe and Asia through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Great-West Life & Annuity Insurance Company and Putnam Investments, LLC. Lifeco and its companies have over \$463 billion in assets under administration and are members of the Power Financial Corporation group of companies.

***Cautionary note regarding Forward-Looking Information***

This release contains some forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, possible future Company action including statements made by the Company with respect to the expected benefits of acquisitions or divestitures are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates and taxes, as well as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, and the Company's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive, and there may be other factors, including factors set out under “Risk Management and Control Practices” in the Company's 2009 Annual Management's Discussion and Analysis and any listed in other filings with securities regulators, which are available for review at [www.sedar.com](http://www.sedar.com). The reader is also cautioned to consider these and other factors carefully and to not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company has no intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

***Cautionary note regarding Non-GAAP Financial Measures***

This release contains some non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include but are not limited to “earnings before restructuring charges”, “adjusted net income”, “adjusted net income from continuing operations”, “net income - adjusted”, “constant currency basis”, “premiums and deposits”, “sales”, and other similar expressions. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Please refer to the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP.

**Further information**

Selected financial information is attached.

Great-West Lifeco's first quarter conference call will be held Thursday, May 6 at 3:30 p.m. (Eastern). The call can be accessed through [www.greatwestlifeco.com](http://www.greatwestlifeco.com) or by phone at:

- Participants in the Toronto area: 416-340-8018
- Participants from North America: 1-866-223-7781
- Participants from Overseas: Dial international access code first, then 800-6578-9898

A replay of the call will be available from May 6 to May 13, 2010, and can be accessed by calling 1-800-408-3053 or 416-695-5800 in Toronto (passcode: 5040650#).

Additional information relating to Lifeco, including the most recent interim unaudited financial statements, interim Management's Discussion and Analysis (MD&A), and CEO/CFO certificates will be filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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**For more information contact:**

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**LIFECO** INC.

**FINANCIAL HIGHLIGHTS** (unaudited)  
(in \$ millions except per share amounts)

	<b>As at or for the three months ended</b>		
	<b>March 31 2010</b>	December 31 2009	March 31 2009
Premiums and deposits:			
Life insurance, guaranteed annuities and insured health products	<b>\$ 4,610</b>	\$ 4,324	\$ 4,709
Self-funded premium equivalents (ASO contracts)	<b>645</b>	632	618
Segregated funds deposits:			
Individual products	<b>1,790</b>	2,036	1,258
Group products	<b>1,730</b>	1,626	2,696
Proprietary mutual funds and institutional deposits	<b>6,191</b>	6,042	5,280
Total premiums and deposits	<b>14,966</b>	14,660	14,561
Fee and other income	<b>736</b>	765	680
Paid or credited to policyholders	<b>6,571</b>	4,283	3,366
Net income - common shareholders	<b>441</b>	443	326
<b>Per common share</b>			
Basic earnings	<b>0.466</b>	0.468	0.345
Dividends paid	<b>0.3075</b>	0.3075	0.3075
Book value	<b>11.88</b>	12.17	12.68
<b>Return on common shareholders' equity (12 months):</b>			
Net income	<b>15.0%</b>	13.8%	9.3%
Total assets	<b>\$ 126,842</b>	\$ 128,369	\$ 129,596
Segregated funds net assets	<b>87,349</b>	87,495	76,903
Proprietary mutual funds and institutional net assets	<b>123,665</b>	123,504	126,377
Total assets under management	<b>337,856</b>	339,368	332,876
Other assets under administration	<b>125,329</b>	119,207	103,816
Total assets under administration	<b>\$ 463,185</b>	\$ 458,575	\$ 436,692
Share capital and surplus	<b>\$ 12,907</b>	\$ 13,003	\$ 13,299

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**SUMMARIES OF CONSOLIDATED OPERATIONS** *(unaudited)*

*(in \$ millions except per share amounts)*

	<b>For the three months ended</b>		
	<b>March 31 2010</b>	December 31 2009	March 31 2009
<b>Income</b>			
Premium income	\$ 4,610	\$ 4,324	\$ 4,709
Net investment income (note 2)			
Regular net investment income	1,422	1,461	1,511
Changes in fair value on held for trading assets	1,502	(549)	(1,967)
Total net investment income	2,924	912	(456)
Fee and other income	736	765	680
	<b>8,270</b>	<b>6,001</b>	<b>4,933</b>
<b>Benefits and expenses</b>			
Policyholder benefits	3,888	3,915	4,609
Policyholder dividends and experience refunds	383	328	398
Change in actuarial liabilities	2,300	40	(1,641)
Total paid or credited to policyholders	6,571	4,283	3,366
Commissions	363	391	307
Operating expenses	630	673	663
Premium taxes	65	65	55
Financing charges (note 4)	69	62	75
Amortization of finite life intangible assets	23	21	22
<b>Income before income taxes</b>	<b>549</b>	<b>506</b>	<b>445</b>
Income taxes - current	1	(162)	82
- future	85	209	(4)
<b>Net income before non-controlling interests</b>	<b>463</b>	<b>459</b>	<b>367</b>
Non-controlling interests	2	(4)	24
<b>Net income</b>	<b>461</b>	<b>463</b>	<b>343</b>
Perpetual preferred share dividends	20	20	17
<b>Net income - common shareholders</b>	<b>\$ 441</b>	<b>\$ 443</b>	<b>\$ 326</b>
<b>Earnings per common share (note 9)</b>			
<b>Basic</b>	<b>\$ 0.466</b>	<b>\$ 0.468</b>	<b>\$ 0.345</b>
<b>Diluted</b>	<b>\$ 0.465</b>	<b>\$ 0.467</b>	<b>\$ 0.345</b>

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**CONSOLIDATED BALANCE SHEETS** *(unaudited)*  
*(in \$ millions)*

	March 31 2010	December 31 2009	March 31 2009
<b>Assets</b>			
Bonds (note 2)	\$ 65,862	\$ 66,147	\$ 66,715
Mortgage loans (note 2)	16,270	16,684	17,312
Stocks (note 2)	6,681	6,442	5,459
Real estate (note 2)	2,971	3,099	3,257
Loans to policyholders	6,824	6,957	7,842
Cash and cash equivalents	3,237	3,427	2,979
Funds held by ceding insurers	10,130	10,839	10,820
Goodwill	5,403	5,406	5,431
Intangible assets	3,168	3,238	3,582
Other assets	6,296	6,130	6,199
<b>Total assets</b>	<b>\$ 126,842</b>	<b>\$ 128,369</b>	<b>\$ 129,596</b>
<b>Liabilities</b>			
Policy liabilities			
Actuarial liabilities	\$ 96,759	\$ 98,059	\$ 97,245
Provision for claims	1,275	1,308	1,432
Provision for policyholder dividends	618	606	651
Provision for experience rating refunds	239	317	233
Policyholder funds	2,450	2,361	2,449
	<b>101,341</b>	<b>102,651</b>	<b>102,010</b>
Debentures and other debt instruments	4,222	4,142	3,960
Funds held under reinsurance contracts	319	186	191
Other liabilities	4,283	4,608	5,594
Repurchase agreements	737	532	521
Deferred net realized gains	124	133	153
	<b>111,026</b>	<b>112,252</b>	<b>112,429</b>
Preferred shares (note 5)	-	203	748
Capital trust securities and debentures	538	540	755
Non-controlling interests			
Participating account surplus in subsidiaries	1,999	2,004	2,022
Preferred shares issued by subsidiaries	157	157	157
Perpetual preferred shares issued by subsidiaries	147	147	148
Non-controlling interests in capital stock and surplus	68	63	38
<b>Share capital and surplus</b>			
Share capital (note 5)			
Perpetual preferred shares	1,647	1,497	1,328
Common shares	5,782	5,751	5,737
Accumulated surplus	7,514	7,367	6,941
Accumulated other comprehensive loss	(2,089)	(1,664)	(754)
Contributed surplus	53	52	47
	<b>12,907</b>	<b>13,003</b>	<b>13,299</b>
<b>Total liabilities, share capital and surplus</b>	<b>\$ 126,842</b>	<b>\$ 128,369</b>	<b>\$ 129,596</b>

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**CONSOLIDATED STATEMENTS OF SURPLUS** *(unaudited)*  
*(in \$ millions)*

	<b>For the three months ended March 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Accumulated surplus</b>		
Balance, beginning of year	\$ 7,367	\$ 6,906
Net income	461	343
Share issue costs	(3)	-
Dividends to shareholders		
Perpetual preferred shareholders	(20)	(17)
Common shareholders	(291)	(291)
<b>Balance, end of period</b>	<b>\$ 7,514</b>	<b>\$ 6,941</b>
<b>Accumulated other comprehensive loss, net of income taxes</b>		
Balance, beginning of year	\$ (1,664)	\$ (787)
Other comprehensive income (loss)	(425)	33
<b>Balance, end of period</b>	<b>\$ (2,089)</b>	<b>\$ (754)</b>
<b>Contributed surplus</b>		
Balance, beginning of year	\$ 52	\$ 44
Stock option expense		
Current period expense (note 7)	1	3
<b>Balance, end of period</b>	<b>\$ 53</b>	<b>\$ 47</b>

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**SUMMARIES OF CONSOLIDATED COMPREHENSIVE INCOME** *(unaudited)*  
*(in \$ millions)*

	<b>For the three months ended March 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Net income</b>	<b>\$ 461</b>	<b>\$ 343</b>
<b>Other comprehensive income (loss)</b>		
Unrealized foreign exchange gains (losses) on translation of foreign operations	(479)	182
Unrealized gains (losses) on available for sale assets	54	(127)
Income tax (expense) benefit	(15)	27
Realized (gains) losses on available for sale assets	(13)	(15)
Income tax (expense) benefit	3	3
Unrealized gains (losses) on cash flow hedges	34	(82)
Income tax (expense) benefit	(12)	29
Realized (gains) losses on cash flow hedges	-	19
Income tax (expense) benefit	-	(7)
Non-controlling interests	3	4
	(425)	33
<b>Comprehensive income</b>	<b>\$ 36</b>	<b>\$ 376</b>

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**CONSOLIDATED STATEMENTS OF CASH FLOWS** *(unaudited)*  
*(in \$ millions)*

	<b>For the three months ended March 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Operations</b>		
Net income	\$ 461	\$ 343
Adjustments:		
Change in policy liabilities	2,323	(1,589)
Change in funds held by ceding insurers	63	144
Change in funds held under reinsurance contracts	153	(8)
Change in current income taxes payable	(64)	(107)
Future income tax expense	85	(4)
Changes in fair value of financial instruments	(1,504)	1,968
Other	(320)	8
Cash flows from operations	1,197	755
<b>Financing Activities</b>		
Issue of common shares	31	1
Issue of preferred shares	150	-
Redemption of preferred shares	(200)	-
Increase in line of credit in subsidiary	120	100
Repayment of debentures and other debt instruments	(3)	(2)
Share issue costs	(3)	-
Dividends paid	(311)	(308)
	(216)	(209)
<b>Investment Activities</b>		
Bond sales and maturities	4,584	4,997
Mortgage loan repayments	394	419
Stock sales	449	622
Real estate sales	-	7
Change in loans to policyholders	-	(46)
Change in repurchase agreements	221	184
Investment in bonds	(5,614)	(5,579)
Investment in mortgage loans	(290)	(190)
Investment in stocks	(622)	(793)
Investment in real estate	(57)	(65)
	(935)	(444)
Effect of changes in exchange rates on cash and cash equivalents	(236)	27
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(190)</b>	<b>129</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>3,427</b>	<b>2,850</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,237</b>	<b>\$ 2,979</b>

**Notes to Consolidated Financial Statements** *(unaudited)*

*(in \$ millions except per share amounts)*

**1. Basis of Presentation and Summary of Accounting Policies**

The interim unaudited consolidated financial statements of Great-West Lifeco Inc. (Lifeco or the Company) at March 31, 2010 have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2009. During the first quarter, 2010 the Company did not adopt any changes in accounting policy that resulted in a material impact to the financial statements of the Company. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's annual report dated December 31, 2009.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The valuation of policy liabilities, certain financial assets and liabilities, goodwill and indefinite life intangible assets, income taxes and pension plans and other post retirement benefits are the most significant components of the Company's financial statements subject to management estimates.

The year to date results of the Company reflect management's judgments regarding the impact of prevailing global credit, equity and foreign exchange market conditions. Financial instrument carrying values currently reflect the illiquidity of the markets and the liquidity premiums embedded in the market pricing methods the Company relies upon.

The estimation of policy liabilities relies upon investment credit ratings. The Company's practice is to use third party independent credit ratings where available. Credit rating changes may lag developments in the current environment. Subsequent credit rating adjustments will impact policy liabilities.

**(a) Future Accounting Policies**

International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board has mandated that all Canadian publicly accountable entities are required to transition from Canadian generally accepted accounting principles (GAAP) to IFRS for fiscal years beginning on or after January 1, 2011. Consequently, the Company will adopt IFRS in its quarterly and annual reports starting with the first quarter of 2011 and will provide corresponding comparative information for 2010.

The Company continues to evaluate the financial statement impact of transitioning from Canadian GAAP to IFRS and the related effect on its information systems and processes. Until this effort is complete, the impact of adopting IFRS and the related effects on the Company's consolidated financial statements cannot be reasonably determined.

The IFRS standard that deals with the measurement of insurance contracts, also referred to as Phase II Insurance Contracts, is currently being developed and a final accounting standard is not expected to be implemented for several years. As a result, the Company will continue to measure insurance liabilities using CALM until such time when a new IFRS standard for insurance contract measurement is issued. Consequently, the evolving nature of IFRS will likely result in additional accounting changes, some of which may be significant, in the years following the Company's initial transition to IFRS.

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**2. Portfolio Investments**

(a) Carrying values and estimated market values of portfolio investments are as follows:

	March 31, 2010					
	Held-for-trading	Available-for-sale	Loans and receivables	Other	Total carrying value	Total fair value
Bonds	\$ 51,716	\$ 5,157	\$ 8,989	-	\$ 65,862	\$ 66,230
Mortgage loans	-	-	16,270	-	16,270	16,663
Stocks	5,256	1,098	-	327	6,681	6,764
Real estate	-	-	-	2,971	2,971	2,997
	<b>\$ 56,972</b>	<b>\$ 6,255</b>	<b>\$ 25,259</b>	<b>\$ 3,298</b>	<b>\$ 91,784</b>	<b>\$ 92,654</b>

	December 31, 2009					
	Held-for-trading	Available-for-sale	Loans and receivables	Other	Total carrying value	Total fair value
Bonds	\$ 52,362	\$ 4,620	\$ 9,165	-	\$ 66,147	\$ 66,403
Mortgage loans	-	-	16,684	-	16,684	16,891
Stocks	4,928	1,186	-	328	6,442	6,503
Real estate	-	-	-	3,099	3,099	3,053
	<b>\$ 57,290</b>	<b>\$ 5,806</b>	<b>\$ 25,849</b>	<b>\$ 3,427</b>	<b>\$ 92,372</b>	<b>\$ 92,850</b>

	March 31, 2009					
	Held-for-trading	Available-for-sale	Loans and receivables	Other	Total carrying value	Total fair value
Bonds	\$ 51,552	\$ 5,424	\$ 9,739	-	\$ 66,715	\$ 66,404
Mortgage loans	-	-	17,312	-	17,312	17,309
Stocks	3,712	1,418	-	329	5,459	5,406
Real estate	-	-	-	3,257	3,257	2,993
	<b>\$ 55,264</b>	<b>\$ 6,842</b>	<b>\$ 27,051</b>	<b>\$ 3,586</b>	<b>\$ 92,743</b>	<b>\$ 92,112</b>

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(b) Included in portfolio investments are the following:

(i) Impaired investments

	March 31, 2010		
	Gross amount	Impairment	Carrying amount
Impaired amounts by type <sup>(1)</sup>			
Held for trading	\$ 590	\$ (290)	\$ 300
Available for sale	57	(38)	19
Loans and receivables	169	(93)	76
<b>Total</b>	<b>\$ 816</b>	<b>\$ (421)</b>	<b>\$ 395</b>

	December 31, 2009		
	Gross amount	Impairment	Carrying amount
Impaired amounts by type <sup>(1)</sup>			
Held for trading	\$ 517	\$ (278)	\$ 239
Available for sale	55	(36)	19
Loans and receivables	151	(81)	70
<b>Total</b>	<b>\$ 723</b>	<b>\$ (395)</b>	<b>\$ 328</b>

	March 31, 2009		
	Gross amount	Impairment	Carrying amount
Impaired amounts by type <sup>(1)</sup>			
Held for trading	\$ 162	\$ (145)	\$ 17
Available for sale	16	(16)	-
Loans and receivables	158	(80)	78
<b>Total</b>	<b>\$ 336</b>	<b>\$ (241)</b>	<b>\$ 95</b>

Impaired investments include \$52 gross amount of capital securities that have deferred coupons on a non-cumulative basis.

<sup>(1)</sup> Excludes amounts in funds held by ceding insurers of \$9 and impairment of \$(2) at March 31, 2010 and \$10 and \$(4) at December 31, 2009 and \$15 and \$(14) at March 31, 2009.

(ii) The Company holds investments with restructured terms or which have been exchanged for securities with amended terms. These investments are performing according to their new terms. Their carrying value is as follows:

	March 31 2010	December 31 2009	March 31 2009
Bonds	\$ 24	\$ 36	\$ 35
Bonds with equity conversion features	166	169	-
Mortgages	1	1	1
	<b>\$ 191</b>	<b>\$ 206</b>	<b>\$ 36</b>

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(iii) Included in net income is the impact of other than temporary impairment (OTTI) as follows:

For the three months ended March 31, 2010					
	Held-for-trading	Available-for-sale	Loans and receivables	Other	Total
Impact on OTTI					
- Assets carried at market value	\$ (44)	\$ -	\$ -	\$ -	\$ (44)
- Transfer from other comprehensive income	-	(4)	-	-	(4)
Gross impairment charges	(44)	(4)	-	-	(48)
Release of actuarial default provision and other	59	-	-	-	59
Net impairment (charges) recovery before income taxes	\$ 15	\$ (4)	\$ -	\$ -	\$ 11
Net impairment (charges) recovery after income taxes				\$ 9	

For the three months ended March 31, 2009					
	Held-for-trading	Available-for-sale	Loans and receivables	Other	Total
Impact on OTTI					
- Assets carried at market value	\$ (7)	\$ -	\$ -	\$ -	\$ (7)
- Assets carried at amortized cost	-	-	(19)	-	(19)
Gross impairment charges	(7)	-	(19)	-	(26)
Release of actuarial default provision and other	-	-	-	-	-
Net impairment (charges) recovery before income taxes	\$ (7)	\$ -	\$ (19)	\$ -	\$ (26)
Net impairment (charges) recovery after income taxes				\$ (19)	

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(c) Net investment income is comprised of the following:

<b>For the three months ended March 31, 2010</b>	<b>Bonds</b>	<b>Mortgage loans</b>	<b>Stocks</b>	<b>Real estate</b>	<b>Other</b>	<b>Total</b>
Regular net investment income:						
Investment income earned	\$ 937	\$ 221	\$ 43	\$ 45	\$ 166	\$ 1,412
Net realized gains (losses) <i>(available for sale)</i>	4	-	8	-	-	12
Net realized gains (losses) <i>(other classifications)</i>	10	3	-	-	-	13
Amortization of net realized/unrealized gains <i>(non-financial instruments)</i>	-	-	-	2	-	2
Other income and expenses	-	-	-	-	(17)	(17)
	<b>951</b>	<b>224</b>	<b>51</b>	<b>47</b>	<b>149</b>	<b>1,422</b>
Changes in fair value on held for trading assets:						
Net realized/unrealized gains <i>(losses) (classified held for trading)</i>	15	-	-	-	-	15
Net realized/unrealized gains <i>(losses) (designated held for trading)</i>	1,335	-	158	-	(6)	1,487
	<b>1,350</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>(6)</b>	<b>1,502</b>
<b>Net investment income</b>	<b>\$ 2,301</b>	<b>\$ 224</b>	<b>\$ 209</b>	<b>\$ 47</b>	<b>\$ 143</b>	<b>\$ 2,924</b>

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For the three months ended March 31, 2009	Bonds	Mortgage loans	Stocks	Real estate	Other	Total
Regular net investment income:						
Investment income earned	\$ 1,064	\$ 235	\$ 44	\$ 45	\$ 70	\$ 1,458
Net realized gains (losses) <i>(available for sale)</i>	16	-	(1)	-	-	15
Net realized gains (losses) <i>(other classifications)</i>	(3)	4	76	-	-	77
Amortization of net realized/unrealized gains <i>(non-financial instruments)</i>	-	-	-	(4)	-	(4)
Net (provision) recovery for credit losses <i>(loans and receivables)</i>	(12)	(7)	-	-	-	(19)
Other income and expenses	-	-	-	-	(16)	(16)
	<u>1,065</u>	<u>232</u>	<u>119</u>	<u>41</u>	<u>54</u>	<u>1,511</u>
Changes in fair value on held for trading assets:						
Net realized/unrealized gains (losses) <i>(classified held for trading)</i>	9	-	-	-	-	9
Net realized/unrealized gains (losses) <i>(designated held for trading)</i>	(1,794)	-	(175)	-	(7)	(1,976)
	<u>(1,785)</u>	<u>-</u>	<u>(175)</u>	<u>-</u>	<u>(7)</u>	<u>(1,967)</u>
Net investment income	<u>\$ (720)</u>	<u>\$ 232</u>	<u>\$ (56)</u>	<u>\$ 41</u>	<u>\$ 47</u>	<u>\$ (456)</u>

Investment income earned is comprised of income from investments that are classified or designated as held for trading, classified as available for sale and classified as loans and receivables.

### 3. Risk Management

The Company has policies relating to the identification, measurement, monitoring, mitigating, and controlling of risks associated with financial instruments. The key risks related to financial instruments are credit risk, liquidity risk and market risk (currency, interest rate and equity). Our risk governance structure and risk management approach have not substantially changed from that described in our 2009 Annual Report. Certain risks have been outlined below. For a complete discussion of our risk governance structure and our risk management approach, see the "Financial Instrument Risk Management" note in the Company's consolidated financial statements dated December 31, 2009.

The Company has also established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan. The Board of Directors reviews and approves all capital transactions undertaken by management.

**(a) Credit Risk**

Credit risk is the risk of financial loss resulting from the failure of debtors making payments when due.

(i) Concentration of Credit Risk

Concentrations of credit risk arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar credit risk characteristics in that they operate in the same geographic region or in similar industries.

The following table provides details of the carrying value of bonds by industry sector and geographic distribution:

	<b>March 31, 2010</b>			
	<b>Canada</b>	<b>United States</b>	<b>Europe</b>	<b>Total</b>
Bonds issued or guaranteed by:				
Canadian federal government	\$ 2,835	\$ 1	\$ 13	\$ 2,849
Provincial, state and municipal governments	5,155	1,513	55	6,723
U.S. Treasury and other U.S. agencies	305	2,623	749	3,677
Other foreign governments	133	-	5,895	6,028
Government related	785	-	1,273	2,058
Sovereign	698	4	638	1,340
Asset-backed securities	2,602	3,300	812	6,714
Residential mortgage backed securities	49	810	78	937
Banks	2,414	469	2,237	5,120
Other financial institutions	1,032	1,345	1,425	3,802
Basic materials	149	530	194	873
Communications	596	264	477	1,337
Consumer products	1,470	1,400	1,522	4,392
Industrial products/services	535	614	181	1,330
Natural resources	1,050	663	441	2,154
Real estate	601	-	1,187	1,788
Transportations	1,427	571	550	2,548
Utilities	3,102	2,174	2,569	7,845
Miscellaneous	1,569	564	184	2,317
Total long term bonds	<u>26,507</u>	<u>16,845</u>	<u>20,480</u>	<u>63,832</u>
Short term bonds	1,170	690	170	2,030
	<u>\$ 27,677</u>	<u>\$ 17,535</u>	<u>\$ 20,650</u>	<u>\$ 65,862</u>

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December 31, 2009

	Canada	United States	Europe	Total
Bonds issued or guaranteed by:				
Canadian federal government	\$ 2,264	\$ 1	\$ 14	\$ 2,279
Provincial, state and municipal governments	4,917	1,333	55	6,305
U.S. Treasury and other U.S. agencies	240	2,620	758	3,618
Other foreign governments	104	-	5,773	5,877
Government related	778	-	1,372	2,150
Sovereign	783	4	762	1,549
Asset-backed securities	2,636	3,306	851	6,793
Residential mortgage backed securities	46	842	60	948
Banks	2,201	453	2,299	4,953
Other financial institutions	1,021	1,336	1,507	3,864
Basic materials	151	571	198	920
Communications	598	276	473	1,347
Consumer products	1,384	1,351	1,664	4,399
Industrial products/services	516	651	206	1,373
Natural resources	1,000	710	581	2,291
Real estate	559	-	1,216	1,775
Transportations	1,414	585	594	2,593
Utilities	3,008	2,172	2,702	7,882
Miscellaneous	1,489	562	182	2,233
Total long term bonds	25,109	16,773	21,267	63,149
Short term bonds	2,406	455	137	2,998
	\$ 27,515	\$ 17,228	\$ 21,404	\$ 66,147

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LIFECO INC.

	March 31, 2009			
	Canada	United States	Europe	Total
Bonds issued or guaranteed by:				
Canadian federal government	\$ 2,216	\$ 2	\$ 10	\$ 2,228
Provincial, state and municipal governments	4,559	1,513	79	6,151
U.S. Treasury and other U.S. agencies	314	3,759	944	5,017
Other foreign governments	154	-	6,537	6,691
Government related	735	-	1,265	2,000
Sovereign	752	7	912	1,671
Asset-backed securities	2,640	3,586	851	7,077
Residential mortgage backed securities	88	1,046	67	1,201
Banks	2,081	402	2,006	4,489
Other financial institutions	956	1,088	1,387	3,431
Basic materials	147	590	200	937
Communications	573	352	402	1,327
Consumer products	1,369	1,336	1,657	4,362
Industrial products/services	613	737	273	1,623
Natural resources	906	585	571	2,062
Real estate	493	-	1,194	1,687
Transportations	1,297	646	681	2,624
Utilities	2,794	2,086	2,536	7,416
Miscellaneous	1,356	438	183	1,977
Total long term bonds	24,043	18,173	21,755	63,971
Short term bonds	1,997	578	169	2,744
	\$ 26,040	\$ 18,751	\$ 21,924	\$ 66,715

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(ii) Asset Quality

**Bond Portfolio Quality**

	<b>March 31 2010</b>	December 31 2009	March 31 2009
AAA	\$ 22,481	\$ 21,754	\$ 24,668
AA	10,540	10,585	10,555
A	19,333	19,332	18,284
BBB	10,100	10,113	9,889
BB and lower	1,378	1,365	575
	<b>63,832</b>	63,149	63,971
Short term bonds	2,030	2,998	2,744
<b>Total bonds</b>	<b>\$ 65,862</b>	<b>\$ 66,147</b>	<b>\$ 66,715</b>

**Derivative Portfolio Quality**

	<b>March 31 2010</b>	December 31 2009	March 31 2009
Over-the-counter contracts (counterparty ratings):			
AAA	\$ 3	\$ 5	\$ 6
AA	404	338	135
A	433	374	343
<b>Total</b>	<b>\$ 840</b>	<b>\$ 717</b>	<b>\$ 484</b>

(iii) Loans Past Due, But Not Impaired

Loans that are past due but not considered impaired are loans for which scheduled payments have not been received, but management has reasonable assurance of collection of the full amount of principal and interest due. The following table provides carrying values of the loans past due, but not impaired:

	<b>March 31 2010</b>	December 31 2009	March 31 2009
Less than 30 days	\$ 3	\$ 45	\$ 61
30 - 90 days	2	6	34
90 days and greater	8	9	3
<b>Total</b>	<b>\$ 13</b>	<b>\$ 60</b>	<b>\$ 98</b>

(iv) Performing Securities Subject to Deferred Coupons

	<b>Payment Resumption Date</b>		
	<b>&lt; 1 year</b>	<b>1 to 2 years</b>	<b>&gt; 2 years</b>
Coupon payment receivable	\$ -	\$ 2	\$ -

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The following policies and procedures are in place to manage this risk:

- The Company closely manages operating liquidity through cash flow matching of assets and liabilities and forecasting earned and required yields, to ensure consistency between policyholder requirements and the yield of assets.
- Management closely monitors the solvency and capital positions of its principal subsidiaries opposite liquidity requirements at the holding company. Additional liquidity is available through established lines of credit or the capital markets.

**(c) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market factors which include three types: currency risk, interest rate (including related inflation) risk and equity risk.

**(i) Currency Risk**

Currency risk relates to the Company operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. If the assets backing policy liabilities are not matched by currency, changes in foreign exchange rates can expose the Company to the risk of foreign exchange losses not offset by liability decreases.

- A 10% weakening of the Canadian dollar against foreign currencies would be expected to increase non-participating policy liabilities and their supporting assets by approximately the same amount resulting in an immaterial change to net income. A 10% strengthening of the Canadian dollar against foreign currencies would be expected to decrease non-participating policy liabilities and their supporting assets by approximately the same amount resulting in an immaterial change in net income.

**(ii) Interest Rate Risk**

Interest rate risk exists if asset and liability cash flows are not closely matched and interest rates change causing a difference in value between the asset and liability.

Projected cash flows from the current assets and liabilities are used in CALM to determine policy liabilities. Valuation assumptions have been made regarding rates of returns on supporting assets, fixed income, equity and inflation. The valuation assumptions use best estimates of future reinvestment rates and inflation assumptions with an assumed correlation together with margins for adverse deviation set in accordance with professional standards. These margins are necessary to provide for possibilities of misestimation and/or future deterioration in the best estimate assumptions and provide reasonable assurance that policy liabilities cover a range of possible outcomes. Margins are reviewed periodically for continued appropriateness.

Testing under several interest rate scenarios (including increasing and decreasing rates) is done to assess reinvestment risk.

One way of measuring the interest rate risk associated with this assumption is to determine the effect on the policy liabilities impacting the shareholder income of the Company of a 1% immediate parallel shift in the yield curve. These interest rate changes will impact the projected cash flows.

- The effect of an immediate 1% parallel increase in the yield curve would be to increase these policy liabilities by approximately \$48 causing a decrease in net income of approximately \$35.

- The effect of an immediate 1% parallel decrease in the yield curve would be to increase these policy liabilities by approximately \$167 causing a decrease in net income of approximately \$113.

In addition to above, if this change in the yield curve persisted for an extended period the range of the tested scenarios might change. The effect of an immediate 1% parallel decrease or increase in the yield curve persisting for a year would have immaterial additional effects on the reported policy liability.

(iii) Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. To mitigate price risk, the Company has investment policy guidelines in place that provide for prudent investment in equity markets within clearly defined limits. The risks associated with segregated fund guarantees have been mitigated through a hedging program for lifetime Guaranteed Minimum Withdrawal Benefit guarantees consisting of purchasing equity futures, currency forwards, and interest rate swaps. For policies with segregated fund guarantees, the Company generally determines policy liabilities at a CTE75 (conditional tail expectation of 75) level.

Some policy liabilities are supported by real estate, common stocks and private equities, for example segregated fund products and products with long-tail cash flows. Generally these liabilities will fluctuate in line with equity market values. There will be additional impacts on these liabilities as equity market values fluctuate. A 10% increase in equity markets would be expected to additionally decrease non-participating policy liabilities by approximately \$38 causing an increase in net income of approximately \$28. A 10% decrease in equity markets would be expected to additionally increase non-participating policy liabilities by approximately \$71 causing a decrease in net income of approximately \$51.

The best estimate return assumptions for equities are primarily based on long term historical averages. Changes in the current market could result in changes to these assumptions and will impact both asset and liability cash flows. A 1% increase in the best estimate assumption would be expected to decrease non-participating policy liabilities by approximately \$325 causing an increase in net income of approximately \$237. A 1% decrease in the best estimate assumption would be expected to increase non-participating policy liabilities by approximately \$372 causing a decrease in net income of approximately \$269.

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**4. Financing Charges**

Financing charges consist of the following:

	<b>For the three months ended March 31</b>	
	<b>2010</b>	<b>2009</b>
<b>Operating charges:</b>		
Interest on long-term debentures and other debt instruments	\$ 1	\$ 1
<b>Financial charges:</b>		
Interest on long-term debentures and other debt instruments	56	52
Dividends on preferred shares classified as liabilities	2	9
Net realized/unrealized losses (gains) on preferred shares classified as held for trading	(2)	1
Other	4	2
Net interest on capital trust debentures and securities	8	10
	<b>68</b>	<b>74</b>
<b>Total</b>	<b>\$ 69</b>	<b>\$ 75</b>

**5. Share Capital**

**(a) Preferred Shares**

On March 4, 2010 the Company issued 6,000,000 Series M, 5.80% Non-Cumulative First Preferred Shares at \$25 per share. The shares are redeemable at the option of the Company on or after March 31, 2015 for \$25 per share plus a premium if redeemed prior to March 31, 2019, in each case with all declared and unpaid dividends to but excluding the date of redemption.

On March 31, 2010 the Company redeemed all of the remaining outstanding Series D First Preferred shares at a redemption price of \$25.25 per share. The Company had designated outstanding Preferred Shares Series D as held for trading on the Consolidated Balance Sheets with changes in fair value reported in the Summaries of Consolidated Operations. In connection with the transaction the Company recognized unrealized gains of \$2 in the Summaries of Consolidated Operations. As a result the Company no longer has any outstanding preferred shares classified as liabilities.

**(b) Common Shares**

Issued and outstanding

	March 31, 2010		December 31, 2009		March 31, 2009	
	Number	Carrying value	Number	Carrying value	Number	Carrying value
Common shares:						
Balance, beginning of year	945,040,476	\$ 5,751	943,882,505	\$ 5,736	943,882,505	\$ 5,736
Issued under stock option plan (exercised)	2,369,420	31	1,157,971	15	143,215	1
Balance, end of period	947,409,896	\$ 5,782	945,040,476	\$ 5,751	944,025,720	\$ 5,737

## 6. Capital Management

At the holding company level, the Company monitors the amount of consolidated capital available, and the amounts deployed in its various operating subsidiaries. The amount of capital deployed in any particular company or country is dependent upon local regulatory requirements as well as the Company's internal assessment of capital requirements in the context of its operational risks and requirements, and strategic plans.

Since the timing of available funds cannot always be matched precisely to commitments, imbalances may arise when demands for funds exceed those on hand. Also, a demand for funds may arise as a result of the Company taking advantage of current investment opportunities. The sources of the funds that may be required in such situations include bank financing and the issuance of debentures and equity securities.

The Company's practice is to maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate.

The capitalization of the Company and its operating subsidiaries will also take into account the views expressed by the various credit rating agencies that provide financial strength and other ratings to the Company.

In Canada, OSFI has established a capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries, known as the Minimum Continuing Capital and Surplus Requirements (MCCSR).

For Canadian regulatory reporting purposes, capital is defined by OSFI in its MCCSR guideline. The following table provides the MCCSR information and ratios for Great-West Life:

	<b>March 31 2010</b>	December 31 2009	March 31 2009
<b>Capital Available:</b>			
<b>Net Tier 1 Capital</b>	<b>\$ 6,907</b>	\$ 7,014	\$ 6,426
<b>Tier 2 Capital Allowed</b>	<b>1,723</b>	1,856	2,342
<b>Total Available Capital</b>	<b>\$ 8,630</b>	\$ 8,870	\$ 8,768
<b>Capital Required:</b>			
<b>Total Capital Required</b>	<b>\$ 4,263</b>	\$ 4,354	\$ 4,268
<b>MCCSR ratios:</b>			
<b>Tier 1</b>	<b>162%</b>	161%	151%
<b>Total</b>	<b>202%</b>	204%	205%

In the United States, GWL&A is subject to comprehensive state and federal regulation and supervision. The National Association of Insurance Commissioners (NAIC) has adopted risk-based capital rules and other financial ratios for U.S. life insurance companies. At December 31, 2009, the Risk-Based Capital (RBC) ratio for GWL&A was 476% of the Company Action Level.

As at March 31, 2010 and 2009 the Company maintained capital levels above the minimum local requirements in its other foreign operations.

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The Company is both a user and a provider of reinsurance, including both traditional reinsurance, which is undertaken primarily to mitigate against assumed insurance risks, and financial or finite reinsurance, under which the amount of insurance risk passed to the reinsurer or its reinsureds may be more limited. The Company is required to put amounts on deposit for certain reinsurance transactions. These amounts on deposit are presented in funds held by ceding insurers on the Consolidated Balance Sheets. Some of these amounts on deposit support surplus.

**7. Stock Based Compensation**

863,000 options were granted under the Company's stock option plan for the three months ended March 31, 2010, (No options were granted during the first quarter of 2009). The weighted fair value of options granted during the three months ended March 31, 2010 was \$4.34 per option. Compensation expense of \$1 after-tax has been recognized in the Summaries of Consolidated Operations for the three months ended March 31, 2010 (\$3 after-tax for the three months ended March 31, 2009).

**8. Pension Plans and Other Post-Retirement Benefits**

The total benefit costs included in operating expenses are as follows:

	For the three months ended March 31	
	2010	2009
Pension benefits	\$ 16	\$ 16
Other benefits	3	3
<b>Total</b>	<b>\$ 19</b>	<b>\$ 19</b>

**9. Earnings per Common Share**

The following table provides the reconciliation between basic and diluted earnings per common share:

	For the three months ended March 31	
	2010	2009
<b>Earnings</b>		
Net income	\$ 461	\$ 343
Perpetual preferred share dividends	20	17
Net income - common shareholders	<b>\$ 441</b>	<b>\$ 326</b>
<b>Number of common shares</b>		
Average number of common shares outstanding	946,097,743	943,916,502
Add:		
- Potential exercise of outstanding stock options	1,812,421	303,303
Average number of common shares outstanding - diluted basis	<b>947,910,164</b>	<b>944,219,805</b>
<b>Basic earnings per common share</b>	<b>\$ 0.466</b>	<b>\$ 0.345</b>
<b>Diluted earnings per common share</b>	<b>\$ 0.465</b>	<b>\$ 0.345</b>

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**10. Segmented Information**

**Consolidated Operations**

For the three months ended March 31, 2010

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income:</b>					
Premium income	\$ 2,268	\$ 826	\$ 1,516	\$ -	\$ 4,610
Net investment income					
Regular net investment income	619	334	468	1	1,422
Changes in fair value on held for trading assets	421	292	789	-	1,502
Total net investment income	1,040	626	1,257	1	2,924
Fee and other income	256	317	163	-	736
<b>Total income</b>	<b>3,564</b>	<b>1,769</b>	<b>2,936</b>	<b>1</b>	<b>8,270</b>
<b>Benefits and expenses:</b>					
Paid or credited to policyholders	2,680	1,290	2,601	-	6,571
Other	587	378	162	-	1,127
Amortization of finite life intangible assets	9	12	2	-	23
<b>Income before income taxes</b>	<b>288</b>	<b>89</b>	<b>171</b>	<b>1</b>	<b>549</b>
Income taxes	39	20	26	1	86
<b>Net income before non-controlling interests</b>	<b>249</b>	<b>69</b>	<b>145</b>	<b>-</b>	<b>463</b>
Non-controlling interests	(1)	1	2	-	2
<b>Net Income</b>	<b>250</b>	<b>68</b>	<b>143</b>	<b>-</b>	<b>461</b>
Perpetual preferred share dividends	17	-	3	-	20
<b>Net income - common shareholders</b>	<b>\$ 233</b>	<b>\$ 68</b>	<b>\$ 140</b>	<b>\$ -</b>	<b>\$ 441</b>

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For the three months ended March 31, 2009

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 2,074	\$ 955	\$ 1,680	\$ -	\$ 4,709
Net investment income					
Regular net investment income	547	442	521	1	1,511
Changes in fair value on held for trading assets	(322)	(221)	(1,424)	-	(1,967)
Total net investment income	225	221	(903)	1	(456)
Fee and other income	222	283	175	-	680
Total income	2,521	1,459	952	1	4,933
Benefits and expenses:					
Paid or credited to policyholders	1,683	944	739	-	3,366
Other	531	389	177	3	1,100
Amortization of finite life intangible assets	7	14	1	-	22
Income before income taxes	300	112	35	(2)	445
Income taxes	62	32	(16)	-	78
Net income before non-controlling interests	238	80	51	(2)	367
Non-controlling interests	19	5	-	-	24
Net Income	219	75	51	(2)	343
Perpetual preferred share dividends	11	-	3	3	17
Net income - common shareholders	\$ 208	\$ 75	\$ 48	\$ (5)	\$ 326