

GENERATION DEVELOPMENT GROUP LIMITED
(ABN 90 087 334 370)

Appendix 4D

Half Year Report
For The Half Year Ended 31 December 2020
(Previous corresponding period: Half Year Ended 31 December 2019)

*This Half Year Report is provided to the
Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3
and should be read in conjunction with the most recent annual financial report.*

Results for Announcement to the Market

Revenue and Net Profit / (Loss)

	Percentage Change %		Amount \$'000
Revenues from ordinary activities	Up	27%	9,408
Profit from ordinary activities after income tax attributable to members		nm	554
Net profit attributable to members		nm	554

Dividends (Distributions)

	Amount per security	Franked amount per security
Current period		
Final 2020 dividend paid 1 October 2020	1 cent	Nil
Interim 2021 dividend	1 cent	Nil
Ex-dividend date	16 March 2021	
Record date	17 March 2021	
Deadline to elect to participate in the DRP	18 March 2021	
Payment date	12 April 2021	
Previous corresponding period		
Final 2019 dividend paid 10 October 2019	1 cent	Nil
Interim 2020 dividend	1 cent	Nil
Ex-dividend date	18 March 2020	
Record date	19 March 2020	
Deadline to elect to participate in the DRP	20 March 2020	
Payment date	14 April 2020	

GENERATION DEVELOPMENT GROUP LIMITED

(ABN 90 087 334 370)

Brief explanation of revenue, net profit/(loss) and dividends (distributions) to enable the above figures to be understood

Please refer to the accompanying Interim Condensed Consolidated Financial Report for an explanation of the result.

For further information contact Terence Wong – Chief Financial Officer.

Net Tangible Assets per Security

	Current period	Previous corresponding period
Net tangible assets backing per security	32.01 cents	13.82 cents

Entities over which control has been gained or lost

Name	Date of gain or loss of control	Contribution to profit/(loss) from ordinary activities during current period \$'000	Profit/(loss) during previous corresponding period \$'000
Nil			

Dividend payments

	Date paid / payable	Amount per security	Total dividend \$'000
Current period			
Interim 2021 dividend	12 April 2021	1 cent	1,759
Final 2020 dividend	1 October 2020	1 cent	1,258
Previous corresponding period			
Interim 2020 dividend	14 April 2020	1 cent	1,255
Final 2019 dividend	10 October 2019	1 cent	1,253

Details of dividend reinvestment plans in operation.

The DRP Allocation Price will be equivalent to the daily volume weighted average market price of all GDG shares sold on the ASX, excluding any trades otherwise than in the ordinary course of trading, for the 5 trading days from 19 March 2021 to 25 March 2021.

Last date for receipt of election notice to participate in dividend reinvestment plan 18 March 2021

Associates and Joint Ventures

Name of Associates	Percentage ownership	
	Current period	Previous corresponding period
Lonsec Holding Pty Ltd	37%	-
Claimfast Pty Ltd (trading as Remediator)	20%	-



Generation Development Group Limited
ABN: 90 087 334 370

**Interim Condensed Consolidated
Financial Report 31 December 2020**

Corporate Information

Company Directors

Mr Robert Neil Coombe
Mr William Eric Bessemer
Mr Jonathan James Tooth
Mr John David Wheeler

Non-Executive Chairman
Non-Executive Director
Non-Executive Director
Non-Executive Director

Company Secretary

Ms Amanda Gawne

Chief Financial Officer

Mr Terence Wong

Registered Office

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Share Register

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Banker

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Auditor

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Collins Square
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Summary of Results (Unaudited)

Generation Development Group recorded an underlying operating profit after tax of \$2.2 million for the six months ended 31 December 2020 (31 December 2019: \$1.5 million).

The underlying operating profit after tax excludes Ascalon operating costs and other items.

The Group recorded a consolidated statutory net profit for the six months ending 31 December 2020 of \$554 thousand (31 December 2019: loss \$1.2 million). Statutory net profit/(loss) after tax has been prepared in accordance with the Corporation Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards.

	Notes	Half year to 31 Dec 20 \$'000	Half year to 31 Dec 19^ \$'000	Variance \$'000
Life and Services		8,843	6,612	2,231
Other income		565	784	(219)
Total revenue	1	9,408	7,396	2,012
Personnel		(3,945)	(3,654)	(291)
Occupancy		(121)	(55)	(66)
Communication		(74)	(68)	(6)
Finance		(20)	(19)	(1)
Dealing and settlement		(2,498)	(2,088)	(410)
Marketing and promotion		(229)	(236)	7
Depreciation and amortisation		(452)	(329)	(123)
Administration expenses		(2,799)	(1,848)	(951)
Total expenses	1	(10,138)	(8,297)	(1,841)
Underlying loss before income tax		(730)	(901)	171
Income tax benefit / (expense)	2	2,854	2,363	491
Underlying profit after tax – Life / administration business		2,124	1,462	662
Income from associates	3	337	-	337
Product development costs (net of tax)		(230)	-	(230)
Underlying profit after tax		2,231	1,462	769
Other items (net of applicable tax)				
Ascalon operational costs		(640)	(1,421)	781
Deferred tax reversal on carry forward losses		(553)	(1,185)	632
Transaction costs	4	(484)	-	(484)
Termination benefits		-	(76)	76
Statutory profit / (loss) after tax		554	(1,220)	1,774

Notes:

- Revenue and expenses reflected in the summary of results are attributable to the Shareholders of the Company and excludes the activities of the consolidated benefit funds.
- For income taxation purposes Generation Life Limited is a single taxpayer comprising policyholder Benefit Funds and a central management or shareholder fund with all the Company's assessable income, allowable deductions and other tax offsets being pooled.
- Based on share of profit after tax of associates from the date of acquisition / investment.
- Includes non-capitalised amounts and amounts not attributed to share capital.

^ Certain comparative amounts have been reclassified to conform with the current year's presentation.

Directors' Report

The Directors of Generation Development Group Limited (the "Company") submit herewith the interim condensed consolidated financial report of the Company and its controlled entities (the "Group") for the six months ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the interim period are set out below. Directors were in office for the entire period unless otherwise stated:

Mr Robert Neil Coombe	Non-Executive Chairman
Mr William Eric Bessemer	Non-Executive Director
Mr Jonathan James Tooth	Non-Executive Director
Mr John David Wheeler	Non-Executive Director

Review of Operations

Underlying profit represents the Group's preferred measure of the result of the ongoing business activities of the Group. This is a non-statutory measure not subject to review by the external auditor which excludes non-core items, included in the statutory result, to derive the underlying profit. The adjustments made are included in the statutory profit which is subject to review by the external auditor in the context of their review of the interim condensed consolidated financial report.

The underlying net profit after tax (NPAT) for the Life / Administration business increased by \$662 thousand or 45% to \$2.1m for the six months ended 31 December 2020, compared to \$1.5 million in the prior comparative period. The Group underlying NPAT of \$2.2m includes earnings from associates and product development costs, but excludes Ascalon operating costs and other items as reflected in the summary of results.

The increase was largely a result of continued FUM growth, which reached \$1.5b at 31 December 2020, 15% higher than at the start of the financial year. The key elements were inflows of \$165.7m (1HY20 \$172.9m), exits by way of withdrawals and maturities of \$52.5m (1HY20 \$ 47.0m), while investment earnings contributed \$80.5m (1HY20 \$27.9m) in the period, largely due to market recovery

On 8 October 2020, the Group completed an equity raise of \$35m. Part of the proceeds from the equity raise were used by GDG to acquire 37% stake in Lonsec Holding Pty Ltd. Details of the transaction can be found in note 11.

Product Sales Results

Investment Bond penetration has risen significantly in 1HY21 with new applications rising to a record 6,570 up 53.9% on the corresponding period last financial year (4,268). This comprised 3,558 LifeBuilder Bonds, 2,807 ChildBuilder bonds and 205 Funeral Bonds.

Savings plans have risen to \$24.3 million from \$15.1 million (up 60.9% pcp). Over 41% of all new policies received now come with a saving plan attached.

The number of direct business has also increased by 46.7% in 1HY21 with 2,514 applications received directly from clients worth \$12.1 million.

Pleasingly 180 financial advisers wrote business for the first time with Generation Life in 1HY21. 951 individual financial advisers have submitted business during the period (up 20.2% pcp).

Balance Sheet and Capital

- The Group held cash and cash equivalents of \$30.1m at 31 December 2020 (30 June 2020: \$11.7m) excluding cash and cash equivalent of the benefit funds that are attributable to the policy holders, providing the life business with strong levels of capital to support growth ambitions.
- The Group has no drawn borrowing facilities and Generation Life Limited, the Group's main operating subsidiary, continues to meet all regulatory capital requirements.

Dividend Policy

An interim dividend of 1 cent per share, unfranked, was declared on 24 February 2021 with payment date of 12 April 2021.

Outlook

Based on year to date results and sales pipeline for the investment bond business, we now expect FY21 sales to exceed FY20, subject to prevailing market conditions. Having launched the Tax Aware Investment Series and Tax Effective Equity Income Fund in the last six months, GDG is now focused on developing and bringing to market the investment linked lifetime annuity product.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the interim condensed consolidated financial report and forms part of this Directors' report.

Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporation instrument 2016/191, and in accordance with the Class Order amounts in directors' report and the interim consolidated financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Mr Robert Coombe
Non-Executive Chairman
Melbourne, 24 February 2021

Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Generation Development Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Generation Development Group Limited for the half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



KPMG



Dean Waters

Partner

Melbourne

24 February 2021

Directors' Declaration

In the opinion of the directors of Generation Development Group Limited ("the Company"):

1. the interim condensed consolidated financial statements and notes set out on pages 9 to 28, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and of its performance for the six months ended on that date; and
 - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

On behalf of the Directors



Mr Robert Coombe
Non-Executive Chairman
Melbourne, 24 February 2021

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2020

	Notes	Half year ended 31 Dec 2020 \$'000	Half year ended [^] 31 Dec 2019 \$'000
Revenue			
Revenue from contracts with customers	10(a)	2,194	2,023
Interest income	10(b)	434	996
Revaluation of investments	10(c)	102,621	29,044
Other income	10(d)	662	825
Distribution income		13,980	10,688
Total revenue		119,891	43,576
Expenses			
Personnel expenses		(4,678)	(4,710)
Occupancy expenses		(157)	(138)
Communication expenses		(82)	(80)
Finance expenses		(23)	(24)
Dealing and settlement expenses		(2,823)	(2,277)
Marketing and promotional expenses		(229)	(236)
Depreciation and amortisation expenses		(454)	(332)
Administration expenses		(3,555)	(2,324)
Policyholder withdrawals - insurance		(63)	(84)
Total expenses		(12,064)	(10,205)
Income from associates	11	337	-
Profit / (loss) before income tax expense		108,164	33,371
Income tax (expense) / benefit	12	(25,938)	(6,094)
Profit / (loss) after income tax expense		82,226	27,277
(Profit) / loss attributable to policyholders	18	(81,672)	(28,497)
Net profit / (loss) attributable to shareholders of the Company		554	(1,220)
Total comprehensive income attributable to shareholders of the Company		554	(1,220)
Earnings per share			
➤ Basic (cents per share)		0.37	(0.97)
➤ Diluted (cents per share)		0.37	(0.97)

[^] Certain comparative amounts have been reclassified to conform with the current year's presentation.

A subsidiary of the Company, Generation Life Limited, is a Friendly Society in accordance with the Life Insurance Act 1995. The funds operated by Generation Life Limited and any trusts controlled by those funds, are treated as statutory funds in accordance to the Life Insurance Act 1995. These statutory funds are required to be consolidated in accordance to Accounting Standards.

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements

Interim Condensed Consolidated Statement of Financial Position as at 31 December 2020

	Notes	As at 31 Dec 20 \$'000	As at 30 Jun 20 \$'000
Assets			
Cash and cash equivalents		80,302	62,095
Income tax receivable		3,609	2,210
Trade receivables		1,712	1,383
Other assets		7,327	27,461
Financial assets	13	1,456,418	1,219,987
Investment in associates	11	24,410	-
Right-of-use assets		241	478
Plant and equipment		248	300
Deferred tax assets		2,470	11,578
Intangible assets		1,903	1,525
Total assets		1,578,640	1,327,017
Liabilities			
Trade and other payables		5,164	1,958
Current tax liabilities		9,446	8,469
Lease liabilities		244	488
Other liabilities		5,286	1,702
Provisions		914	774
Deferred tax liabilities		23,142	5,893
Policyholder liabilities	18	1,484,187	1,290,362
Total liabilities		1,528,383	1,309,646
Net assets		50,257	17,371
Equity			
Issued capital	14	78,959	45,207
Share based payment reserve		3,307	3,370
Other reserve		92	222
Retained earnings		(32,101)	(31,428)
Total equity		50,257	17,371

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The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 31 December 2020

	Issued capital	Share based payment reserve	Other reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Period ended 31 Dec 2020					
Balance at 1 Jul 2020	45,207	3,370	222	(31,428)	17,371
Net profit/(loss) for the period	-	-	-	554	554
Total comprehensive income for the period	-	-	-	554	554
Transactions with owners					
Issue of ordinary shares	33,752	-	-	-	33,752
Share based payments	-	(63)	-	-	(63)
Dividend paid	-	-	-	(1,258)	(1,258)
Other items	-	-	(130)	31	(99)
Balance at 31 Dec 2020	78,959	3,307	92	(32,101)	50,257
Period ended 31 Dec 2019					
Balance at 1 Jul 2019	44,998	2,946	61	(27,331)	20,674
Net profit/(loss) for the period	-	-	-	(1,220)	(1,220)
Total comprehensive income for the period	-	-	-	(1,220)	(1,220)
Transactions with owners					
Issue of ordinary shares	147	-	-	-	147
Dividend paid	-	-	-	(1,253)	(1,253)
Adjustment on adoption of AASB 16	-	-	-	48	48
Other items	-	-	77	-	77
Balance at 31 Dec 2019	45,145	2,946	138	(29,756)	18,473

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

Interim Condensed Consolidated Statement of Cash Flows for the six months ended 31 December 2020

	Half year ended 31 Dec 20 \$'000	Half year ended 31 Dec 19 \$'000
Cash Flows from Operating Activities		
Receipts from customers	42,063	36,529
Payments to suppliers and employees	(14,645)	(13,826)
Finance and borrowing costs	(20)	(19)
Income tax received/(paid)	(1)	3,765
Payment for investment benefit funds	(134,295)	(160,454)
Contributions by investors	166,220	173,211
Withdrawals by investors	(52,507)	(45,987)
Net cash flows from / (used in) operating activities	6,815	(6,781)
Cash Flows from Investing Activities		
Interest received	289	1,416
GLP- Annuity project costs	(328)	-
Investment in associates inclusive of acquisition costs	(20,747)	-
Gen Life - return of seed capital	471	-
Transaction costs - investment	-	(125)
Other investments	-	(15)
Term deposit matured / (invested)	-	4,017
Purchase of property, plant and equipment	(37)	(49)
Payment of software	(506)	(395)
Net cash flows (used in) / from investing activities	(20,858)	4,849
Cash Flows from Financing Activities		
Capital raised	35,000	-
Capital raising costs	(1,309)	-
Dividends paid	(1,197)	(1,105)
Payment of lease liability	(243)	(895)
Lease adjustments	-	48
Net cash flows from / (used in) financing activities	32,251	(1,952)
Net increase / (decrease) in cash held	18,208	(3,884)
Cash and cash equivalents at beginning of the period	62,094	23,979
Cash and cash equivalents at the end of the period	80,302	20,095

The notes on pages 13 to 28 are an integral part of these condensed consolidated interim financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

1. Reporting entity

Generation Development Group Limited (the “Company”) is a for profit public company listed on the Australian Securities Exchange (ASX: GDG) and incorporated in Australia. The Company operates as a Pooled Development Fund. This interim condensed consolidated financial report comprises the Company and its controlled entities (the “Group”) as at and for the six months ended 31 December 2020. The Group is primarily involved in the provision of Life investment products within the Australian Life Insurance Sector.

2. Basis of preparation

This interim condensed consolidated financial report for the six months ended 31 December 2020 (1HY21) has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

This 1HY21 financial report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 30 June 2020.

This 1HY21 financial report was approved by the Board of Directors on 24 February 2021. The Company is of a kind referred to in ASIC Corporation Instrument 2016/191, and amounts in the interim financial report have been rounded off to the nearest thousand dollars. All amounts are presented in Australian dollars, which is the functional currency of the Company and its subsidiaries.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2020 is available upon request from the Company’s registered office and principal place of business at Level 12, 15 William Street Melbourne Victoria 3000 or at www.gendevdevelopmentgroup.com.au.

3. Use of estimates and judgements

In the application of the Group’s accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimate and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated annual financial statements as at and for the year ended 30 June 2020.

4. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2020.

Changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 30 June 2021.

5. Equity accounting in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost including acquisition related costs. After initial recognition, the consolidated financial statements include the Group’s share of profit or loss of equity accounted investees. Dividends received or receivable reduce the carrying amount of the equity accounted investment. Details of investments made in associates are listed in note 12.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

6. Standards and interpretations issued but not yet adopted

AASB 17 Insurance Contracts

AASB 17 Insurance Contracts replaces AASB 4 Insurance Contracts, AASB 1038 Life Insurance Contracts and AASB 1023 General Insurance Contracts and is effective for the Group from 1 July 2023.

Under AASB 17, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. This will impact the Group's estimation of policyholder liabilities in the Generation Life Limited Benefit Funds, shown in note 18 of these financial statements, and will also have a potential impact on the Deferred Acquisition Costs for Generation Life Limited. The Group is not expected to early adopt the standard.

7. Segment reporting

The Group has the following two strategic divisions, which are its reportable segments. All segments' operating results are regularly reviewed by the Group's Chief Financial Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

a. Operating segments

Investment Bonds Management and Fund Administration

The provision of administration and management services to the Benefit Funds of Generation Life Limited and administration services to institutional clients.

Other Businesses

This segment includes Ascalon Capital Managers and the recently acquired interest in Lonsec Holding Pty Ltd (37%) and Claimfast Pty Ltd (20%).

Notes to the Interim Condensed Consolidated Financial Statements (continued)

b. Non-operating segments

Benefit funds represent the operating result and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with the accounting standards.

Where relevant, comparative financial information has been restated to ensure consistency in presentation of financial information across the applicable comparative periods.

The reportable segments are divisions engaged in providing either different products or services. The statutory benefit funds are classified as a non-operating segment. Details of the operating and non-operating segments are detailed below:

Half year ended 31 Dec 2020	Operating Segments			Non-operating Segment		Consolidated Total \$'000
	Investment Bonds Management & Funds Administration	Other Businesses	Operating Segment Total	Benefit Funds	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	9,408	345	9,753	117,363	(6,888)	120,228
Segment revenue	9,408	345	9,753	117,363	(6,888)	120,228
Expenses	(10,951)	(648)	(11,599)	(7,353)	6,888	(12,064)
Income tax benefit / (expense)	2,400	-	2,400	(28,338)	-	(25,938)
Profit attributable to policyholders	-	-	-	(81,672)	-	(81,672)
Net profit / (loss) after tax	857	(303)	554	-	-	554
Segment assets and liabilities						
Segment total assets	62,533	828	63,361	1,515,279	-	1,578,640
Segment total liabilities	13,034	70	13,104	1,515,279	-	1,528,383
Segment net assets / (deficiency)	49,499	758	50,257	-	-	50,257
Other segment information						
Depreciation and amortisation	(452)	(2)	(454)	-	-	(454)

Notes to the Interim Condensed Consolidated Financial Statements (continued)

Half year ended 31 Dec 2019 [^]	Operating Segments			Non- operating Segment		
	Investment Bonds Management & Funds Administration	Other Businesses	Operating Segment Total	Benefit Funds	Elimination	Consolidated Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	7,396	45	7,441	40,966	(4,831)	43,576
Segment revenue	7,396	45	7,441	40,966	(4,831)	43,576
Expenses	(8,373)	(1,465)	(9,838)	(5,198)	4,831	(10,205)
Income tax benefit / (expense)	1,177	-	1,177	(7,271)	-	(6,094)
Profit attributable to policyholders	-	-	-	(28,497)	-	(28,497)
Net profit / (loss) after tax	200	(1,420)	(1,220)	-	-	(1,220)
Segment assets and liabilities						
Segment total assets	17,174	3,891	21,065	1,253,472	-	1,274,537
Segment total liabilities	2,373	219	2,592	1,253,472	-	1,256,064
Segment net assets / (deficiency)	14,801	3,672	18,473	-	-	18,473
Other segment information						
Depreciation and amortisation	(329)	(3)	(332)	-	-	(332)

[^] Certain comparative amounts have been reclassified to conform with the current year's presentation.

8. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial report as at and for the year ended 30 June 2020.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

9. Financial Instruments – Fair value and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further for the current year the fair value disclosure of lease liabilities is also not required.

Trade and other receivable and trade and other payables classified as held-for-sale are not included in the table below. Their carrying amount is a reasonable approximation of fair value.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Half year ended 31 Dec 2020				
Listed Securities	498,450	-	-	498,450
Units in externally managed unlisted funds	-	900,808	-	900,808
Financial assets at fair value through profit or loss	498,450	900,808	-	1,399,258
Policyholder Liabilities	-	(1,484,187)	-	(1,484,187)
Financial liabilities at a fair value through profit or loss	-	(1,484,187)	-	(1,484,187)
30 June 2020				
Listed Securities	115,938	-	-	115,938
Units in externally managed unlisted funds	-	1,031,965	-	1,031,965
Financial assets at fair value through profit or loss	115,938	1,031,965	-	1,147,903
Policyholder Liabilities	-	(1,290,362)	-	(1,290,362)
Financial liabilities at a fair value through profit or loss	-	(1,290,362)	-	(1,290,362)

Notes to the Interim Condensed Consolidated Financial Statements (continued)

10. Revenue

The Group's main revenue streams are fee revenues earned from contracts with customers for life investment management and investment administration services.

a. Revenue from contracts with customers

Disaggregation of Revenue

In the following table, revenue is disaggregated by type of service, major service lines & timing of revenue recognition.

	Half year ended 31 Dec 20 \$'000	Half year ended [^] 31 Dec 19 \$'000
<i>Major service lines and type of service</i>		
Placement fee	-	38
Fee income – Funds administration	203	203
Adviser fee	1,991	1,782
Total revenue	2,194	2,023
<i>Timing of revenue recognition</i>		
Services transferred over time	1,716	1,602
Services transferred at a point in time	478	421
	2,194	2,023

b. Interest income

	Half year ended 31 Dec 20 \$'000	Half year ended 31 Dec 19 \$'000
Interest income	27	58
Interest income in benefit funds – investment contracts	380	870
Interest income in benefit funds – insurance contracts	27	68
	434	996

[^] Certain comparative amounts have been reclassified to conform with the current year's presentation.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

c. Revaluation income

	Half year ended 31 Dec 20 \$'000	Half year ended 31 Dec 19 \$'000
Realised gain on sale of investment – Management fund	13	-
Realised gain / (loss) on sale of investments – Benefit funds	5,294	2,049
Foreign exchange (loss) / gain – Ascalon	(949)	-
Unrealised gain / (loss) on assets designated as FVTPL – Management fund	-	14
Unrealised gain / (loss) on assets designated as FVTPL – Benefit funds	98,263	26,981
	102,621	29,044

d. Other income

	Half year ended 31 Dec 20 \$'000	Half year ended 31 Dec 19 \$'000
Other income	551	732
Revaluation of policyholders' liabilities	111	93
	662	825

11. Investment in associates

On 14 October 2020, the Group acquired a 37% interest in Lonsec Holdings Pty Ltd (Lonsec), Australia's largest qualitative research firm whose research ratings are used by many fund managers, superannuation funds and dealer groups. Lonsec also has an investment solutions division. The investment is equity accounted. Total shares acquired from existing Lonsec vendors (preowned) was 11,082,175 and was split into two payments - an initial cash payment of \$1.525 per share and a subsequent one of \$0.20 per share. In addition, a cash consideration of \$1,000,000 was made for the subscription of 500,000 new shares in Lonsec. Total consideration paid was \$20,116,752.

In addition, deferred scrip consideration of up to 9,499,007 GDG shares are to be issued no later than 19 November 2021 contingent upon Lonsec's FY21 EBITDA performance. Based on the most recent updated business forecast of Lonsec, its estimated that the fair value of deferred scrip consideration to be \$3,324,653 with the estimated number of GDG shares to be issued is 4,749,504. Should there be a material shortfall, no scrip will be issued. This amount will be reviewed again when preparing the Group's 30 June 2021 financial statements and accounted accordingly.

On 19 October 2020, the Group acquired 20% interest in Claimfast Pty Ltd (trading as Remediator). Total shares acquired 100,000 with a value of \$100,000, while the subscription and shareholders deed contemplate further investment by existing shareholders based on Remediator's capital requirements until it achieves a cash flow positive position, there is no binding obligation on the Group or any existing shareholders to subscribe. Should the Group not subscribe to this pro-rata entitlement in future capital raises, its existing 20% shareholding will be diluted. Accordingly, no amount of deferred consideration has been recorded. No external transaction costs were incurred as part of this transaction, which is equity accounted.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

A reconciliation of the carrying amount of investment in associates is provided below:

	As at 31 Dec 20 \$'000	As at 30 Jun 20 \$'000
Carrying value of investment in associates at cost inclusive of deferred consideration and acquisition costs	24,073	-
Share of gain/(loss) in associates	337	-
Closing carrying value in associates	24,410	-

12. Income Tax

At 31 December 2020 neither Generation Development Group Limited nor any of its controlled entities were members of a tax consolidated group.

	Half year ended 31 Dec 20 \$'000	Half year ended 31 Dec 19 \$'000
Income tax expense comprises:		
Current Tax		
Current income tax benefit / (expense)	1,531	(4,908)
Deferred Tax (expense) / benefit		
DTA reversal - utilisation of losses	(553)	(1,164)
Other income tax deferred	(26,916)	(22)
Total Income tax expense	(25,938)	(6,094)

13. Financial Assets

	As at 31 Dec 20 \$'000	As at 30 Jun 20 \$'000
Financial assets carried at fair value through profit or loss		
Term deposits ^(a)	57,160	72,084
Investments - Benefit funds ^(b)	1,399,258	1,147,903
Total financial assets	1,456,418	1,219,987
Current	1,456,418	1,219,987
Non-current	-	-
	1,456,418	1,219,987

(a) The term deposits have maturities ranging from three to twelve months

(b) Investments are amounts invested by the benefit funds in unlisted externally managed funds and listed securities

Notes to the Interim Condensed Consolidated Financial Statements (continued)

14. Issued Capital

	Number	\$'000
Balance at 1 Jul 2020	125,644,887	45,207
Issued during the period	50,253,208	33,752
Balance at 31 Dec 2020	175,898,095	78,959

15. Dividends

A final unfranked dividend of \$1,258,208 (one cent per ordinary share) for 2020 was paid on 1 October 2020 (2019: 1,252,899). The Company declared an interim dividend of one cent per ordinary share, unfranked, totalling \$1,758,981 to be paid on 12 April 2021. The Company's Dividend Reinvestment Plan (DRP) will be in operation for this dividend.

16. Contingent liabilities

The Group has the following finance facilities with National Australian Bank Limited:

- Direct debit facility of \$10,000,000 (2020: \$5,000,000) to be used for client's accounts as part of the Generation Life business.
- Electronic channel facility of \$5,000,000 (2020: nil) to allow for transactions to be debited in the clearing account when funds are in the process of being cleared; and
- NAB credit card facilities of \$150,000 (2020: \$150,000) used by Senior Staff for business travel and client entertainment as part of Austock Financial Services business.

The above direct debit facility and the NAB credit card facility are backed by term deposits of \$120,000 and \$150,000, respectively.

The Company has issued letters of support in respect of certain of its subsidiaries in the normal course of business. Under these letters, the Company undertakes to ensure that those subsidiaries continue to meet their regulatory capital obligations subject to caps and certain conditions including that the entity remains a controlled entity of the Company.

17. Subsequent events

The company declared an interim dividend of \$0.01 per ordinary share unfranked to be paid on 12 April 2021. The company's Dividend Reinvestment Plan (DRP) has been activated for this dividend.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

18. Disaggregated information by fund

The financial information by individual benefit funds are set out below. The solvency requirements are all nil as a result of the APRA Prudential Capital Requirements and Prudential Standard LPS 110 Paragraph 46.

	Assurance Fund	Oddfellows Fund	Total Life Insurance	Funeral Fund	Heritage Investment Bond Fund	Investment Bond	Cash Achiever	Deferred Annuity 39	Deferred Annuity 46
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Investment Linked ("N-IL")</i>									
As at 31 Dec 2020									
Financial assets	87,991	7,081,020	7,169,011	665,694	3,164,939	959,148	587,629	661,163	124,896
Other assets	644	14,578	15,222	648	5,851	2,063	538	1,653	710
Policy liabilities	86,296	7,074,892	7,161,188	662,393	3,158,279	955,965	587,401	658,063	121,763
Other liabilities	2,339	20,706	23,045	3,949	12,511	5,246	766	4,753	3,843
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	43	-	43	-	-	-	-	-	-
Investment income	169	26,667	26,836	2,614	12,065	4,017	2,095	2,776	244
Claims expense	6,300	56,731	63,031	-	-	-	-	-	-
Other expenses	983	73,536	74,519	7,305	12,138	4,237	1,475	6,206	1,723
Realised gain/(loss)	-	-	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss)	6,968	103,599	110,567	-	-	-	-	-	-
Operating profit/(loss) before tax	(103)	(1)	(104)	(4,691)	(72)	(220)	620	(3,212)	(1,479)
Operating profit/(loss) after tax	-	(1)	(1)	(4,691)	(3,497)	(1,231)	434	(2,739)	(1,257)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2020									
Financial assets	96,348	7,167,333	7,263,681	679,768	3,379,391	1,087,754	577,798	683,943	125,317
Other assets	575	29,962	30,537	3,463	15,092	3,168	1,100	3,109	765
Policy liabilities	94,964	7,178,491	7,273,455	679,907	3,381,925	1,086,458	576,437	682,912	123,020
Other liabilities	1,959	18,804	20,763	3,324	12,559	4,464	2,462	4,139	3,062
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2019									
Premium revenue	78	-	78	-	-	-	-	-	-
Investment income	628	67,182	67,810	6,366	29,413	9,892	4,585	7,734	1,898
Claims expense	19,475	64,885	84,360	-	-	-	-	-	-
Other expenses	1,047	74,871	75,918	7,449	12,506	4,643	1,513	8,740	1,887
Realised gain/(loss)	-	-	-	-	-	-	-	-	-
Unrealised gain/(loss)	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss)	20,082	72,573	92,655	-	-	-	-	-	-
Operating profit/(loss) before tax	266	(2)	264	(1,084)	16,907	5,250	3,072	744	11
Operating profit/(loss) after tax	-	(2)	(2)	(1,084)	7,969	2,168	2,150	483	(139)
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	Druids Funeral Fund \$	Druids Flexi Fund \$	No. 1 Cash & Deposits \$	No. 2 Aust Fixed Interest \$	No. 3 Aust Hybrid \$	No. 4 Int'l Fixed Interest \$	No. 5 Real Income \$	No. 5A Int'l Prop. Securities \$	No. 5B Global Infrastructure \$
	<i>N-IL</i>		<i>Investment Linked</i>						
As at 31 Dec 2020									
Financial assets	4,715,828	4,213,275	43,627,380	30,785,432	8,568,246	37,644,619	9,496,658	10,149,086	36,609,601
Other assets	7,375	6,669	2,916	200,606	101,826	561,625	256,402	52,784	892,049
Policy liabilities	4,719,221	4,207,557	43,613,621	30,855,970	8,611,853	37,845,332	9,722,416	10,016,312	37,471,377
Other liabilities	3,982	12,387	16,675	130,068	58,219	360,912	30,644	185,558	30,273
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	18,719	15,265	26,327	441,247	101,392	938,050	99,500	104,673	792,903
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	23,953	21,527	78,363	142,199	41,891	174,646	44,033	45,148	164,830
Realised gain/(loss)	-	-	137	(12,037)	(1,670)	(18,712)	(359,226)	(52,221)	-
Unrealised gain/(loss)	-	-	4,340	223,147	126,617	613,164	1,135,159	1,055,736	(122,450)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	(5,234)	(6,262)	(21,546)	514,018	184,464	1,363,371	831,915	1,063,971	510,439
Operating profit/(loss) after tax	(5,234)	(10,842)	(29,774)	325,789	122,236	927,181	528,059	747,673	287,042
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2020									
Financial assets	4,837,358	4,376,781	43,913,912	26,873,307	8,611,628	33,130,275	9,048,863	8,788,117	30,448,498
Other assets	20,683	14,127	32,988	642,818	172,470	1,007,751	857,851	214,530	1,051,030
Policy liabilities	4,876,842	4,375,650	43,916,570	27,334,239	8,743,588	33,877,425	9,900,019	8,996,682	31,297,182
Other liabilities	(18,800)	15,258	30,330	181,886	40,510	260,601	6,695	5,965	202,346
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2019									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	48,506	41,332	133,689	161,119	143,550	242,225	124,278	110,518	452,378
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	37,833	22,487	84,225	118,039	46,418	141,737	48,519	43,787	133,558
Realised gain/(loss)	-	-	-	(70,736)	(14,599)	(61,035)	(7,843)	(2,616)	(13,942)
Unrealised gain/(loss)	-	-	97,949	108,240	(14,173)	226,166	181,704	483,785	978,170
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	10,673	18,846	161,469	83,189	70,296	270,544	251,984	548,630	1,288,321
Operating profit/(loss) after tax	10,673	6,446	93,136	20,847	36,512	148,570	190,331	411,896	1,098,689
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 6 Aust Shares \$	No. 6A Aust Mkt Neutral \$	No. 7 Aust Shares Small Cap. \$	No. 8 Int'l Shares \$	No. 8A Int'l Shares	No. 9 Int'l Shares Small Cap. \$	No. 10 Sectoral Blend \$	No. 10A Absolute Return Income	No. 10B Dynamic Markets
<i>Investment Linked</i>									
As at 31 Dec 2020									
Financial assets	46,511,245	2,138,590	20,700,858	96,713,061	6,898,423	13,145,086	27,297,968	10,798,421	3,553,057
Other assets	1,207,098	1,473	432,708	725,406	14,415	49,570	11,772	47,432	66,538
Policy liabilities	47,679,832	2,070,810	20,974,452	97,167,891	6,814,176	12,692,346	26,954,562	10,813,223	3,600,212
Other liabilities	38,511	69,253	159,114	270,576	98,662	502,310	355,178	32,630	19,383
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	508,993	5	204,780	397,296	13	44,627	14	91,132	66,545
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	211,960	8,944	90,954	1,155,733	29,311	53,962	120,437	47,240	17,189
Realised gain/(loss)	(252,929)	(5,286)	(65,464)	164,263	(52,816)	(18,859)	(44,547)	(1,667)	-
Unrealised gain/(loss)	3,169,159	323,832	2,577,380	490,856	667,465	1,955,348	2,688,475	91,142	97,623
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	3,216,828	309,927	2,629,205	(1,193,908)	586,078	1,927,433	2,525,165	134,775	149,772
Operating profit/(loss) after tax	1,889,674	219,339	2,242,522	(1,149,550)	409,474	1,401,627	1,771,640	80,828	101,751
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2020									
Financial assets	41,047,524	1,415,662	16,672,124	92,391,894	5,206,109	10,663,143	24,332,020	8,903,148	2,521,465
Other assets	4,068,600	156,613	740,031	71,798	439,963	129,492	1,496,754	73,636	79,021
Policy liabilities	44,927,962	1,551,854	17,398,183	86,874,181	5,557,942	10,785,570	25,503,900	8,953,659	2,597,372
Other liabilities	188,162	20,420	13,972	5,589,512	88,130	7,065	324,874	23,126	3,113
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2019									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	907,920	2,420	583,811	144	5	58,002	17,253	63,597	31,145
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	227,254	4,572	83,385	385,539	13,008	52,934	133,340	32,073	9,413
Realised gain/(loss)	(83,201)	(42,897)	(50,049)	(30,008)	(225)	(34,157)	(15,912)	(250)	25,450
Unrealised gain/(loss)	280,957	176,734	(152,860)	6,230,769	194,352	818,628	1,197,005	(6,306)	(7,911)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	888,106	131,842	299,340	5,828,506	181,890	790,466	1,068,978	29,442	41,605
Operating profit/(loss) after tax	733,224	92,008	187,091	4,588,569	129,904	595,582	774,982	12,694	27,190
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 11 Aust Shares Index \$	No. 11A Int'l Shares Index (Unhedged) \$	No. 12 Int'l Shares Index (Hedged) \$	No. 12A Aust Fixed Interest \$	No. 12B Prop. Sec Index \$	No. 12C Vanguard Conservative Index \$	No. 12D Vanguard Growth Index \$	No. 13 Schroder Hybrid \$	No. 14 Mutual 50 Leaders \$
<i>Investment Linked</i>									
As at 31 Dec 2020									
Financial assets	102,247,262	39,300,197	43,995,071	31,814,914	27,955,876	89,391,213	148,311,468	10,894,268	1,952,031
Other assets	1,083,016	17,928	3,492	136,796	245,576	-	-	28,162	39,693
Policy liabilities	100,499,531	38,148,250	40,933,873	31,477,925	27,634,449	87,593,051	143,933,063	10,886,501	1,985,564
Other liabilities	2,830,747	1,169,875	3,064,690	473,785	567,003	1,798,162	4,378,405	35,929	6,160
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	1,211,893	35	19,185	257,488	275,875	1,531,742	2,216,518	161,525	8,999
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	462,670	177,218	186,772	159,330	129,415	308,925	488,910	49,584	9,466
Realised gain/(loss)	(113,842)	(68,463)	23,727	(10,611)	(240,945)	3,215,146	3,120,357	(9,162)	(27,717)
Unrealised gain/(loss)	10,736,626	3,193,300	6,869,055	61,947	4,929,369	(840,904)	7,046,165	100,279	66,268
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	11,384,922	2,954,223	6,728,027	153,515	4,838,354	3,612,675	11,914,450	205,130	38,324
Operating profit/(loss) after tax	8,449,195	2,178,388	5,094,230	92,625	3,398,236	2,904,146	9,101,269	134,607	11,391
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2020									
Financial assets	81,338,916	29,545,046	36,690,190	30,431,267	23,348,466	75,027,259	113,840,314	9,402,383	1,938,461
Other assets	1,862,910	1,970,237	16,611	774,855	1,308,919	1,128,446	3,800,107	70,194	72,107
Policy liabilities	82,941,033	30,634,131	35,282,893	30,538,361	24,637,302	75,108,269	116,391,365	9,431,651	2,009,146
Other liabilities	260,792	881,152	1,423,908	667,761	20,082	1,047,436	1,249,056	40,927	1,422
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2019									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	1,611,699	59	13,094	307,783	542,783	378,424	1,006,792	140,189	48,892
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	394,314	121,780	148,301	148,701	143,097	203,668	298,878	39,188	10,673
Realised gain/(loss)	(46,282)	(17,742)	(421)	(10,500)	(5,821)	(3,417)	(26,303)	(27,831)	1,496
Unrealised gain/(loss)	857,891	2,134,202	2,778,164	(147,244)	(447,352)	1,030,566	2,938,979	9,435	(39)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,039,184	1,998,615	2,643,403	2,835	(50,133)	1,216,367	3,643,543	84,096	39,679
Operating profit/(loss) after tax	1,998,661	1,513,732	2,068,297	(12,829)	18,888	922,225	2,838,894	49,978	38,733
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 14A Mutual Diversified Term Deposits \$	No. 14B Mutual ADI/Bank Securities \$	No. 15 Perpetual Aust Shares \$	No. 16 Perpetual Geared Aust Shares \$	No. 17 Perpetual Int'l Shares \$	No. 18 Perpetual Mortgage * \$	No. 19 Perpetual Balanced Growth \$	No. 20 Perpetual Industrial Shares \$	No. 21 Perpetual Ethical SRI \$
<i>Investment Linked</i>									
As at 31 Dec 2020									
Financial assets	69,137,833	9,064,584	25,336,163	18,148,941	10,376,198	-	37,136,516	17,840,222	19,246,277
Other assets	109,292	39,784	34,502	230,708	-	-	77,350	30,382	123,062
Policy liabilities	69,030,888	9,074,677	24,852,054	18,217,813	9,492,132	-	37,116,928	16,686,137	18,676,734
Other liabilities	216,237	29,691	518,611	161,836	884,066	-	96,938	1,184,467	692,605
Retained earnings	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	297,351	56,570	215,472	174,709	12	-	35,560	136,607	115,579
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	205,671	23,975	227,364	68,378	46,697	-	167,466	483,321	78,975
Realised gain/(loss)	-	(2,452)	127,395	(273,284)	51,272	-	(156,664)	558,413	(30,613)
Unrealised gain/(loss)	-	115,365	3,539,494	5,162,515	1,364,071	-	3,346,940	3,396,303	3,311,223
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	96,383	146,396	3,655,458	4,997,251	1,369,327	-	3,058,836	3,609,732	3,317,656
Operating profit/(loss) after tax	10,344	103,800	2,771,268	4,307,576	1,060,412	-	2,094,334	2,769,275	2,449,246
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-
As at June 2020									
Financial assets	78,018,499	9,078,693	20,545,705	11,491,890	9,605,376	-	33,973,430	15,446,912	15,733,169
Other assets	335,883	50,168	1,173,337	1,541,480	75,419	-	3,363,345	384,850	637,039
Policy liabilities	78,096,596	9,114,241	21,713,861	13,024,193	9,106,665	-	36,805,746	15,226,366	16,358,953
Other liabilities	257,785	14,620	5,181	9,177	574,130	-	531,028	605,396	11,255
Retained earnings	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2019									
Premium revenue	-	-	-	-	-	-	-	-	-
Investment income	719,076	90,880	59	674,232	4,407	-	599	267,529	267,113
Claims expense	-	-	-	-	-	-	-	-	-
Other expenses	296,683	22,988	123,746	74,348	52,475	-	180,441	78,028	81,675
Realised gain/(loss)	-	(8,060)	2,639,631	(27,210)	97,075	-	(82,951)	44,340	55,094
Unrealised gain/(loss)	-	24,406	(2,008,429)	159,882	405,712	-	950,600	81,320	(9,851)
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	427,573	84,859	499,149	734,347	455,036	-	688,248	316,193	234,168
Operating profit/(loss) after tax	219,090	55,243	427,896	716,848	407,231	-	457,887	295,893	204,158
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-

* This is a dormant fund.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No 22. MLC Horizon 4 Balanced \$	No 23. MLC Income Builder \$	No 24. Dimensional World Allocation \$	No 25. Equity Trustees Mortgage \$	No 26. Conservative Growth \$	No 27. LDI Connect 7 * \$	No 30. Diversified High Growth Index \$	No 31 Diversified Balanced Index \$	No. 32 MLC Horizon 2 Income \$	No. 33 MLC Horizon 3 Conservative Growth \$
	<i>Investment Linked</i>									
As at 31 Dec 2020										
Financial assets	73,725,689	8,281,338	115,791,953	2,521,088	8,386,113	-	58,538,512	58,977,279	1,379,981	4,580,534
Other assets	-	86,367	1,432,414	21,245	43,409	-	-	-	5,992	-
Policy liabilities	71,525,817	8,241,147	112,561,350	2,526,762	8,363,667	-	57,573,143	57,739,425	1,384,791	4,555,296
Other liabilities	2,199,872	126,558	4,663,017	15,571	65,855	-	965,369	1,237,854	1,182	25,238
Retained earnings	-	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2020										
Premium revenue	-	-	-	-	-	-	-	-	-	-
Investment income	264,128	132,589	1,410,748	43,590	45,246	-	750,539	913,976	3,131	19,966
Claims expense	-	-	-	-	-	-	-	-	-	-
Other expenses	333,661	64,929	375,638	12,367	34,814	-	216,934	188,232	5,836	19,926
Realised gain/(loss)	(94,497)	125,349	(87,881)	-	(7,073)	-	272,729	(178,007)	(2,664)	(9,330)
Unrealised gain/(loss)	6,603,637	518,375	10,996,066	-	291,267	-	4,452,253	2,676,913	56,203	296,167
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	6,442,794	711,417	11,951,135	31,837	295,193	-	5,306,604	3,238,910	50,835	286,976
Operating profit/(loss) after tax	4,675,577	532,839	9,237,348	18,252	200,705	-	3,960,760	2,386,303	33,228	197,435
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-	-
As at June 2020										
Financial assets	68,071,182	6,730,492	100,435,768	2,633,755	5,509,302	-	36,166,076	35,658,215	1,183,854	3,832,869
Other assets	2,597,063	802,704	1,609,086	23,436	221,521	3,884	1,458,224	1,134,627	75,728	183,434
Policy liabilities	69,716,064	7,525,226	100,026,047	2,646,118	5,679,840	-	37,301,365	36,533,761	1,257,774	3,987,175
Other liabilities	952,181	7,970	2,018,808	11,072	50,983	3,884	322,935	259,081	1,808	29,127
Retained earnings	-	-	-	-	-	-	-	-	-	-
Reserve	-	-	-	-	-	-	-	-	-	-
Issued capital	-	-	-	-	-	-	-	-	-	-
For half year ended 31 Dec 2019										
Premium revenue	-	-	-	-	-	-	-	-	-	-
Investment income	379,342	179,981	1,117,498	62,245	24,514	27,842	227,996	143,996	7,397	13,640
Claims expense	-	-	-	-	-	-	-	-	-	-
Other expenses	340,800	41,390	332,153	15,770	24,083	2,402	64,436	70,081	3,371	12,314
Realised gain/(loss)	(8,896)	(73,772)	(18,353)	-	(4,727)	-	(771)	-	-	(60)
Unrealised gain/(loss)	2,572,783	(139,006)	3,617,343	-	24,540	(6,029)	554,566	191,635	(7,972)	48,784
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	2,606,115	(73,838)	4,385,299	47,145	23,449	19,411	737,140	297,339	(3,442)	53,231
Operating profit/(loss) after tax	2,024,880	(87,323)	3,843,787	28,718	13,062	13,886	557,794	219,015	(3,234)	36,313
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-	-
Solvency reserve ratio	-	-	-	-	-	-	-	-	-	-

* This is a dormant fund.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

	No. 34 MLC Horizon 6 Shares \$	No. 35 Tax Effective Aust Shares \$	No. 36 Emerging Markets \$	No. 38 Aust Equities \$	No. 39 Sustainable Aust Shares \$	No. 40 World Allocation 50/50 \$	No. 41 Sustainable Balanced \$	No. 42 Martin Currie Equity Income * \$	Total Life Investment \$	M'gmt Fund \$
As at 31 Dec 2020										
Financial assets	2,796,255	8,007,933	3,374,267	18,071,042	2,539,273	7,738,475	2,360,369	540,020	1,499,489,458	11,008,534
Other assets	2,261	45,971	801	-	19,072	78,338	13,780	1,563	8,601,083	9,400,038
Policy liabilities	2,761,297	7,771,972	3,237,025	17,467,785	2,501,129	7,719,356	2,348,116	532,868	1,477,025,543	-
Other liabilities	37,219	281,932	138,043	603,257	57,216	97,457	26,033	8,715	31,064,999	2,664,090
Retained earnings	-	-	-	-	-	-	-	-	-	13,964,678
Issued capital	-	-	-	-	-	-	-	-	-	9,149,992
For half year ended 31 Dec 2020										
Premium revenue	-	-	-	-	-	-	-	-	-	-
Investment income	3	91,660	6	21	18,564	78,345	12,316	3,624	14,378,864	-
Claims expense	-	-	-	-	-	-	-	-	-	-
Other expenses	11,682	43,752	12,415	70,278	10,946	24,152	8,980	966	7,215,049	9,016,260
Realised gain/(loss)	(8,534)	(139,119)	(3,039)	-	(2,238)	-	(17,309)	4,475	5,294,385	-
Unrealised gain/(loss)	310,422	842,674	511,841	2,357,365	304,334	493,603	181,033	33,421	98,420,583	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	290,650	755,356	496,668	2,292,887	310,585	548,622	167,059	40,554	110,010,098	(1,510,082)
Operating profit/(loss) after tax	204,420	652,046	362,095	1,665,871	231,043	387,785	116,673	32,868	81,672,044	1,442,830
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-	3,966
Solvency reserve ratio	-	-	-	-	-	-	-	-	-	160%
As at June 2020										
Financial assets	2,014,475	4,911,404	2,091,045	8,623,683	1,864,218	6,043,137	1,728,048	-	1,262,669,298	6,174,464
Other assets	189,018	78,373	28,095	334,157	63,569	154,894	80,368	-	38,900,941	18,915,993
Policy liabilities	2,170,501	4,895,468	2,117,448	8,903,137	1,926,286	6,185,902	1,796,692	-	1,283,089,055	-
Other liabilities	32,992	94,308	1,692	54,703	1,500	12,129	11,724	-	18,481,180	3,101,222
Retained earnings	-	-	-	-	-	-	-	-	-	12,490,192
Reserve	-	-	-	-	-	-	-	-	-	349,052
Issued capital	-	-	-	-	-	-	-	-	-	9,149,992
For half year ended 31 Dec 2019										
Premium revenue	-	-	-	-	-	-	-	-	-	-
Investment income	2	25,819	5	32,889	12,080	53,744	7,178	-	11,571,558	-
Claims expense	-	-	-	-	-	-	-	-	-	-
Other expenses	4,534	11,387	4,362	14,889	2,107	15,821	6,311	-	5,040,054	6,076,009
Realised gain/(loss)	-	(23,767)	(138)	20	-	-	-	-	2,048,614	-
Unrealised gain/(loss)	61,805	11,392	111,868	272,177	1,679	77,923	36,026	-	26,980,965	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss) before tax	57,273	6,775	107,522	291,606	11,835	116,174	37,897	-	35,767,120	(807,461)
Operating profit/(loss) after tax	40,987	10,745	78,427	211,873	8,687	82,274	26,224	-	28,496,831	1,533,537
Solvency requirement (\$'000)	-	-	-	-	-	-	-	-	-	3,736
Solvency reserve ratio	-	-	-	-	-	-	-	-	-	166%

* UF42 fund commenced on 5th November 2020.

Independent Auditor's Review Report



Independent Auditor's Review Report

To the shareholders of Generation Development Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Generation Development Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Generation Development Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the **Half-Year Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2020;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Generation Development Group Limited (the Company) and the entities it controlled at the Half-year's period end or from time to time during the Half-year.

The **Half-year Period** is the six months ended on 31 December 2020.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG

Dean Waters

Partner

Melbourne

24 February 2021