



Generation Development Group Limited
ABN: 90 087 334 370

Interim Condensed Consolidated
Financial Report 31 December 2021

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Corporate Information

Company Directors

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

Non-Executive Chairman
Non-Executive Director
Non-Executive Director (resigned 18 November 2021)
Non-Executive Director (resigned 18 November 2021)
Non-Executive Director (appointed 18 November 2021)

Company Secretary

Ms Amanda Gawne

Chief Financial Officer

Mr Terence Wong

Registered Office

Level 17, 447 Collins Street
Melbourne VIC 3000
Telephone: +61 3 8601 2000
Facsimile: +61 3 9200 2270

Share Register

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

Banker

National Australia Bank
330 Collins Street
Melbourne VIC 3000

Auditor

KPMG
Tower Two
Collins Square
727 Collins Street
Melbourne VIC 3008

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Summary of Results (Unaudited)

Generation Development Group recorded an underlying operating profit after tax from its Life/administration business of \$3.3m for the six months ended 31 December 2021 (31 December 2020: \$2.1m).

The underlying operating profit after tax of its Life/administration business excludes Income from associates, product development costs of the annuity business and other items.

The Group recorded a consolidated statutory net profit for the six months ending 31 December 2021 of \$1.7m (31 December 2020: profit \$554k). 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 21 \$'000 | Half year to 31 Dec 20 \$'000 | Variance \$'000 |
|---------------------------------------------------------------------|----------|-------------------------------------|-------------------------------------|--------------------|
| Life and Services | | 11,984 | 8,843 | 3,141 |
| Other income | | 687 | 565 | 122 |
| Total revenue | 1 | 12,671 | 9,408 | 3,263 |
| Personnel | | (5,891) | (3,945) | (1,946) |
| Occupancy | | (131) | (121) | (10) |
| Communication | | (59) | (74) | 15 |
| Finance | | (71) | (20) | (51) |
| Dealing and settlement | | (3,453) | (2,498) | (955) |
| Marketing and promotion | | (150) | (229) | 79 |
| Depreciation and amortisation | | (635) | (452) | (183) |
| Administration expenses | | (3,774) | (2,799) | (975) |
| Total expenses | 1 | (14,164) | (10,138) | (4,026) |
| Underlying loss before income tax | | (1,493) | (730) | (763) |
| Income tax benefit / (expense) | 2 | 4,833 | 2,854 | 1,979 |
| Underlying profit after tax – Life / administration business | | 3,340 | 2,124 | 1,216 |
| Income from associates | 3 | 952 | 337 | 615 |
| Product development costs (net of tax) | | (1,426) | (230) | (1,196) |
| Underlying profit after tax | | 2,866 | 2,231 | 635 |
| Other items (net of applicable tax) | | | | |
| Net gain on sale of Ascalon Capital Limited (Asia) | | 50 | - | 50 |
| Ascalon operational costs inclusive of foreign exchange gain | 4 | 56 | (640) | 696 |
| Deferred tax reversal on carry-forward losses | | (890) | (553) | (337) |
| Transaction and completion costs | 5 | (362) | (484) | 122 |
| Statutory profit / (loss) after tax | | 1,720 | 554 | 1,166 |

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 for the six months period ended 31 December 2021.
- Includes Ascalon Capital Limited (Asia) trading loss of \$59k and realised foreign exchange gain of \$115k. Prior comparative period includes \$479k of Ascalon Capital Limited (Asia) trading loss.
- Includes non-capitalised amounts and amounts not attributed to share capital and fee paid to vendors.

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 2021. 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 (resigned 18 November 2021) |
| Mr John David Wheeler | Non-Executive Director (resigned 18 November 2021) |
| Ms Giselle Collins | Non-Executive Director (appointed 18 November 2021) |

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 \$1.2m or 57% to \$3.3m for the six months ended 31 December 2021, compared to \$2.1m in the prior comparative period. The Group underlying NPAT of \$2.9m includes earnings from associates and product development costs but excludes other items as reflected in the summary of results.

The increase was largely a result of continued FUM growth, which reached \$2.1b at 31 December 2021, 20% higher than at the start of the financial year. The key elements where inflows of \$344.2m (1HY21 \$165.7m), exits by way of withdrawals and maturities of \$47m (1HY21 \$52.5m), while investment earnings contributed \$52.1m (1HY21 \$80.5m) in the period.

Effective 1 July 2021, the administration, registry and information technology services provided by Austock Financial Services Pty Ltd have been novated to Generation Development Services Pty Ltd (previously known as Ascalon Capital Managers Pty Ltd). This is purely an internal restructure and streamlining of our operations and will not have any effect operationally or commercially.

On 1 September 2021, the Group completed the sale of Ascalon Capital Limited (Asia) ("Ascalon") to Wayford Capital Partners Limited. Having invested in Ascalon in 2019, the Group has endeavoured to launch, through its investment, a fund targeting hedge funds in Asia Pacific. Unfortunately, this launch was impacted by a series of exogenous events in the market which made fund raising extremely difficult. Instead of persevering with the launch or pursuing alternative fund management models, the Group has decided to divest its interest in Ascalon and pursue other opportunities.

Product Sales Results

Investment Bond penetration has risen significantly in 1HY22 with new applications rising to a record 10,774 up 64.0% on the corresponding period last financial year (6,570). This comprised 6,399 LifeBuilder Bonds, 3,978 ChildBuilder bonds and 397 Funeral Bonds.

Savings plans have risen to \$29.9m from \$24.3m (up 23.0% pcp). Over 45% of all new policies received now come with a saving plan attached.

The number of direct business has also increased by 41.2% in 1HY22 with 3,550 applications received directly from clients worth \$17.6m.

Pleasingly 314 financial advisers wrote business for the first time with Generation Life in 1HY22 and 1,246 individual financial advisers have submitted business during the period (up 31.0% pcp).

Balance Sheet and Capital

- The Group held cash and cash equivalents of \$19m at 31 December 2021 (30 June 2021: \$21.9m) 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, fully franked, will be declared on 25 February 2022 with payment date of 8 April 2022.

Outlook

Based on year-to-date results and sales pipeline for the investment bond business, we now expect FY22 sales to materially exceed FY21, subject to prevailing market conditions. The Group is now focused on developing and bringing to market the investment linked lifetime annuity product which is scheduled for launch in the second half of this financial year, subject to regulatory approval.

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, 25 February 2022



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 2021 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

KPMG



Dean Waters

Partner

Melbourne

25 February 2022

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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 29, 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 2021 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, 25 February 2022

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2021

| | Notes | Half year ended 31 Dec 2021 \$'000 | Half year ended 31 Dec 2020^ \$'000 |
|-------------------------------------------------------------------------------|-------|------------------------------------------|-------------------------------------------|
| Revenue | | | |
| Revenue from contracts with customers | 11(a) | 2,678 | 1,955 |
| Interest income | 11(b) | 116 | 434 |
| Revaluation income | 11(c) | 67,296 | 102,621 |
| Other income | 11(d) | 924 | 662 |
| Distribution income | | 20,417 | 13,980 |
| Total revenue | | 91,431 | 119,652 |
| Expenses | | | |
| Personnel expenses | | (6,883) | (4,678) |
| Occupancy expenses | | (142) | (157) |
| Communication expenses | | (62) | (82) |
| Finance expenses | | (71) | (23) |
| Dealing and settlement expenses | | (3,514) | (2,584) |
| Marketing and promotional expenses | | (150) | (229) |
| Depreciation and amortisation expenses | | (636) | (454) |
| Administration expenses | | (5,184) | (3,555) |
| Policyholder withdrawals - insurance | | (54) | (63) |
| Total expenses | | (16,696) | (11,825) |
| Income from associates | 12 | 952 | 337 |
| Profit / (loss) before income tax expense | | 75,687 | 108,164 |
| Income tax (expense) / benefit | 13 | (8,346) | (25,938) |
| Profit / (loss) after income tax expense | | 67,341 | 82,226 |
| (Profit) / loss attributable to policyholders | 19 | (65,621) | (81,672) |
| Net profit / (loss) attributable to shareholders of the Company | | 1,720 | 554 |
| Total comprehensive income attributable to shareholders of the Company | | 1,720 | 554 |
| Earnings per share | | | |
| ➤ Basic (cents per share) | | 0.96 | 0.37 |
| ➤ Diluted (cents per share) | | 0.96 | 0.37 |

^ 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 29 are an integral part of these condensed consolidated interim financial statements

Interim Condensed Consolidated Statement of Financial Position as at 31 December 2021

| | Notes | As at 31 Dec 21 \$'000 | As at 30 Jun 21^ \$'000 |
|-----------------------------|-------|------------------------------|-------------------------------|
| Assets | | | |
| Cash and cash equivalents | | 91,770 | 95,132 |
| Income tax receivable | | 5,398 | 3,895 |
| Trade receivables | | 3,868 | 1,669 |
| Other assets | | 13,641 | 47,025 |
| Financial assets | 14 | 2,109,043 | 1,726,195 |
| Investment in associates | 12 | 29,529 | 28,277 |
| Right-of-use assets | | 4,577 | 4,969 |
| Plant and equipment | | 539 | 255 |
| Deferred tax assets | | 2,641 | 3,268 |
| Intangible assets | | 2,734 | 2,103 |
| Total assets | | 2,263,740 | 1,912,788 |
| Liabilities | | | |
| Trade and other payables | | 6,595 | 4,700 |
| Current tax liabilities | | 4,514 | 25,661 |
| Lease liabilities | | 4,569 | 4,791 |
| Other liabilities | | 2,866 | 8,144 |
| Provisions | | 1,334 | 1,090 |
| Deferred tax liabilities | | 50,378 | 41,828 |
| Policyholder liabilities | 19 | 2,135,357 | 1,775,120 |
| Total liabilities | | 2,205,613 | 1,861,334 |
| Net assets | | 58,127 | 51,454 |
| Equity | | | |
| Issued capital | 15 | 88,368 | 79,118 |
| Share based payment reserve | | 1,585 | 4,112 |
| Other reserve | | - | 104 |
| Retained earnings | | (31,826) | (31,880) |
| Total equity | | 58,127 | 51,454 |

^ 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 29 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 2021

| | Issued capital | Share based payment reserve | Other reserves | Retained Earnings | Total |
|--------------------------------------------------|-------------------|--------------------------------------|-------------------|----------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Period ended 31 Dec 2021 | | | | | |
| Balance at 1 Jul 2021 | 79,118 | 4,112 | 104 | (31,880) | 51,454 |
| Net profit/(loss) for the period | - | - | - | 1,720 | 1,720 |
| Total comprehensive income for the period | - | - | - | 1,720 | 1,720 |
| Transactions with owners | | | | | |
| Issue of ordinary shares | 6,820 | - | - | - | 6,820 |
| Share based payments | 2,430 | (2,527) | - | 97 | - |
| Dividend paid | - | - | - | (1,763) | (1,763) |
| Other items | - | - | (104) | - | (104) |
| Balance at 31 Dec 2021 | 88,368 | 1,585 | - | (31,826) | 58,127 |
| 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 |

The notes on pages 13 to 29 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 2021

| | Half year ended 31 Dec 21 \$'000 | Half year ended 31 Dec 20 \$'000 |
|-------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Cash Flows from Operating Activities | | |
| Receipts from customers | 63,304 | 42,063 |
| Payments to suppliers and employees | (21,075) | (14,645) |
| Finance and borrowing costs | (11) | (20) |
| Income tax paid | (21,818) | (1) |
| Payment for investment benefit funds | (315,552) | (134,295) |
| Contributions by investors | 344,665 | 166,220 |
| Withdrawals by investors | (47,985) | (52,507) |
| Net cash flows from / (used in) operating activities | 1,528 | 6,815 |
| Cash Flows from Investing Activities | | |
| Interest received | 15 | 289 |
| Annuity project costs | (1,682) | (328) |
| Investment in associates inclusive of acquisition costs | (300) | (20,747) |
| Net gain on sale of Ascalon Capital Limited (Asia) | 50 | - |
| Other investments | - | 471 |
| Purchase of property, plant and equipment | (527) | (37) |
| Payment of software | (631) | (506) |
| Net cash flows (used in) / from investing activities | (3,075) | (20,858) |
| Cash Flows from Financing Activities | | |
| Capital raised | - | 35,000 |
| Capital raising costs | - | (1,309) |
| Dividends paid | (1,593) | (1,197) |
| Payment of lease liability | (222) | (243) |
| Net cash flows (used in) / from financing activities | (1,815) | 32,251 |
| Net (decrease) / increase in cash held | (3,362) | 18,208 |
| Cash and cash equivalents at beginning of the period | 95,132 | 62,094 |
| Cash and cash equivalents at the end of the period | 91,770 | 80,302 |

The notes on pages 13 to 29 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 2021. 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 2021 (1HY22) has been prepared in accordance with AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

This 1HY22 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 2021.

This 1HY22 financial report was approved by the Board of Directors on 25 February 2022. 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 2021 is available upon request from the Company's registered office and principal place of business at Level 17, 447 Collins 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 2021.

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 2021.

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 2022.

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 19 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. New interpretations adopted by the Group

In April 2021, IFRIC issued a final agenda decision regarding configuration or customisation costs in a cloud computing arrangement. The decision provides additional guidance on how to determine whether configuration or customisation expenditure relating to cloud computing arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is recognised in the Income Statement. The Group has adopted this agenda decision in the interim financial statements for the period ending 31 December 2021.

8. 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

Lonsec Holdings Pty Ltd undertook a selective buy-back on 1 July 2021 and as a result, the Company's equity interest in Lonsec has increased from 37% to 41%. Equity interest in Claimfast Pty Ltd remains at 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 2021 | 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 | 12,721 | 1,067 | 13,788 | 88,320 | (9,725) | 92,383 |
| Segment revenue | 12,721 | 1,067 | 13,788 | 88,320 | (9,725) | 92,383 |
| Expenses | (16,457) | (59) | (16,516) | (9,905) | 9,725 | (16,696) |
| Income tax benefit / (expense) | 4,448 | - | 4,448 | (12,794) | - | (8,346) |
| Profit attributable to policyholders | - | - | - | (65,621) | - | (65,621) |
| Net profit / (loss) after tax | 712 | 1,008 | 1,720 | - | - | 1,720 |
| Segment assets and liabilities | | | | | | |
| Segment total assets | 68,196 | - | 68,196 | 2,196,537 | (993) | 2,263,740 |
| Segment total liabilities | 10,069 | - | 10,069 | 2,196,537 | (993) | 2,205,613 |
| Segment net assets / (deficiency) | 58,127 | - | 58,127 | - | - | 58,127 |
| Other segment information | | | | | | |
| Depreciation and amortisation | (636) | - | (636) | - | - | (636) |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

Half year ended
31 Dec 2020

| | 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 | 8,830 | 345 | 9,175 | 117,363 | (6,549) | 119,989 |
| Segment revenue | 8,830 | 345 | 9,175 | 117,363 | (6,549) | 119,989 |
| Expenses | (10,373) | (648) | (11,021) | (7,353) | 6,549 | (11,825) |
| 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) |

9. 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 2021.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

10. 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.

Half year ended 31 Dec 2021

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|------------------|
| Listed Securities | 203,631 | - | - | 203,631 |
| Units in externally managed unlisted funds | - | 1,877,510 | - | 1,877,510 |
| Financial assets at fair value through profit or loss | 203,631 | 1,877,510 | - | 2,081,141 |

| | | | | |
|---------------------------------------------------------------------|----------|--------------------|----------|--------------------|
| Policyholder Liabilities | - | (2,135,357) | - | (2,135,357) |
| Financial liabilities at a fair value through profit or loss | - | (2,135,357) | - | (2,135,357) |

30 June 2021

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|------------------|
| Listed Securities | 185,077 | - | - | 185,077 |
| Units in externally managed unlisted funds | - | 1,504,898 | - | 1,504,898 |
| Financial assets at fair value through profit or loss | 185,077 | 1,504,898 | - | 1,689,975 |

| | | | | |
|---------------------------------------------------------------------|----------|--------------------|----------|--------------------|
| Policyholder Liabilities | - | (1,775,120) | - | (1,775,120) |
| Financial liabilities at a fair value through profit or loss | - | (1,775,120) | - | (1,775,120) |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

11. 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 21 \$'000 | Half year ended 31 Dec 20 [^] \$'000 |
|-------------------------------------------------------|----------------------------------------|-----------------------------------------------------|
| <i>Major service lines and type of service</i> | | |
| Fee income – Funds administration | 199 | 203 |
| Adviser fee | 2,479 | 1,752 |
| Total revenue | 2,678 | 1,955 |
| <i>Timing of revenue recognition</i> | | |
| Services transferred over time | 1,839 | 1,477 |
| Services transferred at a point in time | 839 | 478 |
| | 2,678 | 1,955 |

b. Interest income

| | Half year ended 31 Dec 21 \$'000 | Half year ended 31 Dec 20 \$'000 |
|---------------------------------------------------------|----------------------------------------|----------------------------------------|
| Interest income | 15 | 27 |
| Interest income in benefit funds – investment contracts | 101 | 380 |
| Interest income in benefit funds – insurance contracts | - | 27 |
| | 116 | 434 |

[^] 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 21 \$'000 | Half year ended 31 Dec 20 \$'000 |
|----------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Realised gain on sale of investment – Management fund | - | 13 |
| Realised gain on sale of investments – Benefit funds | 3,189 | 5,294 |
| Foreign exchange gain / (loss) – Benefit funds | 202 | (949) |
| Unrealised (loss) / gain on assets designated as FVTPL – Benefit funds - Foreign | (34) | - |
| Unrealised gain / (loss) on assets designated as FVTPL – Benefit funds | 63,939 | 98,263 |
| | 67,296 | 102,621 |

d. Other income

| | Half year ended 31 Dec 21 \$'000 | Half year ended 31 Dec 20 \$'000 |
|------------------------------------------------|----------------------------------------|----------------------------------------|
| Other income | 701 | 551 |
| Revaluation of policyholders' liabilities | 58 | 111 |
| Gain on sale of Ascalon Capital Limited (Asia) | 50 | - |
| Realised foreign exchange gain | 115 | - |
| | 924 | 662 |

12. Investment in associates

On 1 July 2021 Lonsec undertook a selective buy-back and as a result, the Company's equity interest in Lonsec has increased to 41% from 37%. No additional consideration was made.

On 3 November 2021, the Group issued 9,499,007 fully paid ordinary shares in GDG (New Shares) to the existing vendors of Lonsec Holdings Pty Ltd, representing deferred consideration in connection with its acquisition in Lonsec on 14 October 2020.

Following the Group's initial investment in Claimfast Pty Ltd (trading as Remediator) on 19 October 2020, the Group has since completed its 20% subscription interest in the entity. Total shares acquired were 700,000 to a value of \$700,000. No external transaction costs were incurred as part of this transaction, which is accounted using the equity method.

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

| | As at 31 Dec 21 \$'000 | As at 30 Jun 21 \$'000 |
|--------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Carrying value of investment in associates at cost inclusive of deferred consideration and acquisition costs | 28,577 | 27,697 |
| Share of gain/(loss) in associates | 952 | 580 |
| Closing carrying value in associates | 29,529 | 28,277 |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

13. Income Tax

At 31 December 2021 neither Generation Development Group Limited nor any of its controlled entities were members of a tax consolidated group.

| | Half year ended 31 Dec 21 \$'000 | Half year ended 31 Dec 20 \$'000 |
|-----------------------------------------|----------------------------------------|----------------------------------------|
| Income tax expense comprises: | | |
| Current Tax | | |
| Current income tax benefit / (expense) | 2,113 | 1,531 |
| Deferred Tax (expense) / benefit | | |
| DTA reversal - utilisation of losses | (890) | (553) |
| Other income tax deferred | (9,569) | (26,916) |
| Total Income tax expense | (8,346) | (25,938) |

14. Financial Assets

| | As at 31 Dec 21 \$'000 | As at 30 Jun 21 \$'000 |
|----------------------------------------------------------------------|------------------------------|------------------------------|
| Financial assets carried at fair value through profit or loss | | |
| Term deposits ^(a) | 27,902 | 36,220 |
| Investments - Benefit funds ^(b) | 2,081,141 | 1,689,975 |
| Total financial assets | 2,109,043 | 1,726,195 |
| Current | 2,109,043 | 1,726,195 |
| Non-current | - | - |
| | 2,109,043 | 1,726,195 |

(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, listed securities and other fixed interest securities

15. Issued Capital

| | Number | \$'000 |
|-------------------------------|--------------------|---------------|
| Balance at 1 Jul 2021 | 176,051,600 | 79,118 |
| Issued during the period | 9,887,778 | 9,250 |
| Balance at 31 Dec 2021 | 185,939,378 | 88,368 |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

16. Dividends

A final fully franked dividend of \$1,762,972 (one cent per ordinary share) for the financial year ended 30 June 2021 was paid on 6 October 2021 (2020: \$1,258,208). The Company declared an interim dividend of one cent per ordinary share, fully franked, totalling \$1,859,394 to be paid on 8 April 2022. The Company's Dividend Reinvestment Plan (DRP) will be in operation for this dividend.

17. Contingent liabilities

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

- Direct debit facility of \$10,000,000 (2021: \$10,000,000) to be used for client's accounts as part of the Generation Life business.
- Electronic channel facility of \$5,000,000 (2021: \$5,000,000) 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 (2021: \$150,000) used by Senior Staff for business travel and client entertainment.

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.

18. Subsequent events

The Company declared an interim dividend of \$0.01 per ordinary share fully franked to be paid on 8 April 2022. The Company's Dividend Reinvestment Plan (DRP) has been activated for this dividend.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

19. 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 2021 | | | | | | | | | |
| Financial assets | - | 7,511,536 | 7,511,536 | 633,789 | 3,199,276 | - | - | 635,019 | 120,123 |
| Other assets | - | - | - | - | - | - | - | 1,816 | 924 |
| Policy liabilities | - | 6,967,494 | 6,967,494 | 585,351 | 3,034,957 | - | - | 599,831 | 119,802 |
| Other liabilities | - | 544,041 | 544,041 | 48,438 | 164,319 | - | - | 37,003 | 1,245 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | - | 291 | 291 | - | 29 | - | - | 253 | 47 |
| Claims expense | - | 54,326 | 54,326 | - | - | - | - | - | - |
| Other expenses | - | 6,691 | 6,691 | 6,338 | 11,082 | - | - | 4,691 | 908 |
| Realised gain/(loss) | - | - | - | - | - | - | - | - | - |
| Unrealised gain/(loss) | - | 2,792 | 2,792 | 240 | 1,216 | - | - | 241 | 48 |
| Actuarial gain/(loss) | - | 57,934 | 57,934 | - | - | - | - | - | - |
| Operating profit/(loss) before tax | - | - | - | (6,098) | (9,837) | - | - | (4,157) | (813) |
| Operating profit/(loss) after tax | - | - | - | (6,098) | (10,211) | - | - | (3,533) | (691) |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | |
| Financial assets | - | 7,007,561 | 7,007,561 | 630,737 | 3,115,623 | - | - | 607,029 | 124,150 |
| Other assets | - | 17,867 | 17,867 | - | 804 | - | - | 1,156 | 795 |
| Policy liabilities | - | 7,025,428 | 7,025,428 | 629,767 | 3,106,403 | - | - | 607,437 | 120,493 |
| Other liabilities | - | - | - | 970 | 10,024 | - | - | 748 | 4,452 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |

The Assurance Fund, Investment Bond and Cash Achiever were fully redeemed as of 30 June 2021 and terminated following APRA's approval on 31 December 2021.

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 \$ |
|----------------------------------------|---------------------------------|----------------------------|-----------------------------------|---------------------------------------|-------------------------------|----------------------------------------|----------------------------|-------------------------------------------|------------------------------------------|
| | N-IL | | Investment Linked | | | | | | |
| As at 31 Dec 2021 | | | | | | | | | |
| Financial assets | 4,573,415 | 4,265,635 | 49,386,815 | 33,408,172 | 9,047,868 | 43,759,254 | 15,280,251 | 14,965,909 | 51,341,456 |
| Other assets | - | - | 8,748 | 291,725 | 224,203 | 135,066 | 86,775 | 59,488 | 978,831 |
| Policy liabilities | 4,438,773 | 4,127,184 | 49,385,419 | 33,667,091 | 9,242,821 | 43,844,252 | 14,922,658 | 14,067,310 | 51,190,982 |
| Other liabilities | 134,643 | 138,451 | 10,144 | 32,806 | 29,250 | 50,068 | 444,367 | 958,086 | 1,129,306 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | 48 | 161 | 6,922 | 91,037 | 113,559 | 103,260 | 146,939 | 116,718 | 978,905 |
| Claims expense | - | - | - | - | - | - | - | - | - |
| Other expenses | 22,868 | 21,139 | 101,338 | 157,501 | 43,619 | 199,100 | 63,818 | 63,591 | 223,836 |
| Realised gain/(loss) | - | - | (1,455) | (67,780) | (32,011) | (47,207) | (5,012) | (1,132) | (61,535) |
| Unrealised gain/(loss) | 1,536 | 1,423 | (7,736) | (506,117) | (201,303) | (153,592) | 1,515,356 | 1,386,927 | 3,211,925 |
| Actuarial gain/(loss) | - | - | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | (21,284) | (19,555) | (45,764) | (637,399) | (162,890) | (293,342) | 1,594,968 | 1,439,696 | 3,910,058 |
| Operating profit/(loss) after tax | (21,284) | (19,603) | (45,094) | (512,913) | (136,814) | (271,055) | 1,140,531 | 1,075,023 | 2,915,721 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | |
| Financial assets | 4,572,436 | 4,188,588 | 37,532,899 | 33,166,512 | 8,691,231 | 41,194,008 | 11,750,807 | 12,075,941 | 42,244,609 |
| Other assets | 1,239 | 1,288 | 2,145 | 176,861 | 311,794 | 127,074 | 343,684 | 348,224 | 872,242 |
| Policy liabilities | 4,569,867 | 4,179,962 | 37,518,496 | 33,249,467 | 8,895,315 | 41,089,152 | 12,084,906 | 11,724,582 | 42,652,666 |
| Other liabilities | 3,808 | 9,914 | 16,548 | 93,906 | 107,710 | 231,930 | 9,585 | 699,583 | 464,185 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |

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 Diversified Growth \$ | No. 10A Absolute Return Income \$ | No. 10B Diversified Balanced \$ |
|----------------------------------------|----------------------------|-------------------------------------|------------------------------------------|--------------------------------|------------------------------|-------------------------------------------|---------------------------------------|-----------------------------------------------|------------------------------------------|
| <i>Investment Linked</i> | | | | | | | | | |
| As at 31 Dec 2021 | | | | | | | | | |
| Financial assets | 52,264,716 | 4,110,994 | 26,722,007 | 123,399,346 | 18,825,465 | 18,185,311 | 32,337,457 | 12,606,382 | 8,720,196 |
| Other assets | 1,031,658 | 23,462 | 661,218 | 499,835 | 1,075 | 84,887 | 32,305 | 160,739 | 132,080 |
| Policy liabilities | 52,716,215 | 4,132,052 | 26,441,089 | 118,450,038 | 18,042,399 | 16,970,384 | 31,711,430 | 12,739,415 | 8,804,518 |
| Other liabilities | 580,160 | 2,404 | 942,135 | 5,449,144 | 784,141 | 1,299,815 | 658,331 | 27,706 | 47,758 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | 1,031,723 | 13 | 661,258 | 506,323 | 25 | 84,916 | 32,352 | 85,078 | 132,102 |
| Claims expense | - | - | - | - | - | - | - | - | - |
| Other expenses | 248,362 | 14,449 | 124,917 | 1,337,581 | 78,600 | 79,914 | 140,810 | 56,492 | 30,445 |
| Realised gain/(loss) | (85,493) | (1,815) | 21,050 | 2,331,680 | (3,963) | (1,294) | 18,081 | (23,980) | (1,759) |
| Unrealised gain/(loss) | 1,611,232 | 69,578 | 1,634,267 | 6,041,732 | 1,370,297 | 929,461 | 1,285,823 | (60,733) | (61,848) |
| Actuarial gain/(loss) | - | - | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | 2,310,661 | 55,373 | 2,195,680 | 7,729,988 | 1,290,801 | 933,242 | 1,195,647 | (55,843) | 41,906 |
| Operating profit/(loss) after tax | 1,774,281 | 19,615 | 1,707,374 | 5,812,995 | 956,762 | 703,427 | 873,206 | (57,617) | 24,476 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | |
| Financial assets | 50,408,266 | 2,669,839 | 24,170,428 | 113,927,016 | 13,116,846 | 15,958,918 | 27,061,524 | 11,406,028 | 3,913,785 |
| Other assets | 2,198,520 | 59,459 | 170,810 | 77,412 | 464,158 | 541,157 | 2,816,671 | 397,794 | 72,929 |
| Policy liabilities | 52,150,796 | 2,636,845 | 23,889,651 | 110,301,297 | 13,030,305 | 15,283,197 | 28,774,959 | 11,682,913 | 3,925,080 |
| Other liabilities | 455,990 | 92,453 | 451,587 | 3,703,131 | 550,699 | 1,216,878 | 1,103,236 | 120,909 | 61,634 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |

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 Diversified Conservative Index \$ | No. 12D Diversified Growth Index \$ | No. 13 Credit Securities \$ | No. 14 Aust Large Companies \$ |
|----------------------------------------|--------------------------------------|---------------------------------------------------|---------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------------------------------|-------------------------------------------------|--------------------------------------|-----------------------------------------|
| <i>Investment Linked</i> | | | | | | | | | |
| As at 31 Dec 2021 | | | | | | | | | |
| Financial assets | 136,842,571 | 64,702,272 | 60,360,037 | 34,977,654 | 42,421,924 | 118,674,513 | 235,954,551 | 14,622,543 | 2,925,202 |
| Other assets | 1,942,761 | 3,526 | 50,506 | 269,574 | 81,075 | 561,084 | 1,255,755 | 115,204 | 19,192 |
| Policy liabilities | 132,426,247 | 60,642,241 | 56,660,696 | 35,168,006 | 39,812,543 | 118,343,341 | 231,523,285 | 14,691,304 | 2,941,755 |
| Other liabilities | 6,359,082 | 4,063,557 | 3,749,848 | 79,222 | 2,690,456 | 892,255 | 5,687,020 | 46,442 | 2,638 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | 2,381,046 | 102 | 27,947 | 260,945 | 243,046 | 968,948 | 2,516,719 | 178,107 | 64,893 |
| Claims expense | - | - | - | - | - | - | - | - | - |
| Other expenses | 667,199 | 295,397 | 272,587 | 176,087 | 189,372 | 432,185 | 852,147 | 66,459 | 11,249 |
| Realised gain/(loss) | (64,270) | (8,627) | (201,993) | (89,518) | (3,039) | (153,613) | 44,063 | (16,757) | (427) |
| Unrealised gain/(loss) | 2,844,810 | 6,236,813 | 5,014,502 | (608,547) | 5,127,434 | 888,384 | 6,472,352 | (202,057) | (58,166) |
| Actuarial gain/(loss) | - | - | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | 4,510,778 | 5,944,075 | 4,572,054 | (608,166) | 5,186,651 | 1,298,104 | 8,255,059 | (105,865) | (4,339) |
| Operating profit/(loss) after tax | 4,362,047 | 4,655,984 | 3,650,619 | (482,935) | 3,838,915 | 893,339 | 7,093,447 | (102,558) | 16,538 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | |
| Financial assets | 123,636,748 | 49,520,997 | 45,941,348 | 31,371,087 | 33,502,217 | 101,420,897 | 186,039,940 | 13,073,971 | 1,604,783 |
| Other assets | 3,446,195 | 2,098,975 | 8,910,271 | 562,186 | 316,423 | 1,021,930 | 2,882,283 | 75,033 | 7,285 |
| Policy liabilities | 120,133,633 | 48,331,030 | 49,465,694 | 31,626,565 | 32,335,797 | 100,698,136 | 182,442,109 | 13,074,574 | 1,579,755 |
| Other liabilities | 6,949,310 | 3,288,942 | 5,385,925 | 306,708 | 1,482,843 | 1,744,691 | 6,480,114 | 74,430 | 32,313 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

| | No. 14A Term Deposits \$ | No. 14B Short Term Fixed Interest \$ | No. 15 Aust Shares \$ | No. 16 Geared Aust Shares \$ | No. 17 Int'l Shares \$ | No. 18 Mortgage * \$ | No. 19 Diversified Growth \$ | No. 20 Industrial Shares \$ | No. 21 Australian Shares ESG \$ |
|----------------------------------------|--------------------------------|-----------------------------------------------|-----------------------------|---------------------------------------|------------------------------|----------------------------|---------------------------------------|--------------------------------------|------------------------------------------|
| <i>Investment Linked</i> | | | | | | | | | |
| As at 31 Dec 2021 | | | | | | | | | |
| Financial assets | 62,848,399 | 10,562,136 | 30,356,406 | 24,985,835 | 15,482,901 | - | 41,858,696 | 19,884,506 | 27,254,615 |
| Other assets | 42,561 | 53,240 | 57,481 | 1,182,923 | 111,398 | - | 204,052 | 13,797 | - |
| Policy liabilities | 62,821,142 | 10,588,938 | 29,240,758 | 24,276,827 | 14,063,156 | - | 41,528,652 | 19,231,074 | 25,479,723 |
| Other liabilities | 69,817 | 26,437 | 1,173,128 | 1,891,931 | 1,531,143 | - | 534,095 | 667,229 | 1,774,893 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | 96,498 | 79,003 | 687,663 | 1,182,977 | 111,437 | - | 204,146 | 129,537 | 856,621 |
| Claims expense | - | - | - | - | - | - | - | - | - |
| Other expenses | 184,060 | 26,680 | 300,917 | 119,143 | 69,946 | - | 194,474 | 145,112 | 117,750 |
| Realised gain/(loss) | - | (4,648) | 1,125,541 | (4,117) | (3,275) | - | (429) | 1,163,493 | (3,587) |
| Unrealised gain/(loss) | - | (64,773) | (628,181) | 478,328 | 332,092 | - | 1,305,848 | (1,336,401) | 956,170 |
| Actuarial gain/(loss) | - | - | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | (81,687) | (17,071) | 877,663 | 1,540,115 | 371,732 | - | 1,316,645 | (186,379) | 1,691,561 |
| Operating profit/(loss) after tax | (109,836) | (19,045) | 1,453,631 | 1,911,045 | 440,237 | - | 925,800 | 238,413 | 1,542,597 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | |
| Financial assets | 65,162,993 | 10,321,114 | 29,235,126 | 24,449,078 | 13,256,870 | - | 37,420,426 | 20,319,270 | 23,627,152 |
| Other assets | 63,612 | 59,223 | 141,886 | 476,436 | - | - | 4,076,225 | 49,725 | - |
| Policy liabilities | 65,105,771 | 10,318,828 | 27,203,296 | 22,662,027 | 11,653,868 | - | 40,220,542 | 18,423,281 | 21,924,125 |
| Other liabilities | 120,834 | 61,509 | 2,173,716 | 2,263,487 | 1,603,002 | - | 1,276,109 | 1,945,714 | 1,703,027 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |

* This is a dormant fund.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

| | No 22. Diversified Growth \$ | No 23. Australian Income \$ | No 24. Diversified Growth \$ | No 25. Mortgages \$ | No 26. Diversified Conservative \$ | No 27. Growth \$ | No 28 Long Term Portfolio \$ | No 29 Worldwide Sustainability \$ | No 30. Diversified High Growth Index \$ | No.31 Diversified Balanced Index \$ | No. 32 Diversified Conservative \$ | No. 33 Diversified Balanced \$ |
|----------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|---------------------------|---------------------------------------------|------------------------|---------------------------------------|--------------------------------------------|-----------------------------------------------------|-------------------------------------------------|---------------------------------------------|-----------------------------------------|
| | <i>Investment Linked</i> | | | | | | | | | | | |
| As at 31 Dec 2021 | | | | | | | | | | | | |
| Financial assets | 83,279,801 | 9,244,958 | 142,488,703 | 3,076,855 | 8,782,171 | 3,563,801 | 5,691,483 | 3,473,699 | 137,172,525 | 136,465,784 | 2,990,642 | 7,618,877 |
| Other assets | - | 36,245 | 373,672 | 26,023 | 7,296 | 13,597 | 21,322 | 2,913 | 731,850 | 711,169 | 7,269 | - |
| Policy liabilities | 79,764,364 | 9,130,719 | 140,988,491 | 3,085,273 | 8,658,965 | 3,562,335 | 5,670,792 | 3,451,295 | 133,863,010 | 135,655,759 | 2,991,756 | 7,542,919 |
| Other liabilities | 3,515,438 | 150,484 | 1,873,884 | 17,606 | 130,504 | 15,062 | 42,013 | 25,318 | 4,041,367 | 1,521,193 | 6,156 | 75,958 |
| Retained earnings | - | - | - | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment income | 787,964 | 316,654 | 981,134 | 50,672 | 26,420 | 16,337 | 38,814 | 3,084 | 1,535,727 | 1,267,557 | 23,472 | 64,501 |
| Claims expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenses | 384,727 | 83,508 | 512,882 | 14,119 | 45,758 | 13,061 | 11,394 | 7,079 | 467,929 | 461,843 | 14,572 | 35,588 |
| Realised gain/(loss) | (33,399) | 61,273 | 463,631 | - | 640 | 2,780 | 173 | (1,251) | - | (9,764) | (2,320) | (5,579) |
| Unrealised gain/(loss) | 2,256,080 | (156,154) | 5,345,581 | - | 109,276 | 26,653 | 159,993 | 106,690 | 4,852,793 | 1,866,919 | 15,557 | 103,551 |
| Actuarial gain/(loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | 2,628,744 | 138,563 | 6,285,535 | 36,560 | 93,028 | 36,628 | 188,582 | 102,941 | 5,964,721 | 2,707,993 | 24,149 | 131,697 |
| Operating profit/(loss) after tax | 2,158,904 | 418,880 | 5,300,729 | 21,359 | 61,325 | 24,453 | 151,073 | 76,360 | 5,027,937 | 2,208,735 | 12,981 | 91,447 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | | | | |
| Financial assets | 76,138,239 | 8,914,949 | 135,771,149 | 2,664,663 | 8,867,678 | 312,215 | 436,448 | 174,314 | 94,219,858 | 90,202,645 | 2,062,047 | 5,737,439 |
| Other assets | 4,827,686 | 55,515 | 1,939,561 | 21,658 | 266,539 | 9,070 | 8,685 | 19,959 | 1,699,967 | 1,170,096 | 93,123 | 296,478 |
| Policy liabilities | 76,554,498 | 8,625,891 | 128,421,605 | 2,664,681 | 8,947,672 | 318,345 | 441,328 | 189,015 | 91,403,281 | 89,439,636 | 2,130,466 | 5,913,790 |
| Other liabilities | 4,411,427 | 344,573 | 9,289,105 | 21,640 | 186,545 | 2,940 | 3,805 | 5,258 | 4,516,544 | 1,933,105 | 24,704 | 120,127 |
| Retained earnings | - | - | - | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - | - | - | - |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

| | No. 34 Diversified High Growth \$ | No. 35 Tax Effective Equity \$ | No. 36 Int'l Shares Emerging Markets \$ | No. 37 Diversified Fixed Income \$ | No. 38 Aust Shares Concentrated \$ | No. 39 Aust Shares Sustainability \$ | No. 40 Diversified Balanced \$ | No. 41 Diversified ESG Balanced \$ | No. 42 Yield Focused Shares \$ |
|----------------------------------------|-----------------------------------------------|-----------------------------------------|-----------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------------|-----------------------------------------|------------------------------------------------|-----------------------------------------|
| | <i>Investment Linked</i> | | | | | | | | |
| As at 31 Dec 2021 | | | | | | | | | |
| Financial assets | 5,773,182 | 26,280,234 | 7,474,576 | 7,079,022 | 45,776,325 | 5,105,705 | 24,179,299 | 5,371,527 | 8,144,651 |
| Other assets | 385 | 1,991,408 | 13,913 | 67,651 | 74,947 | 71,920 | 51,186 | 12,618 | 28,986 |
| Policy liabilities | 5,634,585 | 25,713,764 | 7,482,359 | 7,121,155 | 43,825,052 | 5,083,445 | 24,055,747 | 5,307,257 | 8,056,936 |
| Other liabilities | 138,981 | 2,557,877 | 6,131 | 25,517 | 2,026,220 | 94,180 | 174,736 | 76,888 | 116,701 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2021 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | 12 | 732,302 | 20 | 70,312 | 75,028 | 71,941 | 112,882 | 16,314 | 253,229 |
| Claims expense | - | - | - | - | - | - | - | - | - |
| Other expenses | 23,214 | 138,370 | 32,528 | 18,197 | 196,800 | 23,481 | 74,586 | 21,235 | 42,897 |
| Realised gain/(loss) | (1,465) | (1,058,699) | (34,190) | 370 | (36,328) | (9,757) | 9,869 | (11,080) | 49,002 |
| Unrealised gain/(loss) | 244,666 | 711,654 | (470,819) | (109,749) | 2,833,634 | 200,976 | 423,328 | 269,646 | (124,881) |
| Actuarial gain/(loss) | - | - | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | 220,334 | 252,497 | (536,486) | (54,168) | 2,684,931 | 241,209 | 480,106 | 254,627 | 135,553 |
| Operating profit/(loss) after tax | 165,101 | 688,834 | (386,887) | (42,444) | 2,094,517 | 189,754 | 369,408 | 180,868 | 261,783 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |
| As at June 2021 | | | | | | | | | |
| Financial assets | 3,973,096 | 16,688,838 | 5,994,484 | 1,536,073 | 30,332,246 | 3,920,331 | 14,818,609 | 3,419,640 | 6,954,368 |
| Other assets | 343,277 | 144,124 | 429,609 | 527 | 1,321,323 | 290,252 | 153,292 | 375,265 | 38,993 |
| Policy liabilities | 4,146,626 | 16,000,638 | 6,162,028 | 1,536,500 | 29,919,682 | 4,038,749 | 14,647,545 | 3,684,725 | 6,747,992 |
| Other liabilities | 169,747 | 832,324 | 262,065 | 100 | 1,733,887 | 171,834 | 324,356 | 110,180 | 245,369 |
| Retained earnings | - | - | - | - | - | - | - | - | - |
| Reserve | - | - | - | - | - | - | - | - | - |
| Issued capital | - | - | - | - | - | - | - | - | - |
| For half year ended 31 Dec 2020 | | | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - | - | - |
| Investment income | 3 | 91,660 | 6 | - | 21 | 18,564 | 78,345 | 12,316 | 3,624 |
| Claims expense | - | - | - | - | - | - | - | - | - |
| Other expenses | 11,682 | 43,752 | 12,415 | - | 70,278 | 10,946 | 24,152 | 8,980 | 966 |
| Realised gain/(loss) | (8,534) | (139,119) | (3,039) | - | - | (2,238) | - | (17,309) | 4,475 |
| Unrealised gain/(loss) | 310,422 | 842,674 | 511,841 | - | 2,357,365 | 304,334 | 493,603 | 181,033 | 33,421 |
| 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 |
| Operating profit/(loss) after tax | 204,420 | 652,046 | 362,095 | - | 1,665,871 | 231,043 | 387,785 | 116,673 | 32,868 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | - | - | - |
| Solvency reserve ratio | - | - | - | - | - | - | - | - | - |

Notes to the Interim Condensed Consolidated Financial Statements (continued)

| | UF47 Alternatives \$ | UF49 ESG Fixed Interest \$ | UF50 Diversified ESG Balanced \$ | UF52 International Shares (Hedged) \$ | UF53 International Shares \$ | Total Life Investment \$ | M'gmt Fund \$ |
|----------------------------------------|----------------------------|-------------------------------------|----------------------------------------------|---------------------------------------------------|---------------------------------------|--------------------------------|------------------|
| <i>Investment Linked</i> | | | | | | | |
| As at 31 Dec 2021 | | | | | | | |
| Financial assets | 562,974 | 418,136 | 4,526,579 | 5,334,078 | 12,387,125 | 2,174,766,329 | 5,033,986 |
| Other assets | 3,360 | 1,087 | 20,278 | 1,654 | - | 14,649,713 | 33,699,345 |
| Policy liabilities | 566,007 | 419,009 | 4,521,614 | 5,289,788 | 12,273,825 | 2,128,389,880 | - |
| Other liabilities | 327 | 214 | 25,245 | 45,943 | 113,299 | 61,026,155 | 4,298,371 |
| Retained earnings | - | - | - | - | - | - | 16,603,992 |
| Reserve | - | - | - | - | - | - | 681,000 |
| Issued capital | - | - | - | - | - | - | 17,149,968 |
| For half year ended 31 Dec 2021 | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - |
| Investment income | 1 | 6 | 20,287 | 10 | 21 | 20,546,004 | - |
| Claims expense | - | - | - | - | - | - | - |
| Other expenses | 1,808 | 1,655 | 10,957 | 16,078 | 37,779 | 9,844,208 | 5,993,458 |
| Realised gain/(loss) | - | (2,887) | (239) | (6,510) | - | 3,189,442 | - |
| Unrealised gain/(loss) | (10,936) | (1,162) | 80,544 | 288,315 | 85,067 | 63,935,803 | - |
| Actuarial gain/(loss) | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | (12,743) | (4,795) | 89,695 | 268,687 | 54,037 | 78,414,593 | 4,090,020 |
| Operating profit/(loss) after tax | (9,542) | (3,710) | 66,882 | 191,455 | 73,601 | 65,620,539 | 9,427,848 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | 6,117 |
| Solvency reserve ratio | - | - | - | - | - | - | 130% |
| As at June 2021 | | | | | | | |
| Financial assets | 442,967 | 32,774 | 805,586 | 1,195,301 | 4,372,372 | 1,792,419,566 | 4,387,611 |
| Other assets | 493 | 2 | 12,489 | 168,083 | - | 46,859,970 | 25,988,599 |
| Policy liabilities | 443,340 | 32,757 | 814,718 | 1,325,594 | 4,241,885 | 1,768,095,574 | - |
| Other liabilities | 120 | 19 | 3,357 | 37,790 | 130,487 | 71,183,962 | 3,792,796 |
| Retained earnings | - | - | - | - | - | - | 14,752,422 |
| Reserve | - | - | - | - | - | - | 681,000 |
| Issued capital | - | - | - | - | - | - | 11,149,992 |
| For half year ended 31 Dec 2020 | | | | | | | |
| Premium revenue | - | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | 14,378,864 | - |
| Claims expense | - | - | - | - | - | - | - |
| Other expenses | - | - | - | - | - | 7,215,049 | 9,016,260 |
| Realised gain/(loss) | - | - | - | - | - | 5,294,385 | - |
| Unrealised gain/(loss) | - | - | - | - | - | 98,420,583 | - |
| Actuarial gain/(loss) | - | - | - | - | - | - | - |
| Operating profit/(loss) before tax | - | - | - | - | - | 110,010,098 | (1,510,082) |
| Operating profit/(loss) after tax | - | - | - | - | - | 81,672,044 | 1,442,830 |
| Solvency requirement (\$'000) | - | - | - | - | - | - | 4,833 |
| Solvency reserve ratio | - | - | - | - | - | - | 127% |



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 2021 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 2021;
- 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 19 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 6 months ended on 31 December 2021.

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 these requirements.

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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 Group's financial position as at 31 December 2021 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

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Dean Waters

Partner

Melbourne

25 February 2022

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