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Financial Results
2026

18 August 2026

Life. Well lived.

Acknowledgement of country

Challenger acknowledges the Traditional Owners of Country throughout Australia and we pay our respects to Elders past and present. We recognise the continuing connection that Aboriginal and Torres Strait Islander peoples have to this land and acknowledge their unique and rich contribution to society.

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ersonal use only

Overview

1 **Business and strategy update**
Nick Hamilton – Managing Director and Chief Executive Officer

2 **Financial results and outlook**
Alex Bell – Chief Financial Officer

3 **Looking ahead**
Nick Hamilton – Managing Director and Chief Executive Officer

1

Business and strategy update

Nick Hamilton

Managing Director and Chief Executive Officer

Key points

01

Financial strength – earnings growth, operational efficiency, annuity sales growth, delivering returns for shareholders

02

Capital flexibility – strong capital position, ordinary dividend growth and special dividend, Challenger Capital Notes 3 redemption, upsized $450m buy-back[1]

03

Enabling growth – winning key retirement partnerships, advice integration, investing in asset origination, launched CABN[2], expanding offshore reinsurance, merger of Fidante with Channel Capital

1. Subject to market conditions and regulatory approval.
2. Challenger Annuity-Backed Notes (CABN).

FY26 financial performance

Delivering returns for shareholders

FINANCIAL PERFORMANCE

68.1cps ↑ 3%

Normalised EPS

$506m ↑ 163%

Statutory NPAT

Positive asset and liability experience

SHAREHOLDER OUTCOMES

11.6%

Normalised ROE[1]

Above FY26 target[2]

31.5cps ↑ 7%

Full-year ordinary dividend

1.5 cps special dividend

CAPITAL FLEXIBILITY

1.38x

CLC PCA Ratio[3]

1.50x

Pro-forma CLC PCA Ratio

Under new capital standards[4]

All growth rates compare the year ended 30 June 2026 against the year ended 30 June 2025 (the prior corresponding period or pcp), unless otherwise stated.

1. Normalised Return On Equity post-tax.
2. Normalised ROE post-tax target of 10.9% being the RBA cash rate plus a margin of 12% less tax.
3. The PCA ratio represents total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.
4. The PCA ratio under new capital standards is not audited. Refer to 'Appendix C – Assumption' for assumed application of new capital standards as at 30 June 2026.

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Overview of Challenger

40 years serving retirement needs to individuals and institutions

challenger (ASX:CGF)[1]

Income for Individuals

#1 Australian retirement income business[2]

- Lifetime annuities
- Fixed term annuities
- LiFTS notes
- Credit funds

Solutions for Institutions

One of Australia's largest fixed income originators[3]

- Challenger Annuity-Backed Notes (CABN)
- Index Plus
- Block reinsurance
- Flow reinsurance
- Credit strategies
- Defined Benefit buyout / PRT[4]

Strategic Ventures

Strategic ventures aligned to core strategy

channel capital

fidante

IGNITION Digital advice. Made human.

iff

1. Australian Securities Exchange (ASX) and trades under code CGF.
2. Plan for Life – March 2026 – based on annuities under administration.
3. Rainmaker Roundup, March 2026 data.
4. Pension Risk Transfer.

Operating environment

Delivering through the cycle – discipline, capital resilience and flexibility to grow

Investment Markets

- Credit spreads tight
- Higher for longer rates
- Economic risks building

Our response Maintaining investment discipline & managing risk / return

Actions

- Low CRE, 0% construction risk
- Broadening origination – $10bn
- Investment capacity – ready for opportunities

+

Capital Standards

- Financial resilience
- Less capital intensive
- Unlocking supply of longevity products

Our response Fortified balance sheet - capital to take advantage of market opportunities and support growth

Actions

- $450m buy-back announced
- $385m AT1 redemption
- 1.5cps special dividend
- Asset allocation capital 'store'

+

Demand for Income

- Retirement system opening
- Demand for yield rising
- Age of ageing

Our response Multi-channel growth strategy, with near, medium and long-term growth drivers

Actions

- 3yr+ Annuity sales +14%
- 3 new retirement partners won
- CABN $750m, 2.5x oversubscribed
- LiFTS $350m, >3x oversubscribed

=

Shareholder outcomes

- Higher quality earnings
- Accelerating growth
- Capital resilience & optionality
- ROE upside

FY26 operating highlights

Delivering against our strategic priorities

RETIREMENT LEADER

600k

Super customers aged 65+ years

New retirement partnerships

BT | Colonial First State | MLC | EXPAND

$3.2bn

3yr+ and Lifetime annuity sales

Record longer dated sales

INVESTMENT EXCELLENCE

$10.4bn

Origination volumes

$5.5bn public / $4.9bn private

3

Whole loans partnerships

BOQ | Finbase | Spark NZ

TALENTED TEAM AND CAPABILITIES

Calix Re

Offshore reinsurance platform

License granted and credit rating achieved

$1.1bn

New income solutions

CABN program | LiFTS platform

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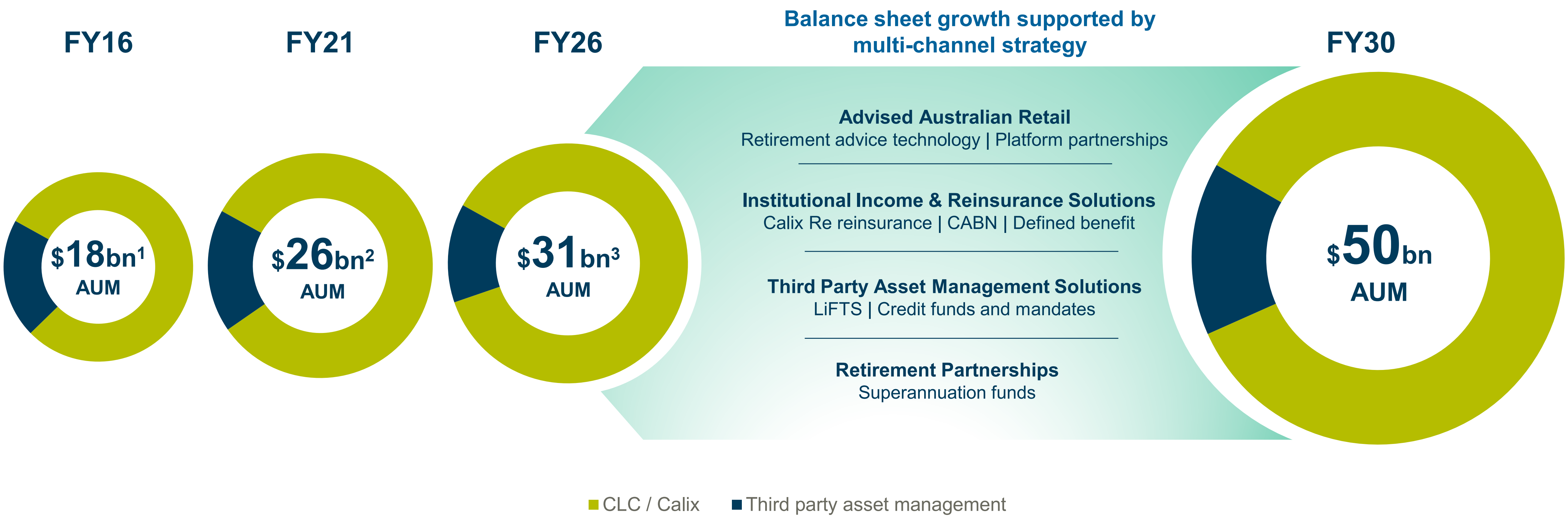
Setting our sights on growth

Accelerating and scaling our platform by 2030 through diversified distribution channels



1. FY16 includes Life investment assets of $14,112m and third-party assets that includes CIP third party fixed income $2,169m, real estate of $1,251m and CWT of $190m.
2. FY21 includes Life investment assets of $21,563m and third-party assets that includes CIPAM third-party mandates of $3,262m, CIPAM real estate Japan of $787mm and CIPAM real estate third-party mandates of $587m.
3. FY26 includes Life investment assets of $26,645m and third-party assets that includes CIM Fixed Income funds of $3,193m, Fixed Income Mandates of $660m and Japanese real estate of $242m.

2

Financial results and outlook

Alex Bell

Chief Financial Officer

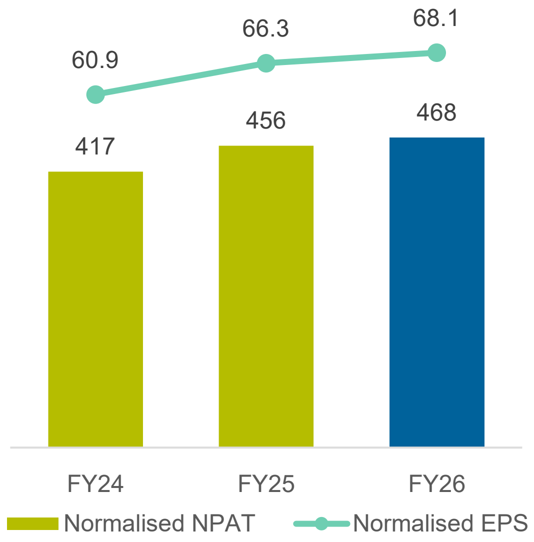
FY26 financial performance

Delivering shareholder returns | Strong statutory NPAT performance

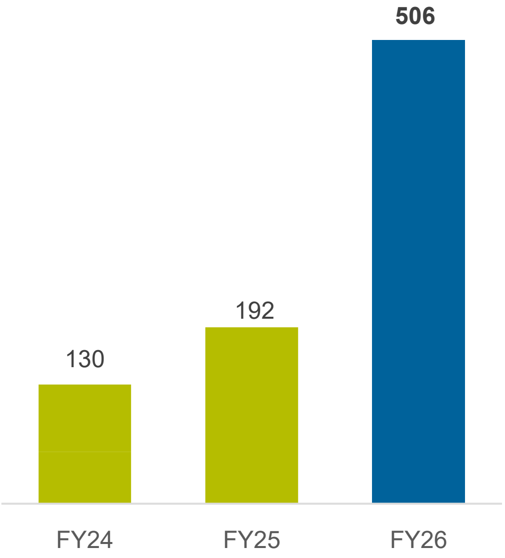
Profitability

Normalised NPAT ($m)
$468m +3%

Normalised EPS (cps)
68.1 cps +3%

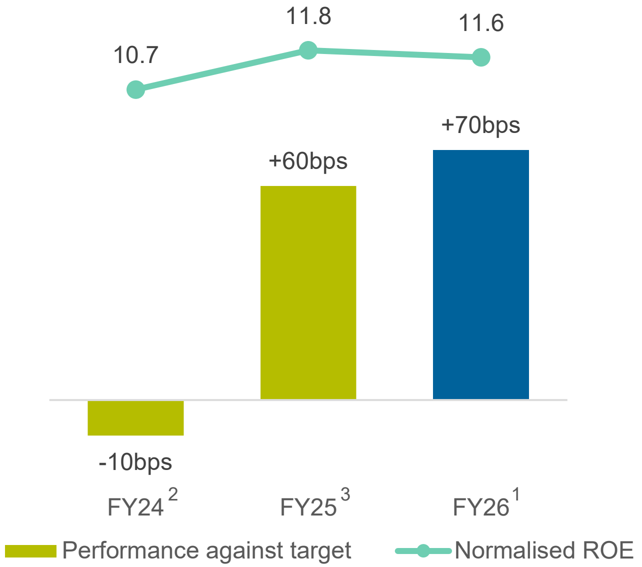


Statutory NPAT ($m)
$506m +163%

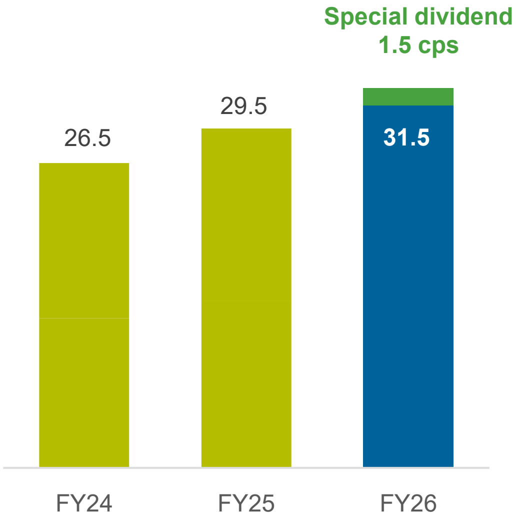


Returns

Normalised ROE after tax (%)
11.6% +70 bps above target[1]



Ordinary Dividend (cps)
31.5 cps +7%



1. FY26 Normalised ROE post-tax target of 10.9% being the RBA cash rate plus a margin of 12% less tax.
2. FY24 Normalised ROE post-tax target of 10.8% being the RBA cash rate plus a margin of 12% less tax.
3. FY25 Normalised ROE post-tax target of 11.2% being the RBA cash rate plus a margin of 12% less tax.

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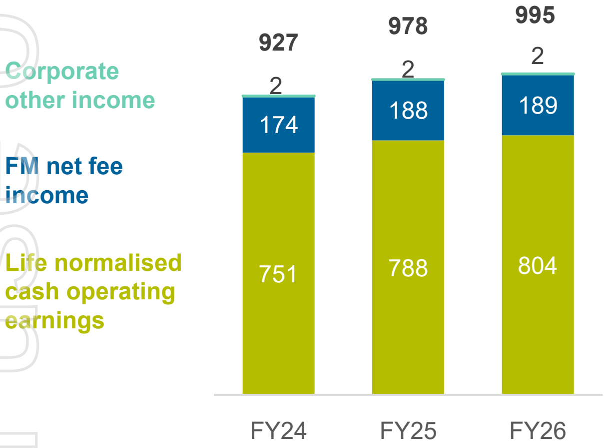
Earnings drivers

Delivering earnings growth and operational efficiency

Income ($m)

$965m +2%



Life +2%

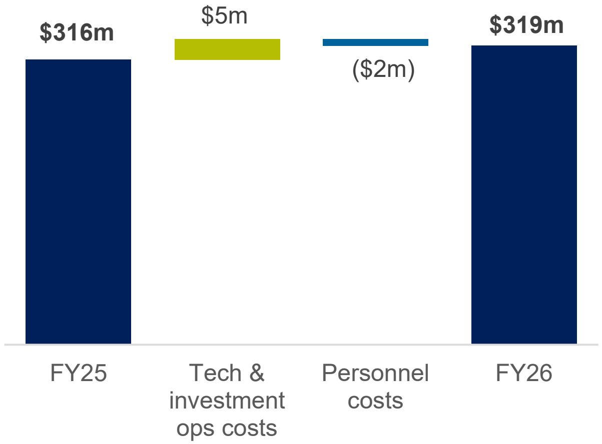
Increase in average AUM, partially offset by lower COE margin

Funds Management +1%

Increase in non-FUM income, partially offset by lower FUM income and performance fees

Expenses ($m)

$319m +1%

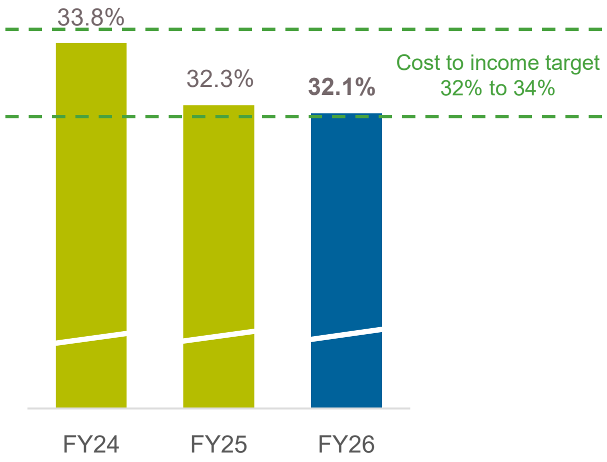


Increase in technology costs primarily driven by inflationary pressures on **software licensing** and **investment operation costs** driven by higher data costs; partially offset by

Lower personnel costs from a reduction in FTEs

Cost to Income Ratio (%)

32.1% -20bps



Cost to Income (CTI) ratio **improved 20bps**

FY26 CTI ratio optimised to the **bottom end of target (32% to 34%)**

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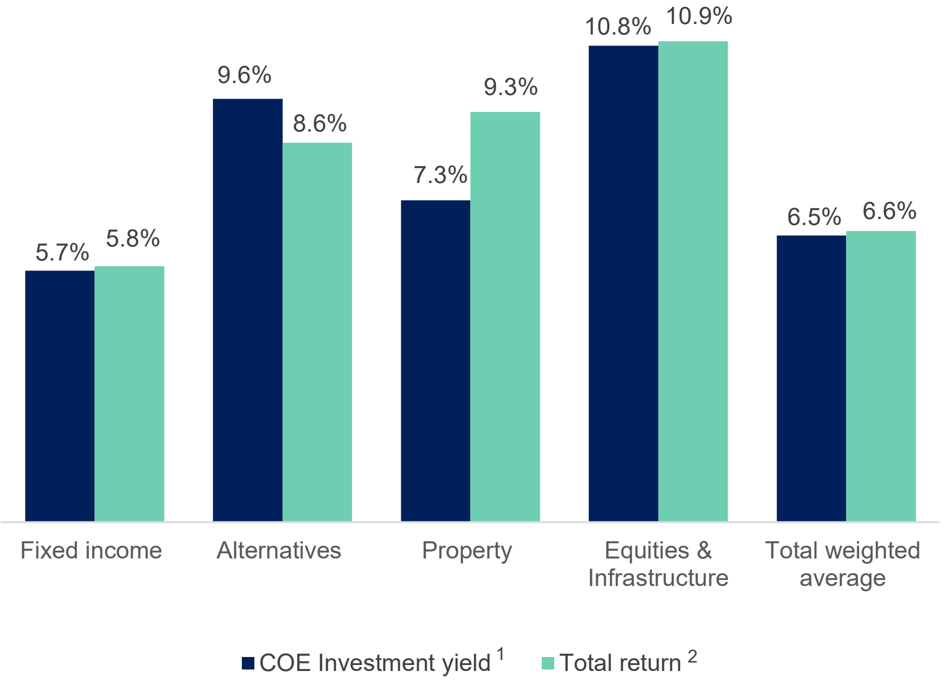
Life COE margin

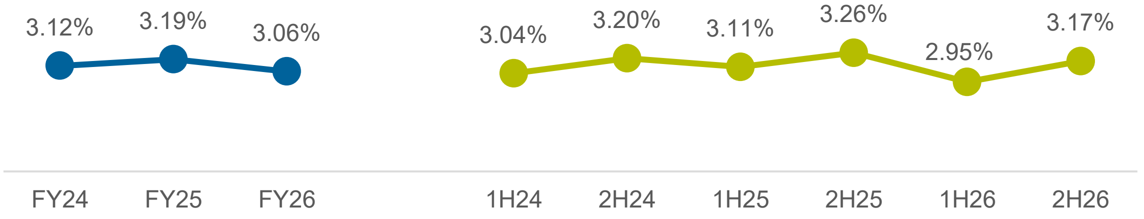
Strong 2H26 NCOE margin performance | Tight credit spread environment continues

FY26 Total return by asset class



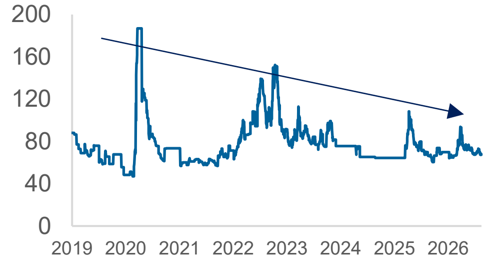
COE margin (%)

FY26 3.06% -13bps



Spread change (bps)

iTraxx Australia (bps)



CDX North American High Yield (bps)

1. COE investment yield includes investment yield and normalised capital growth.
2. Total return includes COE investment yield and asset experience.

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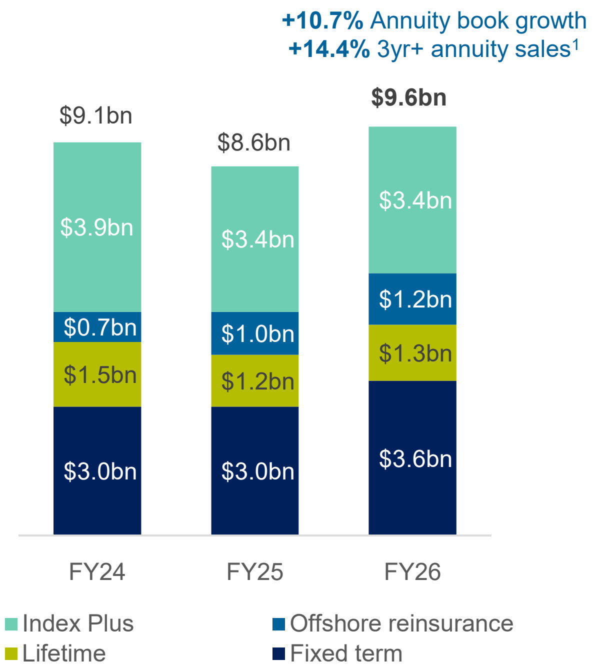
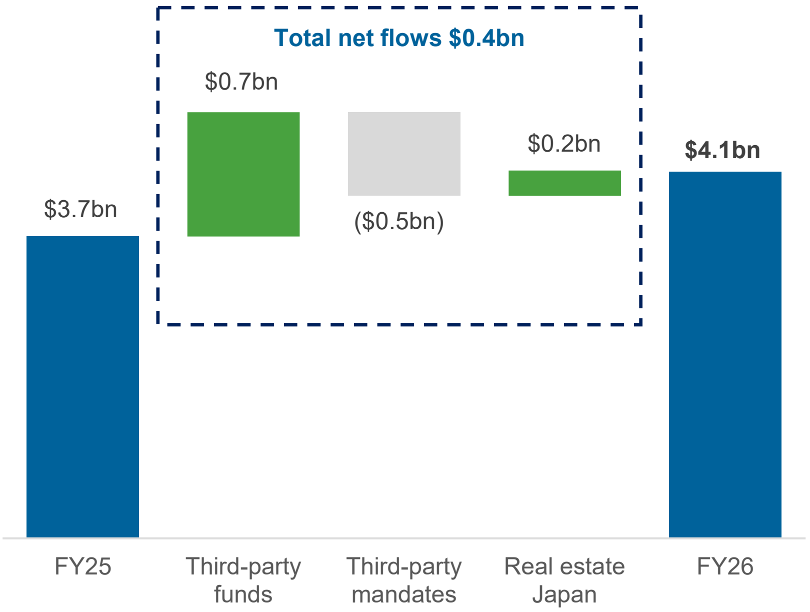
Challenger sales, flows and AUM

Strong book growth driven by annuity sales and third-party flows

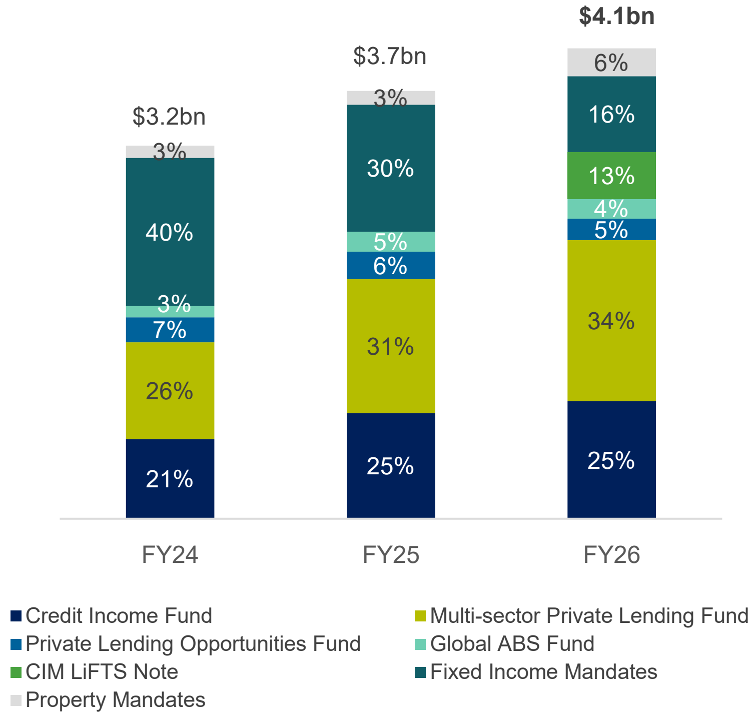
Life sales
$9.6bn +12%



Third Party Asset Management flows & AUM
$0.4bn net flows



Third Party Assets
$4.1bn +11%



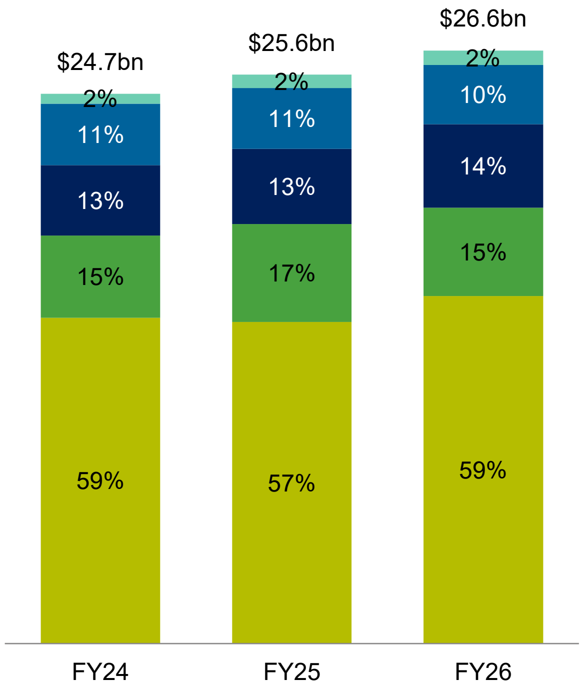
1. Includes term annuity sales greater than 3 years in tenor, Lifetime and CarePlus annuity sales, and offshore reinsurance sales.

Life assets under management

Balance sheet growth driven by book growth and retained earnings | Asset allocation is a store of capital

Investment Assets[1]

$26.6bn +4%



Equity and infrastructure, unchanged

Property, -1%

- 4 direct property sales at carrying value

Alternatives, +1%

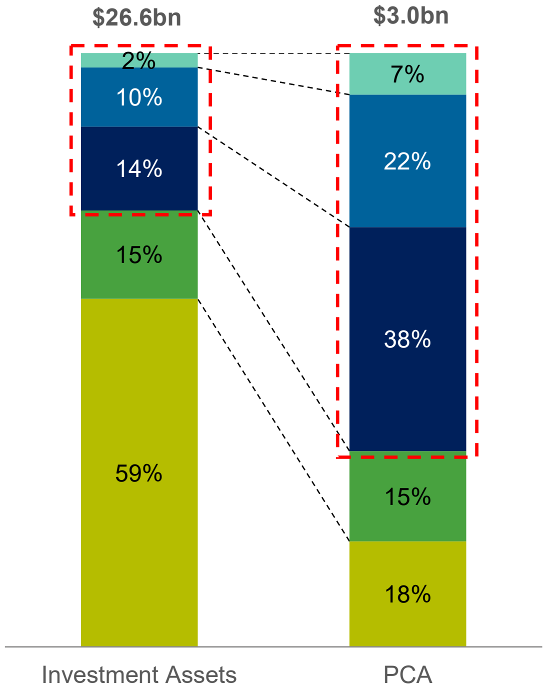
- Increased allocation to absolute return funds and reduction in general insurance and life insurance

Fixed income, unchanged

- Increase in IG ABS and decrease in HY corporate credit

Prescribed Capital Amount (PCA)

$3.0bn



Asset allocation is a store of capital

- Non-fixed income assets represent 26% of the Life balance sheet but consume 67% of the PCA providing capital optionality from remix
- Opportunity to release capital to take advantage of market opportunities and support growth

Fixed income - Investment Grade (IG) | Fixed income - Sub-IG | Alternatives | Property | Equity and infrastructure

1. All comparisons FY26 versus FY25.

Capital resilience

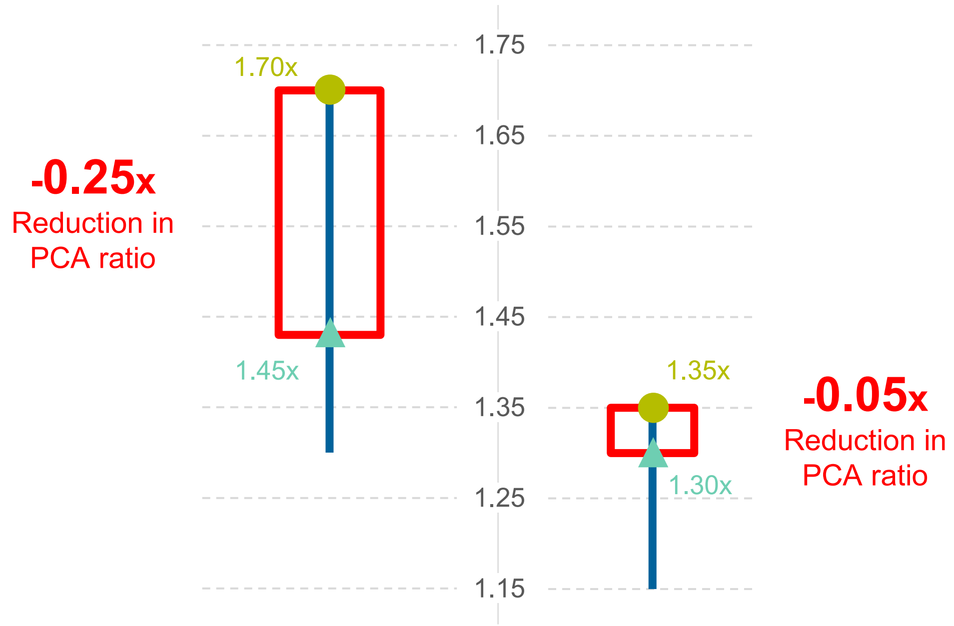
Capital remains significantly above regulatory requirements even in a stressed scenario | Adopting a more conservative risk appetite

ILLUSTRATIVE EXAMPLE OF HOW CAPITAL POSITION RESPONDS TO A MARKET STRESS EVENT[1,2]

Old capital standards | **New capital standards**

PCA ratio[3]

- ✗ Higher capital volatility
- ✗ Need to hold significant amount of excess capital



- ✓ Lower PCA ratio range reflecting more stable capital position through market cycles
- ✓ Conservative risk appetite
- ✓ Capital resilience
- ✓ Excess capital to create strategic optionality

PCA ratio range | Starting PCA ratio at top of the range | PCA ratio post scenario | Change in PCA ratio from market stress event

1. Refer to 'Appendix A - Capital resilience' for more detail.
2. Stress event is assumed to occur before any asset allocation changes are made in response to the new capital standard changes.
3. The PCA ratio represents total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.

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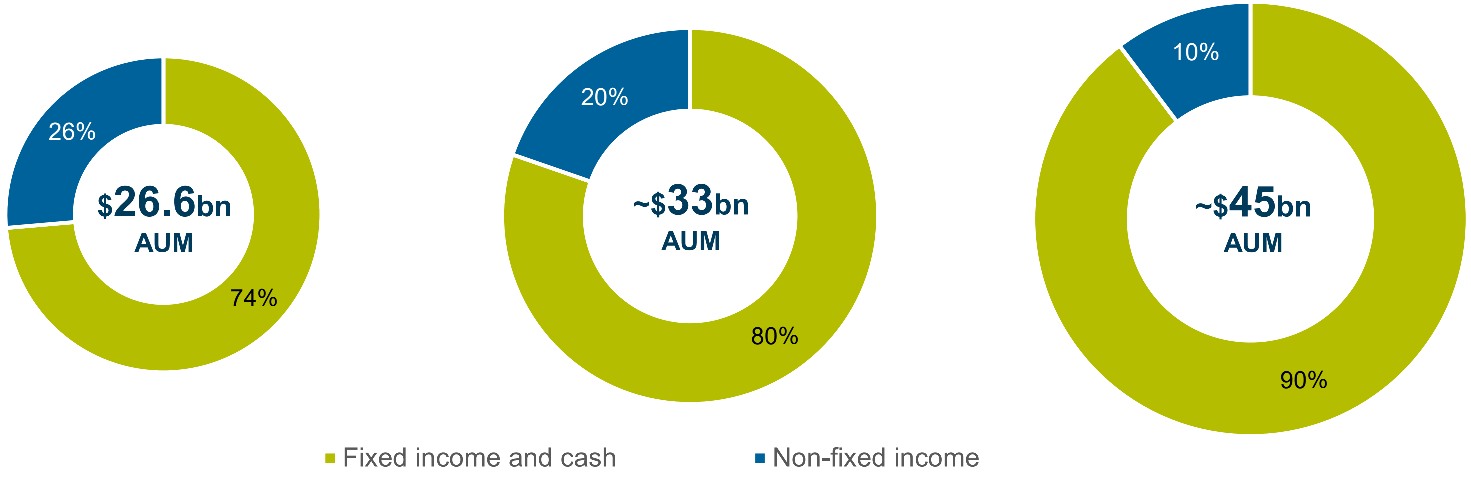
Capacity for Insurance book growth

Ability to support materially higher levels of Insurance book growth while maintaining strong capital position

Illustrative example[1]	30 June 2026 pro forma[3]	Immediate capacity for book growth (+30%)	Medium-term capacity for book growth (+80%)
Growth in Insurance book		~$7bn	~$18bn
Insurance book[2]	$22.6bn	~$29bn	~$41bn
PCA ratio	1.50x	1.35x	1.35x
Capital intensity	10.4%	9.0%	6.3%

Insurance Investment Assets

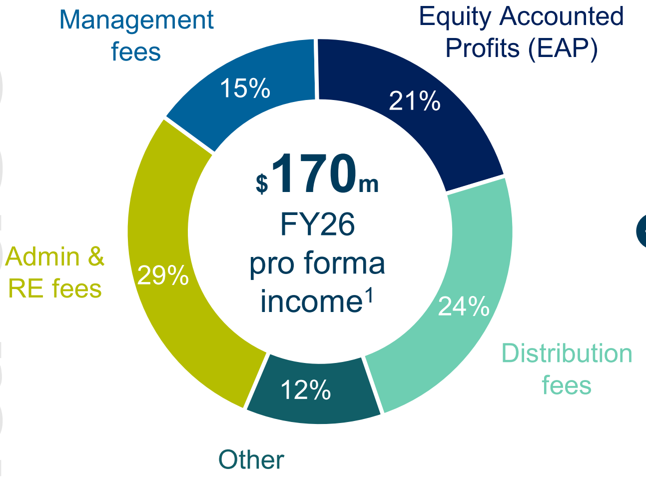


1. Excludes retained earnings and capital management initiatives.
2. Includes Challenger Life Company and Calix Re.
3. Refer to 'Appendix C – Assumptions' for more detail.

Fidante and Channel Capital merger

Transaction overview and economics

MergeCo diversified financial profile



85%+
Recurring revenue

~$56m
FY26 pro forma EBIT[1]

~35%
EBIT margins ex. cost synergies[2]

Transaction details

- 45% equity stake in Fidante/Channel merged entity
- $172m cash payments
  - $60m on completion
  - $25m service fees to be received over 2 years
  - $87m earn-out over 4 years subject to MergeCo earnings
- Fidante implied mid to high teens multiple on FY26 net profit after tax of $25m[3]

Financial outcomes

- ~$100m pre-tax gain on sale recognised in FY27[4]
- Under new reporting framework
  - Equity accounted profits treated as fee-related income
  - Earn-out treated as investment returns
- $5m to $8m separation and transaction costs over 2 years
- $3m to $5m net stranded costs following completion of Transitional Services Agreement (TSA) (mainly non-people costs)

Next steps

- Completion subject to customary closing conditions and receipt of regulatory approvals[5]
- Completion expected in late 1H FY27
- TSA covering up to 24 months post completion to be implemented

1. Based on pro forma FY26 results. Channel Capital results are unaudited. Other income includes performance and transaction fees.
2. Relate to technology and investment administration services.
3. Subject to completion accounts, valuation multiple range based on estimated fair value of 45% equity investment and cash payments.
4. Subject to completion accounts, gain on sale based on estimated fair value of 45% equity investment and earn out payments, net of separation and transaction costs and Fidante net assets at completion.
5. Including FIRB, ACCC and overseas approvals.

Delivering shareholder value

Long-term capital management

	FY26		FY27		
ORGANIC GROWTH Invest in core businesses	+9.2% Life book growth	LiFTS New solutions	BT, Colonial First State, iress Xplan, MLC, EXPAND, iff New partnerships	LiFTS 2 CABN[1] program New solutions	Business and operational capability
DIVIDENDS Seeking to grow dividends over time	31.5cps Full-year ordinary dividend	1.5cps Special dividend	65% to 75% Dividend payout ratio on Core Earnings Per Share		
CAPITAL RETURN Return excess capital above growth needs to shareholders	$150m Buy-back commenced	$385m Challenger Capital Notes 3 redemption	$300m Additional buy-back announced[2]		
INORGANIC GROWTH Aligned with strategy	FULCRUM 22% stake	iff Minority investment	fidante, channel capital Merger		

1. Challenger Annuity-Backed Notes.
2. Subject to market conditions and regulatory approval.

New reporting framework and metrics

Building blocks of shareholder value

Core earnings

Spread Income

- Stable and steady growth
- Lower capital volatility
- Less capital intensive

- Represents investment yield less attributed funding costs (cost of funds and financing costs for Additional Tier 1 and subordinated debt)
- Includes investment yield on fixed income, catastrophe bonds, net property rental income, and distributions from other fixed income-like securities

+

Fee-Related Income

- High growth
- Capital light
- Strong compounding effects

- Fidante net income / Equity Accounted Profits for new Fidante and Channel Capital merged entity subject to transaction completion
- Asset Management net income including Solutions Group income
- Life Risk income

+

Investment Returns

- Positive through the cycle
- Investment excellence
- Lower volatility expected due to lower allocation to non-fixed income assets over time

- Total return on equity and infrastructure, absolute return funds and insurance sidecars
- Mark-to-market movements on all assets and policy liabilities
- Less attributed funding costs
- Excludes net new business strain and AASB 17 impact

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Shareholder outcomes

In-year guidance

Core earnings per share

Medium-term targets

Operating earnings per share

Operating ROE (after-tax)

Dividend payout ratio

CLC PCA ratio

Operating profit

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FY27 guidance

Strong EPS growth | Core earnings removes normalised accruals for income and capital growth

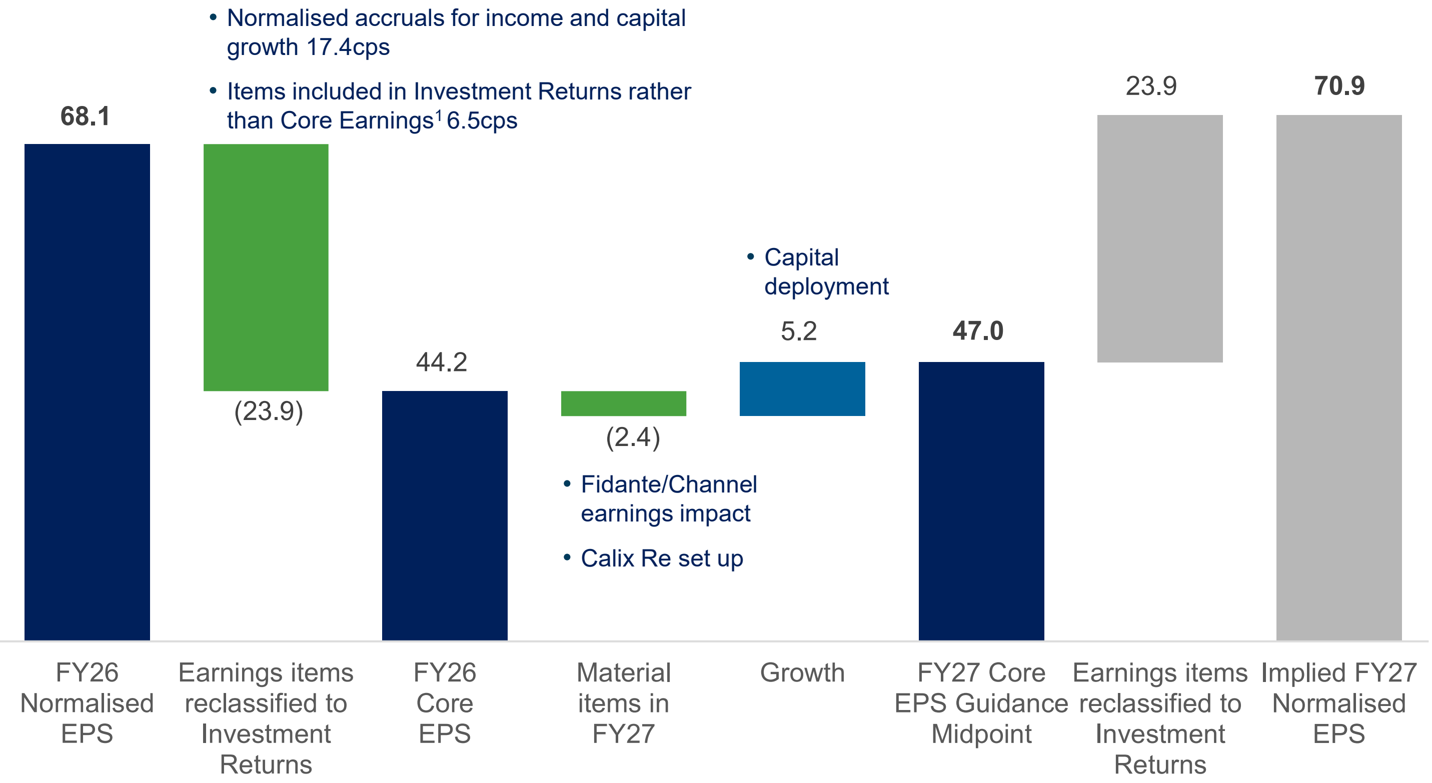
FY27 Core Basic Earnings Per Share (EPS)

45cps to 49cps

Midpoint 6% higher than FY26

- Fidante & Channel merger expected to complete late 1H27
- Calix Re set up ($8m post-tax in FY27)

Reconciliation of Normalised EPS to Core EPS (cps)



1. Includes yield reported on items outside of Core Earnings including distributions on Equity and Infrastructure and Absolute Return Funds that can be volatile in nature.

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Medium-term outlook

Through the cycle targets

8% to 10% CAGR over 3 to 5 years	**Operating EPS growth**
12% to 14%	**Operating ROE (after-tax)**
65% to 75% Midpoint equivalent to 46% of normalised basic EPS	**Dividend payout ratio[1]**
1.15x to 1.35x	**CLC PCA ratio[2]**

1. Dividend payout ratio represents dividend per share divided by core basic earnings per share (EPS).
2. Challenger does not target a specific PCA ratio. The target PCA ratio range is a reflection of internal capital models, not an input to them and reflects asset allocation, business mix and growth profile, composition of the capital base, and economic circumstances. From FY27, the target surplus produced by these internal capital models will correspond to a PCA ratio of between 1.15 times to 1.35 times. This range may change over time and different constraints can apply including CET1 requirements.

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Investment thesis

Positioned to convert long-term demographic opportunity into sustainable earnings growth and attractive shareholder returns

Structural growth and market leadership position in retirement income

Asset origination capability

Capital strength and flexibility

Scalable platform for growth

Higher quality earnings

3

Looking ahead

Nick Hamilton

Managing Director and Chief Executive Officer

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Organisational priorities

Delivery and execution aligned to our strategy

OUR STRATEGIC PILLARS

Retirement leader

Broaden customer access across multiple channels

Investment excellence

Superior outcomes and financial resilience

Talented team and capability

Outstanding skills and ways of working

FY27 PRIORITIES

Retirement leader

- Deliver new retirement partnerships
- CABN, LiFTS program growth
- Calix Re go-live and growth
- Brand and advocacy leadership
- Drive lifetime income adoption

Investment excellence

- Manage Insurance balance sheet under AdvILP[1]
- Asset origination to support returns and growth
- Deliver Fidante / Channel merger
- Calix Re investment strategy embedded

Talented team and capability

- Deliver customer & partner experience through technology and our people
- Drive innovation and delivery

1. Advanced Illiquidity Premium.

Key points

01

Financial strength – earnings growth, operational efficiency, annuity sales growth, delivering returns for shareholders

02

Capital flexibility – strong capital position, ordinary dividend growth and special dividend, Challenger Capital Notes 3 redemption, upsized $450m buy-back[1]

03

Enabling growth – winning key retirement partnerships, advice integration, investing in asset origination, launched CABN[2], expanding offshore reinsurance, merger of Fidante with Channel Capital

1. Subject to market conditions and regulatory approval.
2. Challenger Annuity-Backed Notes (CABN).

Appendix

Appendix A - Capital resilience

Capital position is significantly more resilient to market shocks under new standards
Risk of management actions needing to be taken is materially reduced

ILLUSTRATIVE EXAMPLE OF HOW CAPITAL POSITION RESPONDS TO A MARKET STRESS EVENT[1,2]

	REFERENCE	OLD STANDARDS	NEW STANDARDS
30 June 2026			
Regulatory capital base[3]	*A*	$5.1b	$3.8b
Prescribed Capital Amount (PCA)	*B*	$3.0b	$2.8b
PCA ratio[3]	***A / B***	**1.70x**	**1.35x**
Impact of instantaneous shock (no management actions)			
Change in Capital Base (Asset Impact)	*C*	*-$1.3b*	*-$1.3b*
Change in Capital Base (Liability Impact)	*D*	*+$0.1b*	*+$0.9b*
Change in PCA	*E*	*-$0.3b*	*-$0.2b*
Regulatory capital base	*F = A + C + D*	$4.0b	$3.3b
PCA	*G = B + E*	$2.7b	$2.5b
PCA ratio[4]	***F / G***	**1.45x**	**1.30x**
Change in PCA ratio		**(0.25x)**	**(0.05x)**
Management actions			
De-risking		Likely required	✓ Not required
Impact of market recovery		Profit foregone	✓ Full benefit

1. Refer to 'Appendix B – Assumptions'.
2. Stress event is assumed to occur before any asset allocation changes are made in response to the new capital standard changes.
3. Regulatory capital base is rebalanced to indicative PCA ratio targets of 1.70x under the old standards and 1.35x under the new standards.
4. The PCA ratio represents total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.

Appendix B - Assumptions

Capital resilience illustrative example

Item	Comment
Asset Portfolio	No changes to actual asset portfolio at 30 June 2026 (including no allowance for any potential return of capital)
Capital Standards	Aligned to New Standards Assumed that criteria to apply Advanced Illiquidity Premium are satisfied ***Note:*** to satisfy Cash Flow Matching criteria, small modifications to asset portfolio may be required
Choice of Reference Index	Bloomberg US Corporate Statistics Index (LUACSTAT)
Market Shock Parameters	Aligned to 1-month market performance from 24/02/2020 to 23/03/2020
IG spreads (A/BBB)	+250bps
HY spreads	+600bps
Equity	-35%
Property	-7%
Absolute Return Funds	-3%

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Appendix C - Assumptions

Assumed application of new capital standards as at 30 June 2026

Item	Comment
Standard Illiquidity Premium	Illiquidity Premium: 0.26% (Yrs 0-10); 0.20% (Yr 10+)
Advanced Illiquidity Premium	
Reference Index	Bloomberg US Corporate Statistics Index (LUACSTAT) Credit spread = 0.74%
Risk Allowance	Long-term LUACSTAT spread = 1.29% (based on year 1990 onwards) Risk allowance = 45% x 1.29% = 0.58%
Illiquidity Premium	0.74% - 0.58% = 0.16% (subject to a floor of the Standard Illiquidity Premium) Standard Illiquidity Premium dominates across the entire curve
Long-term illiquidity premium implementation period	Maximum cashflow matching term = 30 years Advanced Illiquidity Premium cap of 0.50% after 30 years does not apply at 30 June 2026
Asset Risk Charge (LPS 114)	Calculation based on the credit ratings of index constituents Average credit spread increase of index = 1.35% Credit spread increase with LPS 114 Adjustment Factors = 0.84%
Products included	Advanced Illiquidity Premium will apply to fixed term annuities with a tenor greater than 1-year and all lifetime annuities

Important note

The material in this presentation is general background information about Challenger Limited group's activities and is current at the date of this presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with professional advice when deciding if an investment is appropriate.

Challenger also provides statutory reporting as prescribed under the Corporations Act 2001.

The 2026 Annual Report is available from Challenger's website at www.challenger.com.au/about-us/shareholder-centre.

This presentation is not audited. The statutory net profit after tax has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Challenger's external auditors, Ernst & Young, have reviewed the statutory net profit after tax. Normalised net profit after tax has been prepared in accordance with a normalised profit framework. The normalised profit framework is disclosed in Note 5 Segment Information of Challenger Limited 2026 Annual Report. The normalised profit after tax has been subject to a review performed by Ernst & Young. Any additional financial information in this presentation which is not included in Challenger Limited 2026 Annual Report was not subject to independent review by Ernst & Young.

This document may contain certain 'forward-looking statements'. The words 'forecast', 'expect', 'guidance', 'intend', 'will' and other similar expressions are intended to identify forward-looking statements. Forecasts or indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Challenger. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. Challenger disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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Unless otherwise indicated, all numerical comparisons are to the prior corresponding period.

This presentation has been authorised by Challenger's Continuous Disclosure Committee.