

MACQUARIE AUSTRALIA CONFERENCE 2022 PRESENTATION

Challenger Limited (ASX:CGF) attaches a copy of the presentation Managing Director and Chief Executive Officer Nick Hamilton will deliver at 11:15am today at the Macquarie Australia Conference 2022 in Sydney.

ENDS

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

About Challenger

Challenger Limited (Challenger) is an investment management firm focused on providing customers with financial security for a better retirement.

Challenger operates three core investment businesses – a fiduciary Funds Management division, an APRA-regulated Life division and an APRA regulated authorised deposit-taking institution. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

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Macquarie Australia Conference

Nick Hamilton

Managing Director & CEO

5 May 2022



Purpose and strategy

Strategy for sustainable long-term growth remains unchanged

Our **purpose** is to provide customers with financial security for a better retirement

Broaden customer access across multiple channels

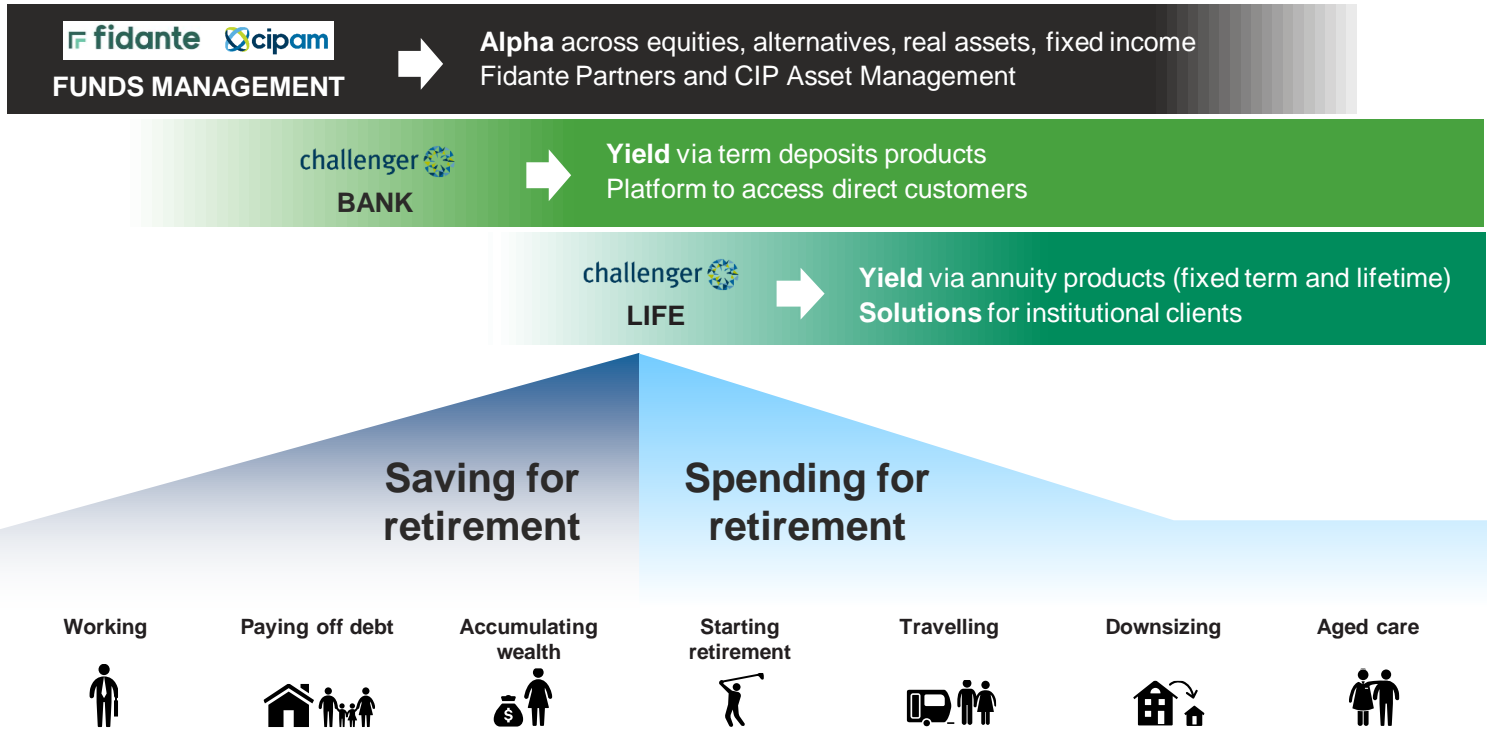
Expand range of financial products and services for a better retirement

Leverage the combined capabilities of the group

Strengthen resilience and sustainability of Challenger

Meeting the needs of more customers

Through yield, alpha and solutions



Meeting the needs of more customers

Three complementary businesses positioned for growth

Purpose to provide customers with financial security for a better retirement

SPREAD BASED INCOME

Life
challenger 

#1 Australian retirement
income business¹

\$22bn assets²

Bank
challenger 

Digital banking platform providing
access to term deposit market

\$180m+ customer deposits²

FEE BASED INCOME

Funds Management



One of Australia's fastest growing
Fund Managers³

\$100bn AUM²

Leveraging strategic partners

Strong capital position

Highly capable and engaged team

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1. Plan for Life – December 2021 – based on annuities under administration.

2. As at March 2022.

3. Rainmaker Roundup, December 2021.

Life

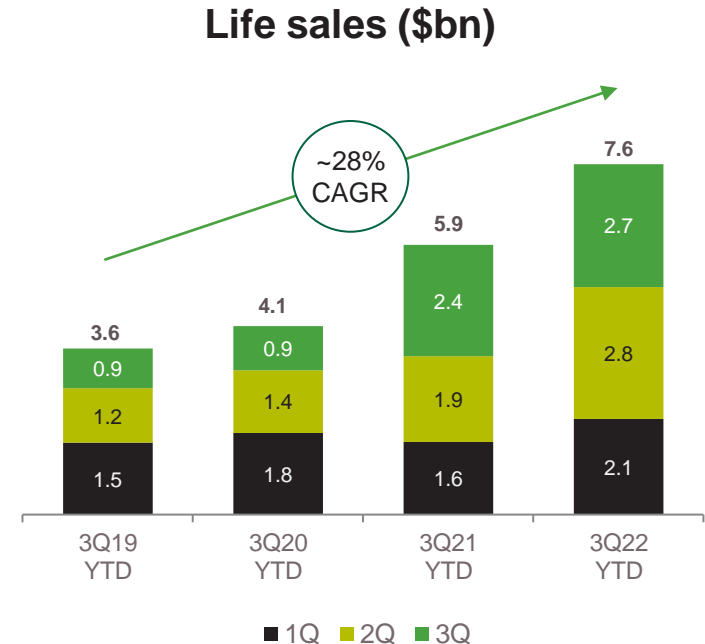
#1 Australian retirement income business

✓ **Successful diversification strategy**
Focus on institutional relationships

✓ **Record sales and strong book growth**
3Q22 YTD Life sales \$7.6bn, up 30% on pcp
3Q22 YTD Life book growth \$1.9bn or +11.2%

✓ **Focus on product innovation**
Launched market-linked lifetime annuity

✓ **Retirement income covenant**
Legislated and commencing July 2022



Bank

Digital banking platform providing access to term deposit market

- ✓ **Integration well progressed**
- ✓ **Expanding distribution channels**
TDs available via comparator sites¹
Preparing for retail broker channel launch
- ✓ **Broadening lending capabilities**
Commencing certain types of non-retail lending to include SME, CRE and corporate lending
- ✓ **Launching open banking**
- ✓ **Rebranding to Challenger**



**Winner of Mozo
Experts Choice Awards²**

We're retiring the MyLife MyFinance name.

Over the next few months, you'll start to see the Challenger name and look appearing on our communications with you.

Changing our name hasn't changed our focus on serving you.

We're here to help

Visit mylifemyfinance.com.au/bankingwithChallenger or call us on 1300 221 479.



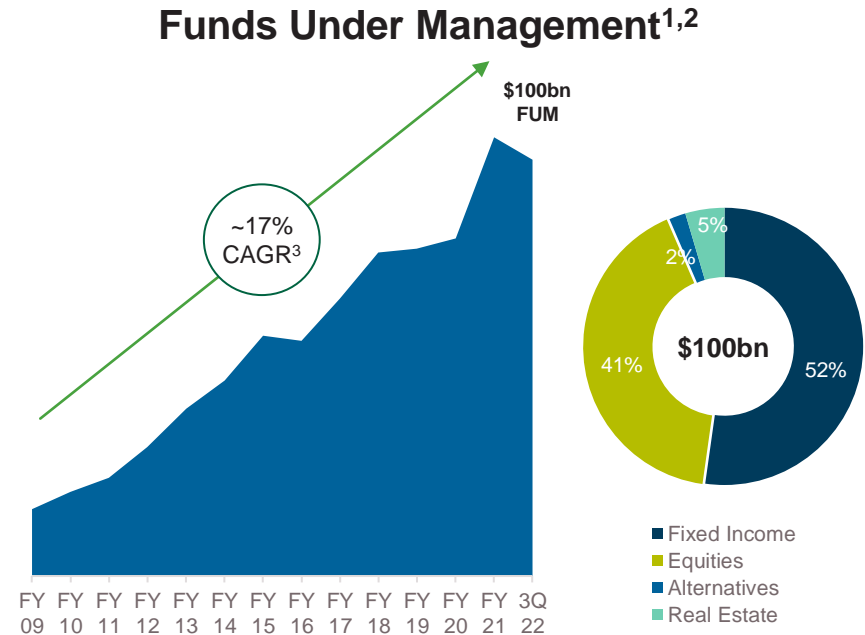
1. From September 2021 MyLife MyFinance branded term deposits available on Mozo and Canstar comparator sites.

2. In March 2022, MyLife MyFinance term deposits were awarded 'Best Personal Term Deposit', 'Best Business Term Deposit' and 'Best MySavings Account' as part of the Mozo Expert Choice Awards.

Funds Management

One of Australia's fastest growing Fund Managers

- ✓ **Diversified institutional client base**
~90% of top 50 Australian super funds are clients
- ✓ **Market leading domestic distribution**
Zenith 'Distributor of the Year' 2020 and 2021
- ✓ **Expanding offshore**
UK and Singapore office established
- ✓ **Expanding product range**
Strong pipeline of new boutique managers



Capital management

Strongly capitalised

Additional financial flexibility at Group

**Strongly
capitalised**

**Challenger Life Company
PCA ratio^{1,2}**

1.65x

**Above preferred operating level
of 1.60x**

**Additional financial
flexibility**

S&P credit rating²

Challenger Life 'A'
stable outlook

Challenger Limited 'BBB+'
stable outlook

Group debt²

Nil

\$400m undrawn facility

Highly capable and engaged team

Focus on driving engagement, innovation and collaboration



High employee engagement¹

81% Sustainable engagement

89% Diversity & inclusion

90% Collaboration



Driving innovation through Imagine

80 Submissions focused on growth, simplification and One Challenger



Supporting flexible working & employee well being



Industry and macro trends supportive

Long-term tailwinds to support business momentum and growth

Supportive long-term tailwinds

FY22

Earnings expected to be towards upper end of guidance range¹

Superannuation system growth

3x

Expected to triple next 20 years²

Intergenerational wealth transfer

\$175bn

Wealth transfer p.a. by 2040³

Investors seeking yield



Investors seeking greater returns and capital certainty

Rising rates

2.50%

RBA cash rate forecast by Dec 2022⁴

Widening credit spreads

▲ 50bps

Australian corporate bond credit spreads FYTD⁴

Active management



Market volatility expected to benefit active management

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1. FY22 Normalised net profit before tax expected to be towards the upper end of \$430 million to \$480 million FY22 guidance range.
2. Deloitte Dynamics of the Australian Superannuation System: The Next 20 Years to 2041.
3. Wealth Transfers and their Economic Effects Productivity Commission Nov 2021
4. Bloomberg

Challenger well positioned

Meeting the needs of more customers

Strategy for sustainable long-term growth remains unchanged

Focused on meeting the needs of more customers through yield, alpha and solutions

Three complementary businesses positioned for growth

Success underpinned by highly capable and engaged team

Well positioned for future growth supported by industry and macro trends

Important note

This presentation was prepared for the purpose of a briefing to equity analysts and certain wholesale investors on 5 May 2022.

The material in this presentation is general background information about Challenger Limited'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, potential investors or any other person 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.

Past performance is not an indication of future performance.

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

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