Analyst Pack
1H26

Life. Well lived.

challenger

Contents

2026 Interim Financial Report

can be downloaded from Challenger's online Shareholder Centre

> challenger.com.au/about-us/shareholder-centre

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Challenger Limited ACN 106 842 371

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.

Important note

Information presented in the 1H26 Analyst Pack is presented on an operational (rather than statutory) basis to reflect a management view of the business.

Challenger Limited (ACN 106 842 371) also provides statutory reporting as prescribed under the *Corporations Act 2001* (Cth).

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

The 1H26 Analyst Pack is not audited. The statutory net profit after tax as disclosed in the consolidated profit and loss (page 10) has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001.*

Normalised net profit after tax, as disclosed in the consolidated profit and loss (page 10), has been prepared in accordance with a normalised profit framework, which is disclosed in Note 4 Segment Information of the 2026 Interim Financial Report, and subject to a review performed by Ernst & Young.

The 2026 Interim Financial Report has been subject to a review performed by Ernst & Young.

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

Past performance is not an indicator of future performance.

While Challenger has sought to ensure that information is accurate by undertaking a review process, it makes no representation or warranty and (to the maximum extent permitted by law) accepts no liability as to the accuracy or completeness of any information or statement in this document. In particular, information and statements in this document do not constitute investment advice or a recommendation on any matter and should not be relied upon.

1H26 financial highlights[1]

Group	Normalised net profit after tax $229m, up 2%
	Statutory net profit after tax $339m, up 369%
	Normalised basic Earnings per Share 33.3 cents per share, up 2%
	Statutory basic Earnings per Share 49.2 cents per share, up 369%
	Normalised Return on Equity (post-tax) 11.4%, down 20 bps
	Statutory Return on Equity (post-tax) 16.9%, up 13.2 pp
	Normalised cost to income ratio 31.7%, down 30 bps
	Group assets under management $128.2b, up 3%[2]
	Interim dividend 15.5 cents per share (fully franked), up 7%
	Normalised dividend payout ratio 46.5%, up 230 bps
Life	Normalised net profit after tax $226m, up 1%
	Normalised Return on Equity (post-tax) 12.7%, down 30 bps
	Normalised Cash Operating Earnings (COE) $389m, up 1%
	COE margin 2.95%, down 16 bps
	Annuity sales $3.8b, up 32%
	Total Life sales $5.1b, up 11%
	Annuity net book growth $1,212m, or 7.4% growth on opening liabilities
	Total Life net book growth $1,249m, or 5.8% growth on opening liabilities
	Average investment assets $26.1b, up 5%[2]
	Closing investment assets $26.5b, up 4%[2]
	Prescribed Capital Amount (PCA) ratio 1.58 times, down from 1.60 times[2]
	Common Equity Tier 1 (CET1) ratio 1.19 times, unchanged from 1.19 times[2]
	Capital intensity 11.2%, up from 11.1%[2]
Funds Management	Normalised net profit after tax $29m, up 7%
	Normalised Return on Equity (post-tax) 16.2%, down 160 bps
	Net inflows of $2.6b, up from net outflows of $3.1b
	Average funds under management (FUM) $111.6b, down 5%[2]
	Closing FUM $116.2b, up 3%[2]

1 All percentage movements compare 1H26 to the prior corresponding period 31 December 2024 (1H25) unless otherwise stated.
2 Comparison period refers to 30 June 2025 (2H25).

Business and market overview

We are a leading investment manager and retirement services and income firm, with a purpose to provide customers with financial security for a better retirement.

Challenger was founded in 1985 and is listed on the Australian Securities Exchange (ASX). As at 31 December 2025, the Challenger group employed 551 people and had total assets under management of $128 billion.

We operate a differentiated business model with two core capabilities:

- **Retirement services:** We are Australia's leading retirement income brand[1] and largest provider of annuities[2]. Our suite of income products help our customers achieve financial security for a better retirement. Refer to below to learn more about Challenger Life.
- **Investment management:** We are one of Australia's largest fixed-income originators[3] specialising in credit and private markets. We partner with leading active fund managers[4] offering a range of investment strategies across fixed income, equities and alternatives. Refer to next page to learn more about the Funds Management business.

Our annuity offerings and income solutions leverage our investment management and asset origination capability that ensures access to compelling investment opportunities, including public and private credit, and is supported by a high-quality investment portfolio primarily invested in investment-grade fixed income that provides reliable and sustainable income streams.

We will benefit from long-term growth in Australia's superannuation system and demand for retirement income.

Australia's compulsory superannuation system commenced in 1992 and is now the third largest pension system globally[5] and one of the fastest growing, with assets increasing by an average of over 9% per annum over the past 20 years[6].

Australia's superannuation system is forecast to grow from $4.5 trillion today to over $11 trillion[7] in the next 20 years, making it one of the world's fastest growing pension markets.

Critical features driving the growth of Australia's superannuation system include Government-mandated contributions, tax incentives to encourage retirement savings and an efficient and competitive institutional model.

Growth in the retirement phase is also supported by ageing demographics and the Government's focus on enhancing the retirement phase of superannuation. Australian life expectancy is the tenth highest in the OECD[8], with the average time spent in retirement approximately 24 years[9].

Life

Our Life business is Australia's largest provider of annuities[2] and a trusted leader in retirement income solutions.

Our products are designed to meet the evolving needs of retirees, offering security, predictability and confidence to spend throughout retirement.

Lifetime annuities provide customers with guaranteed[10] income for life, helping protect against longevity risk – the possibility of outliving one's savings. With flexible payment options, retirees can choose income streams that are fixed, indexed to inflation, linked to RBA cash rate movements or indexed to investment market performance.

The income payments we make to customers are backed by a high-quality investment portfolio, primarily invested in investment-grade fixed income assets, ensuring reliability and sustainability.

We are Australia's leading retirement income brand[1] and were awarded Money Magazine's 'Longevity Cover Excellence Award' in 2024 and 2025[11].

Our products are widely accessible through independent financial advisers, superannuation funds, leading investment and administration platforms, and directly.

We are actively building new institutional partnerships, helping superannuation funds and platforms deliver more comprehensive retirement income solutions to their members. Additionally, we are well positioned to support defined benefit pension de-risking, offering tailored solutions to sponsors and fund trustees seeking stability and risk mitigation.

We will continue to benefit from long-term growth in Australia's superannuation system and regulatory reforms designed to enhance the retirement phase of superannuation.

As Australia's superannuation system matures, the retirement phase of superannuation is expected to increase significantly, with an estimated 2.5 million Australians set to retire over the next 10 years[12]. Reflecting these demographic changes, and growth in the superannuation system, the annual transfer from the savings (or accumulation) phase of superannuation to the retirement phase was estimated to be approximately $92 billion[13] in 2025.

As retirees shift from government-funded pensions to private superannuation-funded income, the demand for secure, reliable retirement income products is accelerating.

The Australian Government and the Australian Prudential Regulation Authority (APRA) continue to advance reforms aimed at strengthening retirement outcomes.

[1] Marketing Pulse Adviser Study December 2025 based on (% agree / strongly agree).
[2] Plan For Life – September 2025 – based on annuities under administration.
[3] Rainmaker Roundup, September 2025 data.
[4] Calculated from Rainmaker Roundup, September 2025 data.
[5] Thinking Ahead Institute Global Pension Assets Study 2025, as a percentage of GDP.
[6] The Australian Prudential Regulation Authority (APRA) Annual Superannuation Bulletin.
[7] Deloitte Superannuation Market Projections Report 2024. APRA September 2025 data reported Australia's superannuation system at $4.5 trillion today.
[8] OECD, Life expectancy at birth 2023.
[9] Challenger Retirement Income Research 2022, based on ABS data age at death.
[10] The word 'guaranteed' means payments are guaranteed by Challenger Life Company Limited (CLC) from assets of either its relevant statutory fund or shareholder fund.
[11] Plan For Life awards have been rolled into the Money Magazine Awards from 2024. In 2023, Challenger won Plan for Life's 'Overall Longevity Cover Excellence Award' for a fifth consecutive year.
[12] Treasury modelling, Retirement phase of superannuation, Discussion Paper, December 2023.
[13] Based on Taxation Statistics 2022-23 from Australian Taxation Office.

Following the Retirement Income Covenant, key initiatives announced by the Australian Government in November 2024 include improved access to retirement planning information, development of best-practice principles to enhance product design and greater transparency. Refer to page 32 for more detail on retirement income regulatory reforms.

In October 2025, APRA proposed changes to capital settings for longevity products that will improve the financial resilience of life insurers by reducing the pro-cyclicality of the capital position during times of market stress and establish a more favourable environment to develop Australia's retirement income market by promoting innovation and supporting greater take up of lifetime income products. Refer to page 33 for more detail on APRA's proposed capital standards for longevity products.

These reforms provide an opportunity to increase the uptake of retirement income products, including annuities, which currently represent a small share of the retirement phase of superannuation.

We have partnered with Accenture to re-platform the Life business' core customer registry and technology infrastructure. This will enhance integration with advisers, wealth platforms and superannuation funds, improve customer experience and efficiency, and support scalable growth across distribution channels.

Internationally, we maintain a strategic annuity reinsurance relationship with Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary) in Japan, covering AUD, USD and JPY-denominated annuities. This partnership supports our global diversification and capital efficiency. Refer to page 31 for more detail on the MS Primary reinsurance relationship.

Challenger Life Company Limited (CLC) is an APRA-regulated entity. CLC's financial strength is rated by S&P Global Ratings with an 'A+' rating and stable outlook. CLC's capital strength is outlined on page 48.

Funds Management

Our Funds Management business is one of Australia's largest active fund managers[14] with FUM of $116 billion, which has grown five-fold over the last 15 years (up from $22 billion as at 31 December 2010).

Growth in FUM is supported by our award-winning retail and institutional distribution teams and business model, which is focused on high-quality managers with strong long-term investment performance and alignment with clients.

Funds Management comprises Fidante and Challenger Investment Management (Challenger IM), with operations in Australia, the United Kingdom, Europe and Japan.

Together, we offer investors, including the Life business, access to a diversified suite of strategies across Australian and global equities, public and private fixed income, and alternative investments.

Funds Management has extensive client relationships. For example, around 90% of Australia's top 25 superannuation funds are clients.

Fidante operates a stable of high-quality, active managers by taking minority equity interests in independently branded affiliate investment managers. This model allows investment managers to focus exclusively on performance, while we provide strategic guidance, distribution services and business support, and operational platforms.

Fidante continues to expand its offering by onboarding leading managers and accessing new distribution channels.

Challenger IM is a leading fixed income originator in Australia, with deep expertise in public and private credit markets. Since 2005, it has delivered consistent income-focused strategies with disciplined credit underwriting, managing capital for Challenger Life and a growing base of institutional and retail investors.

In Japan, Challenger Kabushiki Kaisha (CKK) manages Japanese real estate for Challenger Life, MS Primary and other institutional clients, further diversifying the platform's geographic and asset exposure.

We have partnered with State Street to provide investment administration and custody services, supporting operational scale and efficiency.

With a differentiated business model and deep client relationships, Funds Management is well positioned to benefit from the structural growth of Australia's superannuation system and global pension markets, offering investors a compelling long-term growth opportunity.

TAL Dai-ichi Life relationship

TAL Dai-ichi Life Australia Pty Limited (TDA) is a significant investor in Challenger, holding ~19.9% of Challenger's issued capital. TDA is a wholly owned subsidiary of Dai-ichi Life Holdings, Inc. (Dai-ichi Life), and is the group's holding company for Australian investments.

Dai-ichi Life is one of the world's largest life insurance groups and is a Nikkei 225 company. TAL Life Limited (TAL) is a leading Australian insurance specialist and is a subsidiary of TDA.

[14] Calculated from Rainmaker Roundup, September 2025 data.

Purpose, corporate strategy and values

Who are we

We are a leading investment management and retirement income firm.

Our purpose

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

Our strategy

We will fulfil our purpose through our three strategic pillars:

Retirement leader

Broaden customer access across multiple channels

- Delivering better outcomes for our customers
- Trusted and well-known brands
- Leading voice on all things related to retirement income
- Expanding our products and partners to meet more customer needs

Investment excellence

Superior outcomes and financial resilience

- Strongly capitalised so we can always deliver on our promises
- Superior risk-adjusted investment performance for our customers and shareholders
- Enabled by a scalable operating and investment platform

Talented team and capability

Outstanding skills and ways of working

- Invest in our people to maximise their potential
- Building a growth-focused and inclusive culture
- Leverage technology to make it easy to do business with us
- We make good risk-aware commercial decisions

Our capabilities

Our leading retirement services franchise is supported by our investment management capability and origination platform.

Retirement services:

We are Australia's leading retirement income brand[1] and largest provider of annuities[2]. Our suite of income products help our customers achieve financial security for a better retirement.

→ Learn more about Challenger Life Company Limited on pages 21 - 53.

Investment management:

We are one of Australia's largest fixed-income originators[3] specialising in credit and private markets. We partner with leading active fund managers[3] offering a range of investment strategies across fixed income, equities and alternatives.

→ Learn more about Challenger Investment Management and Fidante on pages 54 - 57.

Our people and culture

Our values are integral to our culture and linked to everything we do. They set the behaviours needed to deliver on our purpose and strategy and to meet community expectations, now and in the future.

I – **Act with integrity**
We do things the right way

A – **Aim high**
We deliver outstanding results

C – **Collaborate**
We work together to achieve shared goals

T – **Think customer**
We make decisions with our customers front of mind

1. Marketing Pulse Adviser Study December 2025 based on (% agree / strongly agree).
2. Plan For Life – September 2025 – based on annuities under administration.
3. Rainmaker Roundup, September 2025 data.

1H26 strategic progress

Progress over 1H26 has been measured against our three strategic pillars.

1. Retirement leader

1H26 progress:

Market leader in Australian retirement income

We are the market leader in Australian retirement income according to 93% of financial advisers – 43 percentage points ahead of our closest peer[1]. We were also consecutively awarded Money Magazine's 'Longevity Cover Excellence Award' for 2024 and 2025[2], recognising our ability to offer the best life insurance product designed to assist retirees in meeting the challenges they face with their retirement finances while providing flexible and reliable income stream solutions.

Delivering strong Life sales growth

We commenced FY26 with continued momentum, with 1H26 total Life sales increasing 11% to $5.1 billion driven by record annuity sales.

Annuity sales increased 32% to $3.8 billion driven by very strong domestic annuity sales and record offshore reinsurance annuity sales.

Domestic annuity sales grew 37% to $3.1 billion and included strong growth in fixed term and lifetime annuity sales.

Fixed term annuity sales increased 46% to $2.4 billion, primarily driven by several new superannuation fund mandates, which more than offset competition in the retail term market, where we continued to remain disciplined on pricing shorter duration business.

Lifetime annuity sales increased 12% to $0.7 billion[3], supported by continued demand for guaranteed income solutions, particularly in retirement and aged care where CarePlus achieved its highest ever half-year sales.

Offshore reinsurance annuity sales grew 13% to a record $0.7 billion driven by strong demand for Yen-denominated annuities.

Challenger Index Plus sales fell 24% to $1.3 billion and continue to be impacted by high hedging costs that have reduced the margin able to be offered to clients on equity-linked exposures. However, the outlook for Index Plus remains positive, with new indices being launched in 2H26 and a broad pipeline of opportunities.

In 1H26, the tenor on new business sales[4] was 4.9 years, further strengthening the overall composition of the Life book.

Building partnerships across the retirement market

Significant progress has been made in establishing partnerships with superannuation funds, wealth managers and platforms.

As the largest provider of longevity protection with decades of experience, we are well placed to support superannuation funds develop their retirement income propositions, a requirement under the Retirement Income Covenant. Refer to page 32 for more information on retirement income regulatory reforms.

Our clients include Australia's top superannuation funds, who are in various stages of implementing their retirement offerings for members.

In July 2025, Challenger and TAL established a key retirement partnership with Insignia Financial (ASX:IFL) to deliver MLC Retirement Boost – an innovative retirement solution that provides the potential for higher income for life. MLC Retirement Boost functions like a standard superannuation account but has the potential to allow Australians to boost income during retirement due to the concessional treatment of innovative lifetime income streams. MLC Retirement Boost was made available for advisers to use with their superannuation clients in August 2025 on the MLC Expand platform.

In February 2026, Challenger announced a new partnership with BT to deliver a broader range of retirement income solutions on the BT Panorama platform, including market-linked and guaranteed lifetime income options. These will sit alongside existing Challenger annuities already available on the platform, creating a fully integrated retirement income framework that will give advisers new tools to help Australians turn their superannuation savings into income that lasts through retirement.

Integrating retirement income into advice technology platforms

We are partnering with advice technology providers to integrate retirement modelling into adviser workbenches, incorporate lifetime income streams as part of the advice process, and help deliver retirement at scale.

In October 2025, we announced a strategic partnership with Iress Ltd (ASX:IRE) to develop a first-of-its-kind advice-led solution on Iress' Xplan platform that will include an integrated advice journey specifically for lifetime annuities. This will improve the accessibility of retirement income products in Australia by making it easier for financial advisers to model retirement strategies and generate advice. The solution will be available to advisers in 2H26.

In December 2025, we partnered with OPEX Consulting Pty Ltd (OPEX) to support the growth of the Informed Financial Future (IFF) financial advice platform, which is designed to streamline and scale financial advice by helping advisers to deliver comprehensive advice strategies faster. Challenger lifetime annuities have been integrated into the IFF advice platform, allowing advisers to incorporate the benefits of lifetime income streams earlier in the advice process.

Providing Australians with greater financial confidence in retirement

We undertake research and work closely with the Government, industry and wider community on thought leadership to help drive public discussion on how best to provide Australians with financial security for a better retirement.

[1] Marketing Pulse Adviser Study December 2025 based on (% agree / strongly agree).
[2] Plan For Life awards have been rolled into the Money Magazine Awards from 2024. In 2023, Challenger won Plan for Life's 'Overall Longevity Cover Excellence Award' for a fifth consecutive year.
[3] Lifetime annuity sales of $681 million includes Liquid Lifetime sales of $269 million and CarePlus sales of $412 million.
[4] Based on new business annuity sales, including term annuities and lifetime sales, excluding reinvestments.

In July 2025, we were the lead sponsor for the Financial Services Council (FSC) 'Shaping Advice in a Time of Change' event that featured policymakers, regulators and industry leaders and discussed the biggest issues facing the financial advice sector, including how greater access to affordable, high-quality advice supports the financial wellbeing of Australian retirees.

In November 2025, we collaborated with Industry Fund Services (IFS) to create an adviser white paper 'Have we been positioning retirement advice all wrong?'. The research considers the way in which retirement advice is delivered and proposes ways advisers can guide retirees to help them achieve the best outcomes for their retirement.

We also conduct workshops with advisers that cover a range of topics that include retirement income planning, proposed retirement reforms, and retirement income and aged care strategies. In 1H26, we delivered 67 adviser workshops across Australia and 10 webinars, which included two direct-to-customer sessions. By educating customers, these sessions increase the opportunity to integrate annuities into retirement advice and support customers to navigate a major life change confidently.

Upgrade to S&P credit ratings

In November 2025, S&P Global Ratings (S&P) completed its annual ratings review and upgraded the long-term financial strength and issuer credit ratings for Challenger Life Company Limited (CLC) and Challenger Limited, with the ratings now as follows:

- CLC: 'A+' rating (from 'A') with a stable outlook; and
- Challenger Limited: 'A-' rating (from 'BBB+') with a stable outlook.

The upgrade in ratings reflects CLC maintaining its market leadership position in the Australian annuities market, better regulatory settings and strong retirement savings trends that will support earnings.

APRA proposed capital settings for longevity products

In October 2025, APRA announced its proposed enhancements to the capital framework for longevity products and released accompanying draft Prudential Standards.

The changes represent a significant improvement to Australia's current prudential framework, which will reduce cyclical risks to life insurers' capital position during market downturns and lower the levels of required capital, provided certain risk controls are in place.

Challenger strongly supports APRA's reform, which will significantly improve Challenger's financial resilience and promote growth in Australia's retirement income market by driving innovation, expanding options for retirees to manage longevity risk and supporting greater take-up of lifetime income products.

In December 2025, Challenger submitted its feedback to APRA on the draft Prudential Standards.

Finalisation of the Prudential Standards is expected to occur in the first half of the 2026 calendar year.

Refer to page 33 for more information on APRA's proposal on capital settings for longevity products.

2. Investment excellence

1H26 progress:

Scaling private credit origination capabilities

As part of our wider private credit capabilities, Challenger IM has established a platform that will help originate and service large scalable pools of whole loans for Challenger Life and institutional investors. Whole loans, encompassing mortgages, personal loans and asset finance, represent a substantial and growing asset class in Australia and globally.

Investment grade private credit is emerging as a compelling alternative to public fixed income, offering enhanced yields and access to high-quality cash flows outside traditional bond markets. Challenger IM continues to expand its capabilities in this space, partnering with high-quality counterparties to deliver tailored funding solutions.

In December 2025, we announced a committed receivables financing facility with Spark New Zealand Limited (ASX:SPK) to acquire ~NZ$240 million of interest-free payment receivables with regular ongoing acquisitions under the facility. The long-term partnership delivers predictable, resilient cash flows that are attractive for Challenger Life's balance sheet. The transaction helps further extend our New Zealand presence following the acquisition of a NZ$560 million residential mortgage portfolio from Bluestone in December 2024.

Broadening range of income solutions

We are expanding our brand from a leader in retirement income to a brand synonymous with a suite of high-quality income solutions that meet different customer needs. This includes expanding from guaranteed to non-guaranteed solutions.

In September 2025, we launched an innovative income note on the ASX, Challenger IM LiFTS 1 Note, which combines the features of a fixed-income investment with the accessibility of a listed security. The product offers investors fixed income exposure backed by a diversified portfolio of public and private credit exposures, and is designed to deliver monthly income and provide a layer of capital protection with daily liquidity.

We saw overwhelming demand for this product and raised $350 million during the fundraising period. The product launch is the beginning of a broader issuance program designed to meet the growing demand for defensive income alternatives to bank hybrids.

Expanding offshore reinsurance platform

Since 2016, we have had an annuity reinsurance partnership with MS Primary, a leading provider of both Japanese yen and foreign currency annuity and life insurance products in Japan (refer to page 31 for more information). This reinsurance partnership provides us access to the Japanese annuities market while diversifying our distribution channels and product offering.

Building on the expertise gained through this longstanding relationship with MS Primary, we plan to expand our offshore reinsurance capability and will launch a Bermuda-based reinsurance platform in 2H26.

This will enhance our competitive positioning in international markets and create opportunities for new strategic reinsurance partnerships with offshore insurers. Designed as a scalable platform, it will support broader product innovation and deliver capital efficiencies through the addition of third-party capital.

Award-winning investment strategies and products

Funds Management continues to be externally recognised for the quality of its investment managers and innovative product suite. In 1H26, it won investment manager awards across the following categories:

- Challenger Investment Management – 2025 Zenith Fund Awards – Australian Fixed Interest; and
- Alphinity Sustainable Share Fund – 2025 Australian Fund Manager Foundation 'Golden Bull Award' – Best Large-Cap Aussie Equities Manager.

As at 31 December 2025, Fidante's products also continue to be recognised externally as high quality, with 83% of strategies (53 out of the 64) rated either Recommended or Highly Recommended by research houses[5].

Expanding Fidante's alternative offering

Fidante continues to broaden its alternative offerings to meet client demand.

In October 2025, Fidante welcomed London-based Fulcrum Asset Management (Fulcrum) to its affiliate platform. Fulcrum, which manages GBP£6.2 billion[6], is primarily a liquid alternatives manager specialising in macro (discretionary and quantitative) strategies while also offering illiquid alternatives in the UK pension market.

This partnership marks Fidante's second affiliate addition in 2025 after adding System Capital in February, and underscores Fidante's growth ambitions to build a leading alternatives capability.

Announcement of $150 million buy-back

As part of our disciplined capital management plan, we have announced that we intend to buy-back up to $150 million of shares on-market, subject to market conditions and regulatory approval. The Challenger Board has determined that a share buy-back is appropriate, reflecting confidence in our business and strong capital position.

3. Talented team and capability

1H26 progress:

Appointment of Group Chief Investment Officer

In November 2025, we announced the appointment of Damian Graham to the new role of Group Chief Investment Officer. Mr. Graham brings extensive experience and knowledge in leading investment management strategies, particularly in the superannuation and retirement industry in Australia, which will be invaluable as we deliver our continued focus on investment excellence.

The new role will consolidate the talented investment teams across Challenger Life and Challenger Investment Management, bringing closer alignment of investment capabilities and operating entities.

Customer technology uplift

We have partnered with Accenture to re-platform Life's core customer registry and technology infrastructure, making it easier for customers and advisers to do business through a more intuitive, digital experience. This is designed to strengthen integration with advisers, platforms and superannuation funds, improve customer engagement and support scalable growth across distribution channels.

A core element of the program is the replacement of the annuity registry with the Accenture Life Insurance & Annuity Platform (ALIP), alongside the rollout of new customer portals. The solution will enable digital policy management, real-time application tracking and streamlined access to documents, while delivering productivity improvements and operational efficiencies through automation.

The program of work to re-platform Life's core customer registry and technology is being delivered in two phases. In November 2025, ALIP was launched and tested in a live setting, with the full end-to-end functionality (including the new customer portals) expected to be delivered by the end of 2H26.

Learning and development

We are committed to investing in our people to maximise their potential. In 1H26, we held over 140 learning and development sessions, including leadership development, presentation skills, mentoring and development planning.

We also launched a new enterprise-wide Learning & Development program, Multipliers, which is designed to support employees with creative and innovative thinking, and drive collaboration. Senior leaders completed the program in 1H26 and it will be rolled out to all employees in 2H26.

Embedding environmental, social and governance (ESG) practices across the business

We recognise that sustainability is important to the long-term success of its business and reflects the responsibility we have to all stakeholders, including shareholders, customers and the community.

We integrate ESG risks into our investment decision-making and ownership practices, portfolio construction and appointment of managers acting on its behalf. We have been a signatory to the Principles for Responsible Investment (PRI) since 2015.

Affiliate managers that offer sustainability products include:

- Alphinity Investment Management – offers two sustainable products that focus on companies that have a net positive

[5] Externally rated by research houses (Lonsec, Zenith and Morningstar) as at 31 December 2025.
[6] As at 30 September 2025.

alignment to the United Nations Sustainable Development Goals;

- Fulcrum Asset Management – a well-established liquid alternatives manager specialising in macro (discretionary and quantitative) strategies with sustainable investing as a core capability;
- Impax Asset Management – specialist asset manager investing in opportunities arising from the transition to a more sustainable global economy; and
- Proterra Asia – a private equity fund manager focused on the Asian food and agribusiness sectors.

Meeting the obligations of Australia's climate-related financial disclosure regime forms a core part of our ESG program. During 1H26, we continued our dedicated climate risk work program as the business prepares for its first mandatory Climate Report in the 2026 Annual Report.

We also play an active role in advocating for public policy and reforms that are in the best interests of our customers, shareholders and wider stakeholders, particularly those in retirement.

Through its community engagement program, we support a number of organisations that make a significant contribution to local communities. During the last four years, our engagement with the not-for-profit organisation Women Up North has deepened into a long-term partnership.

In November 2025, we hosted a fundraising gala for Women Up North, raising $200,000 to provide practical and immediate support to those experiencing domestic violence in northern New South Wales.

Key performance indicators

	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Earnings							
Normalised NPAT[1] ($m)	228.9	230.3	225.2	215.9	200.7	196.8	167.2
Statutory NPAT[2] ($m)	338.7	120.1	72.2	73.6	56.3	140.2	31.2
Normalised cost to income ratio[1] (%)	31.7%	32.7%	32.0%	33.1%	34.6%	36.9%	38.5%
Normalised effective tax rate[1] (%)	30.9%	30.9%	30.9%	32.1%	30.9%	27.2%	33.2%
Earnings per share (cents)							
Basic – normalised[1]	33.3	33.5	32.8	31.6	29.3	28.8	24.5
Basic – statutory[2]	49.2	17.5	10.5	10.8	8.2	20.4	4.6
Diluted – normalised[1]	31.4	31.0	29.3	28.9	26.7	25.2	22.3
Diluted – statutory[2]	44.6	17.2	10.3	10.4	8.1	20.1	4.5
Return On Equity (%)							
Normalised ROE – post-tax[1]	11.4%	12.1%	11.6%	10.8%	10.4%	9.6%	8.2%
Statutory ROE – post-tax[2]	16.9%	6.3%	3.7%	3.7%	2.9%	6.8%	1.5%
Capital management							
Net assets – average[3] ($m)	3,974	3,847	3,849	4,009	3,904	4,151	4,025
Net assets – closing ($m)	4,108	3,865	3,848	3,885	3,904	4,164	4,048
Net assets per basic share ($)	5.96	5.64	5.59	5.69	5.70	6.09	5.94
Net tangible assets ($m)	3,511	3,266	3,249	3,281	3,296	3,553	3,433
Net tangible assets per basic share ($)	5.09	4.76	4.72	4.80	4.81	5.20	5.03
Dividend – fully franked (cps)	15.5	15.0	14.5	13.5	13.0	12.0	12.0
Normalised dividend payout ratio[1] (%)	46.5%	44.8%	44.2%	42.7%	44.4%	41.7%	49.0%
PCA capital ratio (times)	1.58	1.60	1.61	1.67	1.50	1.59	1.59
CET1 capital ratio (times)	1.19	1.19	1.19	1.23	1.10	1.16	1.12
Sales, net flows and assets under management							
Life annuity sales ($m)	3,785.8	2,306.2	2,871.1	1,890.2	3,295.3	1,973.4	3,543.9
Life annuity net flows ($m)	1,211.6	594.1	149.4	270.9	508.0	(416.9)	802.0
Life annuity book ($m)	17,101	16,330	15,728	15,279	15,035	13,930	14,278
Life annuity book growth (%)	7.4%	3.9%	1.0%	1.9%	3.6%	(3.1%)	5.9%
Index Plus sales ($m)	1,327.8	1,636.7	1,754.3	1,990.8	1,958.3	2,294.2	1,935.1
Total Life sales ($m)	5,113.6	3,942.9	4,625.4	3,881.0	5,253.6	4,267.6	5,479.0
Total Life net flows ($m)	1,248.9	748.6	(346.7)	378.5	328.0	(49.1)	984.9
Total Life book ($m)[4]	21,993	21,398	20,540	20,635	20,142	19,199	18,899
Total Life book growth (%)[4]	5.8%	3.6%	(1.7%)	1.9%	1.7%	(0.3%)	5.5%
Funds Management – net flows ($m)	2,623	(8,503)	(3,108)	4,477	5,603	1,354	(1,826)
Total Group AUM ($m)	128,230	123,937	131,436	127,122	117,125	104,952	99,393
Other							
Closing Total Full Time Equivalents (FTEs)[5]	551	576	566	693	780	841	786
Weighted average number of basic shares on issue[6] (m)	687.9	686.9	686.7	684.9	684.3	683.1	681.1
Number of basic shares on issue[6] (m)	689.3	685.5	688.5	683.3	684.8	683.8	682.0
Share price closing ($)	9.41	8.08	6.01	7.01	6.49	6.48	7.62

[1] Normalised metrics exclude Discontinued Operations (Bank) from FY24, including Normalised profit after tax, Normalised EPS, Normalised cost to income ratio, Normalised tax rate, Normalised ROE and Total Group AUM. Prior periods are not restated to exclude Discontinued Operations (Bank).
[2] Statutory metrics for Profit and Loss and the Balance Sheet include the application impact of AASB 17 ***Insurance Contracts*** (AASB 17) from FY24.
[3] Net assets – average calculated on a monthly basis.
[4] Total Life book includes the Life annuity book and Challenger Index Plus liabilities.
[5] Full Time Equivalents include employees on extended leave.
[6] Excludes Challenger Performance Plan (CPP) Trust Treasury shares.

Consolidated profit and loss[1]

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Life Normalised Cash Operating Earnings	388.6	402.0	386.1	390.7	359.7	335.7	317.3
Funds Management net fee income	96.7	92.6	95.1	86.5	87.4	90.9	87.9
Other income	1.3	1.5	0.4	2.2	0.1	1.0	0.6
Bank net interest income	—	—	—	—	—	4.1	4.7
Total net income	**486.6**	**496.1**	**481.6**	**479.4**	**447.2**	**431.7**	**410.5**
Personnel expenses	(83.6)	(84.2)	(86.1)	(90.9)	(91.8)	(94.9)	(107.0)
Other expenses	(66.8)	(72.5)	(66.8)	(68.0)	(62.8)	(64.5)	(51.1)
Transition expenses[2]	(4.0)	(5.3)	(1.3)	—	—	—	—
Total expenses	**(154.4)**	**(162.0)**	**(154.2)**	**(158.9)**	**(154.6)**	**(159.4)**	**(158.1)**
Normalised EBIT	**332.2**	**334.1**	**327.4**	**320.5**	**292.6**	**272.3**	**252.4**
Interest and borrowing costs	(1.0)	(1.0)	(1.3)	(2.7)	(2.3)	(2.0)	(2.0)
Normalised net profit before tax	**331.2**	**333.1**	**326.1**	**317.8**	**290.3**	**270.3**	**250.4**
Normalised tax	(102.3)	(102.8)	(100.9)	(101.9)	(89.6)	(73.5)	(83.2)
Normalised net profit after tax	**228.9**	**230.3**	**225.2**	**215.9**	**200.7**	**196.8**	**167.2**
Asset experience after tax	104.5	(124.2)	(96.0)	4.0	(93.2)	(32.4)	(57.7)
Liability experience after tax	0.1	18.1	(52.8)	(142.4)	(52.0)	7.0	15.3
Application impact of AASB 17 after tax	—	—	—	—	—	(24.6)	(91.5)
Significant items after tax[3]	5.2	(4.1)	(4.2)	(3.8)	4.3	(7.3)	—
Discontinued operations (Bank) after tax	—	—	—	(0.1)	(3.5)	0.7	(2.1)
Statutory net profit after tax	**338.7**	**120.1**	**72.2**	**73.6**	**56.3**	**140.2**	**31.2**
Performance analysis							
Normalised EPS – basic (cents)	33.3	33.5	32.8	31.6	29.3	28.8	24.5
Shares for basic EPS calculation (m)	687.9	686.9	686.7	684.9	684.3	683.1	681.1
Normalised cost to income ratio (%)	31.7%	32.7%	32.0%	33.1%	34.6%	36.9%	38.5%
Normalised effective tax rate (%)	30.9%	30.9%	30.9%	32.1%	30.9%	27.2%	33.2%
Total net income analysis (%)							
Cash earnings (Life)	78.7%	79.6%	79.2%	80.3%	79.0%	76.3%	72.5%
Normalised capital growth (Life)	1.2%	1.4%	1.0%	1.2%	1.4%	1.5%	4.8%
Net fee income (Funds Management)	19.9%	18.7%	19.7%	18.0%	19.6%	21.1%	21.4%
Other income (Corporate)	0.2%	0.3%	0.1%	0.5%	—	0.2%	0.2%
Normalised net profit after tax by division ($m)							
Life	225.7	236.2	224.6	226.2	209.2	196.1	177.2
Funds Management	29.0	25.7	27.0	17.8	19.7	20.9	20.9
Corporate	(25.8)	(31.6)	(26.4)	(28.1)	(28.2)	(17.0)	(27.7)
Bank	—	—	—	—	—	(3.2)	(3.2)
Normalised net profit after tax	**228.9**	**230.3**	**225.2**	**215.9**	**200.7**	**196.8**	**167.2**

[1] Normalised metrics exclude Discontinued Operations (Bank) from FY24, including Normalised EBIT, Normalised profit before tax, Normalised profit after tax, Normalised EPS, Normalised cost to income ratio and Normalised tax rate. Periods prior to FY24 were not restated to exclude Discontinued Operations (Bank).
[2] Transition expenses relate to the investment administration technology team retained by Challenger to support the transition of investment administration and custody services to State Street.
[3] Significant items (after tax) in 1H26 relate to one-off fees received following the completion of the distribution agreement with a fixed income affiliate, partially offset by project costs associated with Challenger's partnership with Accenture to re-platform Life's core customer registry and technology, and the transition of investment administration and custody services to State Street.

Consolidated profit and loss (continued)

AASB 17 Insurance Contracts

Challenger adopted new accounting standard AASB 17 ***Insurance Contracts*** (AASB 17) effective from 1 July 2023.

AASB 17 ***Insurance Contracts*** replaces AASB 4 ***Insurance Contracts***, AASB 1038 ***Life Insurance Contracts*** and AASB 1023 ***General Insurance Contracts***.

The standard establishes globally consistent principles for the recognition, measurement, presentation and disclosure of life insurance contracts. It does not change the economics of the underlying business, normalised profit, cash generation, dividend policy or the overall quantum of insurance earnings. However, it will affect the timing of insurance earnings recognition.

Life investment contracts, including Challenger's term annuities, are currently measured under AASB 9 ***Financial Instruments*** and will continue to be measured in the same way.

There are no material changes to Challenger's normalised profit framework (refer to page 59 for more information), with any movement in policy liabilities continuing to be reflected in Liability Experience.

Normalised profit after tax (NPAT)

1H26 NPAT was $229m and increased by $4m (2%) on 1H25. The increase reflects higher net income (up $5m) and stable expenses, partially offset by higher normalised tax (up $1m).

On a divisional basis, 1H26 NPAT was driven by higher Life NPAT (up $1m), Funds Management NPAT (up $2m) and a lower Corporate net loss after tax (down $1m).

Normalised earnings per share (EPS)

Normalised EPS increased by 2% to 33.3 cps on 1H25, reflecting the increase in higher normalised profit after tax (up 2%).

The weighted average number of basic shares on issue in 1H26 was 688m shares, up 1m shares as a result of the weighted impact of new shares issued under Challenger's Dividend Reinvestment Plan in September 2024 and September 2025, along with the net release of Treasury shares held by the CPP Trust to satisfy long-term incentives that vested in September 2025.

Net income

1H26 net income was $487m and increased by $5m (1%) on 1H25, with:

- Life Normalised Cash Operating Earnings (COE) of $389m was up $3m (1%), driven by growth in average investment assets (up 6%), partially offset by a lower COE margin (down 16 bps); and
- Funds Management fee income of $97m was up $2m (2%), driven by higher transaction and placement fees (up $10m), partially offset by lower FUM-based revenue (down $3m) from lower average FUM (down (7%) and lower performance fees (down $6m).

Expenses

1H26 total expenses were $154m, in line with 1H25, reflecting structural changes to the expense base that included realised efficiencies in our operating model, offset by investment in growth initiatives and higher technology costs.

The specific drivers of 1H26 expenses included:

- investment in growth initiatives and increase in technology costs ($2m), driven by inflationary pressures on software licensing and data costs; offset by
- lower costs from realised operating efficiencies (-$2m).

The 1H26 normalised cost to income ratio was 31.7% and improved by 30 bps and was below the cost to income ratio target range of 32% to 34%.

Normalised Return On Equity (ROE)

1H26 Normalised ROE (post-tax) decreased by 20 bps to 11.4% on 1H25 reflecting an increase in normalised NPAT (up 2%) that was more than offset by the increase in average net assets (up 3%). Lower Normalised ROE included a lower Life ROE of 12.7% (down 30 bps) and lower Funds Management ROE of 16.2% (down 160 bps), which was partially offset by lower corporate losses.

1H26 Normalised ROE (post-tax) of 11.4% was 70 bps higher than Challenger's Normalised ROE (post-tax) target of 10.7% during the half.

Challenger's Normalised ROE (post-tax) target is the RBA cash rate plus a margin of 12%. This is equivalent to a Normalised ROE post-tax target of 10.7% based on a pre-tax target of 15.7% and an expected effective tax rate of ~31.4%.

In 1H26, the RBA cash rate reduced by 25 bps to 3.60%.

Normalised tax

Normalised tax was $102m and increased by $1m (1%) on 1H25. The normalised effective tax rate in 1H26 was 30.9%, unchanged from 1H25.

The effective tax rate in 1H26 is similar to Australia's statutory rate of 30.0%, adjusted to reflect interest payments on Challenger's Capital Notes that are non-deductible ($6m).

Asset and liability experience after tax

Challenger Life Company Limited (CLC) is required by Australian Accounting Standards to value assets at fair value, while liabilities are valued in accordance with relevant accounting standards. This gives rise to fluctuating valuation movements on assets and policy liabilities being recognised in the statutory profit and loss.

As Challenger is generally a long-term holder of assets due to them being held to match the term of life contract liabilities, Challenger takes a long-term view of the expected capital growth of the portfolio rather than focusing on short-term movements.

Asset experience is calculated as the difference between the total return (both realised and unrealised) generated on Life's investment portfolio less the amount recorded in Life's Normalised Cash Operating Earnings (which includes expected normalised capital growth).

Liability experience includes any economic and actuarial assumption changes in relation to policy liabilities for the period, impacts of accounting mismatches within the liability valuation of Life Risk business under AASB 17, and new business strain.

In accordance with the Prudential Standards and Australian Accounting Standards, Challenger Life values its annuities using a discount rate based on the Australian Government Bond curve plus an illiquidity premium, rather than the actual interest rate paid on annuity liabilities, which generates a loss at issue or new business strain (refer to page 60 for more detail).

1H26 asset experience after tax was a gain of $105m and liability experience after tax was nil.

The asset experience gain after tax of $105m was driven by outperformance across the Life investment portfolio, which included gains in the fixed income portfolio from the tightening of credit spreads, an increase in Australian property valuations, gains in equity investments from improving markets, and outperformance in the alternatives portfolio relative to Challenger's long-term total return assumption. Refer to page 26 for more detail, including asset experience by asset class.

The liability experience was driven by new business strain resulting from longer duration annuity sales and net book growth over 1H26 and an illiquidity premium loss from the narrowing of credit spreads, offset by the accounting mismatch that arises when valuing the Life Risk liabilities under AASB 17 that are expected to unwind over time. Refer to page 27 for more detail on AASB 17 and new business strain.

Significant items after tax

1H26 significant items after tax were $5m and reflects one-off fees received following the completion of the distribution agreement with a fixed income affiliate, partially offset by project costs associated with the build of Life's new customer technology and the transition of investment administration and custody services to State Street.

Statutory net profit after tax

Statutory net profit after tax includes after-tax asset and liability experience and significant one-off items.

1H26 statutory profit after tax was $339m and increased by $267m (369%), and includes:

- Normalised net profit after tax of $229m;
- Asset and liability experience of $105m (refer to page 26 for more detail); and
- Significant items of $5m.

Dividends

Dividend policy

Challenger targets a normalised dividend payout ratio in the range of between 30% and 50% of normalised basic EPS and aims to frank the dividend to the maximum extent possible.

1H26 dividend

The Challenger Board has determined to pay a fully franked interim dividend (which relates to the period of 1H26) of 15.5 cps, compared to 14.5 cps (fully franked) in 1H25.

Dates for the interim 1H26 dividend are as follows:

- ex-date: 24 February 2026;
- record date: 25 February 2026;
- Dividend Reinvestment Plan (DRP) election date: 26 February 2026; and
- payment date: 24 March 2026.

The 1H26 dividend payout ratio was 46.5%, which is within Challenger's normalised dividend payout ratio target of between 30% and 50% of normalised basic EPS.

Challenger's adjusted franking account balance at 31 December 2025 was $100m. This amount is calculated from the balance of the franking account as at the end of the period, adjusted for franking debits that arise from accrued interest on Challenger Capital Notes.

The interim dividend of 15.5 cps will result in a total dividend of approximately $107m, which will reduce the franking account by $46m.

Dividend Reinvestment Plan (DRP)

Challenger operates a DRP, providing an effective way for shareholders to reinvest their dividends and increase their shareholding without incurring transaction costs.

Under the terms of the DRP, new Challenger shares are issued based on a 10-day Challenger volume-weighted average price (VWAP), with no share price discount applied.

Challenger retains the ability to neutralise the DRP.

For the final FY25 dividend paid in September 2025, the DRP participation rate was 2% of issued capital.

Credit ratings

In November 2025, S&P Global Ratings completed its annual ratings review and upgraded the long-term financial strength and issuer credit ratings for CLC and Challenger Limited.

Challenger's S&P ratings are as follows:

- CLC: 'A+' rating (from 'A') with a stable outlook; and
- Challenger Limited: 'A-' rating (from 'BBB+') with a stable outlook.

The upgrade in ratings reflects CLC maintaining its market leadership position in the Australian annuities market, better regulatory settings and strong retirement savings trends that will support earnings.

S&P also commented that CLC's risk management framework provides a competitive advantage and excellent capital adequacy offers flexibility to navigate market and credit stress.

FY26 outlook

Normalised basic Earnings Per Share (EPS)

From FY26, Challenger's earning guidance moved from normalised net profit after tax to normalised basic EPS as it represents a more effective measure of shareholder returns.

Challenger's FY26 normalised basic EPS guidance is a range of between 66 cps and 72 cps.

FY26 normalised basic EPS guidance assumes Group net profit after tax of between $455m and $495m.

Challenger is on track to achieve full-year guidance with 1H26 normalised basic EPS of 33.3 cps.

Normalised Return on Equity (ROE) target

Challenger's Normalised ROE target (pre-tax) is the RBA cash rate plus a margin of 12%. This is currently equivalent to a 1H26 Normalised ROE post-tax target of 10.7% based on a pre-tax target of 15.7% and an expected effective tax rate of ~31.4%.

In 1H26, Challenger's Normalised ROE (post-tax) of 11.4% was 70 bps above the target. More broadly, Challenger is well positioned to continue to achieve its through-the-cycle ROE target.

Normalised cost to income ratio

Managing the business to a cost to income ratio ensures that any expense growth is appropriately positioned to support revenue growth.

In FY26, Challenger continues to target a cost to income ratio of 32% to 34%.

CLC excess capital position

CLC does not target a specific PCA or CET1 ratio. CLC's targeted PCA and CET1 ratio range is a reflection of internal capital models, and is not an input to them, and reflects asset allocation, business mix, capital composition and economic environment. The target PCA ratio range is 1.3 times to 1.7 times. This range may change over time. Refer to page 48 for more detail.

Dividend

Challenger continues to target a dividend payout ratio of between 30% and 50% of normalised basic EPS and seeks to frank the dividend to the maximum extent possible. However, the actual dividend payout ratio will depend on prevailing market conditions and capital allocation priorities at the time.

Group balance sheet[1]

$m	1H26	FY25	1H25	FY24	1H24	FY23	1H23
Assets							
Fixed income and cash[2]	19,567.6	18,847.6	17,963.2	18,333.5	17,877.1	17,799.6	17,621.0
Alternatives	3,587.1	3,379.8	3,460.7	3,167.1	2,888.1	2,384.7	2,026.6
Property[2]	2,659.9	2,733.1	2,687.6	2,761.6	2,963.7	3,062.4	3,178.3
Equity and infrastructure[2]	670.9	603.4	535.0	448.3	365.2	291.3	259.0
Life investment assets	**26,485.5**	**25,563.9**	**24,646.5**	**24,710.5**	**24,094.1**	**23,538.0**	**23,084.9**
Cash and cash equivalents (Group cash)	96.0	110.4	86.7	137.0	101.5	128.9	145.8
Receivables	121.7	70.0	65.1	182.4	179.1	174.6	164.4
Derivative assets	566.0	653.2	644.9	574.5	802.7	665.5	690.7
Investment in associates	101.3	83.8	84.8	86.6	81.4	81.9	74.3
Other assets	59.2	55.9	41.5	49.3	46.9	43.9	45.8
Fixed assets	9.7	11.9	14.4	19.4	21.8	23.5	24.0
Right-of-use lease assets	13.1	14.9	14.4	19.9	22.6	24.3	27.3
Tax assets	—	105.3	147.3	169.8	209.5	86.2	158.9
Goodwill and intangibles	583.6	583.9	584.2	584.7	585.3	587.4	586.8
Less Group/Life eliminations[3]	(3.5)	(4.2)	(4.6)	(5.5)	(5.7)	(6.1)	(13.9)
Bank lending and financing assets (discontinued)	—	—	—	—	346.8	225.4	406.6
Total assets	**28,032.6**	**27,249.0**	**26,325.2**	**26,528.6**	**26,486.0**	**25,573.5**	**25,395.6**
Liabilities							
Payables	190.7	226.3	178.1	221.5	192.9	216.3	156.9
Tax liabilities	30.4	—	—	—	—	—	—
Derivative liabilities	510.7	550.9	549.0	566.8	738.0	611.3	730.8
Subordinated debt	411.8	416.8	418.5	418.0	419.1	403.0	399.3
Challenger Capital Notes	730.5	729.4	728.2	727.0	725.8	725.1	840.2
Lease liabilities	35.9	40.6	42.4	46.8	51.3	54.7	59.2
Provisions	21.3	22.8	20.9	28.5	25.6	28.2	39.0
Life annuity liabilities	17,101.0	16,330.1	15,727.8	15,278.5	15,034.6	13,930.0	14,278.4
Challenger Index Plus liabilities	4,892.2	5,067.6	4,812.6	5,356.3	5,107.6	5,268.8	4,620.2
Bank deposit liabilities (discontinued)	—	—	—	—	287.2	171.7	224.1
Total liabilities	**23,924.5**	**23,384.5**	**22,477.5**	**22,643.4**	**22,582.1**	**21,409.1**	**21,348.1**
Group net assets	**4,108.1**	**3,864.5**	**3,847.7**	**3,885.2**	**3,903.9**	**4,164.4**	**4,047.5**
Equity							
Contributed equity	2,552.2	2,529.2	2,547.2	2,512.4	2,522.3	2,513.1	2,496.9
Reserves	(66.3)	(51.3)	(66.2)	(18.4)	(25.7)	(35.8)	(49.8)
Retained earnings	1,622.2	1,386.6	1,366.7	1,387.4	1,345.3	1,683.1	1,600.4
Non-controlling interest[4]	—	—	—	3.8	3.8	4.0	—
Total equity excl. Discontinued Operations (Bank)	**4,108.1**	**3,864.5**	**3,847.7**	**3,885.2**	**3,845.7**	**4,164.4**	**4,047.5**
Discontinued Operations (Bank)	—	—	—	—	58.2	—	—
Total equity	**4,108.1**	**3,864.5**	**3,847.7**	**3,885.2**	**3,903.9**	**4,164.4**	**4,047.5**

1 Excludes consolidation of Special Purpose Vehicles (SPVs).
2 Fixed income, property and infrastructure are reported net of debt.
3 Group/Life eliminations represent the fair value of the SPV residual income notes (i.e. NIM) held by Challenger Life Company Limited.
4 In October 2024, SimCorp's minority interest in Artega was repurchased by Challenger and the non-controlling interest was derecognised.

Change in Group net assets[1]

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Opening net assets	**3,864.5**	**3,847.7**	**3,885.2**	**3,903.9**	**4,164.4**	**4,047.5**	**3,988.3**
Impact of initial application of AASB 17[1]	—	—	—	—	(253.5)	—	—
Restated opening balance	**3,864.5**	**3,847.7**	**3,885.2**	**3,903.9**	**3,910.9**	**4,047.5**	**3,988.3**
Statutory net profit after tax	338.7	120.1	72.2	73.6	56.3	164.8	122.7
Dividends paid	(103.2)	(100.2)	(92.9)	(89.7)	(82.4)	(82.1)	(78.4)
New share issue	2.2	—	1.8	1.7	21.0	27.4	10.6
Reserve movements[2]	5.9	(3.7)	(18.0)	(4.4)	(1.6)	2.8	4.3
Non-controlling interest	—	0.6	(0.6)	—	(0.2)	4.0	—
Other movements	—	—	—	0.1	(0.1)	—	—
Closing net assets	**4,108.1**	**3,864.5**	**3,847.7**	**3,885.2**	**3,903.9**	**4,164.4**	**4,047.5**

1 Periods prior to FY24 have not been restated for the application impact of AASB 17.
2 Includes Challenger Performance Plan (CPP) Trust movements and SimCorp's minority stake in Artega Investment Administration that was derecognised on 31 October 2024.

Issued share capital, dilutive share count and earnings per share

	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Earnings per share (cents)							
Basic – normalised[1]	33.3	33.5	32.8	31.6	29.3	28.8	24.5
Basic – statutory[2]	49.2	17.5	10.5	10.8	8.2	20.4	4.6
Diluted – normalised[1]	31.4	31.0	29.3	28.9	26.7	25.2	22.3
Diluted – statutory[2]	44.6	17.2	10.3	10.4	8.1	20.1	4.5
Number of shares (m)							
Basic share count	689.3	685.5	688.5	683.3	684.8	683.8	682.0
CPP Trust Treasury shares	2.4	5.9	2.9	7.8	6.1	3.8	1.9
Total issued shares	691.7	691.4	691.4	691.1	690.9	687.6	683.9
Movement in basic share count							
Opening	685.5	688.5	683.3	684.8	683.8	682.0	680.0
CPP Trust deferred share purchase	—	—	3.6	—	(3.6)	—	—
Net Treasury shares (acquired)/released	3.5	(3.0)	1.4	(1.7)	1.3	(1.8)	0.3
New share issues	0.3	—	0.2	0.2	3.3	3.6	1.7
Closing	689.3	685.5	688.5	683.3	684.8	683.8	682.0
Movement in CPP Trust Treasury shares							
Opening	5.9	2.9	7.8	6.1	3.8	1.9	2.2
Shares vested to participants	(4.2)	—	(7.4)	—	(1.3)	(0.6)	(0.3)
Shares purchased (including settled forwards)	0.7	3.0	2.5	1.7	3.6	2.5	—
Closing	2.4	5.9	2.9	7.8	6.1	3.8	1.9
Weighted average number of shares (m)							
Basic EPS shares							
Total issued shares	691.5	691.4	691.3	691.0	689.4	686.0	683.2
Less: CPP Treasury shares	(3.6)	(4.5)	(4.6)	(6.1)	(5.1)	(2.9)	(2.1)
Shares for basic EPS calculation	687.9	686.9	686.7	684.9	684.3	683.1	681.1
Diluted shares for normalised EPS							
Shares for basic EPS calculation	687.9	686.9	686.7	684.9	684.3	683.1	681.1
Add: dilutive impact of unvested equity awards	12.3	7.4	14.0	13.7	11.7	13.2	12.6
Add: dilutive impact of Capital Notes	80.4	93.9	122.7	110.8	121.1	132.7	115.0
Add: dilutive impact of subordinated notes	43.7	51.1	66.8	60.3	65.9	64.0	75.1
Add: dilutive impact of restricted shares	2.5	2.9	2.6	2.4	2.3	2.0	1.5
Shares for diluted normalised EPS calculation	826.8	842.2	892.8	872.1	885.3	895.0	885.3
Diluted shares for statutory EPS							
Shares for basic EPS calculation	687.9	686.9	686.7	684.9	684.3	683.1	681.1
Add: dilutive impact of unvested equity awards	12.3	7.4	13.9	13.7	11.7	13.2	12.6
Add: dilutive impact of Capital Notes[3]	80.4	—	—	—	—	132.7	—
Add: dilutive impact of subordinated notes[3]	43.7	—	—	—	—	64.0	—
Add: dilutive impact of restricted shares	2.5	2.9	2.6	2.4	2.3	2.0	1.5
Shares for diluted statutory EPS calculation	826.8	697.2	703.2	701.0	698.3	895.0	695.2
Summary of share rights (m)							
Performance Share Rights							
Opening	13.0	13.1	18.9	19.1	17.1	16.9	15.8
New grants	1.6	—	3.7	—	3.9	0.9	3.0
Vesting/forfeitures	(3.0)	(0.1)	(9.5)	(0.2)	(1.9)	(0.7)	(1.9)
Closing	11.6	13.0	13.1	18.9	19.1	17.1	16.9
Deferred Performance Share Rights							
Opening	—	—	0.3	0.3	0.9	0.9	1.6
New grants	0.6	—	—	—	—	—	—
Vesting/forfeitures	—	—	(0.3)	—	(0.6)	—	(0.7)
Closing	0.6	—	—	0.3	0.3	0.9	0.9
Restricted Share Rights							
Opening	2.9	2.8	2.4	2.4	1.9	1.9	0.8
New grants	1.0	0.1	1.6	—	1.3	0.1	1.3
Vesting/forfeitures	(1.6)	—	(1.2)	—	(0.8)	(0.1)	(0.2)
Closing	2.3	2.9	2.8	2.4	2.4	1.9	1.9

1. Normalised EPS (basic) and Normalised EPS (diluted) from FY24 excludes Discontinued Operations (Bank). 2 Statutory EPS (basic) and Statutory EPS (diluted) in 1H23 and 2H23 are restated to reflect the application impact of AASB 17. 3 Dilutive impact of Capital Notes and Subordinated Notes for 1H23 is revised based on the updated Statutory net profit. Under AASB 133 ***Earnings per Share***, convertible debt is considered dilutive whenever the interest per potential ordinary share for each of these instruments is less than Challenger's basic EPS (statutory) for the period. Due to the restatement of prior period profit and loss on the application of AASB 17, statutory profit reduced which resulted in basic EPS (statutory) becoming lower than the interest per potential ordinary share and hence convertible debt becoming non-dilutive.

Issued share capital

Issued share capital and diluted share count

The number of Challenger Limited shares listed on the ASX at 31 December 2025 was 692m shares. The number of shares on issue increased by 265,790 shares in 1H26, with new shares issued under Challenger's DRP in September 2025.

The number of shares used to determine Challenger's normalised and statutory EPS is based on requirements set out in Australian Accounting Standards, as follows:

- the basic share count is reduced for Treasury shares;
- the dilutive share count includes unvested equity awards made to employees under the Challenger Performance Plan (CPP); and
- the dilutive share count considers convertible instruments (e.g. Challenger Capital Notes 3, Challenger Capital Notes 4 and subordinated debt) as determined by a probability of vesting test (refer to page 19 for more detail on the accounting treatment).

Treasury shares

The CPP Trust was established to purchase shares to satisfy Challenger's employee equity obligations arising from Performance Share Rights and Deferred Performance Share Rights issued under employee remuneration structures.

Shares are acquired by the CPP Trust to mitigate shareholder dilution and provide a mechanism to hedge the cash cost of acquiring shares in the future to satisfy vested equity awards.

The CPP Trust typically acquires physical shares on-market or via forward share purchase agreements. The use of forward share purchase agreements was implemented to increase capital efficiency. Shares held by the CPP Trust and share forward purchase agreements are classified as Treasury shares.

It is expected that should equity awards vest in the future, the CPP Trust will satisfy equity requirements via a combination of Treasury shares and settlement of forward purchase agreements. As such, it is not anticipated new Challenger shares will be issued to meet future vesting obligations of equity awards.

Weighted average share count

The basic weighted average number of shares used to determine both the normalised and statutory basic EPS increased by 1m shares in 1H26 to 688m shares.

The increase reflects the weighted impact of new shares issued under Challenger's Dividend Reinvestment Plan in September 2024 (0.3m shares) and September 2025 (0.1m shares), along with the net release of Treasury shares held by the CPP Trust to satisfy long-term incentives that vested in September 2025 (1m shares).

The weighted average number of shares used to determine normalised diluted EPS decreased by 15m shares (down 2%) from 2H25 to 827m shares to 1H26. The decrease primarily reflects:

- lower dilutive impact on debt instruments, including Challenger Capital Notes 3 and 4 and subordinated notes, and increase in the Challenger share price that is used to calculate potential dilution (collectively decreasing the diluted share count by 21m shares – refer to page 19); partially offset by
- higher unvested equity awards and restricted shares to employees under the CPP (increasing diluted share count by 5m shares); and
- higher basic weighted average number of shares on issue (increasing diluted share count by 1m shares – refer above).

The weighted average number of shares used to determine statutory diluted EPS increased by 130m shares from 2H25 to 827m shares in 1H26. This is because Challenger Capital Notes and subordinated notes are considered dilutive as the interest per potential ordinary share for each of these instruments is less than Challenger's statutory basic EPS in 1H26.

Refer to page 19 for more detail on the accounting treatment of Capital Notes and subordinated debt.

Dilutive share count and earnings per share

Dilutive share count

Dilutive impact of unvested equity awards

Challenger's approach to executive remuneration includes providing equity awards to ensure alignment between key employees and shareholders.

Performance Share Rights (PSRs) vest over a period of four, and up to five years, subject to meeting certain performance conditions[1] and continued employment.

A portion of variable remuneration is awarded in Restricted Shares, which vest over a period of up to four years, subject to continued employment[2].

The dilutive impact of these awards in any given period is based on the probability of future vesting.

Accounting treatment of Capital Notes and subordinated debt

Challenger Capital Notes 3, Challenger Capital Notes 4 and subordinated debt are effective sources of funding for Challenger. Refer to page 47 for more detail.

Capital Notes 3, Capital Notes 4 and subordinated debt have convertibility features that would result in these instruments converting to ordinary shares under certain circumstances, including APRA determining Challenger Life to be non-viable. Challenger may choose to redeem or resell (rather than convert) all or some of the notes for their face value at a future date, subject to APRA approval and market conditions.

However, under Australian Accounting Standards, convertible debt is considered dilutive whenever the interest per potential ordinary share for each of these instruments is less than Challenger's basic EPS for the period. As such, a test is required to be undertaken each reporting period to determine if they are included in the dilutive share count.

Dilutive impact of Capital Notes and subordinated debt

The dilutive share count for Challenger's convertible debt (Challenger Capital Notes 3 and 4, and subordinated debt) is based on the following formula:

$$\frac{\text{Face value of debt}}{\text{Conversion factor x Challenger's 20-day volume weighted average price}}$$

The conversion factor for all of Challenger's convertible debt is 99%. The simple average of Challenger's 20-day volume weighted average share price (VWAP) in each reporting period, subject to a minimum VWAP floor, is used to determine the dilutive impact. The simple average of Challenger's 20-day VWAP leading up to 31 December 2025 was $9.24 (30 June 2025 $7.91).

Mandatory conversion of Challenger's convertible debt is subject to a VWAP floor, being 50% of the issue date VWAP. As a result, under mandatory conversion, the VWAP floor for mandatory conversion is as follows:

Issue	Issue date	Face value	VWAP floor price
Challenger Capital Notes 3	25 Nov 2020	$385m	$2.57
Challenger Capital Notes 4	5 Apr 2023	$350m	$3.26
Subordinated debt	16 Sep 2022	$400m	$3.23
Total		**$1,135m**	

Earnings per share

Normalised diluted EPS

The normalised basic EPS for 1H26 of 33.3 cps is greater than the interest cost per potential ordinary share for each of the Challenger Capital Notes 3, Challenger Capital Notes 4 and subordinated debt. As a result, all debt instruments were considered to be dilutive in 1H26.

The weighted average number of shares used to determine the normalised diluted EPS decreased by 15m shares in 1H26 to 827m shares.

The decrease is due to:

- a decrease in the dilutive impact of the Challenger Capital Notes 3 and 4 as a result of an increase in Challenger's VWAP over the last 20 days of 1H26, reducing the diluted share count by 14m shares. The higher Challenger share price results in a lower number of potential shares being issued should the debt convert to shareholder equity; and
- a decrease in the dilutive impact of subordinated notes due to an increase in Challenger's VWAP over the last 20 days of 1H26, decreasing the diluted share count by 7m shares; partially offset by
- higher unvested equity awards and restricted shares to employees under the CPP, increasing the diluted share count by 5m shares; and
- an increase in the weighted average number of basic shares on issue by 1m shares, which reflects new shares issued under Challenger's Dividend Reinvestment Plan in September 2024 and September 2025 and the net release of Treasury shares held by the CPP Trust to satisfy long-term incentives that vested in September 2025.

To determine the normalised diluted EPS, the normalised profit after tax is increased by $30m in relation to Challenger Capital Notes 3, Challenger Capital Notes 4 and subordinated debt interest costs.

[1] For PSRs granted before 2023, performance is measured against total shareholder return. For PSRs granted from 2023, an additional performance measure of Culture will also need to be met for vesting of PSRs to occur.
[2] Prior to 1 July 2021, Deferred Performance Share Rights (DPSRs) were awarded instead of Restricted Shares. DPSRs represent the right to receive a fully paid ordinary Challenger share for nil consideration subject to continued employment at the time of vesting.

Consolidated operating cash flow

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Receipts from customers	178.1	122.3	255.4	197.5	243.0	416.6	350.4
Dividends received	57.6	87.7	63.9	72.1	45.8	25.1	41.8
Interest received	556.5	615.6	624.7	645.4	559.6	494.3	405.9
Interest paid	(362.1)	(349.9)	(345.1)	(327.2)	(350.3)	(325.7)	(257.0)
Payments to suppliers and employees	(352.6)	(308.9)	(359.7)	(319.7)	(345.9)	(340.8)	(355.5)
Income tax (paid) / refunded	(5.6)	(2.2)	(8.0)	10.0	(31.6)	25.7	(148.3)
Underlying operating cash flow	**71.9**	**164.6**	**231.2**	**278.1**	**120.6**	**295.2**	**37.3**
Adjusted for:							
Net annuity policy capital receipts/(payments)	1,211.6	594.1	149.4	270.9	508.0	(416.9)	802.0
Net Challenger Index Plus receipts/(payments)	(234.5)	75.6	(823.4)	20.7	(388.9)	359.0	182.9
Other[1]	(1.2)	1.7	6.4	22.3	12.0	2.4	11.7
Operating cash flow per financial report	**1,047.8**	**836.0**	**(436.4)**	**592.0**	**251.7**	**239.7**	**1,033.9**

[1] Other includes net SPV operating cash flow adjustments for differences between statutory operating cash flow and normalised cash operating earnings.

Underlying operating cash flow excludes cash flows that are capital in nature, such as annuity sales and annuity capital payments, and investing and financing-related cash flows.

1H26 underlying operating cash inflow was $72m, down $159m on 1H25, and was $157m lower than normalised net profit after tax of $229m, mainly due to timing of differences arising from:

- an accrual for income in relation to absolute return fund (-$114m);
- working capital timing variances (-$35m); and
- non-cash normalised capital growth (-$6m).

Net annuity policy capital receipts

1H26 net annuity policy capital receipts were $1,212m and comprised:

- annuity sales of $3,786m; less
- annuity capital payments of $2,574m.

Annuity capital payments represent the return of capital to annuitants and exclude interest payments.

1H26 net annuity policy capital receipts of $1,212m represent annuity book growth of 7.4% for the half and is calculated as 1H26 net annuity policy capital receipts divided by the opening period Life annuity liability of $16,330m.

1H26 net annuity policy capital receipts benefited from record annuity sales driven by strong domestic annuity sales and record offshore reinsurance annuity sales. The maturity rate in 1H26 was 14% (down from 15% in 1H25).

Net Challenger Index Plus payments

Net Challenger Index Plus Life payments include the return of capital to clients and distributions paid to clients for the underlying guaranteed index plus the agreed margin.

1H26 net Challenger Index Plus payments were $235m and comprised:

- Challenger Index Plus sales of $1,328m;
- Challenger Index Plus maturities and repayments of $1,291m; and
- Challenger Index Plus distributions to clients of $272m.

Life policy capital receipts

1H26 total Life book growth was 5.8% for the half (1H25 -1.7%) and can be calculated as total 1H26 net flows of $1,249m divided by the sum of the opening period (liabilities of $21,398m Life annuity liabilities and Challenger Index Plus liabilities – refer to page 30 for more detail).

Life financial results

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Investment yield	826.2	826.0	828.7	825.6	768.2	694.8	596.4
Interest expense	(477.0)	(465.1)	(477.0)	(468.3)	(437.9)	(387.7)	(317.8)
Distribution expense	(3.1)	(3.3)	(4.3)	(3.8)	(3.8)	(3.2)	(4.9)
Other income[1]	36.7	37.5	34.1	31.4	26.8	25.5	23.9
Cash earnings	**382.8**	**395.1**	**381.5**	**384.9**	**353.3**	**329.4**	**297.6**
Normalised capital growth	5.8	6.9	4.6	5.8	6.4	6.3	19.7
Normalised Cash Operating Earnings	**388.6**	**402.0**	**386.1**	**390.7**	**359.7**	**335.7**	**317.3**
Personnel expenses	(30.7)	(33.9)	(33.2)	(34.6)	(36.9)	(34.8)	(37.0)
Other expenses	(30.6)	(30.3)	(26.3)	(23.4)	(21.3)	(23.7)	(17.0)
Total expenses	**(61.3)**	**(64.2)**	**(59.5)**	**(58.0)**	**(58.2)**	**(58.5)**	**(54.0)**
Normalised net profit before tax	**327.3**	**337.8**	**326.6**	**332.7**	**301.5**	**277.2**	**263.3**
Normalised tax	(101.6)	(101.6)	(102.0)	(106.5)	(92.3)	(81.1)	(86.1)
Normalised net profit after tax	**225.7**	**236.2**	**224.6**	**226.2**	**209.2**	**196.1**	**177.2**
Asset experience after tax	104.7	(119.3)	(83.7)	7.2	(91.9)	(32.4)	(57.7)
Liability experience after tax[2]	0.1	18.1	(52.8)	(142.4)	(52.0)	7.0	15.3
Application impact of AASB 17 after tax	—	—	—	—	—	(24.6)	(91.5)
Statutory net profit after tax	**330.5**	**135.0**	**88.1**	**91.0**	**65.3**	**146.1**	**43.3**
Reconciliation of asset experience to capital growth							
Asset experience before tax	149.6	(170.7)	(118.2)	9.2	(128.4)	(49.0)	(83.1)
Normalised capital growth	5.8	6.9	4.6	5.8	6.4	6.3	19.7
Asset capital growth	**155.4**	**(163.8)**	**(113.6)**	**15.0**	**(122.0)**	**(42.7)**	**(63.4)**
Performance analysis							
Cost to income ratio[3]	15.8%	16.0%	15.4%	14.8%	16.2%	17.4%	17.0%
Net assets – average[4] ($m)	3,521	3,430	3,416	3,515	3,321	3,610	3,522
Normalised ROE (post-tax)	12.7%	13.9%	13.0%	12.9%	12.5%	11.0%	10.0%
Margins[5]							
Investment yield	6.28%	6.71%	6.67%	6.75%	6.49%	5.97%	5.20%
Interest expense	(3.63%)	(3.78%)	(3.84%)	(3.83%)	(3.70%)	(3.33%)	(2.77%)
Distribution expense	(0.02%)	(0.03%)	(0.03%)	(0.03%)	(0.03%)	(0.03%)	(0.04%)
Other income	0.28%	0.30%	0.27%	0.26%	0.23%	0.22%	0.20%
Cash earnings	**2.91%**	**3.20%**	**3.07%**	**3.15%**	**2.99%**	**2.83%**	**2.59%**
Normalised capital growth	0.04%	0.06%	0.04%	0.05%	0.05%	0.05%	0.17%
Normalised Cash Operating Earnings (COE)	**2.95%**	**3.26%**	**3.11%**	**3.20%**	**3.04%**	**2.88%**	**2.76%**

1 Other income includes Life Risk revenue (premiums net of expected claims) and Solutions revenue.
2 Liability experience comprises economic and actuarial assumption changes in relation to policy liabilities, net new business strain and impact of AASB 17 accounting mismatches.
3 Cost to income ratio calculated as total expenses divided by Normalised Cash Operating Earnings (COE).
4 Net assets – average calculated on a monthly basis.
5 Ratio of COE components divided by average investment assets.

Life flows

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Life sales							
Fixed term sales - 1-year or less	441.2	277.8	561.3	281.9	506.7	422.7	733.7
Fixed term sales - More than 1-year	523.7	449.1	666.5	590.1	873.0	721.8	1,032.8
Fixed term retail sales	**964.9**	**726.9**	**1,227.8**	**872.0**	**1,379.7**	**1,144.5**	**1,766.5**
Fixed term sales - 1-year or less	1,387.2	337.3	402.4	159.4	419.0	59.7	842.6
Fixed term sales - More than 1-year	57.6	317.9	15.0	64.3	62.0	92.9	147.5
Fixed term institutional sales	**1,444.8**	**655.2**	**417.4**	**223.7**	**481.0**	**152.6**	**990.1**
Total fixed term sales	**2,409.7**	**1,382.1**	**1,645.2**	**1,095.7**	**1,860.7**	**1,297.1**	**2,756.6**
Lifetime sales[1]	681.4	555.6	610.4	432.0	1,088.3	347.5	375.2
Total domestic annuity sales	**3,091.1**	**1,937.7**	**2,255.6**	**1,527.7**	**2,949.0**	**1,644.6**	**3,131.8**
Offshore reinsurance sales	694.7	368.5	615.5	362.5	346.3	328.8	412.1
Total Life annuity sales	**3,785.8**	**2,306.2**	**2,871.1**	**1,890.2**	**3,295.3**	**1,973.4**	**3,543.9**
Maturities and repayments	(2,574.2)	(1,712.1)	(2,721.7)	(1,619.3)	(2,787.3)	(2,390.3)	(2,741.9)
Total Life annuity net flows	**1,211.6**	**594.1**	**149.4**	**270.9**	**508.0**	**(416.9)**	**802.0**
Closing Life annuity book[2]	17,101.0	16,330.1	15,727.8	15,278.5	15,034.6	13,930.0	14,278.4
Annuity book growth[3]	**7.4%**	**3.9%**	**1.0%**	**1.9%**	**3.6%**	**(3.1%)**	**5.9%**
Index Plus sales	1,327.8	1,636.7	1,754.3	1,990.8	1,958.3	2,294.2	1,935.1
Index Plus maturities and repayments	(1,290.5)	(1,482.2)	(2,250.4)	(1,883.2)	(2,138.3)	(1,926.4)	(1,752.2)
Index Plus net flows	**37.3**	**154.5**	**(496.1)**	**107.6**	**(180.0)**	**367.8**	**182.9**
Closing Index Plus liabilities	4,892.2	5,067.6	4,812.6	5,356.3	5,107.6	5,268.8	4,620.2
Index Plus book growth[3]	**0.7%**	**2.9%**	**(9.3%)**	**2.0%**	**(3.4%)**	**8.4%**	**4.2%**
Total Life sales	5,113.6	3,942.9	4,625.4	3,881.0	5,253.6	4,267.6	5,479.0
Total maturities and repayments	(3,864.7)	(3,194.3)	(4,972.1)	(3,502.5)	(4,925.6)	(4,316.7)	(4,494.1)
Total Life net flows	**1,248.9**	**748.6**	**(346.7)**	**378.5**	**328.0**	**(49.1)**	**984.9**
Closing total Life book[2]	21,993.2	21,397.7	20,540.4	20,634.8	20,142.2	19,198.8	18,898.6
Total Life book growth[3]	**5.8%**	**3.6%**	**(1.7%)**	**1.9%**	**1.7%**	**(0.3%)**	**5.5%**
Assets							
Closing Life investment assets	**26,486**	**25,564**	**24,647**	**24,711**	**24,094**	**23,538**	**23,085**
Fixed income and cash[4]	19,391	18,121	18,242	18,149	17,448	17,721	17,046
Alternatives	3,394	3,441	3,185	3,108	2,748	2,283	1,746
Property[4]	2,666	2,704	2,717	2,927	3,048	3,183	3,211
Equity and infrastructure[4]	652	575	477	408	314	271	770
Average Life investment assets[5]	**26,103**	**24,841**	**24,621**	**24,592**	**23,558**	**23,458**	**22,773**
Liabilities							
Closing liabilities (excluding Other liabilities)[2]	**23,148**	**22,558**	**21,702**	**21,796**	**21,305**	**20,345**	**20,151**
Annuities and Index Plus liabilities	21,810	20,739	20,562	20,434	19,646	19,107	18,470
Capital Notes	735	735	735	735	735	832	845
Subordinated debt	422	425	427	426	418	414	518
Average liabilities[2,5]	**22,967**	**21,899**	**21,724**	**21,595**	**20,799**	**20,353**	**19,833**

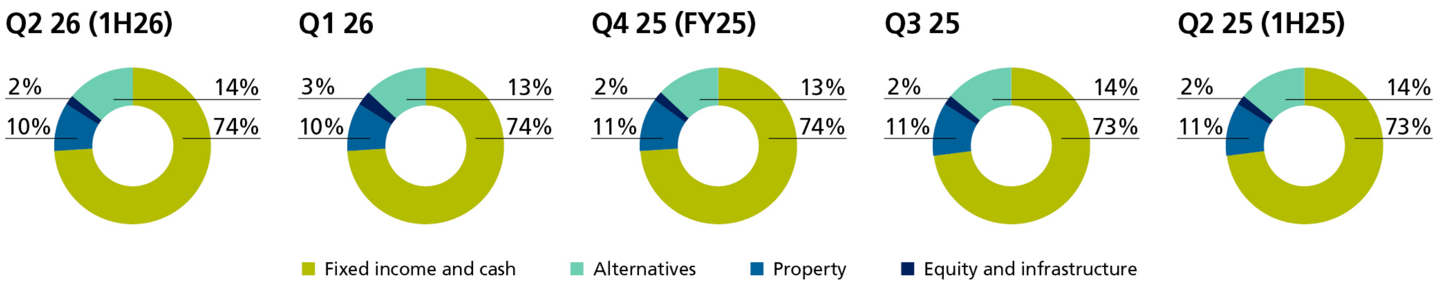
1 Lifetime sales include CarePlus, a product that pays income for life and is specifically designed for the aged care market.
2 On adoption of AASB 17 on 1 July 2023, policy liabilities increased by $362.2 million. Closing Life annuity book, closing total Life book, closing liabilities (excluding other liabilities) and average liabilities from 1H24 are reported on an AASB 17 basis. Periods prior to 1H24 have not been restated for the impact of adopting AASB 17.
3 Book growth percentage represents net flows for the period divided by opening book value for the financial year.
4 Fixed income, property and infrastructure are reported net of debt.
5 Average investment assets and average liabilities are calculated on a monthly basis.

Life quarterly flows

Life quarterly sales and investment assets

$m	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25
Life sales					
Fixed term sales - 1-year or less	256	185	141	137	357
Fixed term sales - More than 1-year	249	275	228	221	307
Fixed term retail sales	**505**	**460**	**369**	**358**	**664**
Fixed term sales - 1-year or less	796	591	222	115	127
Fixed term sales - More than 1-year	30	28	286	32	15
Fixed term institutional sales	**826**	**619**	**508**	**147**	**142**
Total fixed term sales	**1,330**	**1,079**	**877**	**505**	**806**
Lifetime sales[1]	362	320	310	246	336
Total domestic annuity sales	**1,692**	**1,399**	**1,187**	**751**	**1,142**
Offshore reinsurance sales	449	246	128	240	371
Total Life annuity sales	**2,141**	**1,645**	**1,315**	**991**	**1,513**
Maturities and repayments	(1,344)	(1,230)	(870)	(842)	(1,183)
Total Life annuity net flows	**797**	**415**	**445**	**149**	**330**
Annuity book growth[2]	**4.9%**	**2.5%**	**2.9%**	**1.0%**	**2.2%**
Index Plus sales	454	874	1,191	446	682
Index Plus maturities and repayments	(682)	(609)	(707)	(775)	(1,193)
Index Plus net flows	**(228)**	**265**	**484**	**(329)**	**(511)**
Index Plus book growth[2]	**(4.5%)**	**5.2%**	**9.0%**	**(6.1%)**	**(9.6%)**
Total Life sales	2,595	2,519	2,506	1,437	2,195
Total maturities and repayments	(2,026)	(1,839)	(1,577)	(1,617)	(2,377)
Total Life net flows	**569**	**680**	**929**	**(180)**	**(182)**
Total Life book growth[2]	**2.6%**	**3.2%**	**4.5%**	**(0.9%)**	**(0.9%)**
Life investment assets					
Fixed income and cash[3]	19,568	19,322	18,848	17,685	17,963
Alternatives	3,587	3,396	3,380	3,517	3,461
Property[3]	2,660	2,614	2,733	2,702	2,688
Equity and infrastructure[3]	671	675	603	586	535
Total Life investment assets	**26,486**	**26,007**	**25,564**	**24,490**	**24,647**
Average Life investment assets[4]	**26,318**	**25,863**	**24,951**	**24,644**	**24,462**

1 Lifetime sales include CarePlus, a product that pays income for life and is specifically designed for the aged care market.
2 Book growth percentage represents net flows for the period divided by opening book value for the financial year.
3 Fixed income, property and infrastructure are reported net of debt.
4 Average Life investment assets is calculated on a monthly basis.



Life financial results

Our Life business is Australia's largest provider of annuities[1] and a trusted leader in retirement income solutions.

Our products are designed to meet the evolving needs of retirees, offering security, predictability and confidence to spend throughout retirement.

Lifetime annuities provide customers with guaranteed[2] income for life, helping protect against longevity risk – the possibility of outliving one's savings. With flexible payment options, retirees can choose income streams that are fixed, indexed to inflation, linked to RBA cash rate movements or indexed to investment market performance.

The income payments we make to customers are backed by a high-quality investment portfolio, primarily invested in investment-grade fixed income assets, ensuring reliability and sustainability.

We are Australia's leading retirement income brand[3] and were awarded Money Magazine's 'Longevity Cover Excellence Award' in 2024 and 2025[4].

Our products are widely accessible through independent financial advisers, superannuation funds, leading investment and administration platforms, and directly.

We are actively building new institutional partnerships, helping superannuation funds and platforms deliver more comprehensive retirement income solutions to their members. Additionally, we are well positioned to support defined benefit pension de-risking, offering tailored solutions to sponsors and fund trustees seeking stability and risk mitigation.

Internationally, we maintain a strategic annuity reinsurance relationship with Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary) in Japan, covering AUD, USD and JPY-denominated annuities. This partnership supports our global diversification and capital efficiency. Refer to page 31 for more detail.

We also participate in wholesale reinsurance longevity and mortality transactions (refer to page 26 for more detail).

Challenger Life Company Limited (CLC) is an APRA-regulated entity and undertakes Challenger's guaranteed annuity and Index Plus business. CLC's financial strength is rated by S&P Global Ratings with an 'A+' rating and stable outlook. CLC's capital strength is outlined on page 48.

Normalised NPAT and ROE (post-tax)

Life's normalised NPAT was $226m in 1H26 and increased by $1m (1%) on 1H25. The increase in normalised NPAT reflects a $3m (1%) increase in Normalised Cash Operating Earnings (COE), partially offset by a $2m (3%) increase in expenses.

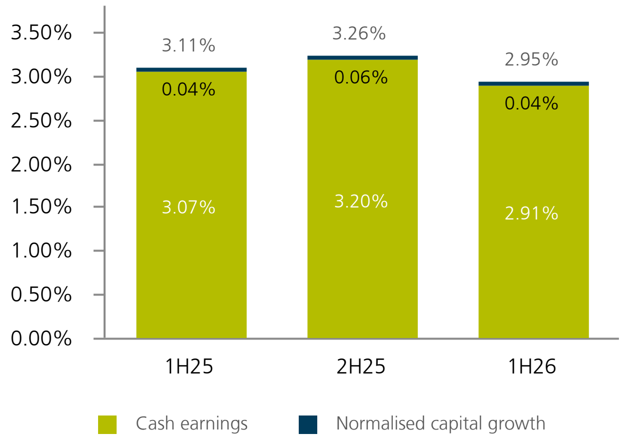
Life's Normalised ROE (post-tax) was 12.7% in 1H26 and decreased by 30 bps on 1H25, driven by a 3% increase in average net assets reflecting higher retained earnings.

Normalised COE and COE margin

1H26 Normalised COE was $389m and increased by $3m (1%) on 1H25. Normalised COE increased as a result of:

- higher average investment assets, which increased by 6% on 1H25 to $26b; partially offset by
- lower COE margin, which decreased by 16 bps on 1H25 to 2.95%.

Life COE margin composition



[1] Plan For Life – September 2025 – based on annuities under administration.
[2] The word 'guaranteed' means payments are guaranteed by Challenger Life Company Limited (CLC) from assets of either its relevant statutory fund or shareholder fund.
[3] Marketing Pulse Adviser Study December 2025 based on (% agree / strongly agree).
[4] Plan For Life awards have been rolled into the Money Magazine Awards from 2024. In 2023, Challenger won Plan for Life's 'Overall Longevity Cover Excellence Award' for a fifth consecutive year.

1H25 to 1H26 COE margin

Life's 1H26 COE margin was 2.95% and decreased by 16 bps on 1H25 as a result of the following:

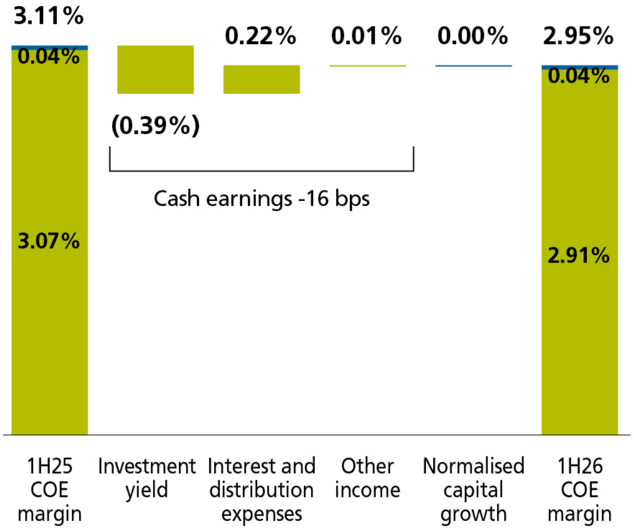
- Lower cash earnings (-16 bps): Represents the investment yield, less associated interest and direct distribution expenses. Cash earnings also include other income related to Life Risk and Solutions revenue (refer to page 26). The drivers include:
  - Lower investment yield (-39 bps): Reflects lower yields on fixed income securities due to lower cash rates, the tight credit spread environment and a higher allocation to liquid fixed income assets, partially offset by higher catastrophe bond distributions;
  - Lower interest expense (+21 bps): Reflects the impact of lower cash rates on the reported cost of the annuity and Index Plus business, and lower interest costs associated with debt instruments (subordinated debt and Capital Notes);
  - Lower distribution expenses (+1 bp): Reflects the composition of the annuity book in 1H26. Distribution expenses relate to payments made for the acquisition and management of annuities; and
  - Higher other income (+1 bp): Reflects higher Life Risk income (refer to page 26 for more detail).
- Stable normalised capital growth: Reflects a lower proportion of property and a higher proportion of alternatives (noting that alternatives have a zero normalised growth assumption), offset by a higher proportion of equity over 1H26.

2H25 to 1H26 COE margin

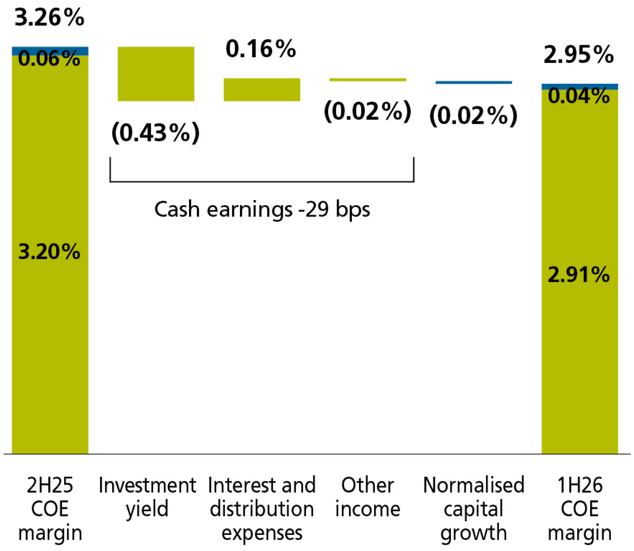
Life's 1H26 COE margin was 2.95% and decreased by 31 bps on 2H25 as a result of the following:

- Lower cash earnings (-29 bps): The drivers include:
  - Lower investment yield (-43 bps): Reflects the timing of catastrophe bond distributions, lower yields on fixed income securities due to lower cash rates, the tight credit spread environment and a higher allocation to liquid fixed income assets;
  - Lower interest expense (+15 bps): Reflects the impact of lower cash rates on the reported cost of the annuity and Index Plus business, and lower interest costs associated with debt instruments (subordinated debt and Capital Notes);
  - Lower distribution expenses (+1 bp): Reflects the composition of the annuity book in 1H26. Distribution expenses relate to payments made for the acquisition and management of annuities; and
  - Lower other income (-2 bps): Reflects the timing of Life Risk income received from one UK reinsurance transaction.
- Lower normalised capital growth (-2 bps): Reflects a lower proportion of property, a higher proportion of alternatives (noting that alternatives have a zero normalised growth assumption) and a higher proportion of fixed income (noting that fixed income has a negative normalised growth assumption) over 1H26.

1H25 to 1H26 COE margin



2H25 to 1H26 COE margin



Cash earnings   Normalised capital growth

Life Risk

Life Risk revenue represents premiums net of expected claims on wholesale reinsurance longevity and mortality transactions.

Wholesale longevity and mortality transactions are an investment strategy undertaken by the Life business. Life is participating in established markets, has specialised expertise and is taking a disciplined approach to the wholesale Life Risk opportunity.

The present value of future management profits arising from the Life Risk portfolio was $920m at 31 December 2025, down 4% from $954m at 30 June 2025. The reduction was largely driven by the appreciation of the Australian dollar relative to the British pound and also by the release of profits recognised in Normalised COE in 1H26.

The Life Risk portfolio has an average duration of 10 years.

1H26 Life Normalised COE includes $34m of income from Life Risk transactions, which represents the release of profit and expense margins, and was up $3m from $31m in 1H25. The increase was largely driven by the completion of a reinsurance transaction with a UK insurer in December 2024, which results in an increase in expected future net inflows.

Solutions

Challenger's Solutions Group works with clients to address their evolving investment and retirement needs. Benefiting from the scale of the broader Challenger Group, the Solutions Group provides innovative portfolio management and balance sheet solutions. These include alpha and beta solutions, income solutions, retirement partnership solutions and defined benefit plan solutions.

Revenue from the Solutions Group is included in Other income within Life's Normalised COE. The Solutions Group 1H26 revenue was $3m (1H25 $3m).

Expenses

1H26 Life expenses were $61m and increased by $2m (3%) on 1H25. This was primarily driven by growth in other expenses, partially offset by a reduction in personnel expenses.

Other expenses increased by $4m (16%) driven by investment in growth initiatives and technology, including software and licensing fees relating to the technology partnership with Accenture and other software providers.

Life's personnel expenses decreased by $3m (8%), primarily reflecting a reduction in FTE, partially offset by an increase in salaries and wages.

With the growth in expenses (3%) being higher than Normalised COE (1%), Life's cost to income ratio increased 40 bps to 15.8%.

Asset and liability experience overview

Challenger Life is required by Australian Accounting Standards to value assets at fair value, while liabilities are valued in accordance with relevant accounting standards. This gives rise to fluctuating valuation movements on assets and policy liabilities being recognised in the statutory profit and loss, particularly during periods of increased market volatility.

As Challenger is generally a long-term holder of assets, due to them being held to match the term of liabilities, Challenger takes a long-term view of the expected total return of the portfolio rather than focusing on short-term movements.

Policy liabilities are valued using a discount rate based on the Australian Government Bond curve plus an illiquidity premium, generating a loss at issue (new business strain). In addition, Accounting Standard AASB 17 ***Insurance Contracts*** (AASB 17) has introduced accounting mismatches in the liability valuation after issue (refer to page 27 for more detail).

Asset and liability experience removes the volatility arising from valuation movements to more accurately reflect the underlying performance of the Life business. Changes in macroeconomic variables and actuarial assumptions impact the value of Life's assets and liabilities. This includes changes to bond yields, inflation factors, expense assumptions, mortality rate assumptions and other factors applied in the valuation of life contract liabilities.

1H26 asset experience was a gain of $150m (pre-tax), representing the total return generated across the investment portfolio ($982m) less the amount recorded in Normalised COE ($832m). The amount recorded in Normalised COE includes investment yield of $826m and normalised capital growth of $6m (refer to page 21). 1H26 liability experience (pre-tax) includes a gain in relation to the AASB 17 impact on the Life Risk business ($28m), offset by a loss in relation to policy liabilities ($22m) and new business strain ($6m).

($m)	Total return	Investment yield[1]	Asset experience
Fixed income	619	550	**69**
Alternatives	170	151	**19**
Property	135	98	**37**
Equity and infrastructure	58	33	**25**
Total	**982**	**832**	**150**

($m)			Liability experience
Policy liabilities	—	—	**(22)**
New business strain	—	—	**(6)**
Impact of AASB 17 on Life Risk business	—	—	**28**
Total Liability experience	**—**	**—**	**—**

[1]Includes investment yield and normalised capital growth.

Asset experience (pre-tax)

Asset experience is calculated as the difference between the total return (both realised and unrealised) generated on Life's investment portfolio less the amount recorded in Life's Normalised COE (which includes expected normalised capital growth).

Additional detail has been provided in relation to the total return generated on each asset class (refer to page 26).

Asset experience in 1H26 was a gain of $150m, with positive asset experience across each asset class in the Life investment portfolio.

Experience by asset class comprised the following:

Fixed income (+$69m):

- Reflects the impact of tighter credit spreads resulting in a valuation gain of $36m and a provision for credit defaults of $33m. In 1H26, investment-grade credit spreads tightened by ~10 bps (Bloomberg ITRXAAE) and sub-investment-grade credit spreads narrowed by ~2 bps (Bloomberg IBOXHYAE).
- 1H26 allowance for expected credit defaults was $34m, reflecting the normalised capital growth assumption of -35 bps per annum. Actual credit defaults net of recoveries was -$1m (or -1 bp) reflecting no ratings downgrades during the period. Combined, the net impact was a further +$33m on fixed income asset experience.

Alternatives (+$19m):

- Reflects Challenger's absolute return fund portfolio, general insurance portfolio and life insurance portfolio.
- The asset experience on the alternatives portfolio was a gain of $19m, reflecting a total return gain of $170m, which was more than the return assumption recorded in Normalised COE of $151m. In 1H26, valuation gains were across catastrophe bond investments and equity market neutral funds.

Property (+$37m):

- Reflects the revaluation of Life's property portfolio, with a revaluation gain of $64m, compared to assumed normalised capital growth at 2% per year ($27m) which is recorded in Normalised COE.
- All properties were revalued in 1H26, with 62% of direct properties independently valued. The revaluation gain in 1H26 predominantly relates to the capitalisation rate tightening across domestic retail and industrial properties. Refer to page 42 for more information.

Equity and infrastructure (+$25m):

- Reflects a revaluation gain of $38m, compared to assumed normalised capital growth of $13m, which is recorded in Normalised COE. Valuation gains were across private equity and equity beta investments. In 1H26, the MSCI Daily Total Return Net World Index (Bloomberg NDDLWI) returned ~11% over the six months to 31 December 2025.

Liability experience (pre-tax)

Liability experience includes any economic and actuarial assumption changes in relation to policy liabilities for the period, impacts of accounting mismatches within the liability valuation of Life Risk business under AASB 17, and new business strain.

1H26 liability experience comprised the following:

- AASB 17 impact on Life Risk business (+$28m): Driven by an accounting mismatch that arises under AASB 17 (refer below for more information); offset by
- Policy liabilities (-$22m): Reflects an illiquidity premium loss of $27m, partially offset by $5m of other valuation gains that reflects the impacts of mortality rate assumption changes and relative movements of instruments used for hedging purposes, including foreign currency overlay strategies, inflation-linked and fixed-rate government and semi-government securities; and
- New business strain (-$6m): Refer below for more information.

Illiquidity premium

In accordance with the APRA Prudential Standards and Australian Accounting Standards, Challenger Life values its annuities using a discount rate, which is based on the Australian Government Bond curve plus an illiquidity premium.

Movements in credit spreads impact the illiquidity premium.

The illiquidity premium loss in 1H26 was $27m and reflects the impact of overall tighter credit spreads used to value policy liabilities.

New business strain

New business strain is the result of the requirement to apply a discount rate based on the Australian Government Bond curve plus an illiquidity premium to value annuity liabilities, rather than the actual interest rate paid on annuity liabilities.

Life offers annuity rates to customers that are higher than the rates used to value liabilities. As a result, a loss is recognised when issuing a new annuity contract due to using a lower discount rate together with the inclusion of an allowance for future maintenance expenses in the liability.

New business strain is a non-cash item and, subsequently, reverses over the future contract period. The new business strain reported in the period represents the non-cash loss on new sales, net of reversal of the new business strain of prior period sales.

The 1H26 new business strain was a loss of $6m, down from a loss of $23m in 1H25, reflecting the annuity sales mix that was written in 1H26 less the unwind from prior period sales.

AASB 17 impact on Life Risk business

AASB 17 came into effect for Challenger on 1 July 2023, introducing a number of accounting mismatches that can create volatility in statutory profit. In particular, this impacts the Life Risk business where the liability includes the present value of future cash flows (PVFCF), which is measured at current interest rates, and a contractual service margin (CSM), which is measured at the interest rates on the date the business was written (locked-in rates).

This means that the policy liability for the Life Risk business is sensitive to changes in interest rates in the UK, the value of the British pound against the Australian dollar and UK mortality rate assumptions, which creates ongoing profit volatility.

In 1H26, the liability experience from the impact of AASB 17 mismatches on the Life Risk business was a gain of $28m, predominantly driven by FX impacts from the weakening of the British pound relative to the Australian dollar and the lower yield in the UK Gilt curve. Given the CSM (a positive liability component) is valued at locked-in rates while the PVFCF (a negative liability component) is valued at current rates, the decrease in rates increased the PVFCF component, reducing the policy liability and resulting in a non-cash statutory gain for 1H26. Depreciation of the British pound over 1H26 reduced both the CSM and PVFCF, driving a further non-cash statutory gain for the period.

Under APRA's Prudential Standards for capital, a more economic approach to valuing the liabilities is applied, rather than the accounting treatment (although there are secondary tax impacts on capital that arise related to the AASB 17 accounting liability).

Life sales and AUM

Total Life sales

In 1H26, Challenger Life delivered strong sales growth, with total Life sales increasing 11% to $5.1b driven by record annuity sales.

Annuity sales

In 1H26, Challenger Life achieved record annuity sales of $3.8b (up 32%), driven by very strong domestic annuity sales and record offshore reinsurance sales.

Annuity sales comprised:

- Domestic annuity sales of $3.1b, up $0.8b or 37% on 1H25; and
- Offshore reinsurance annuity sales of $695m, up $79m or 13% on 1H25.

Domestic annuity sales

Domestic annuity sales were $3.1b and comprised:

- fixed term annuity sales of $2,410m, which increased by $765m or 46% on 1H25; and
- lifetime annuity sales of $681m, which increased by $71m or 12% on 1H25.

Fixed term annuities are cash, term and fixed income replacement products with flexibility around tenor and returns to suit a broad range of customer needs. In 1H26, fixed term annuity sales growth was primarily driven by institutional sales of $1,445m (up 246%), which included several new mandates from superannuation funds.

Retail term annuities decreased 21% to $965m due to competition in the retail term market, where Challenger continues to be disciplined on pricing shorter duration business.

Lifetime annuity sales of $681m were supported by continued demand for guaranteed income solutions, particularly in retirement and aged care. Liquid Lifetime sales were $269m (1H25 $272m) and CarePlus sales were $412m (1H25 $338m).

CarePlus is a lifetime annuity specifically designed for aged care and achieved its highest ever half-year sales since launching in 2015, reflecting the growing opportunity in aged care.

Offshore reinsurance annuity sales

Since November 2016, Challenger has had an annuity reinsurance partnership with Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary), a leading provider of both Japanese yen and foreign currency annuity and life insurance products in Japan (refer to page 31 for more information). This reinsurance partnership provides Challenger access to the Japanese annuities market and is helping to diversify its distribution channels and product offering.

In May 2024, the reinsurance partnership between Challenger and MS Primary was extended for a further five years. Under the new agreement, Challenger will receive a quota share of reinsurance across Australian dollar, US dollar and Japanese yen-denominated annuities issued in Japan by MS Primary. MS Primary will provide to Challenger an annual amount of reinsurance of at least ¥50 billion per year (FY26 target ~A$540m[1]) for the next five years, subject to review in the event of a material adverse change for either MS Primary or Challenger.

Offshore reinsurance annuity sales that includes annuity sales ceded by MS Primary to Challenger Life are included in Life's annuity sales and were a record $695m, up 13% from $616m in 1H25.

Offshore reinsurance annuity sales represented ~18% of Challenger's 1H26 total annuity sales. Record Japanese yen-denominated annuity sales represented approximately 80% of total sales provided by MS Primary to Challenger in 1H26.

Challenger Index Plus sales

Challenger Index Plus sales continue to be impacted by hedging costs that have reduced the margin able to be offered to clients on equity-linked exposures. The Challenger Index Plus range provides clients contractual alpha above a pre-agreed benchmark with flexibility in relation to the term and underlying index return, with the security of an A+ rated[2], prudentially regulated counterparty and zero fees.

Challenger Index Plus sales were $1.3b (down 24% in 1H26) with $0.3b of new inflows and $1.0b of maturities reinvested. The outlook for Index Plus sales remains positive, with new indices being launched in 2H26 and a broad pipeline of opportunities.

[1] Based on the 3-month average exchange rate as at 30 June 2025.
[2] S&P Global Ratings Challenger Life Company Limited 'A+' rating with a stable outlook.

New business tenor

The tenor of new business annuity sales[3] was 4.9 years in 1H26 (1H25 6.4 years), which continues to further strengthen the overall composition of the Life book.

The tenor on new business Index Plus sales was 2.9 years (1H25 2.3 years).

Life book liability maturity profile

Maturities represent annuity maturities and repayments (excluding interest payments) in the year. Total annuity maturities in 1H26 were $2.6b and represented 14% of opening period annuity liability (undiscounted liability of $19.0b).

The FY26 maturity rate is expected to be 23%.

Net book growth

Across both annuity and institutional Challenger Index Plus business, 1H26 total Life net flows were $1,249m and represented total book growth of 5.8%.

Life annuity book growth

1H26 Life annuity net flows (annuity sales less capital repayments) were $1,212m, up from $149m in 1H25. Net flows reflect Life annuity sales of $3.8b (up 32%) and lower maturities of $2.6b (down 5%).

Based on the opening Life annuity book liability ($16.3b), 1H26 annuity book growth was 7.4%.

Challenger Index Plus book growth

Challenger Index Plus net flows (i.e. Challenger Index Plus sales less capital repayments) represent net flows on the Challenger Index Plus products.

In 1H26, Challenger Index Plus net flows were $37m, compared to net outflows of $496m in 1H25. Based on the opening Challenger Index Plus liabilities ($5.1b), 1H26 Challenger Index Plus book growth was 0.7%.

Average AUM

Life's average investment assets were $26.1b in 1H26 and increased by 6% ($1.5b) on 1H25.

The increase in average investment assets primarily reflects Life's net book growth and higher average retained earnings in 1H26.

[3] Based on new business annuity sales, including term annuities and Lifetime sales, excluding reinvestments.

Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary) reinsurance partnership

Consistent with Challenger's strategy to diversify its range of products and expand its distribution relationships, in November 2016 Challenger commenced an annuity relationship with MS Primary.

MS Primary is a leading provider of annuity and life insurance products to Japanese customers and is part of MS&AD Insurance Group Holdings Inc., a Nikkei 225 company.

Japan has one of the world's most rapidly ageing populations, which is looking for income from longer-dated annuity income products. This has driven significant demand for these products.

From 1 November 2016, Challenger commenced issuing Australian dollar fixed rate annuities with terms up to 20 years to support the reinsurance agreement with MS Primary. Challenger provides a guaranteed interest rate and assumes the investment risk on a portion of each new policy issued by MS Primary.

From 1 July 2019, Challenger commenced a quota share reinsurance of US dollar denominated annuities and in November 2023, the relationship expanded again as Challenger commenced quota share reinsurance of MS Primary's Japanese yen-denominated annuities.

In May 2024, the reinsurance partnership between Challenger and MS Primary was extended for a further five years. Under the new agreement, Challenger will receive a quota share of reinsurance across Australian dollar, US dollar and Japanese yen-denominated annuities issued in Japan by MS Primary, commencing from 30 June 2024.

MS Primary will provide to Challenger an annual amount of reinsurance of at least ¥50 billion per year (currently ~A$540m for FY26[1]) for the next five years, subject to review in the event of a material adverse change for either MS Primary or Challenger Life. Challenger will also support MS Primary with any new reinsurance requirements that MS Primary may have.

MS Primary is responsible for marketing and providing the products in Japan, including making payments to policyholders. Challenger guarantees a rate to MS Primary, which effectively includes Challenger's contribution towards marketing, distribution and administration costs in Japan. As such, for these products Challenger incurs limited distribution and operational costs as part of its direct expense base.

Under the reinsurance agreement, the guaranteed interest rate on new business can be revised and there are mechanisms to regulate volumes between MS Primary and Challenger. The agreement also includes the usual termination rights for both parties, including material breach, failure to make payments and events that may be triggered by changes in MS Primary's regulatory environment.

In 1H26, offshore reinsurance annuity sales that includes MS Primary sales were $695m, up 13% on 1H25, and represented ~18% of Challenger Life's 1H26 total annuity sales (~21% in 1H25).

MS Primary is a key Challenger strategic partner and the businesses engage extensively across a range of topics, including product development and partnering opportunities.

Reflecting on the strength and breadth of the strategic partnership, in April 2021 Challenger entered an Investment Management Agreement with MS Primary to assist in developing and executing its direct Japanese real estate strategy.

[1] Based on the 3-month average exchange rate as at 30 June 2025.

Retirement income regulatory reforms

Objective of superannuation

In 2023, the Australian Government proposed to legislate the objective of superannuation in order to provide stability and confidence to policymakers, regulators, industry and the community, and that changes to superannuation policy would be aligned to the purpose of the superannuation system. It was also suggested that legislation would ensure that superannuation members and funds have a shared understanding of the purpose of superannuation throughout both accumulation and retirement phases.

The ***Superannuation (Objective) Act 2024*** (Cth) commenced on 7 January 2025 with the stated objective being to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way. Challenger has been a strong advocate of retirement income reforms that enhance the lives of older Australians and supports the legislation of the objective of superannuation, which will give guidance to policymakers to prioritise the provision of retirement income, creating significant economic and social policy benefits.

Retirement Income Covenant

The Retirement Income Covenant (RIC) came into effect on 1 July 2022 as part of the ***Superannuation Industry Supervision Act 1993*** (Cth) (SIS Act) and requires trustees of all APRA-regulated superannuation funds to formulate, review regularly and give effect to a retirement income strategy that outlines how they plan to assist their members in, and approaching, retirement. The trustee's strategy will assist members to achieve and balance the key objectives of the RIC to:

- maximise their expected retirement income;
- manage the expected risks to the sustainability and stability of their expected retirement income; and
- have flexible access to funds during retirement.

Superannuation funds are working on their retirement propositions and many are looking to engage with trusted partners to deliver components of their comprehensive retirement offering.

In November 2025, the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC) jointly released the 2025 Pulse Check report on RIC implementation by superannuation funds. The report found that despite the RIC being introduced in 2022, there is a widening gap between superannuation funds that are innovating to meaningfully drive better retirement outcomes and meet their members' needs compared to others that are focused on mere compliance with the RIC.

With foundational elements of the RIC generally in place across all superannuation funds, APRA and ASIC are now shifting their focus on reviewing the effectiveness of superannuation funds, retirement income strategies and delivery of improved outcomes for members in retirement. This includes the creation of a Retirement Reporting Framework on retirement outcomes that will offer members greater transparency and create a common understanding for success in the retirement phase that will commence from 2027.

Challenger is supporting superannuation funds to develop and deliver comprehensive solutions for their members that address the risks members face in the retirement phase, providing them with confidence to spend in retirement.

Delivering Better Financial Outcomes (DBFO) reform

In 2023, as part of its final response to the Quality of Advice Review (QAR) chaired by Michelle Levy, the Australian Government progressed its 'Delivering Better Financial Outcomes' (DBFO) package of reforms, which focused on improving the accessibility and affordability of quality financial advice in Australia. In July 2024, the first tranche of the DBFO package passed through parliament with 11 out of the 22 QAR recommendations being implemented.

In December 2024, the Government provided an update on the second tranche of the DBFO package, whereby it is developing draft legislation for public consultation aiming to:

- expand advice services by creating a new class of advisers who are able to provide safe and simple advice to more Australians;
- reduce unnecessary compliance for advisers by modernising the best interests duty, removing safe harbour steps and reforming statements of advice;
- clarify the rules on what advice topics can be paid for through superannuation, including through collectively charged arrangements; and
- allow superannuation funds to provide helpful 'nudges' to drive greater member engagement.

Challenger supports the Government's DBFO package of reforms, which will make quality and affordable relevant financial advice more accessible to more Australians as they prepare for retirement.

Retirement phase of superannuation

The Australian Government is continuing with measures to enhance the retirement phase of superannuation and how it can best provide the security and income Australians need as they live longer and healthier lives in retirement. In November 2024, the Government announced a package of reforms in response to Treasury's consultation on the retirement phase of superannuation. The reforms focused on:

- increasing education and awareness around superannuation and retirement options;
- improving the innovative income stream regulations to support innovation in retirement products and give members more options that meet their needs;
- developing best-practice principles (Principles) to guide the superannuation industry in designing modern, high-quality retirement income solutions that support Australians' financial security in retirement; and
- creating the Retirement Reporting Framework (Framework). See previous section for more information.

In August 2025, the Government initiated a short consultation on the Principles and the Framework. The Principles and Framework build on the obligations introduced by the Retirement Income Covenant and work in tandem with the government's financial advice reforms (DBFO).

Challenger strongly supports the Government's work to enhance the retirement phase of superannuation. There is a need for Australians to have better access to information, advice and well-rounded retirement income products, which can be best provided by a competitive lifetime income market.

APRA proposal on capital settings for longevity products

The Government, in conjunction with APRA and the industry, play a critical role in creating a regulatory environment that supports an innovative and competitive industry to develop a range of lifetime income solutions that are compelling to customers and encourages take-up among those approaching and in retirement.

Compared to global standards, Australia has a particularly conservative prudential capital treatment of long-term insurance liabilities, which results in relatively high regulatory capital levels, but more significantly, regulatory capital requirements that spike during periods of increased market volatility. This is primarily due to the manner in which illiquid liabilities (such as annuities) are valued for capital purposes.

For regulatory capital purposes, Challenger Life is required by APRA's Prudential Standards to value assets at fair value, while annuities are valued using a discount rate based on the Australian Government Bond curve plus an illiquidity premium or allowance for 'illiquidity'. It is this allowance that is small and relatively static in Australia relative to other markets and gives rise to fluctuating valuation movements on assets and policy liabilities being recognised in the regulatory capital balance sheet.

In June 2025, APRA released a consultation inviting industry feedback on proposed changes to the life insurance capital framework, including moving towards a more market-sensitive illiquidity premium.

In October 2025, APRA commenced a second round of consultation on its proposed enhancements to the capital framework for longevity products and released accompanying draft Prudential Standards.

In response to industry feedback received, APRA is proposing a more principles-based approach to the illiquidity premium that includes:

- setting the illiquidity premium to be based on the prevailing spread of a reference index less a risk allowance derived from long-term average spreads (currently the illiquidity premium is 33% of the prevailing spread on a reference index);
- broadening the universe of potential reference indices. This can either be a single reference index or a weighted average of up to 3 indices (currently the reference index is specified as the A-rated spread on a portfolio of Australian bonds with a 3-year tenor);
- extending the long-term rate implementation period to the last point an insurer can achieve cash flow matching (currently fixed at 10 years);
- increasing the long-term illiquidity premium rate to 50 bps (currently 20 bps);
- removal of the cap on the illiquidity premium (currently 150 bps); and
- allowing a greater portion of the increase in the illiquidity premium to flow through to the credit spread stress charge in LPS 114 (currently 30 bps in the first 10 years).

The proposed changes represent a significant improvement to Australia's current prudential framework, which will reduce cyclical risks to life insurers' capital position and lower the levels of required capital, provided certain risk controls are in place.

Challenger strongly supports APRA's regulatory reforms, which are a crucial step towards developing Australia's retirement income market by promoting innovation, expanding options for retirees to manage longevity risk and supporting greater take-up of lifetime income products.

Challenger continues its constructive engagement with APRA and submitted its feedback on the draft Prudential Standards in December 2025. Finalisation of the Prudential Standards is expected to occur in the first half of the 2026 calendar year.

Life balance sheet

$m	1H26	FY25	1H25	FY24	1H24	FY23	1H23
Assets							
Life investment assets							
Cash and equivalents	3,323.4	3,247.2	2,604.2	2,960.6	2,614.1	2,363.2	2,344.2
Asset-backed securities	10,837.5	10,016.9	10,428.0	10,990.0	10,382.0	10,133.8	9,920.3
Corporate credit	5,406.7	5,583.5	4,931.0	4,383.0	4,881.0	5,302.6	5,356.5
Fixed income and cash[1]	19,567.6	18,847.6	17,963.2	18,333.5	17,877.1	17,799.6	17,621.0
Alternatives	3,587.1	3,379.8	3,460.7	3,167.1	2,888.1	2,384.7	2,026.6
Property[1]	2,659.9	2,733.1	2,687.6	2,761.6	2,963.7	3,062.4	3,178.3
Equity and infrastructure[1]	670.9	603.4	535.0	448.3	365.2	291.3	259.0
Life investment assets	**26,485.5**	**25,563.9**	**24,646.5**	**24,710.5**	**24,094.1**	**23,538.0**	**23,084.9**
Other assets (including intangibles)	559.2	553.4	575.3	637.3	610.4	619.7	619.7
Total assets	**27,044.7**	**26,117.3**	**25,221.8**	**25,347.8**	**24,704.5**	**24,157.7**	**23,704.6**
Liabilities							
Life annuity book[2]	17,101.0	16,330.1	15,727.8	15,278.5	15,034.6	13,930.0	14,278.4
Index Plus liabilities	4,892.2	5,067.6	4,812.6	5,356.3	5,107.6	5,268.8	4,620.2
Subordinated debt[3]	420.2	425.0	427.0	426.3	427.5	411.3	407.8
Challenger Capital Notes[4]	735.0	735.0	735.0	735.0	735.0	735.0	845.0
Other liabilities	297.2	102.8	82.8	99.2	76.8	81.3	50.9
Total liabilities	**23,445.6**	**22,660.5**	**21,785.2**	**21,895.3**	**21,381.5**	**20,426.4**	**20,202.3**
Net assets	**3,599.1**	**3,456.8**	**3,436.6**	**3,452.5**	**3,323.0**	**3,731.3**	**3,502.3**

1 Fixed income, property and infrastructure are reported net of debt.
2 Policy liabilities increased by $362.2 million on 1 July 2023 upon adoption of AASB 17. Life annuity book from 1H24 is reported on a AASB 17 basis. Periods prior to 1H24 have not been restated for the impact of AASB 17.
3 1H26 Tier 2 regulatory capital – subordinated debt ($420.2 million) differs to the Group balance sheet ($411.8 million) due to accrued interest.
4 1H26 Challenger Capital Notes ($735.0 million) differs to the Group balance sheet ($730.5 million) due to accrued interest.

Life investment portfolio overview

Life maintains a high-quality investment portfolio in order to generate cash flows to meet future annuity obligations.

Life reviews its investment asset allocation based on the relative value of different asset classes, expected ROE and tenor of liabilities as Life maintains a cash flow-matched portfolio. Accordingly, Life's investment asset allocation may vary from time to time.

Life's investment assets are as follows:

$m	31 December 2025	30 June 2025
Fixed income and cash	74%	74%
Alternatives	14%	13%
Property	10%	11%
Equity and infrastructure	2%	2%

Fixed income portfolio overview

Life's fixed income and cash portfolio was $19.6b at 31 December 2025 and increased by 4% from $18.8b at 30 June 2025. The increase primarily reflects 1H26 net book growth and positive asset experience.

The fixed income and cash portfolio represented 74% of Life's investment assets at 31 December 2025, unchanged from 30 June 2025. The fixed income portfolio comprises approximately 2,000 different securities.

Challenger manages credit risk by maintaining a high-quality investment portfolio and applying a rigorous investment process. The fixed income portfolio is diversified across industries, rating bands and geographies.

Life's policy liability cash flows provide the opportunity to invest in longer-term and less liquid fixed income investments, which generate an illiquidity premium.

Life targets to hold at least 75% of its fixed income portfolio as investment grade (i.e. BBB or higher). At 31 December 2025, 76% of the fixed income portfolio was investment grade, down 1% from 77% at 30 June 2025. The weighted average credit rating at 31 December 2025 was 'A', unchanged from 30 June 2025.

A total of 81% of the fixed income portfolio is externally rated (by S&P, Fitch or Moody's) with the remainder internally rated based on methodologies calibrated to either S&P or Moody's ratings framework.

The fixed income and cash portfolio is predominantly Australian focused, with approximately 54% of the fixed income portfolio invested in Australian-based securities.

The average direct fixed income illiquidity premium generated over the last five years has been between 1% and 2%.

Fixed income credit default experience

Challenger's normalised growth assumption for fixed income is -35 bps, representing an allowance for credit default losses. In 1H26, the credit default loss (net of recoveries) recognised in asset experience was only -1 bp ($1m), which is well below Challenger's -35 bps per annum assumption.

Over the past five financial years, the average credit default loss experience recognised in asset experience has been -14 bps per annum, well below the -35 bps assumption.

Detailed disclosure of Life's fixed income portfolio is included on pages 36 to 39. The fixed income disclosures include the following tables:

- Table 1 – Fixed income portfolio overview;
- Table 2 – Fixed income portfolio by credit rating;
- Table 3 – Fixed income portfolio by rating type;
- Table 4 – Fixed income portfolio by industry sector; and
- Table 5 – Fixed income portfolio by geography and credit rating.

Table 1: Fixed income portfolio overview

31 December 2025		$m	% portfolio	
Liquids		3,323	17%	Includes cash and equivalents and Government Bonds (net of repurchase agreements) and strategies earning a spread with limited credit risk
Asset-Backed Securities (ABS)	Senior Secured Loans	3,309	17%	Senior debt secured by collateral and typically originated by Challenger
	Residential Mortgage-Backed Securities (RMBS)	3,052	16%	Financing secured against underlying residential mortgages
	Other ABS	4,115	21%	Financing secured against underlying assets, where asset security includes motor vehicle, equipment, commercial aircrafts and consumer finance
	Commercial Mortgage-Backed Securities (CMBS)	362	2%	Securitisations of underlying commercial property mortgages
Corporate Credit	Non-Financial Corporates	2,200	11%	Traded commercial loans to non-financial corporates (includes exposures to retail, hotels, media, mining and healthcare)
	Banks and Financials	1,244	6%	Corporate loans to banks, insurance companies and fund managers
	Infrastructure	849	4%	Long-dated inflation-linked bonds issued by Public Private Partnership projects and loans to infrastructure companies
	Commercial Real Estate	601	3%	Loans secured against commercial real estate assets and typically originated by Challenger
	Senior Secured Loans	513	3%	Senior debt secured by collateral
Total		**19,568**	**100%**	

Table 2: Fixed income portfolio by credit rating

31 December 2025 ($m)	Investment grade: Cash & Equivalents	AAA	AA	A	BBB	Total	Non-investment grade: BB	Less than BB	Total	Total $m
Liquids										
Government Bonds[1]	1,414	—	—	—	—	**1,414**	—	—	**—**	**1,414**
Cash & Equivalents[2]	1,909	—	—	—	—	**1,909**	—	—	**—**	**1,909**
Asset-Backed Securities										
Senior Secured Loans	—	1,095	648	341	530	**2,615**	690	5	**694**	**3,309**
RMBS	—	1,195	950	526	250	**2,921**	84	47	**131**	**3,052**
Other ABS	—	1,425	833	561	555	**3,374**	607	133	**740**	**4,115**
CMBS	—	105	103	47	53	**308**	37	18	**54**	**362**
Corporate Credit										
Non-Financial Corporates	—	—	—	—	439	**439**	779	981	**1,760**	**2,200**
Banks and Financials	—	—	—	501	496	**997**	207	40	**247**	**1,244**
Infrastructure	—	—	33	172	443	**648**	114	87	**202**	**849**
Commercial Real Estate	—	—	—	87	222	**309**	170	122	**292**	**601**
Senior Secured Loans	—	—	—	—	16	**16**	99	398	**497**	**513**
Total	**3,323**	**3,820**	**2,566**	**2,235**	**3,004**	**14,950**	**2,786**	**1,832**	**4,618**	**19,568**
Fixed income portfolio (%)	17%	20%	13%	11%	15%	**76%**	14%	9%	**24%**	**100%**
Average duration (years)	—	2.3	2.6	4.4	3.8	**3.2**	2.9	2.7	**2.8**	**3.1**

31 December 2025 (%)	Investment grade: Cash & Equivalents	AAA	AA	A	BBB	Total	Non-investment grade: BB	Less than BB	Total	Total %
Liquids										
Government Bonds[1]	100%	—	—	—	—	**100%**	—	—	**—**	**100%**
Cash & Equivalents[2]	100%	—	—	—	—	**100%**	—	—	**—**	**100%**
Asset-Backed Securities										
Senior Secured Loans	—	33%	20%	10%	16%	**79%**	21%	—	**21%**	**100%**
RMBS	—	39%	31%	17%	8%	**96%**	3%	2%	**4%**	**100%**
Other ABS	—	35%	20%	14%	13%	**82%**	15%	3%	**18%**	**100%**
CMBS	—	29%	28%	13%	15%	**85%**	10%	5%	**15%**	**100%**
Corporate Credit										
Non-Financial Corporates	—	—	—	—	20%	**20%**	35%	45%	**80%**	**100%**
Banks and Financials	—	—	—	40%	40%	**80%**	17%	3%	**20%**	**100%**
Infrastructure	—	—	4%	20%	52%	**76%**	13%	10%	**24%**	**100%**
Commercial Real Estate	—	—	—	14%	37%	**51%**	28%	20%	**49%**	**100%**
Senior Secured Loans	—	—	—	—	3%	**3%**	19%	78%	**97%**	**100%**
Total	**17%**	**20%**	**13%**	**11%**	**15%**	**76%**	**14%**	**9%**	**24%**	**100%**

[1] Government Bonds are shown net of $4,221 million of Australian Government Bonds and $1,808 million of Australian Semi-Government Bonds, which are held via repurchase agreements. Government Bonds refinanced with repurchase agreements are used to hedge movements in interest rates. Refer to page 47 for more detail.
[2] Includes strategies earning a spread with limited credit risk.

Table 3: Fixed income portfolio by rating type

	Investment grade						Non-investment grade			Total
31 December 2025 ($m)	**Cash & Equivalents**	**AAA**	**AA**	**A**	**BBB**	**Total**	**BB**	**Less than BB**	**Total**	**$m**
Liquids										
Externally rated	3,323	—	—	—	—	**3,323**	—	—	—	**3,323**
Internally rated	—	—	—	—	—	**—**	—	—	—	**—**
Asset-Backed Securities										
Externally rated	—	3,818	2,172	1,254	762	**8,006**	461	117	**577**	**8,584**
Internally rated	—	2	361	222	625	**1,211**	957	86	**1,043**	**2,254**
Corporate Credit										
Externally rated	—	—	33	758	1,598	**2,389**	730	847	**1,576**	**3,966**
Internally rated	—	—	—	1	18	**19**	640	782	**1,422**	**1,441**
Total	**3,323**	**3,820**	**2,566**	**2,236**	**3,004**	**14,950**	**2,786**	**1,832**	**4,618**	**19,568**
Externally rated	100%	100%	86%	90%	79%	**92%**	43%	53%	**47%**	**81%**
Internally rated	—	—	14%	10%	21%	**8%**	57%	47%	**53%**	**19%**

	Investment grade						Non-investment grade			Total
31 December 2025 (%)	**Cash & Equivalents**	**AAA**	**AA**	**A**	**BBB**	**Total**	**BB**	**Less than BB**	**Total**	**%**
Liquids										
Externally rated	100%	—	—	—	—	**100%**	—	—	**—**	**100%**
Internally rated	—	—	—	—	—	**—**	—	—	**—**	**—**
Asset-Backed Securities										
Externally rated	—	44%	25%	15%	9%	**93%**	5%	1%	**7%**	**100%**
Internally rated	—	—	16%	10%	28%	**54%**	42%	4%	**46%**	**100%**
Corporate Credit										
Externally rated	—	—	1%	19%	40%	**60%**	18%	21%	**40%**	**100%**
Internally rated	—	—	—	—	1%	**1%**	44%	54%	**99%**	**100%**
Total	**17%**	**20%**	**13%**	**11%**	**15%**	**76%**	**14%**	**9%**	**24%**	**100%**

Table 4: Fixed income portfolio by industry sector

	Investment grade						Non-investment grade			Total
31 December 2025 ($m)	**Cash & Equivalents**	**AAA**	**AA**	**A**	**BBB**	**Total**	**BB**	**Less than BB**	**Total**	**$m**
Industrials and consumers	—	2,520	1,462	923	1,484	**6,389**	2,069	1,453	**3,522**	**9,911**
Residential property	—	1,164	897	457	237	**2,756**	139	47	**186**	**2,942**
Banks, financials & insurance	1,909	2	59	539	555	**3,065**	290	82	**372**	**3,437**
Government	1,414	—	—	—	—	**1,414**	—	—	**—**	**1,414**
Commercial property	—	134	116	144	279	**673**	145	137	**281**	**954**
Infrastructure and utilities	—	—	33	172	448	**653**	144	107	**251**	**904**
Other	—	—	—	—	—	**—**	—	6	**6**	**6**
Total	**3,323**	**3,820**	**2,567**	**2,235**	**3,004**	**14,950**	**2,786**	**1,832**	**4,618**	**19,568**

	Investment grade						Non-investment grade			Total
31 December 2025 (%)	**Cash & Equivalents**	**AAA**	**AA**	**A**	**BBB**	**Total**	**BB**	**Less than BB**	**Total**	**%**
Industrials and consumers	—	25%	15%	9%	15%	**64%**	21%	15%	**36%**	**100%**
Residential property	—	40%	30%	16%	8%	**94%**	5%	2%	**6%**	**100%**
Banks, financials & insurance	56%	—	2%	16%	16%	**89%**	8%	2%	**11%**	**100%**
Government	100%	—	—	—	—	**100%**	—	—	**—**	**100%**
Commercial property	—	14%	12%	15%	29%	**71%**	15%	14%	**29%**	**100%**
Infrastructure and utilities	—	—	4%	19%	50%	**72%**	16%	12%	**28%**	**100%**
Other	—	—	—	—	—	—	—	100%	**100%**	**100%**
Total	**17%**	**20%**	**13%**	**11%**	**15%**	**76%**	**14%**	**9%**	**24%**	**100%**

Table 5: Fixed income portfolio by geography and credit rating

	Investment grade						Non-investment grade			Total
31 December 2025 ($m)	**Cash & Equivalents**	**AAA**	**AA**	**A**	**BBB**	**Total**	**BB**	**Less than BB**	**Total**	**$m**
Australia	1,631	2,615	1,362	1,069	1,654	**8,331**	1,267	1,006	**2,273**	**10,604**
United States	1,625	536	264	185	610	**3,220**	1,061	693	**1,754**	**4,974**
Europe	3	515	616	661	480	**2,275**	91	12	**103**	**2,378**
New Zealand	34	71	224	133	101	**563**	340	96	**436**	**999**
United Kingdom	—	30	101	156	149	**437**	15	15	**30**	**467**
Rest of world	31	53	—	30	10	**124**	13	9	**22**	**146**
Total	**3,323**	**3,820**	**2,566**	**2,235**	**3,004**	**14,950**	**2,786**	**1,832**	**4,618**	**19,568**

	Investment grade						Non-investment grade			Total
31 December 2025 (%)	**Cash & Equivalents**	**AAA**	**AA**	**A**	**BBB**	**Total**	**BB**	**Less than BB**	**Total**	**%**
Australia	15%	25%	13%	10%	16%	**79%**	12%	9%	**21%**	**100%**
United States	33%	11%	5%	4%	12%	**65%**	21%	14%	**35%**	**100%**
Europe	—	22%	26%	28%	20%	**95%**	4%	1%	**5%**	**100%**
New Zealand	3%	7%	23%	14%	10%	**56%**	34%	10%	**44%**	**100%**
United Kingdom	—	7%	22%	33%	32%	**94%**	3%	3%	**6%**	**100%**
Rest of the world	21%	36%	—	21%	7%	**85%**	9%	6%	**15%**	**100%**
Total	**17%**	**20%**	**13%**	**11%**	**15%**	**76%**	**14%**	**9%**	**24%**	**100%**

Alternatives portfolio overview

The alternatives portfolio includes absolute return funds and insurance-linked investments. These investments provide liquid capital and financial flexibility and are expected to have a low correlation to credit and equity markets.

Funds in the absolute return portfolio take long and short positions in securities across different asset classes, which results in performance that is expected to be uncorrelated to capital markets.

Life utilises 21 external managers across systematic and discretionary global macro funds and market-neutral long/short funds. When these strategies are combined with traditional asset classes, they tend to provide diversification leading to improved risk-adjusted returns for the portfolio through the investment cycle.

Over the long term, within Life's absolute return portfolio, the total return on global macro funds is expected to be broadly correlated to the Société Générale CTA Index (Bloomberg NEIXCTA), while the total return on equity market neutral funds is expected to be broadly correlated to the Barclays Equity Market Neutral Index (Bloomberg BGHSNEUT).

The general insurance-related investments include catastrophe bonds. Life utilises 3 external managers within the general insurance portfolio. Over the long term, the total return on Life's general insurance portfolio is expected to be broadly correlated to the Plenum CAT Bond UCITS Fund Index (Bloomberg PLCBFUC).

1H26 saw Challenger's general insurance portfolio and equity market neutral funds outperform the relevant benchmark indices, partially offset by the underperformance of global macro funds, with the half-year total return (from 30 June 2025 to 31 December 2025) for each benchmark index as follows:

- Société Générale CTA Index +8.13%;
- Barclays Equity Market Neutral Index +4.25%; and
- Plenum CAT Bond UCITS Fund Index +6.98%.

In 1H26, the alternatives portfolio delivered a total annualised return of +9.9%.

Life's alternatives portfolio was $3.6b at 31 December 2025 and increased by 6% ($0.2b) from 30 June 2025. The increase was primarily driven by an increased deployment into absolute return funds.

31 Dec 2025 ($m)	Domestic	Offshore	Total
Absolute return funds	54	2,812	**2,866**
General insurance	—	718	**718**
Life insurance	—	3	**3**
Total alternatives	**54**	**3,533**	**3,587**

30 June 2025 ($m)	Domestic	Offshore	Total
Absolute return funds	25	2,550	**2,575**
General insurance	—	725	**725**
Life insurance	—	80	**80**
Total alternatives	**25**	**3,355**	**3,380**

Alternatives portfolio overview

31 December 2025		$m	% portfolio	
Absolute Return	Global macro funds	1,543	43%	Predominantly externally managed funds which deploy systematic or discretionary strategies that seek exposure to multiple factors such as trend, mean-reversion, value, carry, macroeconomic relationships, statistical relationship and market flows. These funds may also have a minority allocation to equity long/short or market neutral strategies.
	Equity market neutral funds	1,323	37%	Externally managed funds that invest in equity market neutral or equity long/short strategies. Systematic equity market neutral strategies quantitatively screen stocks to take exposure to risk premia and the behavioural biases of market participants through long and short positions in a large number of stocks. Equity long/short strategies are more concentrated and have a net equity exposure that can vary within tight bands, whereas equity market neutral strategies target zero net equity exposure.
General Insurance	Catastrophe bonds	714	20 %	Externally managed funds that predominantly take exposure to residual property and casualty insurance risks.
	Insurance sidecars	4	—	Externally managed Special Purpose Vehicles that predominantly take exposure to first-loss property and casualty insurance risks.
Life Insurance	Life settlements	3	—	Beneficial interests in portfolios of life insurance policies over individual lives in the US.
Total		**3,587**	**100%**	

Property portfolio overview

For over 20 years, Life has invested in commercial property that generates reliable cash flows to meet future annuity obligations. Life's property portfolio principally comprises directly held properties and is diversified across office, retail and industrial properties.

Life's property portfolio was $2.7b (net of debt) at 31 December 2025 and decreased by 3% from 30 June 2025, reflecting the disposal of two Australian industrial property assets for ~$57m and two Japanese retail assets for ~$65m[1] all at around carrying value. This was partially offset by revaluation gains in Australian retail and industrial properties.

The property allocation represented 10% of Life's total investment portfolio at 31 December 2025, down 1% from 30 June 2025.

Life's property portfolio is mainly focused on domestic properties providing long-term income streams. Australian properties accounted for 82% of the property portfolio.

Challenger Life has a policy that all directly owned properties are independently valued each year, with approximately 50% valued in June and 50% valued in December. Internal valuations are undertaken for properties not independently valued each June and December. An independent valuation is subsequently undertaken if the internal valuation shows a material variance to the most recent independent valuation.

In 1H26, independent valuations were obtained for 62% of the direct property portfolio.

For 1H26, the movement in the carrying value of properties was as follows:

- Australian office -0.1%;
- Australian retail +4.1%;
- Australian industrial +10.7%; and
- Japanese portfolio -8.2% (mainly driven by the appreciation of the Australian dollar; Japanese portfolio increased +1.3% in the local currency in 1H26).

Australian office accounts for 51% of the portfolio, with the Federal and State governments being major tenants, accounting for 51% of 1H26 gross office rental income[2].

Australian direct retail assets account for 22% of the direct portfolio and comprise six grocery-anchored convenience-based shopping centres. Over half of the rental income is derived from major supermarket chains, major Australian banks or essential services.

The weighted average capitalisation rate on Life's Australian direct portfolio was 6.80% at 31 December 2025, down 7 bps from 30 June 2025.

Property includes a net $337m exposure to Japanese property (13% of the portfolio), consisting primarily of suburban shopping centres focused on non-discretionary retailing. Around half of the Japanese rental income is derived from supermarkets or pharmacies.

The property portfolio generates long-term cash flows to match long-term liabilities, with a weighted average lease expiry of 5.9 years and 63% of leasing area having contracted leases expiring in FY30 and beyond. The portfolio had an occupancy rate of 90% at 31 December 2025, unchanged from 30 June 2025.

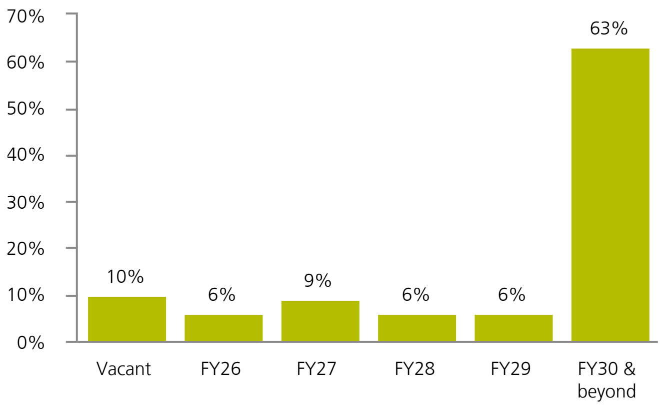
Approximately 72% of contracted leases have either annual fixed increases or inbuilt increases based on inflation or market outcomes (e.g. CPI).

Full details of Life's property portfolio are listed on pages 43 to 45.

Property portfolio summary

% of total portfolio	1H26	FY25
Australian office	51%	50%
Australian retail	22%	21%
Australian industrial	9%	10%
Australian direct total	**82%**	**81%**
Japanese retail	13%	15%
Other[3]	5%	4%
Total	**100%**	**100%**

Portfolio lease expiry overview[4]



[1] JPY FX rate as at date of sale.
[2] Represents total gross passing Government income relative to direct office portfolio.
[3] Includes indirect property holdings and real estate funds in Australia (2%) and offshore (3%).
[4] Direct property portfolio and jointly held assets only.

Direct property portfolio overview[1]

31 December 2025		Office	Retail	Industrial	Total
Total rent (%)[2]		59%	36%	5%	100%
WALE[3] (years)		5.7	6.2	5.3	5.9
Tenant credit ratings					
	AAA	22%	—	—	22%
	AA	9%	—	2%	11%
	A	2%	3%	—	5%
	BBB	2%	7%	—	9%
	BB	11%	16%	1%	28%
	B or below	4%	4%	2%	10%
	Not rated	—	5%	—	5%
	Vacant	9%	1%	—	10%
	Total	**59%**	**36%**	**5%**	**100%**
% of total gross net	Investment grade	35%	10%	2%	47%
	Non-investment grade	15%	25%	3%	43%
	Vacant	9%	1%	—	10%

1 Direct property portfolio assets only (Australia and Japan).
2 Excludes vacant floors/suites available for lease.
3 Weighted Average Lease Expiry (WALE) assumes tenants do not terminate leases prior to expiry of specified lease term.

Direct property investments

31 December 2025		Acquisition date[1]	Total cost ($m)[2]	Carrying value ($m)	Cap rate 1H26 (%)[3]	Last external valuation date
Australia						
Office						
	6 Chan Street (formerly DIBP Building), ACT	01 Dec 01	129.0	218.0	7.25	31 Dec 25
	14 Childers Street, ACT	01 Dec 17	106.5	69.0	8.38	31 Dec 25
	35 Clarence Street, NSW	15 Jan 15	165.0	196.0	6.75	31 Dec 25
	45 Benjamin Way (formerly ABS Building), ACT	01 Jan 00	157.6	191.0	7.38	30 Jun 25
	82 Northbourne Avenue, ACT	01 Jun 17	71.7	30.5	7.75	31 Dec 25
	215 Adelaide Street, QLD	31 Jul 15	281.2	206.0	8.00	31 Dec 25
	565 Bourke Street, VIC	28 Jan 15	119.6	107.0	7.25	30 Jun 25
	839 Collins Street, VIC	22 Dec 16	212.7	161.5	7.25	30 Jun 25
	Discovery House, ACT	28 Apr 98	106.5	130.0	7.38	30 Jun 25
	Executive Building, TAS	30 Mar 01	37.2	46.5	7.25	30 Jun 25
Retail						
	Gateway, NT	01 Jul 15	130.6	118.5	7.00	30 Jun 25
	Golden Grove, SA	31 Jul 14	164.3	159.0	6.38	31 Dec 25
	Helicon Drive, SA	05 Oct 22	10.8	9.2	6.00	31 Dec 25
	Kings Langley, NSW	29 Jul 01	17.3	32.3	5.38	31 Dec 25
	Lennox, NSW	27 Jul 13	71.6	81.5	5.88	31 Dec 25
	North Rocks, NSW	18 Sep 15	193.4	194.0	6.00	31 Dec 25
Industrial						
	Cosgrave Industrial Park, Enfield, NSW	31 Dec 08	95.0	227.0	4.75	31 Dec 25
Total Australia			**2,070.1**	**2,177.0**	**6.80**	

1 Acquisition date represents the date of CLC's initial acquisition or consolidation of the investment vehicle holding the asset.
2 Total cost represents the original acquisition cost plus additions less partial disposals since acquisition date.
3 The capitalisation rate is the rate at which net market income is capitalised to determine the value of the property. The rate is determined with regard to market evidence.

Direct property investments (continued)

31 December 2025		Acquisition date[1]	Total cost ($m)[2]	Carrying value ($m)	Cap rate 1H26 (%)[3]	Last external valuation date
Japan						
Retail						
	Aeon Kushiro	31 Jan 10	30.5	28.8	5.30	30 Jun 25
	Carino Chitosedai	31 Jan 10	119.2	105.2	4.30	30 Jun 25
	Carino Tokiwadai	31 Jan 10	78.8	61.6	4.40	31 Dec 25
	DeoDeo Kure	31 Jan 10	32.7	25.9	5.40	31 Dec 25
	Fitta Natalie Hatsukaichi	28 Aug 15	12.2	11.0	5.80	30 Jun 25
	Izumiya Hakubaicho	31 Jan 10	70.3	63.8	4.90	31 Dec 25
	Kansai Super Saigo	31 Jan 10	13.3	11.3	5.10	30 Jun 25
	Kojima Nishiarai	31 Jan 10	12.2	12.3	3.80[4]	30 Jun 25
	Kotesashi Towers	28 Nov 19	25.7	17.9	4.96	30 Jun 25
	Life Higashi Nakano	31 Jan 10	33.3	30.4	4.00	31 Dec 25
	MaxValu Tarumi	28 Aug 15	17.3	15.2	5.40	31 Dec 25
	Seiyu Miyagino	31 Jan 10	9.8	8.3	5.00	31 Dec 25
	TR Mall Ryugasaki	30 Mar 18	87.7	75.5	5.40	30 Jun 25
	Valor Takinomizu	31 Jan 10	28.2	21.2	5.70	30 Jun 25
	Valor Toda	31 Jan 10	43.7	39.4	5.00	31 Dec 25
	Yaoko Sakado Chiyoda	31 Jan 10	19.9	16.9	4.50	31 Dec 25
	Yorktown Toride	05 Mar 20	32.2	20.9	5.10	31 Dec 25
Industrial						
	Aeon Matsusaka XD	26 Sep 19	15.1	11.3	5.10	31 Dec 25
Total Japan			**682.1**	**576.9**	**4.87**	
Total investment properties held for sale			**—**	**—**	**n/a**	
Total direct portfolio investments			**2,752.2**	**2,753.9**	**6.40**	

1 Acquisition date represents the date of CLC's initial acquisition or consolidation of the investment vehicle holding the asset.
2 Total cost represents the original acquisition cost plus additions less partial disposals since acquisition date.
3 The capitalisation rate is the rate at which net market income is capitalised to determine the value of the property. The rate is determined with regard to market evidence.
4 Based on the discount rate. Weighted average capitalisation rate on the Japan portfolio excludes Nishiarai due to difference in valuation methodology.

Equity and infrastructure portfolio overview

Life's equity and infrastructure portfolio was $0.7b at 31 December 2025 and increased by 11% ($0.1b) from 30 June 2025.

The increase in equities and infrastructure in 1H26 primarily reflects private equity investments.

Since FY20, Life's investment portfolio has been repositioned, which has seen the equities and infrastructure portfolio reduce from $1.2b at 30 June 2020.

Equity and infrastructure represented 2% of Life's total investment assets at 31 December 2025, unchanged from 30 June 2025.

Challenger's equity investments primarily comprise private equity investments and beta investments. The total returns on beta investments are expected to be broadly correlated to the MSCI Daily Total Return Net World Index (Bloomberg NDDLWI).

Challenger seeks infrastructure assets that generate reliable and consistent cash flows, which are preferably inflation linked, giving rise to sustainable income growth over time.

The infrastructure portfolio is held entirely in unlisted investments, predominantly utility and renewable energy assets. Australian infrastructure accounted for ~60% of infrastructure investments with the remainder diversified across geographic regions and sectors.

Equity and infrastructure portfolio

31 December 2025 ($m)	Domestic	Offshore	Total
Equity beta	98	53	**151**
Private equity	—	429	**429**
Infrastructure	53	38	**91**
Total equity & infrastructure	**151**	**520**	**671**

30 June 2025 ($m)	Domestic	Offshore	Total
Equity beta	94	40	**134**
Private equity	—	367	**367**
Infrastructure	61	41	**102**
Total equity & infrastructure	**155**	**448**	**603**

Challenger Life Company Limited (CLC) debt facilities

$m	1H26	FY25	1H25	FY24	1H24	FY23	1H23
Repurchase agreements	6,020.0	6,494.1	5,777.8	5,323.3	5,226.0	4,069.7	3,716.7
Controlled property debt	223.9	279.9	276.8	250.8	280.9	281.9	347.8
Subordinated debt[1]	411.8	416.8	418.5	418.0	419.1	403.0	399.3
Challenger Capital Notes	735.0	735.0	735.0	735.0	735.0	735.0	845.0
Infrastructure debt	139.8	145.5	150.8	155.8	160.3	164.4	168.4
Other finance	—	—	—	—	0.7	0.7	0.7
Total CLC debt facilities	**7,530.5**	**8,071.3**	**7,358.9**	**6,882.9**	**6,822.0**	**5,654.7**	**5,477.9**

Life debt facilities

Life debt facilities include debt which is non-recourse to the broader Challenger Group and secured against assets held in Challenger Life investment vehicles, including direct property and infrastructure investments.

Life debt facilities at 31 December 2025 were $7.5b and decreased by $0.5b on 30 June 2025, predominantly due to a decrease in repurchase agreements used to support hedging of interest rate movements.

Repurchase agreements

Repurchase agreements at 31 December 2025 were $6.0b, down $0.5b from $6.5b at 30 June 2025.

Life enters into repurchase agreements whereby fixed income securities are sold for cash while simultaneously agreeing to repurchase the fixed income security at a fixed price and fixed date in the future. The use of repurchase agreements is part of Challenger's strategy to hedge interest rate movements.

Life uses Australian Government and Semi-Government Bonds with repurchase agreements, interest rate swaps and bond futures to hedge movements in interest rates and inflation on its asset portfolio, annuity policy liabilities, Index Plus liabilities and subordinated debt.

Derivatives such as interest rate swaps and bond futures are self-financing, whereas the use of bonds requires repurchase agreement financing.

Subordinated debt

In September 2022, CLC issued $400m of fixed-to-floating rate, unlisted, unsecured subordinated notes, paying a semi-annual fixed rate of 7.186% per annum for the first 5 years, before reverting to paying floating rate interest at a margin of 3.55% per annum above the 3-month Bank Bill Swap rate. The subordinated notes fully qualify as Tier 2 regulatory capital under APRA's Prudential Standards and have a term of 15 years, with a maturity date in September 2037. The subordinated notes include an option for CLC to redeem the subordinated notes in September 2027 subject to APRA's prior written approval (which may or may not be given).

Capital Notes

Over the past 11 years, Challenger has issued four separate tranches of subordinated, unsecured convertible notes (Challenger Capital Notes, Challenger Capital Notes 2, Challenger Capital Notes 3 and Challenger Capital Notes 4), with proceeds used to fund qualifying CLC Additional Tier 1 regulatory capital. Challenger Capital Notes and Challenger Capital Notes 2 no longer remain outstanding and have been fully redeemed and/or converted to Challenger ordinary shares.

For Challenger Capital Notes 3 and Challenger Capital Notes 4, Challenger may choose to redeem or resell (rather than convert) all or some of the capital notes for their face value at a future date, subject to APRA's prior written approval (which may or may not be given).

Challenger Capital Notes 3 (ASX code: CGFPC)

In November 2020, Challenger issued Challenger Capital Notes 3 to the value of $385m. Challenger Capital Notes 3 pay a margin of 4.60% above the 3-month Bank Bill Swap rate, with the total distribution reduced by available franking credits.

Challenger Capital Notes 3 are convertible to Challenger ordinary shares at any time before 25 May 2028 on the occurrence of certain events, and mandatorily convert to Challenger ordinary shares thereafter, in both cases subject to meeting certain conditions.

Challenger may choose to redeem or resell (rather than convert) Challenger Capital Notes 3 on the occurrence of some of the events referred to above, including on the Optional Exchange Date of 25 May 2026 (subject to certain conditions being met, including prior written approval from APRA, which may or may not be given). If Challenger exercises its option to redeem or resell, there will be no conversion of Challenger Capital Notes 3 to Challenger ordinary shares and no subsequent shareholder dilution.

Challenger Capital Notes 4 (ASX code: CGFPD)

On 5 April 2023, Challenger issued Challenger Capital Notes 4 to the value of $350m. Challenger Capital Notes 4 pay a margin of 3.60% above the 3-month Bank Bill Swap rate, with the total distribution reduced by available franking credits.

Challenger Capital Notes 4 are convertible to Challenger ordinary shares at any time before 25 February 2032 on the occurrence of certain events, and mandatorily convert to Challenger ordinary shares thereafter, in both cases subject to meeting certain conditions.

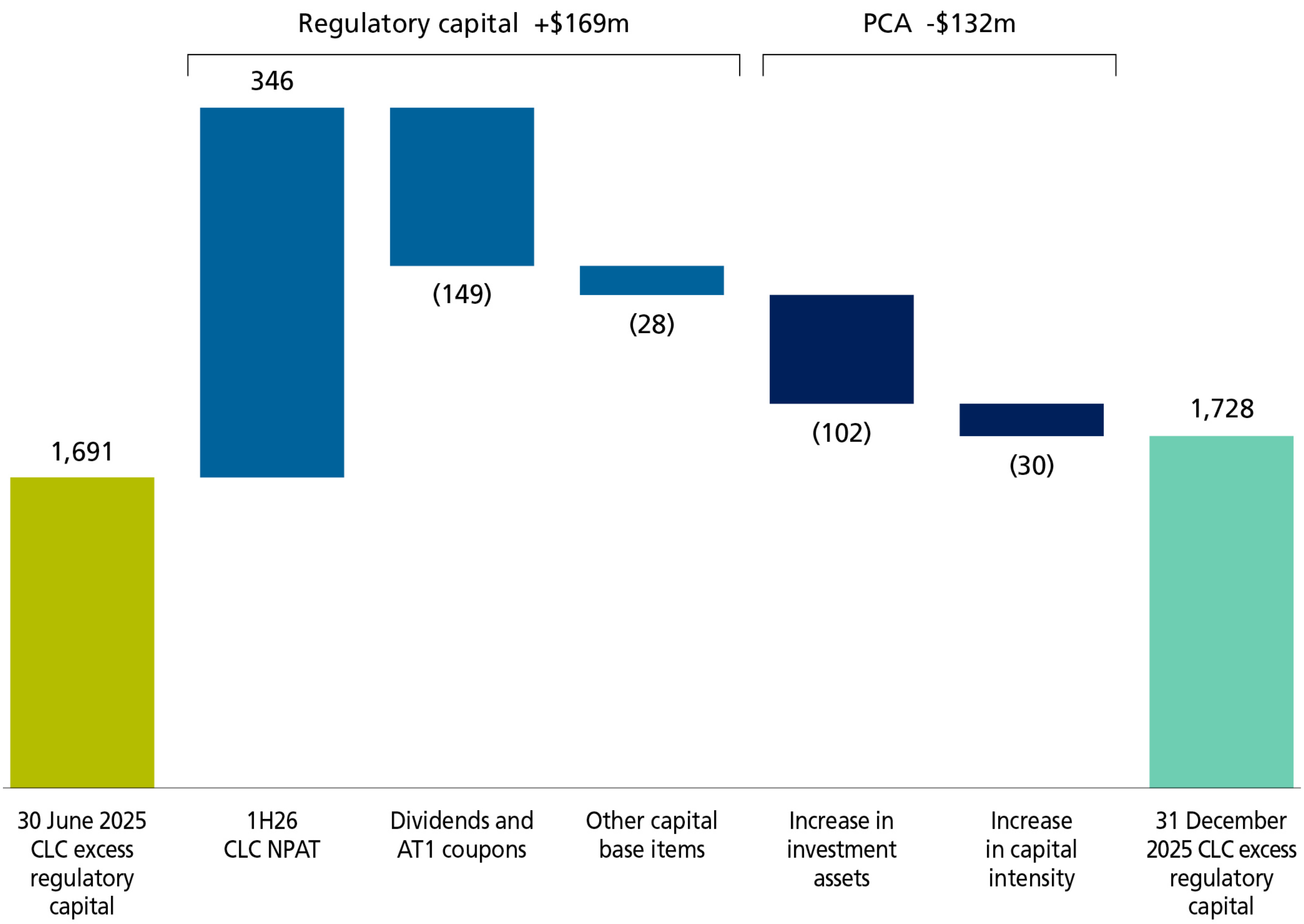
Challenger may choose to redeem or resell (rather than convert) Challenger Capital Notes 4 on the occurrence of some of the events referred to above, including on any Optional Exchange Date on or about 25 May 2029, 25 August 2029, 25 November 2029 and 25 February 2030 (subject to certain conditions being met, including prior written approval from APRA, which may or may not be given). If Challenger exercises its option to redeem or resell, there will be no conversion of Challenger Capital Notes 4 to Challenger ordinary shares and no subsequent shareholder dilution.

Challenger Life Company Limited (CLC) regulatory capital

$m	1H26	FY25	1H25	FY24	1H24	FY23	1H23
CLC regulatory capital							
Common Equity Tier 1 (CET1) regulatory capital	3,530.2	3,356.4	3,310.4	3,297.4	3,141.0	3,110.5	2,947.9
Additional Tier 1 regulatory capital	735.0	735.0	735.0	735.0	735.0	735.0	845.0
Tier 2 regulatory capital – subordinated debt[1]	420.2	425.0	427.0	426.3	427.5	411.3	407.8
CLC total regulatory capital base	**4,685.4**	**4,516.4**	**4,472.4**	**4,458.7**	**4,303.5**	**4,256.8**	**4,200.7**
CLC Prescribed Capital Amount (PCA)							
Asset risk charge	2,287.2	2,208.0	2,158.9	1,964.9	1,966.9	1,804.7	1,774.8
Combined stress	528.0	480.3	474.9	589.9	770.8	777.3	766.9
Insurance risk charge	188.3	187.8	200.0	136.1	174.6	125.0	127.6
Operational risk charge	97.5	91.2	94.0	87.3	81.9	70.7	65.4
Aggregation benefit	(143.1)	(142.3)	(150.9)	(104.2)	(132.0)	(95.8)	(97.6)
CLC PCA	**2,957.9**	**2,825.0**	**2,776.9**	**2,674.0**	**2,862.2**	**2,681.9**	**2,637.1**
CLC excess over PCA	**1,727.5**	**1,691.4**	**1,695.5**	**1,784.7**	**1,441.3**	**1,574.9**	**1,563.6**
PCA ratio (times)[2]	1.58	1.60	1.61	1.67	1.50	1.59	1.59
Tier 1 ratio (times)	1.44	1.45	1.46	1.51	1.35	1.43	1.44
CET1 capital ratio (times)	1.19	1.19	1.19	1.23	1.10	1.16	1.12
Capital intensity ratio (%)[3]	11.2%	11.1%	11.3%	10.8%	11.9%	11.4%	11.4%

1 1H26 Tier 2 regulatory capital – subordinated debt ($420.2 million) differs to the Group balance sheet ($411.8 million) due to accrued interest.
2 The impact of applying AASB 17 is reflected in the CLC PCA ratio from 1H24 and FY24. Periods prior to 1H24 have not been restated for the impact of AASB 17.
3 Capital intensity ratio is calculated as CLC PCA divided by Life closing investment assets.

Movement in CLC excess regulatory capital ($m)



Challenger Life Company Limited (CLC) regulatory capital

Capital management

CLC holds capital in order to ensure that under a range of adverse scenarios, it can continue to meet its regulatory requirements and contractual obligations to its customers. CLC is regulated by APRA and is required to hold a minimum level of regulatory capital. CLC's regulatory capital base and PCA (equivalent to its regulatory capital requirement) have been calculated based on the Prudential Standards issued by APRA.

CLC's regulatory capital base

CLC's regulatory capital base at 31 December 2025 was $4.7b and increased by $169m in 1H26. The increase reflects CLC's statutory profit after tax for the half year (+$346m), partially offset by dividend and coupon payments on Additional Tier 1 instruments (-$149m) and other capital items (-$28m) that primarily relates to the impact of AASB 17 on the valuation of policy liabilities. In 1H26, the depreciation of the British pound relative to the Australian dollar and the lower yield in the UK Gilt curve led to a decrease in policy liabilities for the Life Risk business and an accounting gain, which is subsequently reversed in the calculation of the capital base.

CLC's Prescribed Capital Amount (PCA)

CLC's PCA at 31 December 2025 was $3.0b and increased by $132m in 1H26, reflecting growth in investment assets (+$102m) and an increase in capital intensity (+$30m) (refer below).

Increase in capital intensity

CLC's capital intensity ratio, which is calculated as CLC's PCA divided by Life's closing investment assets, increased from 11.1% at 30 June 2025 to 11.2% at 31 December 2025.

The increase in capital intensity was driven by a change in investment mix towards assets that carry a higher asset risk charge, including alternatives and high yield fixed income, which in combination with the increase in deferred tax assets, increased the PCA requirement by $73m.

This was partially offset by an appreciation of the Australian dollar predominantly against the US dollar that decreased exposures to US-denominated assets, which carry a higher asset risk charge and reduced the PCA by $43m.

CLC's excess capital position

CLC's excess capital above PCA at 31 December 2025 was $1.7b and increased by $36m in 1H26. CLC's capital ratios at 31 December 2025 were as follows:

- PCA ratio 1.58 times – down 0.02 times from 1.60 times at 30 June 2025;
- Total Tier 1 capital ratio 1.44 times – down 0.01 times from 1.45 times at 30 June 2025; and
- Common Equity Tier 1 (CET1) capital ratio 1.19 times – unchanged from 30 June 2025.

APRA's Prudential Standards require the capital base to be at least the PCA, Total Tier 1 capital to be at least 80% of the PCA and CET1 capital to be at least 60% of the PCA. Challenger's PCA ratio (1.58 times), Total Tier 1 capital ratio (1.44 times) and CET1 capital ratio (1.19 times) are well in excess of APRA's minimum requirements.

Target surplus level of excess capital

CLC maintains a target level of capital representing APRA's PCA plus a target surplus. The target surplus is a level of excess capital CLC seeks to carry over and above APRA's minimum requirement to ensure it provides a buffer for adverse market, insurance or operational risk experience.

CLC uses internal capital models to determine its target surplus, which are risk based and responsive to changes in CLC's operating environment. CLC does not target a specific PCA ratio. CLC's target PCA ratio range is a reflection of internal capital models, not an input to them, and reflects asset allocation, business mix, composition of capital base and economic circumstances. The target surplus produced by these internal capital models for 1H26 corresponded to a PCA ratio of between 1.3 times and 1.7 times. This range may change over time.

In assessing CLC's capital targets, the internal capital models consider various constraints, including statutory capital minimums set by APRA, a measure of economic capital, and ratings agency capital. As noted above, there are three levels at which APRA statutory capital minimums are assessed: total capital base (which is assessed by the PCA ratio), Tier 1 capital and CET1 minimum requirements. Based on risk appetite relative to each of the five measures (the three statutory capital measures, economic capital and ratings agency capital), CLC determines its target capital position.

The metric that generates the worst outcome relative to target forms CLC's constraining target. Given CLC's current mix of capital at 31 December 2025, CLC's constraining target was CET1. The target surplus produced by the internal capital models for 1H26 corresponded to a CET1 ratio of between 0.8 times and 1.2 times. This ratio may change over time.

Additional Tier 1 regulatory capital and subordinated debt

Challenger Limited has on issue two separate subordinated, unsecured convertible notes (Challenger Capital Notes 3 and Challenger Capital Notes 4), with proceeds used to fund qualifying Additional Tier 1 regulatory capital for CLC. CLC has on issue one series of Tier 2 notes, issued in September 2022, with a face value of $400m, which fully qualify as Tier 2 regulatory capital under APRA's Prudential Standards. Further details on Challenger's convertible debt instruments are included on page 47.

APRA proposed capital settings for longevity products

In October 2025, APRA announced its proposed enhancements to the capital framework for annuities and other products and accompanying draft Prudential Standards. The changes represent a significant improvement to Australia's current prudential framework, which will reduce cyclical risks to life insurers' capital position during market downturns and lower the levels of required capital, provided certain risk controls are in place. Finalisation of the prudential standards is expected to occur in first half of the 2026 calendar year. Refer to page 33 for more information.

Profit and equity sensitivities

$m	Change in variable	Profit/(loss) after tax 1H26	Profit/(loss) after tax FY25
Credit risk			
Fixed income assets (change in credit spreads)[1]	+/- 50 bps	-/+ 155.1	-/+ 146.0
Policy liabilities (change in illiquidity premium from change in credit spreads)	+/- 50 bps	+/- 70.9	+/- 69.2
Alternatives risk			
Alternatives investments	+/- 10%	+/- 251.1	+/- 236.6
Property risk			
Direct and indirect properties	+/- 1%	+/- 20.2	+/- 21.1
Equity and infrastructure risk			
Equity and infrastructure investments	+/- 10%	+/- 47.0	+/- 42.2
Life Insurance risk			
Mortality, morbidity and longevity[2]			
Retail and institutional lifetime annuities	+/- 50%	-/+ 35.2	-/+ 33.1
Life Risk[3]	+/- 50%	+/- 93.5	+/- 101.1
Total Life insurance contract liabilities	+/- 50%	+/- 58.3	+/- 68.0
Interest rate risk			
Retail and institutional annuities and asset portfolio	+/- 100 bps	-/+ 6.5	-/+ 8.3
Life Risk[3,4]	+/- 100 bps	-/+ 81.9	-/+ 85.5
Total change in interest rates	+/- 100 bps	-/+ 88.4	-/+ 93.8
Foreign exchange risk			
Asset portfolio	+/- 10%	+/- 1.4	+/- 1.5
Life Risk[3]	+/- 10%	-/+ 35.6	-/+ 39.4
Total British pound exposure	+/- 10%	-/+ 34.2	-/+ 37.9
US dollar	+/- 10%	+/- 19.1	+/- 20.3
Euro	+/- 10%	+/- 2.8	+/- 2.1
Japanese yen	+/- 10%	+/- 2.9	+/- 2.9
NZ dollar (NZD)	+/- 10%	+/- 1.6	+/- 1.2

1 Credit risk sensitivities excludes Australian Government Bonds, Australian Semi-Government Bonds and exposures with an Australian Government guarantee.
2 Mortality, morbidity and longevity life insurance contract liabilities sensitivity is net of any reinsurance with third parties and measures the impact of an increase in the rate of mortality improvement.
3 Sensitivity on Life Risk reflects the application of accounting standard AASB 17, which came into effect 1 July 2023.
4 Policy liability for Life Risk business is sensitive to changes in the UK Gilt curve.

Profit and equity sensitivities set out the expected impact from changes in a range of economic and investment market variables on Challenger's statutory earnings and balance sheet. These sensitivities represent the after-tax impact on statutory profit, assuming a tax rate of 30%.

The sensitivities are not forward looking and make no allowance for events occurring after 31 December 2025. If using these sensitivities as forward looking, allowances for changes post-31 December 2025, such as sales, asset growth changes in asset allocation and changes in market conditions, should be made.

These sensitivities assess changes in economic, insurance and investment markets on the valuation of assets and liabilities, which, in turn, impact earnings.

The earnings impact is included in asset and liability experience and does not take into consideration the impact of any under- or over-performance of normalised growth assumptions for each asset category (refer to page 60 for normalised growth assumptions). These sensitivities do not include the indirect impact on fees for the Funds Management business. Refer to the risk management framework discussion below for additional detail on how to apply the profit and equity sensitivities.

Risk management framework

Challenger's Board, in conjunction with senior management and all staff members, is responsible for the management of risks associated with the business and implementing structures and policies to adequately monitor and manage these risks.

The Board has established the Group Risk Committee (GRC) and Group Audit Committee (GAC) to assist in discharging its risk management responsibilities. In particular, these committees assist the Board in setting the appropriate risk appetite and for ensuring Challenger has an effective risk management framework that is able to manage, monitor and control the various risks to which the business is exposed.

The Executive Risk Management Committee (ERMC) is an executive committee chaired by the Chief Risk Officer (CRO), which assists the GRC, GAC and Board in discharging their risk management obligations by implementing the Board-approved risk management framework.

On a day-to-day basis, the Risk division, which is separate from the operating segments of the business, has responsibility for monitoring the implementation of the risk framework, including the monitoring, reporting and analysis of the various risks faced by the business, and providing effective challenge to activities and decisions that may materially affect Challenger's risk profile.

Challenger has a robust risk management framework which supports its operating segments, and its risk appetite distinguishes risks from which Challenger will seek to make an economic return from those that it seeks to minimise and that it does not consider will provide a return. The management of these risks is fundamental to Challenger's business, customers and to building long-term shareholder value. Challenger is also prudentially supervised by APRA, which issues certain Prudential Standards that must be met by Challenger, its life insurance subsidiary Challenger Life Company Limited (CLC) and its registrable superannuation entity licensee, Challenger Retirement and Investment Services Limited (CRISL).

CLC is required under APRA Prudential Standards to maintain capital buffers in order to ensure that under a range of adverse scenarios it can continue to meet not only its contractual obligations to customers but also its regulatory capital requirements.

Challenger is exposed to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk, equity risk and credit spread risk), credit default risk, life insurance risk, liquidity risk and operational risk (including cyber risk).

The management of these risks is fundamental to Challenger's business and building shareholder value.

Risk appetite

Challenger's risk appetite statement provides that, subject to acceptable economic returns and limits, it can retain exposure to credit risk, property risk, equity and infrastructure risk, other active trading strategy risk and life insurance risk.

Accept exposure[1]	Minimise exposure
• Credit risk	• Asset and liability mismatch risk
• Property risk	• Foreign exchange risk[2]
• Equity and infrastructure risk	• Interest rate risk
• Alternatives risk	• Inflation risk
• Life insurance risk	• Liquidity risk
• Other active trading strategy risk	• Regulatory and compliance risk
	• Operational risk

Asset and liability mismatch risk

Challenger's asset allocation strategy is based on running a cash flow-matched portfolio of assets and liabilities and minimising the risk of cash flow mismatch. Annuity cash payments are generally met from contracted investment cash flows together with assets held in Challenger's liquidity pool, which is continually rebalanced through time.

Credit risk

Credit risk is the risk of loss due to a counterparty failing to discharge its contractual obligations when they fall due, a change in credit rating, movements in credit spreads or movements in the basis between different valuation discount curves.

Challenger's approach to credit management utilises a credit risk framework to ensure that the following principles are adhered to:

- credit risk management team separation from asset originators;
- recognition of the different risks in the various businesses;
- credit exposures being systematically controlled and monitored;
- credit exposures being regularly reviewed in accordance with existing credit procedures; and
- ensuring credit exposure measures include the impact from derivative transactions.

Challenger makes use of external ratings agencies (S&P, Fitch, Moody's) to determine credit ratings.

Where a counterparty or debt obligation is rated by multiple external ratings agencies, Challenger will use S&P's ratings where available.

All credit exposures with an external rating are also reviewed internally and cross-referenced to the external rating, if applicable.

Where external credit ratings are not available, internal credit ratings are assigned by appropriately qualified and experienced credit personnel who operate separately from the asset originators.

[1] Subject to appropriate returns.
[2] It is Challenger's policy to seek to minimise the impact of movements in foreign exchange rates on balance sheet items contributing to CLC's regulatory capital base, with the exception of exposures arising from currency overlay positions.

Credit spread risk sensitivity

Challenger is exposed to price movements resulting from credit spread fluctuations through its fixed income securities (net of subordinated debt) and the fair value of annuity and other liabilities.

As at 31 December 2025, a 50 bps increase/decrease in credit spreads would have resulted in an unrealised loss/gain of $155m (after tax) on fixed income investments (net of debt).

In accordance with Prudential Standards and Australian Accounting Standards, Challenger Life values term annuities and lifetime annuities using a discount rate, which is based on the Australian Government Bond curve plus an illiquidity premium. Movements in fixed income credit spreads impact the illiquidity premium.

As at 31 December 2025, a 50 bps increase/decrease in credit spreads would have resulted in an unrealised gain/loss of $71m (after tax) on the value of annuity liabilities.

Alternatives risk

Alternatives risk is the potential impact of movements in the market value of alternative investments. Alternative investments include exposure to equity markets and futures markets, including rates, currencies and commodities, through absolute return strategies and insurance-related investments, with both expected to have a low correlation to credit and equity markets.

Challenger holds alternative investments as part of its investment portfolio in order to provide diversification across the investment portfolio and as a source of liquid capital.

Alternatives risk sensitivity

The alternatives risk sensitivity on page 50 shows a 10% market move in the alternatives portfolio at 31 December 2025 would have an impact of $251m (after tax) in the valuation of alternative investments.

Property risk

Property risk is the risk of loss from movements in the market value of property investments and includes leasing and tenant default risk, which may impact the cash flows from these investments.

Property risk sensitivity

Challenger is exposed to movements in the market value of property investments, through both directly and indirectly held investment properties.

The property sensitivities included on page 50 show the impact of a change in property valuations at 31 December 2025 and are based on Life's gross property investments of $2.9b (net investments of $2.7b plus debt of $0.2b).

A 1% move in the direct and indirect property portfolio at 31 December 2025 would result in a $20m (after-tax) movement in property valuations.

Equity and infrastructure risk

Challenger is exposed to movements in the market value of listed equity investments, unlisted equity investments and infrastructure investments. Challenger holds equities and infrastructure as part of its investment portfolio in order to provide diversification across the investment portfolio.

Equity and infrastructure risk sensitivity

The equity and infrastructure risk sensitivities included on page 50 show a 10% move in the equity portfolio at 31 December 2025 would have resulted in a $47m (after-tax) movement in the valuation of equity investments.

Liquidity risk

Liquidity risk is the risk that Challenger will encounter difficulty in raising funds to meet cash commitments associated with financial instruments and contracted payment obligations to customers. This may result from either the inability to sell financial assets at fair value, a counterparty failing to repay contractual obligations or the inability to generate cash inflows as anticipated.

Challenger's Liquidity Management Policy aims to ensure that it has sufficient liquidity to meet its obligations on a short, medium and long-term basis. In setting the level of liquidity, Challenger considers new business activities in addition to current contracted obligations.

In determining the required levels of liquidity, Challenger considers:

- minimum cash requirements;
- collateral and margin call buffers;
- Australian Financial Services Licence requirements;
- cash flow forecasts;
- other liquidity risks; and
- contingency plans.

Required cash outflows are met from contracted investment cash flows together with assets in Challenger's liquidity pool. Cash flows are well matched and the liquidity profile continues to be rebalanced through time.

Life insurance risk

Lifetime annuities provide guaranteed payments to customers for life. Through selling lifetime annuities and assuming wholesale reinsurance agreements, CLC takes longevity risk, which is the risk customers live longer, in aggregate, than expected. This is in contrast to mortality risk, which is the risk that people die earlier than expected. CLC is exposed to mortality risks on its wholesale mortality reinsurance business.

CLC is required under APRA's Prudential Standards to maintain regulatory capital in relation to life insurance risks. CLC regularly reviews the portfolio and the market for longevity experience to ensure longevity assumptions remain appropriate.

Mortality rates are based on industry standards, which are adjusted for CLC's own recent experience and include an allowance for future mortality improvements.

CLC assumes future mortality rates for individual lifetime annuities will improve by between 0.1% and 2.5% per annum, depending on different age cohorts and sex. This has the impact of increasing the life expectancy of a male aged 65 from 24 years (per the base mortality rates) to 25 years.

Mortality and longevity sensitivities

The mortality sensitivities on page 50 set out the expected impact of an improvement in mortality. This is in addition to the mortality improvements Challenger already assumes.

A 50% increase in the annual mortality improvement rates already assumed would improve the life expectancy of an Australian male aged 65 from 25 years to 26 years.

For retail annuities, increased mortality improvements cause an increase in policy liability, leading to a loss (after tax) of $35m.

However, for Life Risk wholesale reinsurance longevity transactions, there are two opposing effects which under AASB 17 are not equal in financial impact. The primary effect, in line with the impact on the retail annuity portfolio, is that higher mortality improvements increase the policy-related cash outflows, thereby increasing the present value of future cash flows (PVFCF) component of the policy liability. For the Life Risk business, which has a positive contractual service margin (CSM), this is offset (in a projected cash flow sense) by a reduction in CSM. However, AASB 17 requires that the PVFCF is measured at current discount rates whereas the CSM is measured at the rates on the date the business was written (locked-in rates). At 31 December 2025, current UK rates were on average higher than locked-in rates, so the impact of higher mortality improvements is a profit (after tax) of $94m.

In aggregate across the portfolio, despite increased mortality improvements being an economically negative impact, the application of AASB 17 (given UK interest rates as at 31 December 2025) means that the financial impact of this change is a reduction in policy liability valuation leading to a net positive $58m (after tax) impact.

Life Risk business

AASB 17 came into effect for Challenger on 1 July 2023, introducing a number of accounting mismatches that can create volatility in statutory profit. In particular, this impacts the Life Risk business where the liability includes the PVFCF, which is measured at current interest rates, and a CSM, which is measured at the interest rates on the date the business was written (locked-in rates).

This means that the policy liability for the Life Risk business is sensitive to changes in interest rates in the UK, the value of the British pound against the Australian dollar and UK mortality rate assumptions, which creates ongoing profit volatility.

The interest rate mismatch effect falls away under APRA capital standards, hence this volatility has no impact on CLC's capital position (other than second order impacts driven by tax).

Interest rate risk

Interest rate risk is the risk of fluctuations in Challenger's earnings arising from movements in market interest rates, including changes in the absolute levels of interest rates, the shape of the yield curve, the margin between the different yield curves and the volatility of interest rates.

The impact of movements in interest rates on Challenger's profit and loss and balance sheet is set out on page 50.

The sensitivities assume the change in variable occurs on 31 December 2025 and are based on assets and liabilities held at that date.

The economic impact of movements in interest rates is minimised through the use of interest rate swaps, Australian Government Bonds, Semi-Government Bonds and bond futures. As a result, Challenger's profit is not materially sensitive to changes in base interest rates for most products. However, as discussed above, AASB 17 introduces certain accounting mismatches, particularly in the Life Risk portfolio, and so the interest rate sensitivities show an exposure to changes in base rates.

The sensitivities do not include the impact of changes in interest rates on earnings from CLC's shareholder capital as investment earnings are earned over the period, whereas the sensitivities assume a change in interest rates occurred on 31 December 2025.

Foreign exchange risk

Foreign exchange risk is the risk of fluctuations in Challenger's earnings arising from movements in foreign exchange rates.

It is Challenger's policy to seek to minimise the impact of movements in foreign exchange rates on balance sheet items contributing to CLC's regulatory capital base, with the exception of exposures arising from currency overlay positions.

CLC has a currency overlay strategy covering a range of foreign currencies, which aims to improve portfolio resilience in times of stress by taking advantage of the Australian dollar's tendency to devalue during major risk-off events. Under the currency overlay strategy, CLC takes long positions in currencies that are expected to perform strongly in times of economic stress.

Currency exposure (outside the overlay strategies) arises primarily in relation to Life's investments in Europe (including the United Kingdom), Japan and the United States, and USD and JPY liabilities reinsured from MS Primary in Japan. As a result, currency risk arises primarily from fluctuations in the value of the Euro, British pound, Japanese yen and US dollar against the Australian dollar.

In order to manage foreign currency exchange rate risk, Challenger enters into foreign currency derivatives.

Foreign exchange risk sensitivity

The impact of movements in foreign currencies on Challenger's profit and loss and balance sheet is set out on page 50. As a result of foreign currency derivatives in place, Challenger's profit and loss is not materially sensitive to movements in foreign currency rates apart from exposures arising from currency overlay positions and the effects of translation of the unhedged Life Risk business.

Challenger invests with a range of third-party managers, for example absolute return fund managers. Some additional foreign exchange exposure can be embedded in those third-party managed portfolios.

Funds Management financial results

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Fidante							
Fidante income[1]	67.0	59.0	64.0	61.9	61.5	57.0	54.0
Performance fees	1.4	3.7	7.0	1.6	5.2	1.6	3.1
Net income	**68.4**	**62.7**	**71.0**	**63.5**	**66.7**	**58.6**	**57.1**
Challenger Investment Management (Challenger IM)							
Challenger IM income[2]	28.3	29.9	24.1	23.0	20.7	32.3	30.8
Total net fee income	**96.7**	**92.6**	**95.1**	**86.5**	**87.4**	**90.9**	**87.9**
Personnel expenses	(24.6)	(23.7)	(24.3)	(25.0)	(25.6)	(27.0)	(36.0)
Other expenses	(29.7)	(31.8)	(32.8)	(35.4)	(33.3)	(33.0)	(21.2)
Total expenses	**(54.3)**	**(55.5)**	**(57.1)**	**(60.4)**	**(58.9)**	**(60.0)**	**(57.2)**
Normalised net profit before tax	**42.4**	**37.1**	**38.0**	**26.1**	**28.5**	**30.9**	**30.7**
Normalised tax	(13.4)	(11.4)	(11.0)	(8.3)	(8.8)	(10.0)	(9.8)
Normalised net profit after tax	**29.0**	**25.7**	**27.0**	**17.8**	**19.7**	**20.9**	**20.9**
Asset experience after tax	(0.2)	(4.9)	(12.3)	(3.2)	(1.3)	—	—
Statutory net profit after tax	**28.8**	**20.8**	**14.7**	**14.6**	**18.4**	**20.9**	**20.9**
Performance analysis							
Fidante – income margin (bps)[3]	14.5	12.6	13.8	13.4	16.0	15.6	15.7
Challenger IM – income margin (bps)[3]	31.6	35.4	27.5	26.8	23.9	31.1	29.2
Funds Management (FM) – income margin (bps)[3]	17.2	15.9	15.7	15.5	17.4	19.0	18.7
FM – FUM-based income margin (bps)[4]	14.4	13.8	13.9	14.7	15.8	17.8	17.6
Cost to income ratio	56.2%	59.9%	60.0%	69.8%	67.4%	66.0%	65.1%
Net assets – average[5]	354.9	315.7	301.7	302.7	313.0	279.7	289.0
Normalised ROE (post-tax)	16.2%	16.4%	17.8%	11.8%	12.5%	15.1%	14.3%
Fidante[6]	98,026	95,542	103,859	100,081	90,879	78,075	72,390
Challenger IM[7]	18,166	17,259	17,164	17,327	16,715	20,392	20,985
Closing FUM – total	**116,192**	**112,801**	**121,023**	**117,408**	**107,594**	**98,467**	**93,375**
Fidante[6]	93,806	100,396	102,416	95,082	82,773	75,606	72,211
Challenger IM[7]	17,780	17,031	17,414	17,277	17,250	20,926	20,936
Average FUM – total[5]	**111,586**	**117,427**	**119,830**	**112,359**	**100,023**	**96,532**	**93,147**
FUM and net flows analysis							
Fidante[6]	1,475.8	(8,599.1)	(2,808.7)	3,915.0	9,491.9	2,045.9	(1,666.3)
Challenger IM[7]	1,147.0	96.4	(299.7)	562.3	(3,889.4)	(692.0)	(159.9)
Net flows	2,622.8	(8,502.7)	(3,108.4)	4,477.3	5,602.5	1,353.9	(1,826.2)
Distributions	(766.7)	(503.1)	(873.2)	(528.8)	(592.2)	(412.1)	(1,361.3)
Market-linked movement	1,534.9	784.2	7,596.3	5,865.4	4,116.6	4,150.2	3,114.5
Total FUM movement	**3,391.0**	**(8,221.6)**	**3,614.7**	**9,813.9**	**9,126.9**	**5,092.0**	**(73.0)**

1 Fidante income includes equity-accounted profits, distribution fees, administration fees, and transaction fees that include placement fees and dividend income.
2 Challenger Investment Management income includes asset-based management fees and other income. Other income includes leasing fees, asset acquisition and disposal fees, development and placement fees.
3 Income margin represents net income divided by average FUM.
4 FUM-based income margin represents FUM-based income (net income excluding performance, transaction and placement fees and dividend income) divided by average FUM.
5 Calculated on a monthly basis.
6 1H26 included $12.6bn FUM recognition for Fulcrum Asset Management and $2.9bn FUM derecognition following the completion of the distribution agreement with Ares. 2H25 included $0.8bn FUM derecognition following the sale of Fidante's minority interest in Merlon Capital Partners and completion of its distribution agreement.
7 1H24 included $3,253m FUM derecognition following the sale of Challenger's Australian real estate business to Elanor Investors Group (ASX: ENN).

Funds Under Management and net flows

$m	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25
Funds Under Management					
Australian Equities[1]	35,443	37,956	39,388	35,750	38,116
Global Equities	21,459	21,407	25,670	31,494	34,483
Total Equities	**56,902**	**59,363**	**65,058**	**67,244**	**72,599**
Fixed Income – Public Markets[2]	36,902	38,415	36,251	36,537	37,575
Fixed Income – Private Markets[3]	6,751	8,572	8,369	8,336	7,959
Total Fixed Income	**43,653**	**46,987**	**44,620**	**44,873**	**45,534**
Alternatives[4,5]	15,637	3,285	3,123	3,040	2,890
Closing FUM – total	**116,192**	**109,635**	**112,801**	**115,157**	**121,023**
Fidante[1,2,3,4]	98,026	91,413	95,542	98,266	103,859
Challenger IM[5]	18,166	18,222	17,259	16,891	17,164
Closing FUM – total	**116,192**	**109,635**	**112,801**	**115,157**	**121,023**
Institutional[1,2,3,4]	99,446	91,124	94,916	97,809	102,775
Retail[3,4]	16,746	18,511	17,885	17,348	18,248
Closing FUM – total	**116,192**	**109,635**	**112,801**	**115,157**	**121,023**
Average Fidante	91,121	95,892	97,382	102,877	102,640
Average Challenger IM	18,117	17,742	17,019	17,007	17,259
Average FUM – total[6]	**109,238**	**113,634**	**114,401**	**119,884**	**119,899**
Analysis of flows					
Australian Equities[1]	(1,717)	(2,544)	863	(648)	983
Global Equities	67	(5,036)	(7,005)	(472)	500
Total Equities	**(1,650)**	**(7,580)**	**(6,142)**	**(1,120)**	**1,483**
Fixed Income – Public Markets[2]	(779)	1,508	(553)	(1,261)	(3,843)
Fixed Income – Private Markets[3]	(2,467)	959	23	435	705
Total Fixed Income	**(3,246)**	**2,467**	**(530)**	**(826)**	**(3,138)**
Alternatives[4]	12,422	210	90	26	70
Total net flows	**7,526**	**(4,903)**	**(6,582)**	**(1,920)**	**(1,585)**
Fidante[1,2,3,4]	7,429	(5,953)	(6,976)	(1,622)	(955)
Challenger IM	97	1,050	394	(298)	(630)
Total net flows	**7,526**	**(4,903)**	**(6,582)**	**(1,920)**	**(1,585)**
Institutional[1,2,3,4]	9,123	(5,654)	(6,545)	(1,358)	(1,694)
Retail[3,4]	(1,597)	751	(37)	(562)	109
Total net flows	**7,526**	**(4,903)**	**(6,582)**	**(1,920)**	**(1,585)**

1 Q3 25 includes $0.8bn FUM derecognition following the sale of Fidante's minority interest in Merlon Capital Partners and completion of its distribution agreement.
2 Q1 26 includes $1.3bn of FUM recognition from Kapstream.
3 Q2 26 includes $2.9bn FUM derecognition following the completion of the distribution agreement with Ares.
4 Q2 26 includes $12.6bn FUM recognition following the acquisition of a substantial minority stake and securing exclusive distribution rights across Australia, New Zealand and Asia for Fulcrum Asset Management.
5 Includes ~$0.7bn of FUM relating to Japanese real estate holdings managed by Challenger Kabushiki Kaisha (CKK) in periods Q2 25 to Q2 26.
6 Calculated on a monthly basis.

Reconciliation of total Group assets and Funds Under Management

$m	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25
Funds Management Funds Under Management	116,192	109,635	112,801	115,157	121,023
Life investment assets	26,486	26,007	25,564	24,490	24,647
Adjustments to remove double counting of cross-holdings	(14,448)	(14,745)	(14,428)	(14,022)	(14,234)
Total Assets Under Management	**128,230**	**120,897**	**123,937**	**125,625**	**131,436**

Funds Management financial results

Our Funds Management business is one of Australia's largest active fund managers[1] with FUM of $116 billion, which has grown five-fold over the last 15 years (up from $22 billion as at 31 December 2010).

Growth in FUM is supported by our award-winning retail and institutional distribution teams and business model, which is focused on high-quality managers with strong long-term investment performance and alignment with clients.

Funds Management comprises Fidante and Challenger Investment Management (Challenger IM), with operations in Australia, the United Kingdom, Europe and Japan.

Together, we offer investors, including the Life business, access to a diversified suite of strategies across Australian and global equities, public and private fixed income, and alternative investments.

Funds Management has extensive client relationships. For example, around 90% of Australia's top 25 superannuation funds are clients.

Fidante operates a stable of high-quality, active managers by taking minority equity interests in independently branded affiliate investment managers. This model allows investment managers to focus exclusively on performance, while we provide strategic guidance, distribution services and business support, and operational platforms.

Fidante continues to expand its offering by onboarding leading managers and accessing new distribution channels.

Challenger IM is a leading fixed income originator in Australia, with deep expertise in public and private credit markets. Since 2005, it has delivered consistent income-focused strategies with disciplined credit underwriting, managing capital for Challenger Life and a growing base of institutional and retail investors.

In Japan, Challenger Kabushiki Kaisha (CKK) manages Japanese real estate for Challenger Life, MS Primary and other institutional clients, further diversifying the platform's geographic and asset exposure.

We have partnered with State Street to provide investment administration and custody services, supporting operational scale and efficiency.

With a differentiated business model and deep client relationships, Funds Management is well positioned to benefit from the structural growth of Australia's superannuation system and global pension markets, offering investors a compelling long-term growth opportunity.

Normalised NPAT and ROE (post-tax)

Funds Management NPAT was $29m and increased by $2m (7%) on 1H25. The increase was due to higher total net fee income (up $2m or 2%) and lower expenses (down $3m or 5%), partially offset by higher normalised tax (up $2m or 22%).

Funds Management ROE (post-tax) was 16.2%, down from 17.8% in 1H25. The decrease in ROE was driven by an 18% increase in average net assets that offset the 7% increase in Funds Management NPAT.

Total net fee income

1H26 total net fee income was $97m (up $2m or 2%) and comprised transaction and placement fees of $14m (up $10m or 253%), performance fees of $1m (down $6m or 80%) and FUM-based fees of $81m (down $3m or 3%).

1H26 transaction and placement fees were $10m higher than in 1H25 and included fees from a fixed income affiliate following the completion of the distribution agreement.

1H26 performance fees were $6m lower than 1H25 primarily across equity affiliates.

1H26 FUM-based fees decreased $3m, reflecting:

- lower average FUM of $112bn (down 7%) driven by redemptions of fixed income and equity mandates over FY25 and 1H26, partially offset by an increase in alternative flows in 1H26 (refer to below for more information); and
- higher FUM-based income margin of 14.4 bps (up 0.5 bps) driven by a change in business mix with growth in higher margin products, including Challenger IM LiFTS notes (refer to below for more information).

Expenses

1H26 Funds Management expenses were $54m and decreased by $3m (5%) on 1H25 due to lower other expenses (down $3m or 9%).

The reduction in other expenses reflects investment operations savings following the transfer of Challenger's investment administration and custody services to State Street, and subsequent lower transaction volumes and datafeed costs.

The 1H26 cost to income ratio was 56.2% and decreased from 60.0% in 1H25 due to higher net fee income (up 2%) and lower expenses (down 5%).

Fidante net income

Fidante's net income includes FUM-based distribution and administration fees; performance fees; transaction fees that include placement fees and dividend income; and a share in the equity-accounted profits of affiliate investment managers.

Fidante's net income was $68m in 1H26 and decreased by $3m (4%) on 1H25.

Fidante's net income comprised:

- FUM-based income of $54m, which decreased $7m (12%) on 1H25 as a result of an 8% decrease in average FUM and a decrease in FUM-based income margin (refer below for more information);
- Performance fees of $1m, which decreased $6m (80%) on 1H25 primarily across equity affiliates; and
- Placement fees of $13m, which increased $10m (389%) on 1H25, included fees from a fixed income affiliate following the completion of a distribution agreement.

Fidante income margin (net income to average FUM) was 14.5 bps, up 0.7 bps from 1H25.

[1] Calculated from Rainmaker Roundup, September 2025 data.

Fidante FUM and net flows

Fidante's FUM at 31 December 2025 was $98.0b and increased by $2.5b (3%) in 1H26.

The increase was a result of:

- positive impact from investment market movements of $1.7b; and
- net flows of $1.5b included $2.7b of institutional net flows, partially offset by $1.2b of retail net outflows. Net flows were driven predominantly by alternatives strategies ($12.7bn) and were partially offset by net outflows in equity ($9.2bn) and fixed income ($2.0bn) strategies. Alternative net flows included the recognition of $12.6b of FUM from Fulcrum Asset Management in December 2025, and fixed income net outflows included the derecognition of $2.9bn of FUM from Ares Management in October 2025; partially offset by
- net distributions of $0.7b.

Fidante's FUM at 31 December 2025 was invested in the following asset classes:

- 58% in equities (FY25 68%);
- 27% in fixed income (FY25 30%); and
- 15% in alternatives (FY25 2%).

Challenger IM

Challenger IM's 1H26 net income was $28m and increased by $4m (17%) on 1H25.

Challenger IM's net income included:

- FUM-based income of $27m, up $4m (19%) on 1H25, driven by an increase in FUM-based income margin (refer below for more information) and higher average FUM (up 2%); and
- Placement fees of $1m, in-line with 1H25, relating to whole loan origination and transaction fees.

Challenger IM's 1H26 income margin (net income to average FUM) was 31.6 bps, up 4.1 bps from 1H25 due to higher FUM-based income, reflecting a favourable shift towards higher-margin business, including Challenger IM LiFTS 1 Note, whole loans and mortgage servicing and third-party clients.

Challenger IM FUM and net flows

Challenger IM's FUM at 31 December 2025 was $18.2b and increased by $0.9b (5%) for the half year.

The movements included:

- net flows and distributions of $1.0b, predominantly from Challenger Life and third-party clients ($1.4b), which included $350m raised as part of the Challenger IM LiFTS notes issuance in September 2025, partially offset by $0.3b net outflows from other mandates; partially offset by
- negative market movement of $0.1b.

Challenger IM's FUM at 31 December 2025 is invested in the following asset classes:

- 96% in fixed income (FY25 95%); and
- 4% in property (FY25 5%).

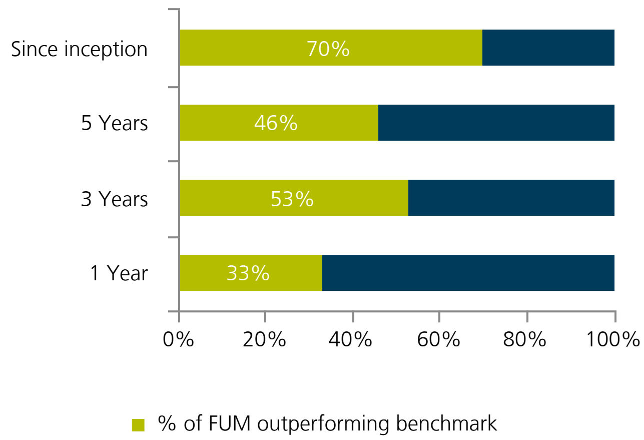
Approximately 20% of Challenger IM's average FUM is from third-party clients with the balance managed on behalf of Challenger Life.

Funds Management investment performance

Fidante affiliate investment performance

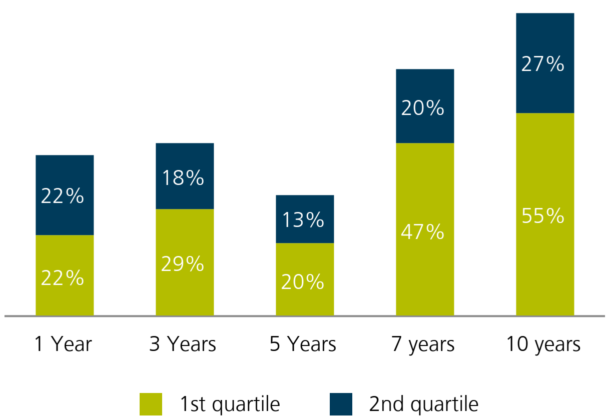
Investment performance represents the percentage of FUM meeting or exceeding performance benchmarks, with performance weighted by FUM. Long-term performance for Fidante's affiliates remains strong with 70% of investments outperforming benchmarks since inception[2].

While 1H26 performance among Fidante's equity affiliates moderated due to the challenging market conditions for active equity management, long-term performance for Fidante's fixed income affiliates continues to exceed benchmarks with 90%, 88% and 96% of investments outperforming over three years, five years and since inception respectively.



First or second quartile investment performance

For Fidante affiliates, 67% of funds achieved first or second quartile investment performance over seven years and 82% of funds achieved either first or second quartile investment performance over 10 years[3].



[2] As at 31 December 2025. Percentage of Fidante affiliates meeting or exceeding the performance benchmark, with gross performance weighted by FUM.
[3] Mercer as at December 2025.

Corporate financial results

$m	1H26	2H25	1H25	2H24	1H24	2H23	1H23
Other income	**1.3**	**1.5**	**0.4**	**2.2**	**0.1**	**1.0**	**0.6**
Personnel expenses	(21.8)	(20.1)	(22.2)	(22.9)	(22.7)	(21.0)	(22.5)
Other expenses	(6.5)	(10.4)	(7.7)	(9.3)	(8.2)	(4.4)	(9.9)
Transition expenses[1]	(4.0)	(5.3)	(1.3)	—	—	—	—
Total expenses (excluding LTI)	**(32.3)**	**(35.8)**	**(31.2)**	**(32.2)**	**(30.9)**	**(25.4)**	**(32.4)**
Long-term incentives (LTI)	(6.5)	(6.5)	(6.4)	(8.3)	(6.6)	(6.9)	(5.5)
Total expenses	**(38.8)**	**(42.3)**	**(37.6)**	**(40.5)**	**(37.5)**	**(32.3)**	**(37.9)**
Interest and borrowing costs	(1.0)	(1.0)	(1.3)	(2.7)	(2.3)	(2.0)	(2.0)
Normalised loss before tax	**(38.5)**	**(41.8)**	**(38.5)**	**(41.0)**	**(39.7)**	**(33.3)**	**(39.3)**
Normalised tax	12.7	10.2	12.1	12.9	11.5	16.3	11.6
Normalised loss after tax	**(25.8)**	**(31.6)**	**(26.4)**	**(28.1)**	**(28.2)**	**(17.0)**	**(27.7)**

1 Transition expenses from 1H25 relate to the investment administration technology team retained by Challenger to support the transition of investment administration and custody services to State Street.

The Corporate division comprises central functions such as Group executives, finance, treasury, tax, legal, human resources, risk management and commercial.

Corporate includes interest received on Group cash balances and equity-accounted profits or losses on joint ventures with strategic partners. Transition expenses relating to the investment administration technology team retained by Challenger to support the transition of Challenger's investment administration and custody services to State Street, and any interest and borrowing costs associated with Group debt facilities, are also included in Corporate. All long-term incentive costs are allocated to the Corporate division.

Normalised loss after tax

Corporate normalised loss after tax was $26m in 1H26, down $1m (2%) from 1H25. The decrease in normalised loss after tax was driven by higher other income (up $1m) and a higher normalised tax benefit (up $1m), partially offset by higher expenses (up $1m).

Other income

Other income represents interest received on Group cash balances and equity-accounted losses associated with Artega.

1H26 other income was $1.3m, up from $0.4m in 1H25, primarily due to lower equity-accounted losses from Artega.

Total expenses

1H26 Corporate expenses were $39m and increased by $1m (3%) on 1H25.

Corporate expenses include a full half-year impact of transition expenses (up $3m) relating to the Artega Investment Administration technology team retained by Challenger to support the legacy Dimension platform.

Excluding transition expenses, Corporate expenses were down $2m in 1H26, mainly reflecting lower personnel expenses (down $1m) and professional fees (down $1m).

Interest and borrowing costs

Interest and borrowing costs relate to debt facility fees on the Group's banking facility.

1H26 interest and borrowing costs were $1.0m, reflecting line fees on the Group debt facility.

The $250m facility limit remained undrawn throughout 1H26.

Normalised Cash Operating Earnings framework

Life Normalised Cash Operating Earnings (COE) is our preferred profitability measure for the Life business, as it aims to reflect the underlying performance trends of the Life business.

The Life Normalised COE framework was introduced in June 2008 and the principles have been applied consistently since.

The framework removes the impact of market and economic variables, which are generally non-cash and the result of external market factors. The normalised profit framework is subject to a review performed by Ernst & Young each half year.

Life Normalised COE includes cash earnings plus normalised capital growth and excludes asset and liability experience (refer below).

One Challenger - From FY27

The proposed changes to APRA's capital standards in FY27 will be an opportunity to revisit the existing Normalised Cash Operating Earnings framework for management reporting and ensure that it is fit for purpose as Challenger evolves.

With the appointment of Damian Graham as Group Chief Investment Officer (refer to page 7 for more information), we are aligning our investment capability under a single leadership structure. Consistent with this, we intend to evolve our internal and external reporting from separate business-unit segments to a more integrated Challenger Group view, supplemented by targeted disclosures for Challenger Life Company (CLC) and Fidante where relevant.

Any changes will be accompanied by multi-year historical pro forma information to preserve transparency and comparability for investors.

Cash earnings

Cash earnings represents investment yield and other income, less interest expenses and distribution expenses.

Investment yield

Investment yield includes net rental income, dividend income, infrastructure distributions, accrued interest on fixed income and cash, accrued alternative investment income and discounts/premiums on fixed income assets amortised on a straight-line basis.

Interest expense

Represents interest accrued at contracted rates to annuitants and Life subordinated debt holders and other debt holders.

Distribution expense

Represents payments made for the acquisition and management of Life's products, including annuities.

Other income

Other income includes revenue from the Solutions Group (refer to page 26) and profits on Life Risk wholesale longevity and mortality transactions (refer to page 26).

Normalised capital growth

Normalised capital growth represents the expected capital growth for each asset class through the investment cycle and is based on Challenger's long-term expected investment returns for each asset class.

Normalised capital growth assumptions have been set with reference to long-term market growth rates and are reviewed regularly to ensure consistency with prevailing medium to long-term market returns.

Normalised capital growth can be determined by multiplying the normalised capital growth assumption (see below) by the average investment assets for the period.

Normalised capital growth assumptions for 1H26 are as follows:

Fixed income and cash (representing allowance for credit defaults)	-35 bps
Property	2.0%
Equity and infrastructure	4.0%
Alternatives	0.0%

Asset and liability experience

Challenger Life is required by Australian Accounting Standards to value assets at fair value, while liabilities are valued in accordance with relevant accounting standards. This gives rise to fluctuating valuation movements on assets and policy liabilities being recognised in the statutory profit and loss, particularly during periods of market volatility.

As Challenger is generally a long-term holder of assets, due to them being held to match the term of liabilities, Challenger takes a long-term view of the expected total return of the portfolio rather than focusing on short-term movements.

Policy liabilities are valued using a discount rate based on the Australian Government Bond curve plus an illiquidity premium, generating a loss at issue (new business strain). In addition, AASB 17 has introduced accounting mismatches in the liability valuation after issue.

Asset and liability experience removes the volatility arising from valuation movements to more accurately reflect the underlying performance of the Life business. Changes in macroeconomic variables and actuarial assumptions impact the value of Life's assets and liabilities. This includes changes to bond yields, inflation factors, expense assumptions, mortality rate assumptions and other factors applied in the valuation of life contract liabilities.

Asset and liability experience

Asset experience is calculated as the difference between the total return (both realised and unrealised) generated on Life's investment portfolio less the amount recorded in Life's Normalised Cash Operating Earnings (which includes expected normalised capital growth).

Liability experience includes any economic and actuarial assumption changes in relation to policy liabilities for the period, impacts of accounting mismatches within the liability valuation of Life Risk business under AASB 17, and new business strain.

New business strain

In accordance with the Prudential Standards and Australian Accounting Standards, Challenger Life values its annuities using a discount rate, which is based on the Australian Government Bond curve plus an illiquidity premium.

Life offers annuity rates to customers that are higher than the rates used to value liabilities. As a result, a loss is recognised when issuing a new annuity contract due to using a lower discount rate together with the inclusion of an allowance for future maintenance expenses in the liability.

New business strain is a non-cash item and, subsequently, reverses over the future contract period. The new business strain reported in the period represents the non-cash loss on new sales, net of reversal of the new business strain of prior period sales.

Glossary of terms

Terms	Definitions
AASB 17	The Australian Accounting Standards Board's new insurance contracts standard, which is based on the equivalent International Financial Reporting Standard (IFRS 17) and establishes globally consistent principles for the recognition, measurement, presentation and disclosure of life insurance contracts.
Additional Tier 1 regulatory capital	High-quality capital that provides a permanent and unrestricted commitment and is freely available to absorb losses; however, it does not satisfy all the criteria to be included in Common Equity Tier 1 regulatory capital.
Asset experience (Life)	Represents fair value movements on Life's assets. Refer to page 60 for more detail.
Capital intensity ratio	CLC Prescribed Capital Amount (PCA) divided by Life investment assets.
Cash earnings (Life)	Investment yield and other income less interest and distribution expenses.
CET1 capital ratio	Common Equity Tier 1 regulatory capital divided by Minimum Regulatory Requirement.
Challenger Index Plus	Institutional product providing guaranteed excess return above a chosen index. Index Plus is available on traditional indices and customised indices.
Challenger IM net fee income	Challenger Investment Management (Challenger IM) income includes asset-based management fees, and other income such as leasing fees, acquisition and disposal fees, development and placement fees.
Common Equity Tier 1 regulatory capital	The highest quality capital comprising items such as paid-up ordinary shares and retained earnings. Common Equity Tier 1 capital is subject to certain regulatory adjustments in respect of intangibles and adjusting policy liabilities.
Cost to income ratio	Total expenses divided by Normalised Cash Operating Earnings (Life) or Total net fee income (FM).
Discontinued Operations (Bank)	A definition under the Australian Accounting Standards for a part of the business that has been divested, shut down or held for sale.
Distribution expenses (Life)	Payments made for the acquisition and management of annuities and Challenger Index Plus products.
Earnings per share (EPS)	Net profit after tax divided by weighted average number of shares in the period.
ESG	Environmental, Social, and Governance.
Fidante net income	Distribution and administration fees; Fidante's share of affiliate manager profits; and transaction fees which includes placement fees and dividend income.
Funds Under Management (FUM)	Total value of listed and unlisted funds/mandates managed by the Funds Management business.
Group assets under management (AUM)	Total value of Life's investment assets and Funds Management FUM after adjustments to remove double counting of cross-holdings.
Group cash	Cash available to Group, excluding cash held by Challenger Life Company Limited.
Interest and borrowing costs (Corporate)	Interest and borrowing costs associated with Group debt and Group debt facilities.
Interest expenses (Life)	Interest accrued and paid to annuitants, subordinated debt and other debt providers (including Challenger Capital Notes).
Investment yield (Life)	Net rental income, dividends received, infrastructure distributions, accrued alternative investment income, and accrued interest and discounts/premiums on fixed income securities amortised on a straight-line basis.
Liability experience (Life)	Represents value movements on Life's policy liabilities, impacts of accounting mismatches within the liability valuation of Life Risk business under AASB 17, and net new business strain. Refer to page 60 for more detail.
Life annuity book growth	Net annuity policy capital receipts over the period divided by opening policy liabilities (Life annuity book).
Life book growth	Net annuity and other policy capital receipts over the period divided by the opening policy liabilities (Life annuity book and Challenger Index Plus liabilities).
Life investment assets	Total value of investment assets that are managed by the Life business.
Net annuity policy receipts	Life retail annuity sales less annuity capital payments.
Net assets – average	Average net assets over the period (excluding non-controlling interests) calculated on a monthly basis.
Net fee income (FM)	Fidante income and Challenger Investment Management income.

Glossary of terms

Terms	Definitions
Net tangible assets	Consolidated net assets less goodwill and intangibles.
New business tenor	Represents the maximum product maturity of new business sales. These products may amortise over this period.
Normalised capital growth	Long-term expected capital growth based on long-term return assumptions. It is calculated as long-term capital growth assumption multiplied by average investment assets.
Normalised Cash Operating Earnings (COE) (Life)	Cash earnings plus normalised capital growth.
Normalised cost to income ratio	Total expenses divided by total net income.
Normalised dividend payout ratio	Dividend per share divided by normalised earnings per share (basic).
Normalised net profit after tax (NPAT)	Statutory net profit after tax, excluding asset and liability experience and net new business strain, and significant items (refer to page 60 for more detail on asset and liability experience).
Normalised Return On Equity (ROE) – post-tax	Normalised NPAT divided by average net assets.
Normalised tax rate	Normalised tax divided by normalised profit before tax.
Other expenses	Non-employee expenses, including external professional services, occupancy costs, marketing and advertising, travel, technology, communications and investment management costs.
Other income (Corporate)	Includes interest received on Group cash balances and equity-accounted profits or losses associated with Artega Investment Administration.
Other income (Life)	Relates to revenue from the Solutions Group and Life Risk. Refer to page 26 for more detail.
PCA ratio	The ratio of the total CLC Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.
Performance fees (FM)	Fees earned for outperforming benchmarks.
Personnel expenses	Includes fixed and short-term variable incentive components of remuneration structures. The amortisation of long-term incentive plans is reported separately within the Corporate results.
Prescribed Capital Amount (PCA)	Amount of capital that a life company must hold, which is intended to be sufficient to withstand a 1-in-200-year shock and still meet adjusted policy liabilities and other liabilities. For further details, refer to APRA's LPS110 ***Capital Adequacy.***
Significant items	Non-recurring or abnormal income or expense items.
Statutory Return On Equity (ROE) – post-tax	Statutory NPAT divided by average net assets.
Tier 1 regulatory capital	Tier 1 regulatory capital comprises Common Equity Tier 1 regulatory capital and Additional Tier 1 regulatory capital.
Tier 2 regulatory capital	Tier 2 regulatory capital contributes to the overall strength of the Life Company and its capacity to absorb losses; however, it does not satisfy all the criteria to be included as Tier 1 regulatory capital.
Total expenses	Personnel expenses plus other expenses.
Total net income	Normalised Cash Operating Earnings (Life) plus net fee income (FM) plus other income (Corporate).
Transition expenses (Corporate)	Transition expenses relate to the investment administration technology team retained by Challenger to support the transition of investment administration and custody services to State Street.

Key dates

Challenger Limited (ASX:CGF)	
Q3 2026 AUM, annuity sales and net flows	21 April 2026
2026 Investor Day	26 May 2026
2026 Full year financial results	18 August 2026
Q1 2027 AUM, annuity sales and net flows	20 October 2026
2026 Annual General Meeting	29 October 2026