Financial Results
1H26

17 February 2026

Life. Well lived.

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Acknowledgement of country

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

Overview

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

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

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

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Business and strategy update

Nick Hamilton

Managing Director & Chief Executive Officer

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Key points

01

Financial strength – driving returns for shareholders, operational efficiency, gains across all investment asset classes

02

Capital flexibility – strongly capitalised with excess liquidity, dividend growth and $150m on-market buy-back announced[1]

03

Enabling growth – winning key retirement partnerships, integrating with advice technology platforms, expanding offshore reinsurance

1. Subject to market conditions and regulatory approval.

1H26 financial performance

Driving value for shareholders

FINANCIAL PERFORMANCE

33.3cps
Normalised EPS
↑ 2%

$339m
Statutory NPAT
↑ 369%

SHAREHOLDER OUTCOMES

11.4%
Normalised ROE[1]
Above FY26 target

15.5cps
Interim dividend
↑ 7%

CAPITAL FLEXIBILITY

1.58x
CLC PCA Ratio[2]
↓ 0.03x

$4.7bn
Regulatory capital base
↑ 5%

All growth rates compare the year ended 31 December 2025 against the year ended 31 December 2024 (the prior corresponding period or pcp), unless otherwise stated.
1. Normalised Return On Equity post-tax.
2. 1H26 PCA ratio down 0.03x (1H25 1.61x).

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Growing demand for income and financial security

Tailwinds to support growth

WORLD CLASS SAVINGS SYSTEM	AGEING POPULATION	GROWING DEMAND FOR INCOME	OFFSHORE OPPORTUNITIES
$4.5tr Assets in retirement[1]	780 per day Australians retiring[3]	$35bn Yearly net flows into Australian Fixed Income & Private Debt[5]	>35% South Korea, Hong Kong and Japan population aged 65+ years in 2050[7]
$1.7tr Deposits held by Australian households in ADIs[2]	78% Australians would be happier with a guaranteed income for life[4]	$200bn Private credit market[6]	US$315bn Addressable Asian reinsurance market[8]

1. APRA superannuation statistics September 2025.
2. APRA Monthly authorised deposit-taking institution statistics, November 2025.
3. Based on # Australians aged 65 retiring each day. Australian Bureau of Statistics, December 2024, National, state and territory population statistics.
4. Based on Australians aged 60+ years in Challenger's Happiness Index research, February 2025.
5. NMG, Managed Funds Review September 2025.
6. ASIC (22 September 2025), "Private credit in Australia" (REP 814). https://www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-814-private-credit-in-australia/
7. OECD/WHO (2024), Health at a Glance: Asia/Pacific 2024, OECD Publishing, Paris, https://doi.org/10.1787/51fed7e9-en.
8. Challenger internal estimates, includes Hong Kong, Japan, Korea and Singapore.

Challenger's competitive advantages

Using our advantages to shape the retirement system with our partners and drive future growth

Competitive advantages		1H26 Progress
Customer innovation	Award winning products Trusted retirement brand and offering Modern customer technology	Longer dated sales +12% Customer uplift – ALIP[1] live, portals and APIs live in 2H26
Distribution	Expansive distribution footprint Integration with leading super funds and advice Strategic partnerships	Insignia Financial, BT, iress Xplan, iff, MS&AD Insurance Group
Asset origination	Originating high-quality assets for Life Asset and liability matching engine	$5.9bn origination volumes Whole loan origination transactions Spark
Investment excellence	Experts in balance sheet management Growing our higher income solutions Leading multi-affiliate platform	Challenger IM external AUM +38% CAGR[2] / new LiFTS notes platform Positive total returns – all Life's asset classes FULCRUM
Capital	Resilience through the cycle Capital flexibility	A+/A- S&P credit rating upgrade[3] +7% Dividend growth **$150m buy-back[4]**

1. Accenture Life Insurance and Annuity Platform.
2. 4-year CAGR from 1H22 to 1H26.
3. Challenger Life Company Limited – 'A+' rating (from 'A') with a stable outlook; and Challenger Limited – 'A-' rating (from 'BBB+') with a stable outlook.
4. Subject to market conditions and regulatory approval.

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Financial results and outlook

Alex Bell

Chief Financial Officer

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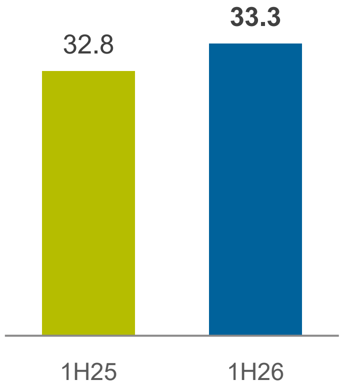
1H26 financial performance

Disciplined execution | Strong statutory NPAT performance

Profitability

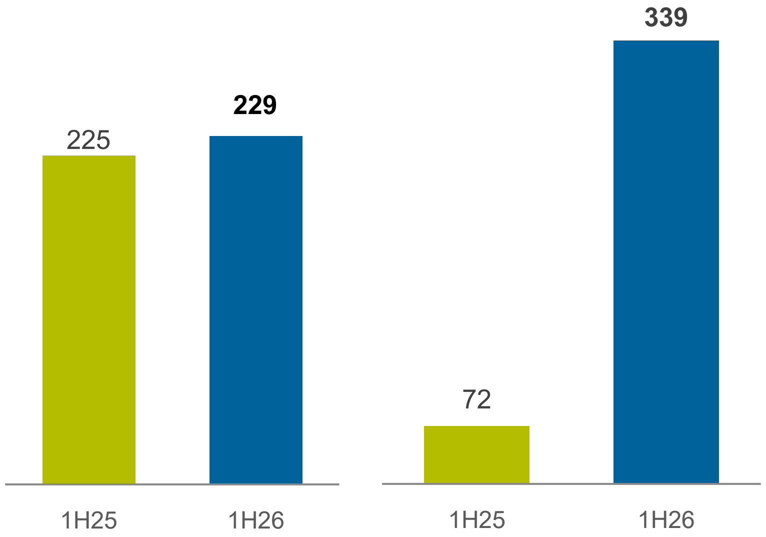
Normalised EPS (cps)
33.3 cps +2%



Net Profit After Tax ($m)

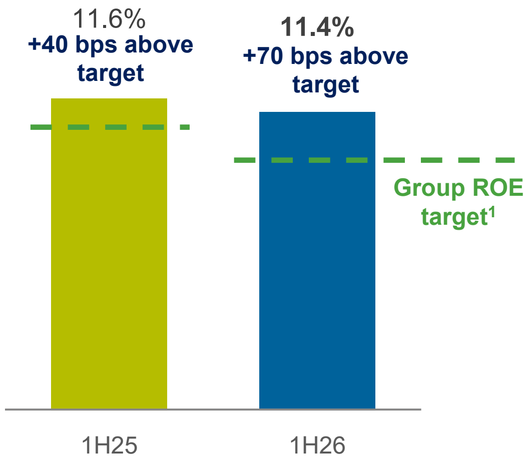
Normalised NPAT
$229m +2%

Statutory NPAT
$339m +369%

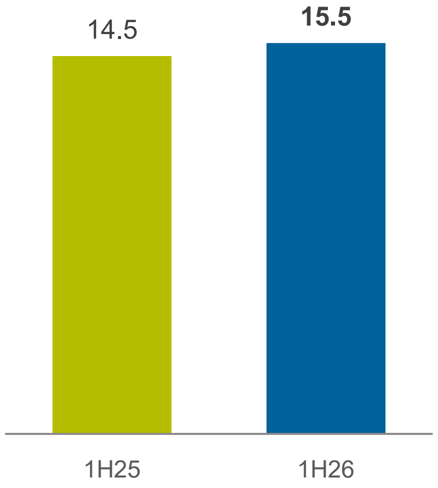


Returns

Normalised ROE after tax
11.4% +70 bps above target[1]



Dividend
15.5 cps +7%

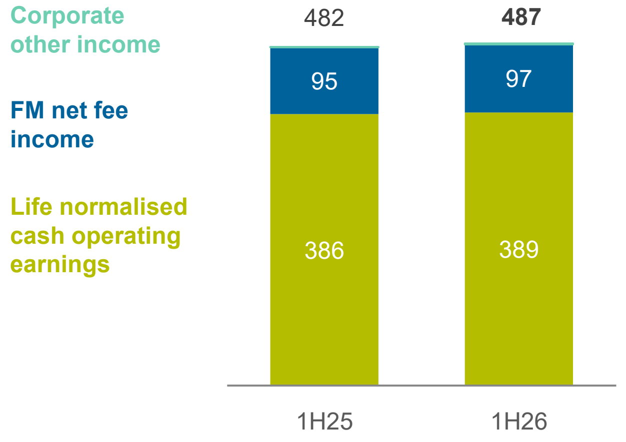


1. 1H26 Normalised ROE post-tax target of 10.7% being the RBA cash rate plus a margin of 12% less tax (equivalent to a Normalised ROE pre-tax target of 15.7% and assumes tax rate of ~31.4%).
2. 1H25 Normalised ROE post-tax target of 11.2% being the RBA cash rate plus a margin of 12% less tax (equivalent to a Normalised ROE pre-tax target of 16.4%).

Earnings drivers

Operational efficiency driving earnings growth

Income
$487m +1%



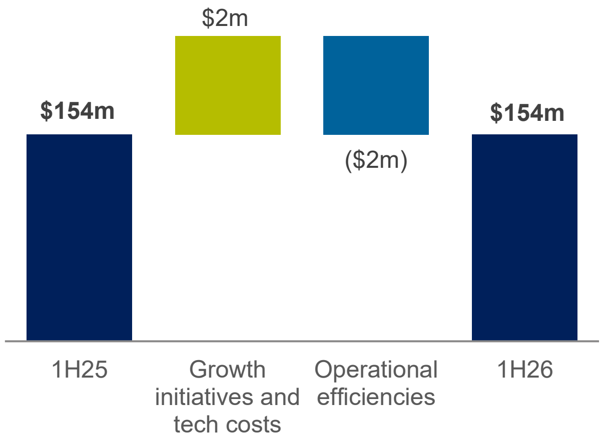
Life +1%

Increase in average AUM offset by lower COE margin

Funds Management +2%

Increase in non-FUM income

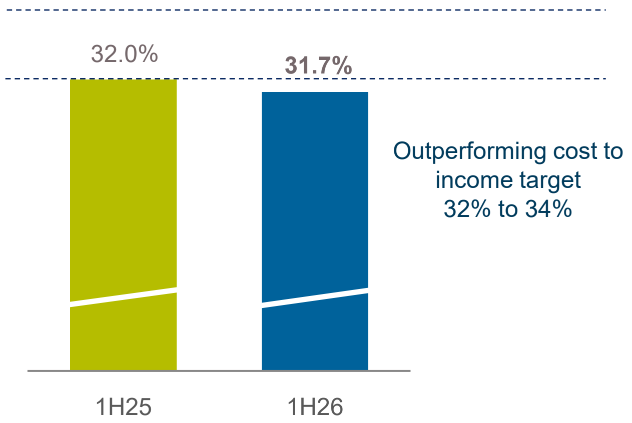
Expenses
$154m stable



Investment in growth initiatives and technology costs driven by inflationary pressures on software licensing and data costs

Offset by lower costs from realised operating efficiencies

Cost to Income Ratio
31.7% -30bps



Cost to Income ratio (CTI) **improved 30bps**

CTI ratio **outperforming target (32% to 34%)**

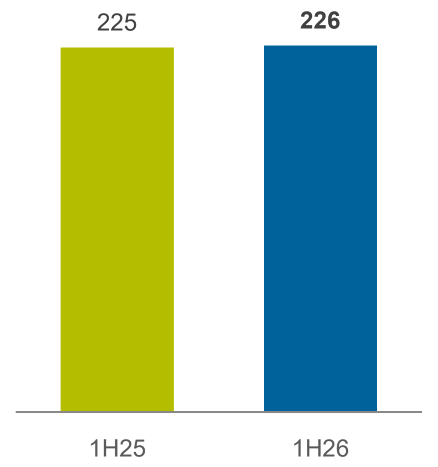
FY26 CTI ratio expected to be at **lower end of target range**

Life performance

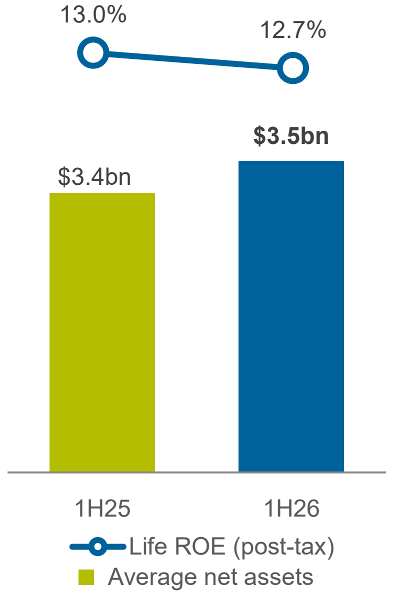
Delivering reliable spread earnings in a tight credit spread environment

	1H26	1H26 v 1H25
Normalised Cash Operating Earnings (COE)	$389m	1%
Expenses	($61m)	3%
Normalised NPBT	**$327m**	– %
Normalised Tax	($102m)	– %
Normalised NPAT	**$226m**	**1%**
COE margin	2.95%	(16bps)
Normalised ROE post-tax	12.7%	(30bps)
PCA[1] ratio	1.58x	(0.03x)
Annuity sales	$3.8bn	32%
Total Life sales	$5.1bn	11%
Maturity rate[2]	14%	(1pp)

Normalised NPAT $226m +1%



Normalised ROE 12.7% -30 bps



1. Challenger Life Company Limited (CLC) PCA ratio represents CLC total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount (PCA).
2. Based on annuity maturities and repayments (excluding interest payments) in the year divided by the opening period undiscounted annuity liability balance.

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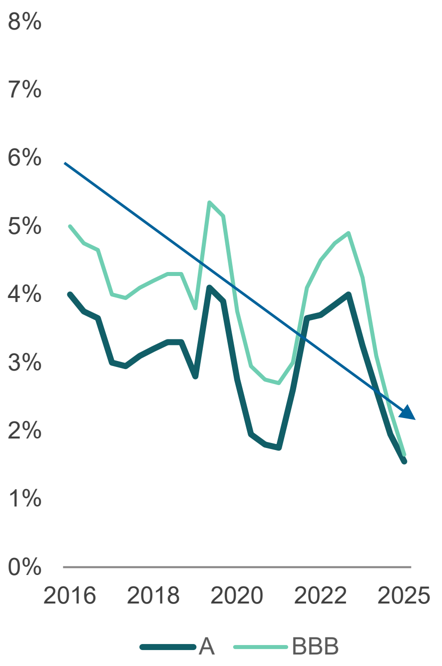
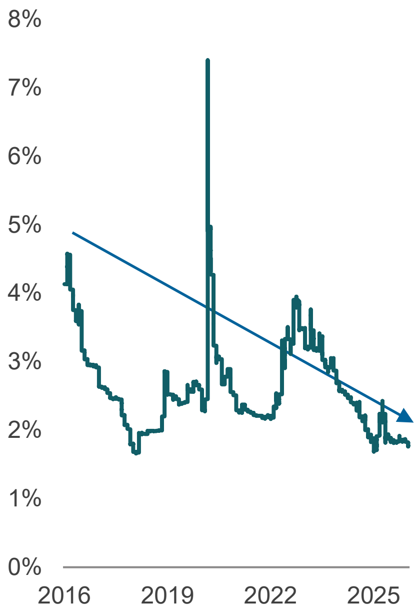
Life COE margin

COE margin an outworking of tight credit spread environment and higher allocation to liquids | New business meeting or exceed ROE target

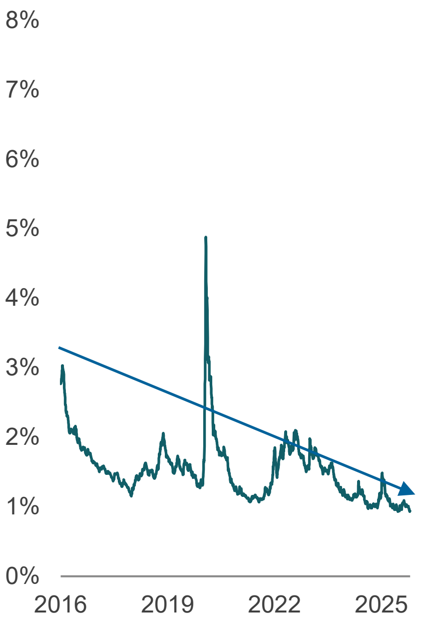
Domestic RMBS 'A' & 'BBB' spreads[1]



'A' CLO spreads[2]



'BBB' Corporate spreads[3]



Margins	1H26	1H26 v 1H25
Investment yield	6.28%	-39 bps
Other income	0.28%	+1 bps
Interest & distribution expense	(3.65%)	+22 bps
Normalised growth	0.04%	-
Life COE margin	**2.95%**	**-16 bps**
Average Life investment assets	*$26.1bn*	*+6%*
Cash and equivalents	**$3.3bn**	**+28%**

1. Challenger internal data for Australian A & BBB primary non-conforming RMBS spreads.
2. JP Morgan CLOIE A DM - post crisis duration weighted to worst.
3. ICE BofA BBB Corporate Bond Index.

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Life sales

Strong book growth driven by annuities | Continued momentum in longer duration sales

Strong 1H26 Sales performance

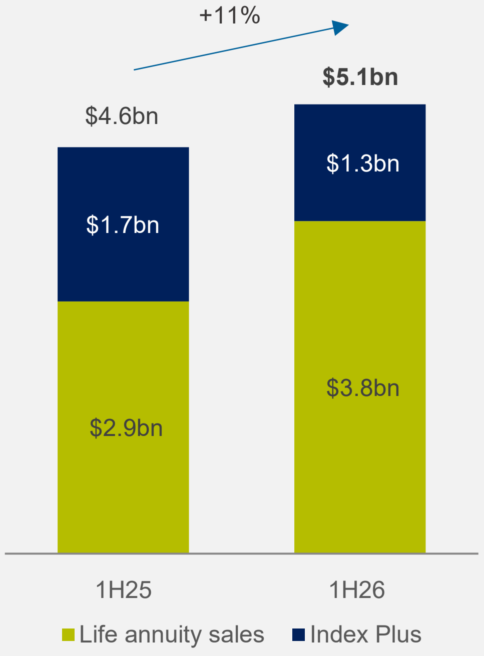
$5.1bn ↑ 11%
Total Life sales

7.4%
Annuity book growth[1]

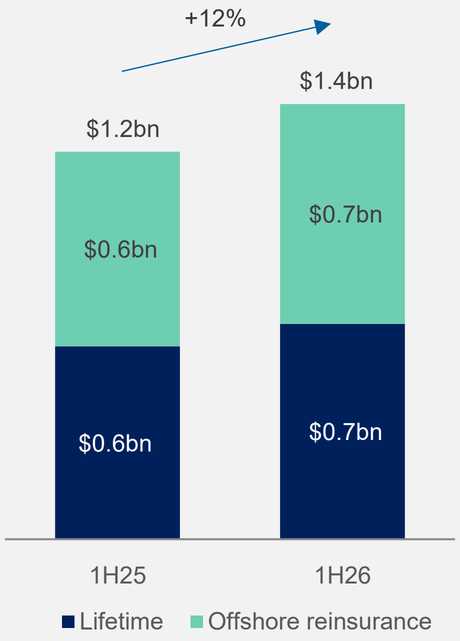
$0.7bn ↑ 12%
Strong lifetime annuity sales[2]

$0.7bn ↑ 13%
Record offshore reinsurance sales

Life sales



Longer duration annuity sales



1. Book growth percentage represents net flows for the period divided by opening liability balances for the financial year.
2. Includes CarePlus sales of $0.4bn.

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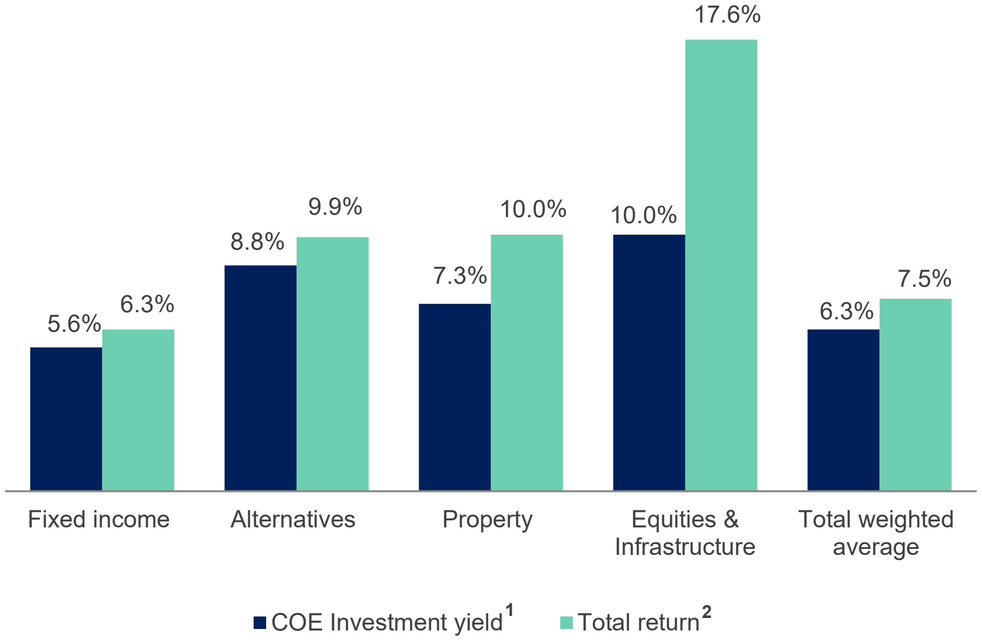
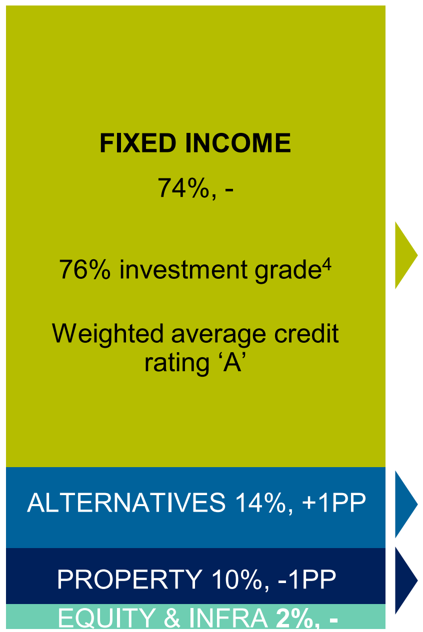
Life investment portfolio

Positive asset experience across all asset classes | Balance sheet growth driven by strong Life book growth

1H26 Performance by asset class
Annualised, pre-tax



Life investment assets[3]
$26.5bn +4%



- Holding more liquid assets $3.3bn cash & equivalents (1H25/2H25 $2.6bn/$3.2bn)
- Increase in IG ABS and decrease in HY corporate credit

- Increase in absolute return funds and reduction in general insurance and life insurance

- Weighted average capitalisation rate 6.80%, down 7bps
- 4 direct property sales at around carrying value

1. COE investment yield includes investment yield and normalised capital growth.
2. Total return includes COE investment yield and asset experience.
3. All comparisons 1H26 versus 2H25.
4. Investment grade represents BBB or higher.

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Funds Management performance

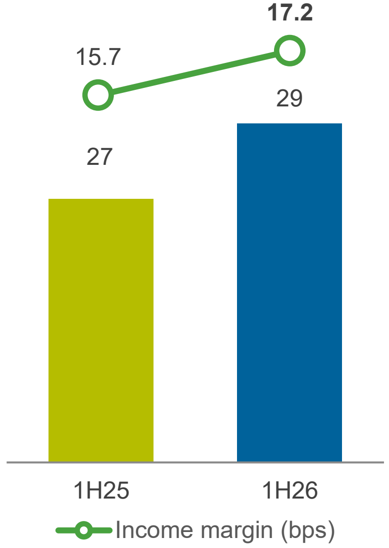
Earnings growth driven by operational efficiencies

	1H26	1H26 v 1H25
FUM-based income & transaction fees	$96m	8%
Performance fees	$1m	(80%)
Net income	$97m	2%
Expenses	($54m)	(5%)
Normalised NPBT	**$42m**	**12%**
Normalised Tax	($13m)	22%
Normalised NPAT	**$29m**	**7%**
FUM-based margin	14.4bps	0.5bps
Income margin	17.2bps	1.5bps
Normalised ROE post-tax	16.2%	(1.6pp)
Cost to income ratio	56.2%	(3.8pp)
Average FUM[1]	$111.6bn	(7%)

Normalised NPAT $29m +7%

Net income +2%

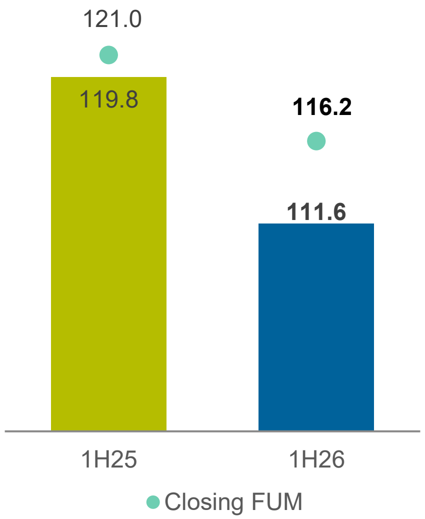
Expenses -5%



Average FUM $112bn -7%

Fidante $94bn -8%

Challenger IM $18bn +2%



1. Includes $2.9bn FUM derecognition following the completion of the distribution agreement with Ares and $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.

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Fidante

Expanding alternatives offering

Market leader

One of the largest active managers[1]

83%

Products recognised as high quality – Recommended or Highly recommend[2]

Expanding alternative offering

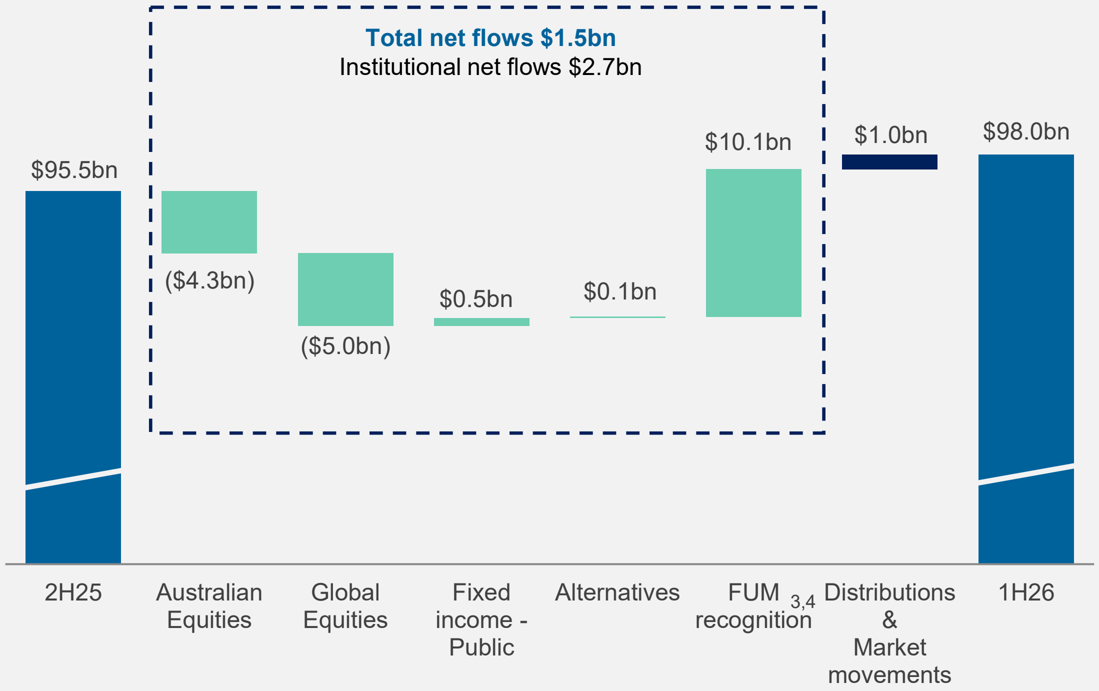
FULCRUM

Added to affiliate platform

$15bn

Alternatives FUM[3]
15% of total FUM

Funds Under Management



1. Calculated from Rainmaker Roundup, September 2025 data.
2. Externally rated as either 'Recommended' or 'Highly Recommended' by research houses (Lonsec, Zenith and Morningstar) as at 31 December 2025.
3. 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.
4. Includes $2.9bn FUM derecognised in 1H26 following the completion of the distribution agreement with Ares Management Corporation.

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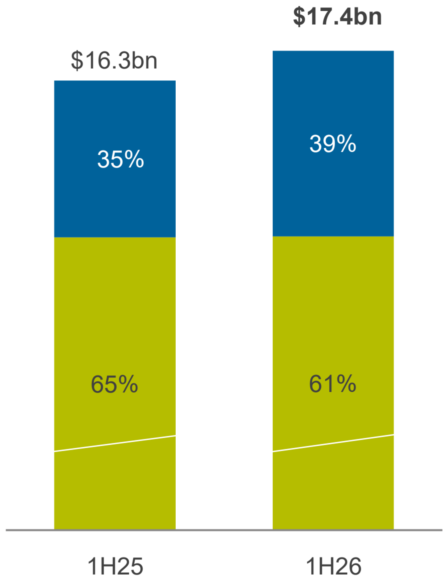
Challenger Investment Management

Product innovation and growing investment capability

Challenger IM
Fixed Income Portfolio[1]

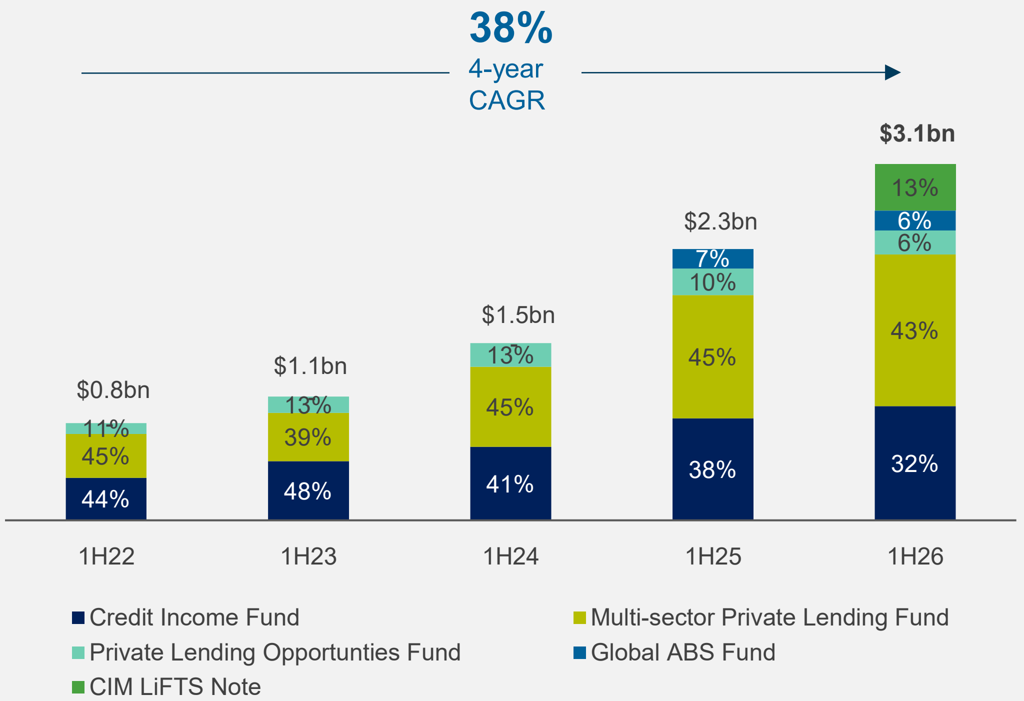
$5.9bn Deployed investments
$2.5bn Private credit originations



Private opportunities
- Asset Backed Finance
- Commercial Real Estate Lending
- Leveraged Buyout Debt
- Whole Loan Portfolio Lending

Public opportunities
- Financial Credit
- Securitised Credit
- Investment Grade Corporate Bonds
- High Yield Bonds

Challenger IM
Third Party Funds' FUM



1. As at 31 December 2025 and excludes ~$0.7bn of FUM relating to Japanese real estate holdings managed by Challenger Kabushiki Kaisha (CKK).

Capital and liquidity strength

Strongly capitalised with available liquidity to capitalise on changing market conditions

A+ /A-
CLC/Challenger S&P credit rating with a stable outlook
↑ Upgraded

$4.7bn
Regulatory capital base
↑ 5%

1.58x
CLC PCA Ratio[1,2]
↓ 0.03x

$3.3bn
Cash and cash equivalents
↑ 28%

$1.7bn
Excess capital over PCA
↑ 2%

1.19x
CET1 ratio
Unchanged

1. The PCA ratio represents total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.
2. Challenger does not target a specific PCA ratio and the target PCA ratio range is a reflection of internal capital models, not an input to them and reflects asset allocation, business mix, capital composition and economic circumstances. The target surplus produced by these internal capital models currently corresponds to a PCA ratio of between 1.30 times to 1.70 times. This range may change over time and different constraints can apply including CET1 requirements.

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Disciplined capital management

Focusing on maximising shareholder returns

Delivering shareholder value

ORGANIC GROWTH
Invest in core businesses

- 5.8% Life book growth
- Investment in scalable platforms – customer technology uplift and investment operations
- Expand offshore reinsurance platform

DIVIDENDS
Seeking to grow dividends over time
Dividend policy 30% to 50% payout ratio

- 15.5c interim dividend (up 7%)
- 46.5% dividend payout ratio

CAPITAL RETURN
Return excess capital above growth needs to shareholders

- $150 million on-market buy-back announced[1]

INORGANIC GROWTH
Enhance core businesses

- 22% stake in FULCRUM

1. Subject to market conditions and regulatory approval.

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APRA capital standard changes

A reminder of what to expect on Day 1

PCA Ratio – Current standards

1.58x

PCA Ratio
31 December 2025

Pro forma PCA ratio – Proposed standards[1]

Current tight spread environment

1.74x

Pro forma PCA Ratio
31 December 2025

CLC total regulatory capital

CET1 stable as Standard ILP approach applies due to tight credit spread environment and risk allowance floor of 45%

PCA requirement

Lower Asset Risk Charge driven by increase in liability offset within credit spread stress charge

If spreads matched long-term average spreads

1.82x

Pro forma PCA Ratio
31 December 2025

CLC total regulatory capital

CET1 would increase in a normalised credit spread environment as Advanced ILP approach would apply

PCA requirement

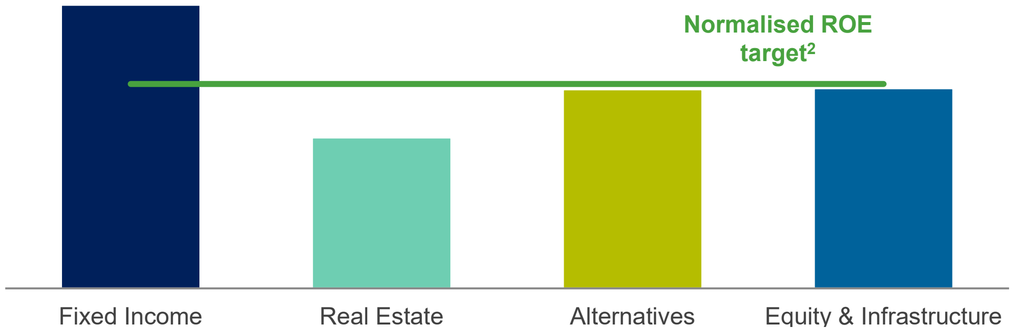
Lower Asset Risk Charge driven by increase in liability offset within credit spread stress charge

1. Refer to Appendix A for modelling assumptions used.

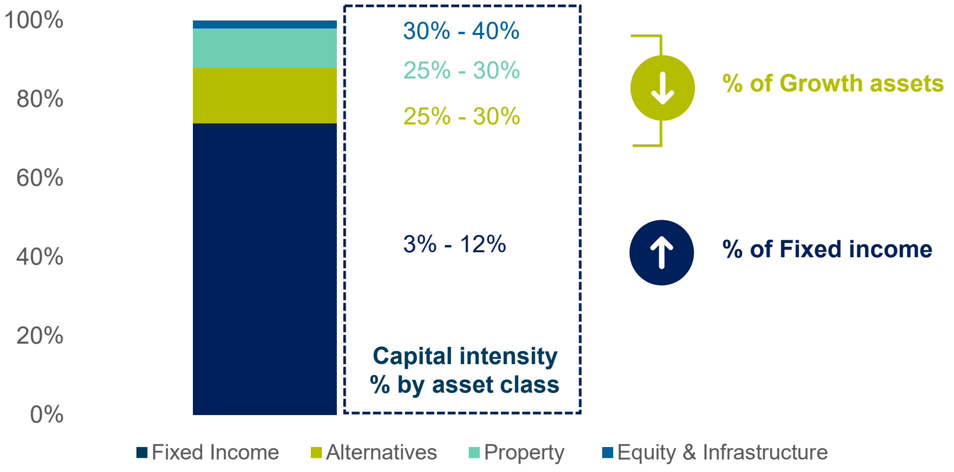
APRA capital standard changes

What to expect over time – building blocks of shareholder value

1H26 RETURN BY ASSET CLASS[1]



CHANGES TO ASSET ALLOCATION OVER TIME



Directional change in building blocks of shareholder value

Spread income Low volatility and steady growth	↑
Fee income High growth, capital light	↑
Investment gains Variable but positive through cycle	Lower volatility expected due to lower allocation to growth assets
Principal investments Group balance sheet investments	Offshore reinsurance
ROE and EPS Less capital intensive	↑

1. Illustrative only and based on net asset return on CET1 (pre-tax) excluding expenses.
2. Represents Normalised ROE target (pre-tax) of RBA cash rate plus a margin of 12% excluding expenses.

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FY26 guidance and targets

Reaffirming earnings guidance and targets under current prudential settings

Normalised Basic EPS guidance

66cps to 72cps

On track to achieve FY26 guidance with
1H26 Normalised Basic EPS of 33.3cps

Consistent through the cycle targets

Normalised ROE	RBA cash rate +12% after tax[1]
Cost to income ratio	32% to 34%
Dividend payout ratio	30% to 50%[2]
CLC PCA ratio	1.30x to 1.70x[3]

1. 1H26 Normalised ROE (post-tax) target of 10.7% being the RBA cash rate plus a margin of 12% less tax (equivalent to a Normalised ROE pre-tax target of 15.7% and assumes tax rate of ~31.4%).
2. Normalised dividend payout ratio represents dividend per share divided by normalised earnings per share (basic).
3. Challenger does not target a specific PCA ratio. The target PCA ratio range is a reflection of internal capital models, not an input to them and reflects asset allocation, business mix, capital composition and economic environment. The target surplus produced by these internal capital models currently corresponds to a PCA ratio of between 1.30 times to 1.70 times. This range may change over time and different constraints can apply including CET1 requirements.

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Looking ahead

Nick Hamilton

Managing Director & Chief Executive Officer

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Challenger's competitive advantages

Key priorities

Customer innovation	In-platform annuity integrations live Customer portals and APIs live Continue growing long duration sales
Distribution	Execute announced retirement partnerships Support Iress Xplan retirement tools launch Expand MS Primary reinsurance partnership
Asset origination	Expand whole loans and servicing platform Continue exploring proposed Pepper Money transaction
Investment Excellence	Launch #2 LiFTS note issue Deliver offshore reinsurance expansion
Capital	Maintain capital strength and flexibility Implement APRA capital reforms Commence buy-back[1]

1. Subject to market conditions and regulatory approval.

Key points

01

Financial strength – driving returns for shareholders, operational efficiency, gains across all investment asset classes

02

Capital flexibility – strongly capitalised with excess liquidity, dividend growth and $150m on-market buy-back announced[1]

03

Enabling growth – winning key retirement partnerships, integrating with advice technology platforms, expanding offshore reinsurance

1. Subject to market conditions and regulatory approval.

Appendix A

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Assumed application of draft capital standards

As at 31 December 2025

Item	Comment
Standard Illiquidity Premium	Illiquidity Premium: 0.25% (Yrs 0-10); 0.20% (Yr 10+)
Advanced Illiquidity Premium	
Reference Index	Bloomberg US Corporate Statistics Index (LUACSTAT) Credit spread = 0.78%
Risk Allowance	Long-term LUACSTAT spread = 1.29% (based on year 1990 onwards) Risk allowance = 45% x 1.29% = 0.58%
Illiquidity Premium	0.78% - 0.58% = 0.20% (subject to a floor of the Standard Illiquidity Premium) Standard Illiquidity Premium dominates over the first 10 years, with Advanced Illiquidity Premium dominating beyond that point
Long-term illiquidity premium implementation period	Maximum cashflow matching term = 30 years Advanced Illiquidity Premium cap of 0.50% after 30 years does not apply at 31 December 2025
Asset Risk Charge (LPS 114)	Calculation based on the credit ratings of index constituents Average credit spread increase of index = 1.37% Credit spread increase with LPS 114 Adjustment Factors = 0.81%
Products included	All illiquid products including lifetime and fixed term annuities

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IMPORTANT NOTE

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

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

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

This presentation is not audited. The statutory net profit after tax has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Challenger's external auditors, Ernst & Young, have reviewed the statutory net profit after tax. Normalised net profit after tax has been prepared in accordance with a normalised profit framework. The normalised profit framework is disclosed in Note 4 Segment Information of Challenger Limited 2026 Interim Financial Report. The normalised profit after tax has been subject to a review performed by Ernst & Young. Any additional financial information in this presentation which is not included in Challenger Limited 2026 Interim Financial Report was not subject to independent review by Ernst & Young.

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

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

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