

CHALLENGER LIFE COMPANY PRICES \$400 MILLION OF SUBORDINATED NOTES

Challenger Limited (ASX:CGF) today announced that its wholly owned subsidiary, Challenger Life Company Limited (CLC), has successfully priced a \$400 million issue of fixed-to-floating rate, unlisted, unsecured, subordinated notes (CLC Subordinated Notes) in an offering to institutional and other wholesale investors.

In respect of each Interest Period commencing prior to the Floating Rate Commencement Date in September 2027, the Interest Rate has been set at 7.186% per annum.

In respect of each Interest Period commencing on or after the Floating Rate Commencement Date, the Interest Rate will be the sum of the 3-month bank bill swap rate and a Margin of 355 basis points.

Challenger's Managing Director and Chief Executive Officer, Nick Hamilton said: "This offer reflects our longstanding approach to proactively managing our capital position to ensure we remain well capitalised and toward the upper end of our target capital range. The result is very pleasing, with final demand of over \$1.1 billion from more than 50 investors across Australia, New Zealand and Asia."

CLC will use the net proceeds from the issue of the CLC Subordinated Notes for the general corporate, funding and capital management purposes of CLC's Statutory Fund No. 2. The CLC Subordinated Notes will qualify as Tier 2 Capital under the Australian Prudential Regulation Authority's (APRA) Prudential Standards for life insurers.

The CLC Subordinated Notes have a term of 15 years, with a maturity date in September 2037 and an option for CLC to redeem the CLC Subordinated Notes in September 2027 and on any subsequent Interest Payment Date, subject to APRA's prior written approval and certain other conditions.

The CLC Subordinated Notes are expected to be issued on 16 September 2022. No shareholder approval is needed for the issue.

Barrenjoey Markets Pty Limited is acting as Arranger and Joint Lead Manager. Jarden Australia Pty Ltd, National Australia Bank Limited and Westpac Banking Corporation are also acting as Joint Lead Managers.

ENDS

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

About Challenger

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

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

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Disclaimer

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities (including CLC Subordinated Notes) in the United States or to, or for the account or benefit of, any U.S. person, or any other jurisdiction in which such an offer would be illegal.

The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities referred to in this announcement may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, unless the securities have been registered under the Securities Act (which CLC is under no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Singapore SFA Product Classification — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **SFA**) and Futures (Capital Markets Products) Regulations 2018 of Singapore (**CMP Regulations 2018**), unless otherwise specified before an offer of CLC Subordinated Notes, CLC has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the CLC Subordinated Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018 and Excluded Investment Products (as defined in the Monetary Authority of Singapore (**MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)).