

Market Release

12 June 2025

Challenger welcomes APRA's consultation on capital settings for annuity products

Challenger Limited (ASX:CGF) welcomes APRA's consultation on capital settings for annuity products, and its direction in moving towards a more market sensitive illiquidity premium with appropriate risk controls.

This is an important regulatory reform that will help to develop Australia's retirement income market by promoting innovation, supporting greater take up of lifetime income products and enabling greater choice and certainty for retirees.

The proposals outlined in the consultation represent a significant improvement on Australia's current prudential capital settings through closer alignment between asset and liability cashflows, creating a more appropriate environment for the provision of annuity products through lowering the levels of required capital.

A more risk sensitive framework will also reduce the procyclicality that life insurers face during market downturns.

We look forward to continuing our constructive engagement with APRA and will develop a comprehensive submission in response to the consultation.

Challenger's Chief Executive Nick Hamilton said:

"Challenger welcomes progress on this important initiative that will improve annuity offerings for all Australians and support guaranteed income being an integral part of the retirement planning process.

"The proposals will also improve the financial resilience of life insurers and establish a more favourable environment to grow the annuity market and provide reliable, guaranteed income streams in retirement."

ENDS

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

About Challenger

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

Challenger operates a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

For more information contact:

Mark Chen

General Manager Investor Relations

Mob +61 423 823 209

machen@challenger.com.au

Felicity Goodwin

Head of Public Affairs

Mob +61 461 579 782

fgoodwin@challenger.com.au

Irene Xu

Investor Relations Manager

Mob +61 451 822 326

ixu@challenger.com.au

Rhiannon Hornsey

Chief of Staff

Mob +61 428 404 345

rhornsey@challenger.com.au