

Market Release

22 May 2024

Challenger extends MS Primary reinsurance partnership

Challenger Limited (ASX:CGF) announces it will extend the reinsurance partnership between Challenger Life and Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary)¹.

Since November 2016, Challenger Life has successfully partnered with MS Primary, a leading annuities provider in Japan, to reinsure Australian dollar annuities. The arrangement has subsequently expanded to include US dollar and Japanese yen denominated annuities.

Under the new agreement, Challenger Life will continue to receive a quota share of reinsurance across Australian dollar, US dollar and Japanese yen denominated annuities issued in Japan by MS Primary, commencing from 1 July 2024.

MS Primary will provide to Challenger Life an annual amount of reinsurance of at least ¥50 billion per year (currently ~A\$500 million²) for the next five years, subject to review in the event of a material adverse change for either MS Primary or Challenger Life.

Challenger Life will also support MS Primary with any new reinsurance requirements that MS Primary may have.

MS Primary is a subsidiary of MS&AD Insurance Group Holdings Inc., which holds 15% of Challenger's issued share capital, and under a long-term strategic relationship has representation on the Challenger Limited Board.

Challenger's Chief Executive Officer and Managing Director, Nick Hamilton said:

"We are delighted to extend our reinsurance partnership with MS Primary. This reflects the strong, collaborative and mutually beneficial relationship that we have developed over a number of years, and it was a privilege to celebrate the eighth year of our reinsurance partnership with a MS Primary delegation at our Sydney office this week.

"The arrangement that we're announcing today also supports our focus on longer duration annuity business with the objective of improving the quality of Life's annuity book growth and driving stronger returns.

"Challenger Life is an important reinsurance partner for MS Primary and we're very pleased to continue to support its growth. We look forward to the continued success of our relationship and supporting MS Primary to provide financial security to its customers."

¹ Subject to execution of final legal documentation.

² Based on 3-month average exchange rate at 20 May 2024.

Challenger Limited A.B.N 85 106 842 371. Disclaimer: The forward-looking statements, estimates and projections contained in this release are not representations as to future performance and nothing in this release should be relied upon as guarantees or representations of future performance.

MS Primary Executive Chairman, Yasuhiro Nagai said: "The extension of the reinsurance partnership demonstrates our commitment and confidence in Challenger. Challenger is a special business partner to MS Primary as a reliable reinsurer. More recently, our partnership has expanded to include asset management in Australia and Japan. We hope to continue to explore and exploit opportunities with Challenger to further mutual benefits and enhance the business partnership."

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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.

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