

## CHALLENGER LIFE COMPANY LIMITED ISSUES \$400 MILLION OF SUBORDINATED NOTES

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**Challenger Limited (ASX:CGF)** today announced that Challenger Life Company Limited (CLC) has received commitment from institutional and wholesale investors to subscribe for \$400 million of subordinated notes which, when issued, will qualify as Tier 2 Capital under APRA's prudential standards.

The CLC Subordinated Notes are floating rate, paying interest quarterly based on a margin above the 3 month bank bill rate. The margin has been determined under a bookbuild process and has been set at 210 bps over the 3 month bank bill swap rate.

Challenger's Chief Financial Officer Andrew Tobin said: "we are really pleased with the strong demand from investors and intend to use the proceeds to replace existing CLC subordinated debt".

The CLC Subordinated Notes are anticipated to be issued on or about 24 November 2017, with the key terms as follows:

- A term of 25 years, with the maturity date in November 2042 and the Issuer's option to redeem in November 2022, subject to APRA's prior written approval;
- The Issuer may also redeem CLC Subordinated Notes at any time if a Tax Event or Regulatory Event has occurred, subject to APRA's prior written approval;
- If not redeemed earlier, in certain circumstances holders have the option to require conversion of CLC Subordinated Notes to ordinary shares of Challenger Limited in November 2024;
- If a Non-Viability Trigger Event occurs, the CLC Subordinated Notes may be converted into ordinary shares of Challenger Limited or written-off;
- On a winding-up of CLC and assuming a Non-Viability Trigger Event has not occurred, the CLC Subordinated Notes will be subordinated to senior creditors;

- Interest is deferrable in certain circumstances (subject to a dividend pusher provision), cumulative and payable quarterly in arrears; and
- the CLC Subordinated Notes will have a notional face value of \$10,000 per note, with a minimum subscription amount of \$500,000 or otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act.

### For more information contact

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