

MARKET RELEASE

11 September 2003

CHALLENGER CAPITAL MANAGEMENT APPOINTMENTS

11 September 2003, Sydney - Challenger Financial Services Group (ASX Code: CFG) announced today it had appointed Dominic Stevens to the role of General Manager, Capital Management reporting to Challenger's CEO, Chris Cuffe.

Mr Stevens will head up the new division of Capital Management overseeing all aspects of Challenger's balance sheet activities including the life company, treasury, risk management, strategic funding and asset mix.

Richard Howes will also join Challenger in the role of Head of the Life Company and will report to Mr Stevens. In the role of Head of the Life Company, Mr Howes will focus his efforts on annuities pricing, investment allocation and risk management of the Life Company.

The Capital Management team will oversee the investment allocation of assets held on Challenger's balance sheet and the market and credit risk as it pertains to those investments. All areas of debt management, foreign exchange and relations with ratings agencies are the responsibilities of Mr Stevens's team.

Challenger's existing Capital & Risk Management team, headed by Geoff Walker will form part of the Capital Management division and Mr Walker will assume the role of Chief Risk Officer reporting to Mr Stevens.

Prior to joining Challenger, Mr Stevens was Senior Managing Director Zurich Capital Markets (Asian region) specializing in the areas of structured finance, derivative solutions and risk management products to investors in alternative assets.

Prior to 1999, Mr Stevens was a Partner with Bankers Trust Company, where he headed the Bankers Trust global commodity business (ex energy) and was also responsible for the derivatives risk management business at Bankers Trust Australia.

Previously Mr Howes was co-head of derivatives at Zurich Capital Markets and a member of the management committee. Prior to 2001, Mr Howes was co-head of Agricultural Commodities at Macquarie Bank, which is considered to be the global leader in provision of over the counter agricultural price risk management products.

Mr Stevens and Mr Howes take up their roles immediately.

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