

20 Clifford Street
GORDON NSW 2072

5 May 1988

The Secretary
State Building Society Limited
1 Whitlam Square
SYDNEY NSW 2000

Dear Sir

Resignation as Chairman

At the Bank's request I am resigning from the Board of the Society.

The receipt of the independent, impartial expert's report from Macquarie Bank advising that a merger was a likely eventuality and the State Bank the most likely partner, clears the way for the Bank to consider making an offer to the Society and I believe my resignation will facilitate this course of action.

Yours faithfully

A handwritten signature in black ink, appearing to read 'KG Dennewald', with a long horizontal flourish extending to the right.

KG Dennewald