



SBB Remains Committed to Strong Corporate Governance and Transparency in Evaluating Options

Kuala Lumpur, 14 December 2005 - Southern Bank Berhad (SBB) would like to clarify its position in light of erroneous reports since Monday's EGM regarding SBB's approach for evaluating options.

Discussions with CIMB began on November 14th and are ongoing. There have been two meetings. No proposal has been received. If a proposal is received, the Board will consider this carefully and will seek proper independent financial advice. In accordance with its fiduciary duties, the Board will then determine if such a proposal is in the best interest of all shareholders, and if so, it will make its recommendation to shareholders accordingly.

.As announced earlier, SBB has retained Goldman Sachs as an international financial advisor. Their advice, and the input of any independent financial advisor that may be retained, will be incorporated in the review of any offer.

The Board Committee conducting these discussions comprises SBB's three Independent Directors, Professor Sieh Lee Mei Ling, Datuk Nicholas Zefferys, and Mr. Ian Buchanan, as well as Executive Director Tengku Zaitun binti Tengku Mahadi. The Board and its members have made no determination of specific price expectations. Any rumor regarding possible price expectations that any member of the Board may consider is purely speculative and without basis.

The Board continues to evaluate all strategic options, including: possible reconsideration of the acquisition of AGHL; other acquisition opportunities; continued pursuit of organic growth opportunities as a high performing niche bank; overall capital management and dividend policy; and potential divestment or merger of the Bank or its businesses in a manner that will maximize value creation.

SBB's Board of Directors will continue to apply strong governance practices and operate with full transparency so that the interests of all shareholders, including minority shareholders, are protected.

Issued by Southern Bank Berhad. For more details, contact Celina May Benjamin, SBB Corporate Communications at Tel 60 12 299 7690 or 60 3 2087 3958