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INTERNATIONAL BANK OF ASIA LIMITED
港基國際銀行有限公司

(incorporated in Hong Kong with limited liability)

CLARIFICATION ANNOUNCEMENT : –
POSSIBLE DISPOSAL OF INTEREST BY CONTROLLING SHAREHOLDER

The Board of Directors (“**Board**”) of International Bank of Asia Limited (“**IBA**”) has noted the article appearing in the press today. The Board believes that this article is speculative. As was announced on 13 December 2002, the Board has been informed by Arab Banking Corporation (B.S.C.) (“**ABC**”) that it was considering the possibility of disposing of its interest in IBA and had commenced a process in relation to a possible sale. The Board has now been informed that ABC has received a number of indicative expressions of interest and is considering its options. The Board has also been informed that this consideration is still at a preliminary stage and there is no assurance that any transaction will eventually be consummated or of the terms of any consummated transaction, if any. A further announcement will be made at an appropriate time; pending such announcement, the Board does not intend to comment on press speculation. **Shareholders and potential investors are reminded to exercise caution when dealing in the shares of IBA and should not rely on press speculation.**

By Order of the Board
International Bank of Asia Limited
Mike M Murad
*Vice Chairman, Managing Director and
Chief Executive Officer*

Hong Kong, 23 December 2002

The Directors of IBA jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.