

Directors' Report

for the financial year ended 31 December 2004

The directors are pleased to present their report to the members together with the audited financial statements of Far Eastern Bank Limited (the "Bank") and its subsidiaries (the "Group") for the financial year ended 31 December 2004.

Directors

The directors of the Bank in office at the date of this report are:

Mr Wee Cho Yaw (*Chairman*)

Mr Wee Ee Cheong (*Deputy Chairman*)

Mr Lee Chin Chuan

Mr Ong Chu Meng

Mr Wong Meng Meng

Mr Philip Yeo Liat Kok

Prof Cham Tao Soon

Mr Ngiam Tong Dow (*appointed on 3 February 2005*)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Bank a party to any arrangement whose object was to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than those issued in connection with the UOB 1999 Share Option Scheme as set out in this report.

Directors' interests in shares or debentures

- (a) The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, an interest in shares of the Bank or related corporations as stated below:

	Direct interest		Deemed interest	
	At 31.12.2004	At 1.1.2004	At 31.12.2004	At 1.1.2004
The Bank				
Far Eastern Bank Limited				
(Ordinary shares of \$1 each)				
Mr Lee Chin Chuan	538,178	538,178	4,561,671	4,455,443
Mr Ong Chu Meng	302,185	302,185	1,969,850	1,969,850
Related corporations				
United Overseas Bank Limited				
(Ordinary shares of \$1 each)				
Mr Wee Cho Yaw	16,390,248	16,390,248	211,708,142	210,608,142
Mr Wee Ee Cheong	2,794,899	2,794,899	146,085,251	144,985,251
Mr Lee Chin Chuan	—	—	83,727	83,727
Prof Cham Tao Soon	—	—	6,520	6,520
Mr Koh Beng Seng (<i>resigned on 16 February 2005</i>)	50,000	—	—	—
United Overseas Insurance Limited				
(Ordinary shares of \$1 each)				
Mr Wee Cho Yaw	25,400	25,400	—	—

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Directors' interests in shares or debentures (continued)

(b) The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, an interest in the share options in, or debentures of the Bank or related corporations as stated below:

	Direct interest		Deemed interest	
	At 31.12.2004	At 1.1.2004	At 31.12.2004	At 1.1.2004
Related corporations				
United Overseas Bank Limited				
(Option to subscribe for unissued ordinary shares of \$1 each)				
Mr Koh Beng Seng (<i>resigned on 16 February 2005</i>)	–	50,000	–	–

Note: The share options which were granted pursuant to the UOB 1999 Share Option Scheme carry the right to subscribe for new ordinary shares of United Overseas Bank Limited. The exercise price of the share options outstanding at 31 December 2003 is \$11.67 per share.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Bank has received or become entitled to receive a benefit by reason of a contract made by the Bank or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except that certain directors received remuneration from related corporations in their capacity as directors and/or executives of those corporations.

Share options

There were no options granted by the Bank or any of its subsidiaries during the financial year to subscribe for unissued shares of the Bank or its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Bank or its subsidiaries.

There were no unissued shares under option in respect of the Bank or its subsidiaries as at 31 December 2004.

Auditors

Messrs Ernst & Young have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors,

Wee Cho Yaw
Chairman

Wee Ee Cheong
Deputy Chairman

Singapore, 24 February 2005