

Directors' Report

for the financial year ended 31 December 2005

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 2005.

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 Yeo Liat Kok Philip	
Prof Cham Tao Soon	
Mr Ngiam Tong Dow	

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 31.12.2005	At 1.1.2005	At 31.12.2005	At 1.1.2005
The Bank				
Far Eastern Bank Limited				
(Ordinary shares of S\$1 each)				
Mr Lee Chin Chuan	538,178	538,178	4,561,671	4,561,671
Mr Ong Chu Meng	302,185	302,185	2,020,453	1,969,850

	Direct interest		Deemed interest	
	At	At	At	At
	31.12.2005	1.1.2005	31.12.2005	1.1.2005
Related corporations				
United Overseas Bank Limited				
(Ordinary shares of S\$1 each)				
Mr Wee Cho Yaw	16,390,248	16,390,248	245,208,142	211,708,142
Mr Wee Ee Cheong	2,794,899	2,794,899	146,085,251	146,085,251
Mr Lee Chin Chuan	–	–	83,727	83,727
Prof Cham Tao Soon	–	–	6,520	6,520
Mr Ngiam Tong Dow	–	–	8,600	–
United Overseas Insurance Limited				
(Ordinary shares of S\$1 each)				
Mr Wee Cho Yaw	25,400	25,400	–	–

- (b) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share options of related corporations.

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.

Directors' fees and other remuneration

Details of the total fees and other remuneration paid/payable by the Group to the directors of the Bank for the financial year ended 31 December 2005 are as follows:

	Directors' fees	Base or fixed salary	Variable performance bonus	Benefit-in-kind and others	Total
	%	%	%	%	%
Below \$250,000					
Mr Wee Cho Yaw	100.0	–	–	–	100.0
Mr Wee Ee Cheong	100.0	–	–	–	100.0
Mr Koh Beng Seng (resigned on 16 February 2005)	100.0	–	–	–	100.0

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Directors' fees and other remuneration (continued)

	Directors' fees %	Base or fixed salary %	Variable performance bonus %	Benefit-in-kind and others %	Total %
Below \$250,000 (continued)					
Mr Lee Chin Chuan	100.0	—	—	—	100.0
Mr Ong Chu Meng	100.0	—	—	—	100.0
Mr Wong Meng Meng	100.0	—	—	—	100.0
Mr Yeo Liat Kok Philip	100.0	—	—	—	100.0
Prof Cham Tao Soon	100.0	—	—	—	100.0
Mr Ngiam Tong Dow	100.0	—	—	—	100.0

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 2005.

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

23 February 2006