

Bermuda becomes Centre of Excellence for HSBC's Regional Liquidity Business

(Hamilton, Bermuda, 3 July 2006) Bank of Bermuda announced today that Bermuda has been selected as the Centre of Excellence for HSBC's regional liquidity business. The announcement comes as a result of Bermuda-based Faith Outerbridge being appointed Regional Chief Investment Officer for the Americas Liquidity Business. This appointment recognises the phenomenal success of Bank of Bermuda's \$10 billion plus Corporate Money Fund, which has been managed locally since its inception in December 1997, and clearly underlines the key role Bermuda plays in the Group's US dollar cash management/liquidity business.

Faith Outerbridge's new role will require her to liaise actively with the New York Liquidity team and work closely with Guillermo Konecny, CIO HSBC Investments USA, playing a key role in two areas. Firstly, Faith will be responsible for coordinating the ongoing global liquidity investment activity between the New York and Bermuda offices and secondly, Faith will monitor the application of strategy across all portfolios. Having worked for Bank of Bermuda for the past nine years with over 13 years experience in managing liquidity funds, Faith will also aid the development and implementation of the Global Liquidity Process.

Gonzalo Jalles, Managing Director of HSBC Investments (Bermuda) Limited commented, "Faith's appointment and Bank of Bermuda's enhanced role in the region only confirms our strength within the HSBC Group. Bank of Bermuda set as its goal to become a Centre of Excellence in Investment Services and we are clearly on the way to achieving this goal."

Bank of Bermuda CEO, Philip Butterfield, congratulated Faith on her appointment noting, "This is clearly a recognition of the skills and talent Faith has continually demonstrated as part of the Investment Team and the expertise Bermuda as a jurisdiction can provide to the Group which ultimately allows us to better serve our customers."

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Notes to Editors:

This information is issued by

The Bank of Bermuda Limited

The Bank of Bermuda Limited
6 Front Street, Hamilton HM 11
PO Box HM 1020
Hamilton HM DX, Bermuda
www.bankofbermuda.com

Press Release

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- Founded in 1889, Bank of Bermuda is the leading provider of fund administration, trust, custody, asset management and banking services in Bermuda. Since 2004 it has been a wholly owned indirect subsidiary of HSBC Holdings plc.
 - Further information on Bank of Bermuda can be found at www.bankofbermuda.com
 - Further information on HSBC can be found at www.hsbc.com

HSBC Investments (Bermuda) Limited

Bank of Bermuda funds are managed by HSBC Investments (Bermuda) Limited (ISBM) of 6 Front Street, Hamilton, Bermuda, a wholly owned subsidiary of The Bank of Bermuda Limited (the Bank), which is a member of the HSBC Group. Both ISBM and the Bank are licensed to conduct investment business by the Bermuda Monetary Authority.

Bank of Bermuda's mutual funds comprise over \$10 billion under management (as at 31 May 2006) covering the equity, bond, alternative and cash asset classes. The range of funds include: Managed Portfolios, offering four portfolios of primarily HSBC funds structured by investment style; Specialist Funds -US Dollar Income Fund, which seeks to achieve a high level of current income while attempting to minimize the risk of capital deterioration by applying an asset allocation strategy focused primarily on open-ended collective investment schemes, perpetual and preferred securities and fixed income securities (including asset and mortgage backed securities); Fund of Funds, which offer equity, bond and alternative strategies, and; Corporate Money Funds a Moody's Aaa rated, multi-currency money market fund.

All of the Bank of Bermuda funds are unregulated for UK purposes and are therefore only available through authorised persons who may only promote such funds to persons permitted under section 76 of the Financial Services Act 1986. US Investors are prohibited from investing in Bank of Bermuda funds

HSBC Investments

HSBC Investments is the global investment solutions business of the HSBC Group. HSBC Investments aims to be an expert in the development and delivery of a broad range of solutions for all clients, drawing on internal investment capabilities when appropriate and external managers as required. External investment management is accessed through HSBC's global Multimanager unit which is a core part of HSBC Investments.

HSBC Investments manages assets of USD 166 billion in retail mutual funds and lifecycle products, portfolios for private clients and institutions, and institutional money market funds (at 30th April 2006).

HSBC Investments is part of Group Investment Businesses, which comprises four separate investment management entities within HSBC; HSBC Investments, HSBC Halbis Partners, Sinopia and HSBC Specialist Investments. These businesses manage assets of USD 302 billion (at 30th April 2006).

HSBC Holdings plc

HSBC Holdings plc serves over 125 million customers worldwide through over 9,500 offices in 76 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$1,502 billion at 31 December 2005, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

Media contact:

Kim Wheddon

Bank of Bermuda

Telephone: (+441) 299 5613

Fax: (+441) 299 6559

E-mail: kim.l.wheddon@bob.hsbc.com