

Bank of Bermuda offers income seekers a new option

(Hamilton, Bermuda, Tuesday 3 May 2005) Bank of Bermuda today announces the launch of the US Dollar Income Fund, the first Bank of Bermuda investment product under the HSBC banner that has been specifically developed for the Bermuda market. The Fund launches with more than US\$25M in assets. Through quarterly dividend payments, the fund is specifically designed to generate supplemental income to help fund a customer's retirement, or provide extra cash.

Jason Schella, Head of Bank of Bermuda's Investment Centre said, "We recognise that securing a regular, reliable income is a major concern for many Bermuda residents, especially those who are retired or close to retiring. Considering the rising costs in our community and worries over maintaining a standard of living, this fund is really hitting home for many residents. This is a fund that investors don't have to wait years to cash in on."

The US Dollar Income Fund is a sub-fund under the HSBC Specialist Funds umbrella, which is managed by HSBC Investments (Bermuda) Limited. In the current market environment the fund is forecast to yield approximately 4-5% annually, although this percentage can be subject to market fluctuations. The fund maintains an accessible investment minimum set at US\$10,000.

Customers interested in finding out more about the US Dollar Income Fund can contact the Bank of Bermuda Investment Centre on 299 5900, email investmentcentre@bob.hsbc.com or visit the Bank's Investment Centre on Front Street in Hamilton.

- ends -

Notes to Editors:

- 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.bm
- 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 of companies. Both ISBM and the Bank are licensed to conduct investment business by the Bermuda Monetary Authority.

Bank of Bermuda's mutual funds comprise over \$7.3 billion under management covering the equity, bond, alternative and cash asset classes. The range of funds include Managed Portfolios, offering a portfolio of primarily HSBC funds structured by investment style and offering Income & Growth, Balanced, Capital Growth and Strategic Equity options available in USD and the Balanced Portfolio available in GBP; Fund of Funds, with equity, bond and alternative classes; Specialist Funds, consisting of the US Dollar Income Fund, which aims to offer a high level of income while minimising short-term volatility, and the US Beta Fund, which allows investors exposure to the US market through US Index, US Bear and US Geared Class options, and the Principal Protected Fund which enables investors to take advantage of market increases with the protection of the original investment if the market drops; Global Cash Funds, which offers cash-equivalent returns in six currencies; and Corporate Money Funds, which provides investors with a high level of current income and preservation of capital in three currencies – USD, GBP and EUR. 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 existing global multimanager unit, which is a core part of HSBC Investments.

HSBC Holdings plc

With some 9,800 offices in 81 countries and territories and assets of US\$ 1,277 billion at 31 December 2004, the HSBC Group is one of the world's largest banking and financial services organisations.

Media contact:

Karen Madeiros

Bank of Bermuda

Telephone: (+441) 299 6709

Fax: (+441) 299 6559

E-mail: karen.madeiras@bob.hsbc.com