

Bank of Bermuda maintains lending rates

(Hamilton, Bermuda, 22 March 05) Bank of Bermuda announces that it will not increase its credit base rates in response to the decision today by the U.S. Federal Reserve Board to raise the Federal Funds Rate by 0.25%.

Michael Collins, Head of Banking Services, said, “The Bank will not raise our lending base rate in parallel with today’s Fed increase. Our goal is to support our Personal Financial Services customers by making the financing cost of home ownership more affordable. We will also continue to provide cost effective financing solutions for our commercial clients and small businesses.”

Bermuda homeowners and businesses should however anticipate higher borrowing costs as U.S. interest rates continue to gradually rise during 2005.

- 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
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Media contact:

Karen Madeiros

Bank of Bermuda

Telephone: (+441) 299 6709

Fax: (+441) 299 6559

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