

Bank of Bermuda to launch Home Start Mortgage in series of new lending products

(Hamilton, Bermuda, 15 January 2007) Bank of Bermuda formally launched “Home Start Mortgage” today, the second in a series of new lending products progressively being rolled out. The new mortgage is designed to provide 100% financing for first-time homebuyers, up to \$1million dollars, making it possible to borrow an amount equal to the entire value of a property. A further benefit is that both legal and bank fees can be included in the mortgage financing. In an effort to strengthen our commitment to meet customer needs, the Bank has developed this product for customers who until now might not have been able to afford the purchase of their first home. “Home Start Mortgage,” homeowners can choose to make interest-only payments for the first 3 years of the loan, thereby providing “...a really unique opportunity to enter the Bermuda housing market for the first time,” said Richard Brown, Head of Personal Financial Services at the Bank of Bermuda. The new product is available to first-time homebuyers only, and allows up to a 30-year term. Both the purchase of primary residences and investment properties qualify for a “Home Start Mortgage.”

The launch of “Home Start Mortgage” closely follows the opening of Bank of Bermuda’s new Personal Lending Centre on Reid Street, and the introduction of “Flexi-Mortgage,” which was the first in the series of new mortgage products being launched. “Flexi-Mortgage,” which allows the purchaser to borrow up to \$2million dollars with interest only payments for the first 5 or 10 years, provides an alternative type of mortgage financing for customers who require some flexibility with their mortgage payments.

Bank of Bermuda CEO, Philip Butterfield, explained that the new range of mortgage products will make home ownership even more accessible to the wider public, “A home is a lifetime investment and our customers are looking to the Bank for creative ways to help them acquire ‘a Piece of the Rock’.

We believe by introducing more flexible and innovative mortgage products we can help people achieve the dream of home ownership.”

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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.com
- Further information on HSBC can be found at www.hsbc.com

Media contact:

Kim Wheddon

Media Relations Manager

Bank of Bermuda

Telephone: (+441) 299 5613

Fax: (+441) 299 6559

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