

Bank of Bermuda to manage one of the largest international funds in the world

(Hamilton, Bermuda, 12 July 2007) Bank of Bermuda announced today that its investments arm in Bermuda has been selected to manage one of the largest international funds in the world. HSBC Investments (Bermuda) has been appointed as the discretionary investment advisor to the Dublin-based HSBC Global Liquidity Fund (GLF) US Dollar classes. This will increase the total assets under management in Bermuda to over US\$21 billion.

This appointment recognises the phenomenal success of Bank of Bermuda's \$12 billion Corporate Money Fund, which has been managed locally since its inception in December 1997, and clearly underlines the key role Bermuda plays in the HSBC Investments Global Liquidity business. Bermuda's position in the region was enhanced last year with the promotion of Faith Outerbridge as Chief Investment Officer Liquidity Americas.

Guillermo Konecny, CEO of HSBC Investments (Bermuda) commented, "We are pleased with this appointment, which comes as a result of months of hard work and reinforces the importance of Bermuda to the HSBC Investments Global Liquidity business. GLF is one of the largest international fund ranges in the world and we are proud to be the investment advisors of the US dollar classes, its predominant component. In addition to this new role, we manage our local liquidity range, HSBC Corporate Money Funds, which became a part of the Global Liquidity business in 2006. To date these funds have attracted over US\$12 billion from local investors, becoming the largest Bermuda-based liquidity funds. These results show our commitment to supporting the local insurance, reinsurance and captive companies with their investments needs."

Bank of Bermuda CEO, Philip Butterfield, noted, "This is clearly a recognition of the skills and talent of our investment team and the expertise Bermuda as a jurisdiction can provide to the Group. Last year 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 objective."

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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

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 \$13 billion under management (as at 30 June 2007) 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 206 billion in retail mutual funds and lifecycle products, portfolios for private clients and institutions, and institutional money market funds (at 31st May 2007).

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 339 billion (at 31st May 2007).

HSBC Holdings plc

HSBC Holdings plc serves over 125 million customers worldwide through over 10,000 offices in 82 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$1,861 billion at 31 December 2006, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

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