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**NORTH HAMILTON ECONOMIC DEVELOPMENT ZONE
PROJECT UNVEILED**

Bank of Bermuda today joined with residential property developers, Carmon and Belinda Cyrus, to unveil one of the latest developments to benefit from the North Hamilton Economic Development Zone initiative.

The 10-unit apartment building with retail space at 11 Union Street, Hamilton, falls within the North Hamilton Economic Development Zone, enabling the residential property developers, Carmon and Belinda Cyrus, to benefit from financing with below market interest rates and special terms and conditions.

The apartment complex contains five bed-sitters and five one-bedroom units, which adjoin five existing units. Under the North Hamilton Economic Development Zone initiative, which commenced in 2006, Bank of Bermuda made an initial commitment of \$10 million to finance commercial projects in North Hamilton. The bank agreed to provide not only structuring advice but to make available three different forms of financing. The commercial development loan and small business loan offers below market interest rates and special terms and conditions. The bank also considers private equity investments for transactions with the appropriate risk/return profile.

Bank of Bermuda Chief Executive Officer, Philip Butterfield, congratulated the Cyrus's on the near completion of their new development noting, "When we first contemplated our involvement in the North Hamilton Economic Development Zone initiative, this was exactly the type of project we hoped to support and encourage. We not only wanted to help

Press Release

North Hamilton Economic Development Zone project unveiled/2

revitalise the area but we wanted to provide entrepreneurs with the tools and a pathway to help them accomplish their vision. Since 2006, Bank of Bermuda's commitment to the area has grown to over \$25.6 million. We have been approached by a number of businesses for funding and have approved loan facilities with 17 businesses, 10 of those are new entities which we have helped to fund. Today marks another step for the bank as we reaffirm our commitment to this very important sector."

Residential property developer, Carmon Cyrus, noted, "This project was a dream for us. Bank of Bermuda has helped us fulfil that dream by supporting the North Hamilton Economic Development Zone and we would like to express our heartfelt thanks to them for all of their help."

In recognising the importance of the small business sector and noting that small business owners and entrepreneurs often had very distinctive needs, Bank of Bermuda established the Small Business Group in 2005, which provides business owners with added guidance and support through a team of relationship managers.

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Notes to editors:

1: 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.

2: Further information on Bank of Bermuda can be found at www.bankofbermuda.com

3: HSBC Holdings plc serves over 125 million customers worldwide through around 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of some US\$2,150 billion at 30 June 2007, 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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