

August 3rd, 2022

HSBC to raise its base lending rate for the first time in a number of years

HSBC Bank Bermuda Limited ('HSBC'), announced today that it will increase its base lending rate by 0.50%, effective 4 October 2022.

The Bank would like to make its customers aware that the base rate for Bermuda dollar residential mortgages and consumer loans will increase by 0.50%, i.e. from 3.50% to 4.00%. This will be the Bank's first base lending rate increase on residential mortgages and consumer loans since 2019 and follows a 0.25% reduction in 2020.

The base rate for Bermuda dollar commercial loans will increase by 0.50% to 4.75%, representing the first commercial rate increase since 2011 and it comes two years after a 0.50% reduction in 2020.

Since the start of the year, US interest rates have risen by 2.25%, including the most recent 0.75% increase in July. The Bank considers a number of factors when reviewing whether it should increase its base lending rate and has sought to insulate customers as much as possible, from changes of this nature.

In addition to this announcement, impacted customers will receive a letter outlining their respective new payment amount and the revised rate will be published on the Bank's website at <https://www.hsbc.bm/loans/rates/>.

HSBC Bermuda thanks its customers for their continued business and invites them to contact their Relationship Manager should they require assistance. Residential mortgage and consumer loan holders may also send an email to hbbm.blr.change@hsbc.bm, should they have questions in relation to the change.

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Media enquiries to:

Angela Cotterill (441) 299 6956 angela.cotterill@hsbc.bm

Notes to editors:

1. HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 63 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,985bn at 30 June 2022, HSBC is one of the world's largest banking and financial services organisations.

2. HSBC Bermuda

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