

Press Release

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FIRST BERMUDA CONFIDENCE INDEX KEY TO ECONOMIC RECOVERY

(Hamilton, Bermuda) –Bermuda’s Total Research Associates Ltd. (TRA) and their partner, Corporate Research Associates Inc., in partnership with HSBC Bank Bermuda Limited is pleased to announce the launch of the benchmark Bermuda Business Confidence Report. This is Bermuda’s first study capturing the local business community’s opinions on important factors such as current economic business conditions, anticipated business conditions for the coming year, capital purchase intentions and hiring intentions. This initiative provides local business leaders with important economic indicators for industry sectors, the business community and the Island’s economy. A presentation of the survey results will be held on 5 February at HSBC Bermuda.

Mike Walker, Head of Commercial Banking, HSBC Bermuda stated; “Many companies have worked very hard in challenging economic conditions. This first of its kind research for Bermuda provides valuable insights into the health of the local economy. We support research within the local business community because we believe it’s important for Bermuda to have a clear indication of business trends.”

Graham Redford, Managing Director, Total Research Associates, explained the importance of establishing this benchmark research. “Bermuda may be concluding year six of a lost economic decade. Since the 2008 global financial crisis, most countries have now resumed economic growth, although weak growth in most cases. In Bermuda, the economy has essentially been in recession since 2008, with the economy actually continuing to shrink until 2012. There was some minimal growth in GDP in 2013, but well below inflation. Undoubtedly, this has been the weakest economic period in memory in the country and it has shaken confidence. The information from this study will become more valuable in the future as trending data becomes available to be able to determine changes in business confidence over time.”

Don Mills, Chairman of Corporate Research Associates Inc. further stated: “However, there are early signs of recovery. The number of new international businesses registered in Bermuda has been increasing, and there is growing recognition that changes are needed to improve Bermuda as a

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place to do business internationally and rebuild its tarnished image in that regard. The strong recovery of the US economy should benefit Bermuda's economy and provide opportunities to regain the Island's position as a desired location for international business. The establishment of the new Bermuda Tourism Authority (BTA) should help develop and implement an improved, industry-driven strategy to re-position Bermuda globally as a tourism destination. That said, the key to the recovery is improved business confidence that will lead to more business investment and job creation."

Participants of this economic survey comprise of members of an exclusive panel of Bermuda's senior executives, with representation of both international and domestic companies from all major sectors of the economy including communications, transportation, retail, tourism, professional services, and finance, among others. The future bi-annual surveys of the BCI panel will occur in June and December of each year.

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Notes to editors:

1. HSBC Bermuda

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