

HSBC Insurance Solutions (Bermuda) Limited to Purchase BF&M' Captive Man

(Hamilton, Bermuda, 15 August, 2005) HSBC Insurance Solutions (Bermuda) Limited has entered into an agreement with BF&M Management Limited to purchase the BF&M captive management operations, for an undisclosed amount.

The acquisition involves the transfer of the client management contracts currently held by BF&M Management Limited, which will result in 24 new clients for HSBC Insurance Solutions (Bermuda) Limited. The transaction is expected to close on 31 August 2005.

HSBC Insurance Solutions (Bermuda) Limited has agreed to offer continuing employment for the current BF&M Management staff, who will relocate to HSBC's offices in Hamilton, Bermuda.

John Wight, President and CEO of BF&M Limited, stated, "A decision was made that captive management was not part of the strategic plan for growth of the BF&M Insurance Group. Following this decision, we sought to find the best organization to continue excellent service to our captive management customers and to provide continuing and challenging employment for our staff. HSBC Insurance Solutions (Bermuda) Limited met our criteria in respect of both our customers and our staff".

Commenting on the transaction, Roy Fellowes, Deputy CEO of HSBC Insurance Management & Managing Director of HSBC's insurance operations in Bermuda stated, "I am delighted to welcome the BF&M captive management clients and staff to the HSBC Group and we look forward to working with them in the future. All parties have worked hard to ensure the transfer to HSBC causes no disruption for the clients or their business. By hiring the BF&M staff and maintaining the current operating systems, the transfer to HSBC should be seamless. Our Insurance Management business in Bermuda has experienced very good organic growth over the past 5 years and with the completion of this transaction, we will have over 60 captive management clients in Bermuda."

