

FINAL TERMS

31 May 2011

HBME Sukuk Company Limited

**Issue of U.S.\$500,000,000 3.575 per cent. per annum Fixed Rate Trust Certificates due 2016
under the U.S.\$5,000,000,000
Trust Certificate Issuance Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 May 2011 (incorporating the Registration Document in relation to the Bank dated 17 May 2011) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Trust Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer, HSBC Bank Middle East Limited and the offer of the Trust Certificates is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer at c/o MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands and the Principal Paying Agent at 8 Canada Square, London, E14 5HQ, England and copies may be obtained from those offices.

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|----|----------------------------------|-----------------------------------------------------------------------|
| 1. | (i) Issuer and Trustee: | HBME Sukuk Company Limited |
| | (ii) Obligor/Bank: | HSBC Bank Middle East Limited |
| 2. | Series Number: | 2 |
| 3. | Specified Currency: | U.S.\$ |
| 4. | Aggregate Face Amount of Series: | U.S.\$500,000,000 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Face Amount |
| 6. | (i) Specified Denominations: | U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof |

- (ii) Calculation Amount: U.S.\$1,000
7. (i) Issue Date: 2 June 2011
- (ii) Return Accrual Issue Date
Commencement Date:
8. Maturity Date: 2 June 2016
9. Periodic Distribution Amount 3.575 per cent. Fixed Periodic
Basis: Distribution Amount
10. Dissolution Basis: Dissolution at par
11. Change of Periodic Not Applicable
Distribution Basis:
12. Call Option: Not Applicable
13. Date approval for issuance of 31 May 2011
Trust Certificates maintained:
14. Method of distribution: Syndicated

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

15. Fixed Periodic Distribution Applicable
Provisions:
- (i) Rate: 3.575 per cent. per annum payable semi-
annually in arrear
- (ii) Periodic Distribution 2 June and 2 December in each year up
Date(s): to and including the Maturity Date
- (iii) Fixed Amount(s): U.S.\$17.88 per Calculation Amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: 30/360
- (vi) Other terms relating to Not Applicable
the method of
calculating Fixed
Periodic Distribution
Amounts:

16. Floating Periodic Distribution Not Applicable
Provisions:

PROVISIONS RELATING TO DISSOLUTION

17. Optional Dissolution (Call): Not Applicable
18. Final Dissolution Amount of U.S.\$1,000 per Calculation Amount
each Trust Certificate:
19. Early Dissolution Amount U.S.\$1,000 per Calculation Amount
(Tax) of each Trust Certificate:

GENERAL PROVISIONS APPLICABLE TO THE TRUST CERTIFICATES

20. Form of Trust Certificates: Registered Trust Certificates
- Global Trust Certificate exchangeable for Trust Certificates in definitive registered form in the limited circumstances specified in the Global Trust Certificate
21. Additional Financial Centre(s) Not Applicable
relating to payment:

PROVISIONS IN RESPECT OF THE SUKUK ASSETS

22. Non-mudaraba Assets on the Issue Date: As scheduled to the Supplemental Purchase Contract dated 2 June 2011, a copy of the schedule to which is set out in the Annex hereto
23. Trust Assets: Condition 5.1 (*Trust Assets*) applies
24. (i) Details of Transaction Account: HBME Sukuk Company Limited Transaction Account Series No.: 2 with HSBC Bank plc
- (ii) Currency: U.S.\$
25. Other Transaction Document Information:
- (i) Supplemental Trust Deed: Supplemental Trust Deed dated 2 June 2011 between the Issuer, the Trustee, the Bank and the Delegate

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|-------|-------------------------------------------|-----------------------------------------------------------------------------------------------|
| (ii) | Supplemental Purchase Contract: | Supplemental Purchase Contract dated 2 June 2011 between the Issuer, the Trustee and the Bank |
| (iii) | Master Mudaraba Term Investment Contract: | Master Mudaraba Term Investment Contract dated 2 June 2011 between the Issuer and the Bank |
| 26. | Other final terms: | Not Applicable |

DISTRIBUTION

- | | | |
|-----|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27. | If syndicated, names of Managers: | HSBC Bank plc
Abu Dhabi Islamic Bank PJSC
Al Hilal Bank PJSC
CIMB Bank (L) Limited
Liquidity Management House for Investment Co. K.S.C.C.
Qatar Islamic Bank SAQ |
| 28. | If non-syndicated, name of relevant Dealer: | Not Applicable |
| 29. | Additional selling restrictions: | None |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange plc of the Trust Certificates described herein pursuant to the U.S.\$5,000,000,000 Trust Certificate Issuance Programme of HBME Sukuk Company Limited.

RESPONSIBILITY

Each of the Issuer and the Obligor accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of each of the Issuer and the Obligor (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is

in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of

Signed on behalf of

HBME Sukuk Company Limited

HSBC Bank Middle East Limited

By: 
.....
Duly authorised

By:
Duly authorised

Carlos Farjallah
Director

in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of

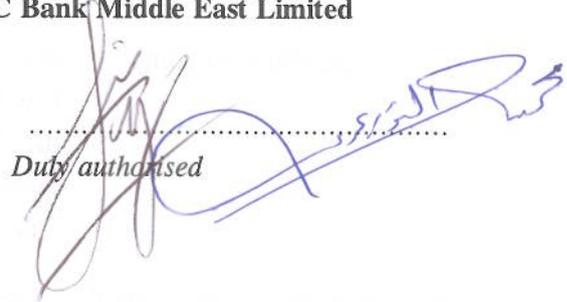
HBME Sukuk Company Limited

By:
Duly authorised

Signed on behalf of

HSBC Bank Middle East Limited

By:
Duly authorised



PART B — OTHER INFORMATION

30. LISTING AND ADMISSION TO TRADING

- (i) Listing: Application has been made for the Trust Certificates to be admitted to the Official List of the UK Listing Authority
- (ii) Admission to trading: Application has been made for the Trust Certificates to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from 2 June 2011
- (iii) Estimate of total £3,600 expenses related to admission to trading:

31. RATINGS

Ratings: The Trust Certificates have been rated:
Moody's Investors Service, Inc.: A1
Fitch Ratings Ltd.: AA-

Fitch Ratings Ltd. is established in the European Union and has applied for registration under Regulation (EU) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority

Moody's Investors Service, Inc. is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009

32. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer, so far as each of the Issuer and the Obligor is aware, no person involved in the issue of the Trust Certificates has an interest material to the offer.

33. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- (i) Reasons for the offer: Information not required
- (ii) Estimated net proceeds: Information not required
- (iii) Estimated total expenses: Not Applicable

34. **YIELD**

Indication of yield: 3.575 per cent. per annum

35. **OPERATIONAL INFORMATION**

- (i) ISIN Code: XS 0631957403
- (ii) Common Code: 63195740
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of initial Paying Agent(s): HSBC Bank plc
8 Canada Square
London E14 5HQ
England
- (vi) Names and addresses of additional Paying Agent(s) (if any): None

Annex 1
Non-mudaraba Assets

1. Ijara-based asset 1 – U.S.\$36,483,736.23 principal amount outstanding under an ijara-based financing extended by the Bank and designated by account number 020-178836-396;
2. Ijara-based asset 2 – U.S.\$44,991,877.24 principal amount outstanding under an ijara-based financing extended by the Bank and designated by account number 070-000922; and
3. A portfolio of non-ijara based assets – U.S.\$237,162,789.45 principal amount outstanding under non-ijara based financing extended by the Bank.