

## REGISTRATION DOCUMENT



### HSBC Bank Middle East Limited

*(A company incorporated with limited liability in Jersey with registered number 85600)  
as Issuer*

*This document has been prepared for the purpose of providing disclosure information with regard to HSBC Bank Middle East Limited and has been approved by the United Kingdom Financial Services Authority (the "FSA"), which is the United Kingdom competent authority, for the purposes of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing measures in the United Kingdom, as a registration document (the "Registration Document", as amended or supplemented and including all information incorporated by reference herein), issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of providing information with regard to HSBC Bank Middle East Limited as issuer of debt or derivative securities, or obligor in relation to securities which are intended to comply or be consistent with the principles of the Shariah ("Shariah-compliant securities"), during the period of twelve months after the date hereof.*

*This Registration Document includes details of the long-term and short-term credit ratings assigned to HSBC Bank Middle East Limited by Moody's Investors Service Limited ("Moody's") and Fitch Ratings Limited ("Fitch"). Each of Moody's and Fitch are established in the European Union and are registered as Credit Rating Agencies under Regulation (EU) No. 1060/2009 (the "CRA Regulation"). As such, each of Moody's and Fitch is included in the list of credit rating agencies published by the European Union Securities and Markets Authority on its website in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities issued by the Issuer (or beneficial interests therein), does not address the likelihood of timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisations.*

*The principal risk factors relating to the Issuer are set out in "Risk Factors" on pages R-5 to R-7.*

**Arranger and Dealer  
HSBC**

17 May 2012

## IMPORTANT NOTICES

*HSBC Bank Middle East Limited (the "Bank", or the "Issuer") accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Registration Document is to be read and construed with any amendment or supplement hereto and with all information incorporated by reference into it together with, in relation to any issue of debt or derivative securities by the Issuer or Shariah-compliant securities in relation to which it is obligor, the relevant document named a Prospectus or a Base Prospectus into which it is incorporated or the relevant document named a Securities Note, containing information with respect to such securities (each a "Prospectus") and, where appropriate, the Final Terms containing information with respect to such debt or derivative securities or Shariah-compliant securities (the "Final Terms") and, where appropriate, the relevant summary containing information with respect to such debt or derivative securities or Shariah-compliant securities and the Issuer.*

*No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document, including any information incorporated by reference herein, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by the Issuer or Shariah-compliant securities in relation to which it is obligor.*

*This Registration Document, including any information incorporated by reference herein, is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by the Issuer or Shariah-compliant securities in relation to which it is obligor that any recipient of this Registration Document, including any information incorporated by reference herein should purchase any debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor. Each investor contemplating purchasing debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. No part of this Registration Document, including any information incorporated by reference herein, constitutes an offer or invitation by or on behalf of the Issuer, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by the Issuer or Shariah-compliant securities in relation to which it is obligor or any of them to any person to subscribe for or to purchase any of the debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor.*

*A copy of this Registration Document has been delivered to the Jersey Registrar of Companies in accordance with Article 5 of the Companies (General Provisions)(Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation together with the Base Prospectus and any Final Terms. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of notes by the Issuer.*

*It must be distinctly understood that, in giving these consents, neither the Jersey Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing*

*(Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.*

*Neither the delivery of this Registration Document nor any information incorporated by reference herein or any Prospectus or any Final Terms nor the offering, sale or delivery of any debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in the Registration Document is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. Any dealer or trustee appointed in relation to any issue of debt or derivative securities by the Issuer or Shariah-compliant securities in relation to which it is obligor expressly does not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of such securities. Investors should review, inter alia, the most recent financial statements of the Issuer when evaluating debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor or an investment therein.*

*The distribution of this Registration Document, including any information incorporated by reference herein, and the offer or sale of securities issued by the Issuer may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any information incorporated by reference herein or any securities issued by the Issuer come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of securities issued by the Issuer and on the distribution of this Registration Document, including any information incorporated herein by reference, see the applicable description of arrangements relating to subscription and sale of the relevant debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor in the relevant Prospectus.*

*In this Registration Document and in relation to any securities issued by the Issuer, references to the "relevant dealers" are to whichever of the dealers enters into an agreement for the issue of such securities issued by the Issuer as described in the applicable description of arrangements relating to subscription and sale of the relevant debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor in the relevant Prospectus and references to the "relevant Final Terms" are to the Final Terms relating to such securities.*

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## **RISK FACTORS**

*Prospective investors in any debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor should read the entire Registration Document and the relevant Prospectus (and where appropriate, the Final Terms applicable to the relevant debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor). Investing in the debt or derivative securities issued by the Issuer or Shariah-compliant securities in relation to which it is obligor involves certain risks. The Issuer believes that the factors described below represent the principal risks in respect of the Issuer, but the inability of the Issuer to fulfil its obligations may occur for other reasons which may not be considered significant risks by the Issuer based on the information currently available to it or which it may not currently be able to anticipate. Prospective investors should consider, among other things, the following:*

### **Risks Relating to the Issuer**

There are a number of factors which could cause the Issuer's actual results to differ, in some instances materially, from those anticipated. The factors set out below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties which face the Issuer's businesses.

#### *Credit Risk*

Credit risk arises primarily from the Issuer's lending activities. The Issuer makes two types of impairment allowances for impaired loans: individually assessed allowances and collectively assessed allowances. If these impairment allowances prove to be inadequate either because of an economic downturn or a significant breakdown in its credit disciplines, then this could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

#### *Competition*

All sectors of the Middle East and North Africa market for financial and banking services are highly competitive. The competitive nature of the market may adversely impact on the Issuer's business and may lead some of the Issuer's customers to start using competitors instead.

#### *Market Risks*

The Issuer is exposed to market risks including interest rate and currency exchange rate risks.

The Issuer is exposed to interest rate risk resulting from mismatches between the interest rates on its interest-bearing assets and interest-bearing liabilities. Although the Issuer monitors interest rates with respect to its assets and liabilities and seeks to match its interest rate positions, interest rate movements may adversely affect the Issuer's business, financial condition, results of operations or prospects.

The Issuer is exposed to the effects of fluctuations in foreign currency exchange rates on its financial position and cash flows. Although the Issuer is subject to limits on its open currency positions pursuant to its own internal policies, significant movements in currency exchange rates may adversely affect the Issuer's foreign currency positions.

#### *Liquidity Risks*

The Issuer, like other financial services institutions, is exposed to liquidity risk due to the maturity mismatches between its assets and liabilities. Although the Issuer believes that its level of access to domestic and international inter-bank markets and its liquidity risk management policy allows, and will continue to allow, the Issuer to meet its short-term and long-term liquidity needs, any maturity

mismatches between the Issuer's assets and liabilities (including by reason of an unexpected withdrawal of funds by the Issuer's customers) may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

#### *Operational Risks*

As a financial services institution, the Issuer is exposed to a variety of other risks including those arising from process error, fraud, systems failure, information security and physical protection, customer services, staff skills and performance and product development and maintenance. Any materialisation of such risks may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

Notwithstanding anything in this risk factor, this risk should not be taken as implying that either the Issuer or HSBC Holdings plc and its subsidiaries (the "**HSBC Group**") will be unable to comply with its obligations as a company with securities admitted to the Official List of the Financial Services Authority or as a supervised firm regulated by the Financial Services Authority.

#### *Adequacy of Risk Management Systems*

Although the Issuer invests substantial time and effort in its risk management systems, it may nevertheless fail to identify all risks, particularly those which are new or unanticipated. If risks that the Issuer has been unable to identify were to materialise, they may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

#### *Regulatory Risks*

The Issuer is subject to a number of laws and regulations designed to maintain the safety and soundness of financial services institutions, ensure their compliance with economic and other obligations and limit their exposure to risk. These regulations include the Banking Business (Jersey) Law 1991, the Financial Services (Jersey) Law 1998 and the banking regulations of the countries in which the Issuer operates. These laws and regulations may limit the Issuer's activities and changes in these regulations may increase the Issuer's cost of doing business. Changes in these laws and regulations (such as pursuant to Basel II and Basel III) and the manner in which they are interpreted or enforced may have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects. In addition, a breach of regulatory guidelines could expose the Issuer to potential liabilities and sanctions. The Issuer is co-operating in on-going investigations by the US Department of Justice, the New York County District Attorney's Office, the Office of Foreign Asset Control ("**OFAC**"), the Federal Reserve and the Office of the Comptroller of the Currency regarding historical transactions involving Iranian parties and other parties subject to OFAC economic sanctions.

#### *Dependence on Qualified Personnel*

The Issuer's success will depend, in part, on its ability to continue to attract, retain and motivate qualified personnel. Competition in the banking industry for personnel with relevant expertise is intense due to the limited number of qualified individuals. The Issuer attempts to structure its compensation packages appropriately in order to attract and retain experienced personnel. The Issuer is not insured against damage that may be incurred in case of the loss of any of its key personnel. The Issuer's failure to manage its personnel needs successfully could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

### *Changes in general economic conditions*

There may be changes in general economic conditions in the markets in which the Issuer operates, for example, recessions and employment fluctuations and consumer perceptions as to the continuing availability of credit, and price competition in the market segments served by the Issuer.

### *Changes in governmental policy and regulation*

The Issuer is exposed to changes in governmental policy and regulation, including:

- (a) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership;
- (b) initiatives by local, state and national regulatory agencies or legislative bodies to revise practices, pricing or responsibilities of financial institutions serving their consumer markets;
- (c) changes in bankruptcy legislation in the principal markets in which the Issuer or any of its affiliates operate and the consequences thereof;
- (d) general changes in governmental policy that may significantly influence investor decisions in particular markets in which the Issuer or any of its affiliates operate; and
- (e) other unfavourable political or diplomatic developments producing social instability or legal uncertainty which in turn may affect demand for the Issuer's products and services.

### *Risks Relating to Investments in the Middle East and North Africa*

The vast majority of the Issuer's assets and operations are located in the Middle East and North Africa. As a result, the Issuer's operating results and growth are and will be affected in general by economic and political developments in or affecting the Middle East and North Africa.

Although most of the oil rich countries in the Middle East continue to pursue a policy of diversification to enhance the contribution of the non-oil sector to their Gross Domestic Product, oil income will continue to play a pivotal role in their economic planning and development. Consequently, any sustained down-turn in oil prices will have a negative impact on the overall economy of the Middle East, the effects of which may be felt at all levels, including on the Issuer and the market price of the Notes.

In 2011 and to the date of this Prospectus in 2012 the Middle East and North Africa region has witnessed sustained political and social unrest. There is limited visibility of the implications of this but, continued unrest in any single country will have an impact on the ability to do business in that country and potentially the wider region and this could have an adverse effect on the Issuer's business, financial condition and results of operations.

## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Registration Document, provided that any documents incorporated by reference in any of the documents set forth below do not form part of this Registration Document:

- The Annual Reports and Accounts of the Issuer and its subsidiary undertakings and the auditor's reports for the years ended 31 December 2010 and 2011 submitted to and filed with the UK Listing Authority,

save that any statement contained in this Registration Document or any information incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in any information subsequently incorporated by reference modifies or supersedes such statement.

The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during the normal office hours, free of charge, upon oral or written request, a copy of this Registration Document, including any information incorporated by reference herein, and any Prospectus (as defined above). Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

Any information incorporated by reference in the above documents does not form part of this Registration Document and to the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Registration Document.



## HSBC BANK MIDDLE EAST LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

### *History and Development of the Issuer*

The Issuer is a public limited company incorporated in Jersey under registration number 85600. The liability of its members is limited. It has its registered office and head office at HSBC House, Esplanade, St. Helier, Jersey JE4 8UB, Channel Islands and the telephone contact number is +44 (0) 1534 606512.

The Issuer was originally established as The Imperial Bank of Persia in the United Kingdom in September 1889. In the early 1940s, the Issuer pioneered banking in the Gulf States, with the sector going on to play a vital role in the development of the oil industry in the Middle East. Branches were opened in Kuwait (1942), Bahrain (1944), Dubai (1946), Muscat (1948) and elsewhere in the Middle East. In 1959, the Issuer became a member of the HSBC Group when it was acquired by The Hongkong and Shanghai Banking Corporation Limited.

The Issuer relocated its place of incorporation to Jersey, Channel Islands on 1 July 2003 where it was incorporated as a private limited company. The shareholder of the Issuer passed a special resolution on 5 October 2004 to re-register it as a public company with limited liability under the Companies (Jersey) Law 1991, as amended, for an unlimited duration. This re-registration took effect on 5 October 2004.

The Issuer's head office is located in Jersey. It is a wholly owned, indirectly held (via intermediate holding entities in the United Kingdom and the Netherlands), subsidiary of HSBC Holdings plc, and thereby a member of the HSBC Group. The Issuer is widely represented in the Middle East, North Africa and Pakistan and has branches throughout the United Arab Emirates (the "UAE"), Oman, Bahrain (including an offshore banking unit), Qatar, Kuwait, Jordan, Lebanon, Pakistan, Algeria and the Palestinian Autonomous Area. In addition, it has a representative office in Tripoli, Libya. The Issuer's equity shares are not listed. The Issuer currently employs approximately 7,821 staff.

### *Ratings*

The Issuer has been assigned the following long-term credit ratings:

- A1 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the obligations of the Issuer are upper-medium grade and are subject to low credit risk; and
- AA- by Fitch Ratings Limited ("**Fitch**"). This means that Fitch is of the opinion that the Issuer has very strong capacity to meet policyholder and contract obligations. This capacity is not significantly vulnerable to foreseeable events.

The Issuer has also been assigned the following short-term credit ratings:

- P-1 by Moody's. This means that Moody's is of the opinion that the Issuer (or supporting institutions) have a superior ability to repay short-term debt obligations; and
- F1+ by Fitch. This means that Fitch is of the opinion that the Issuer has very strong capacity to meet near-term obligations.

Each of Moody's and Fitch are established in the European Union and are registered as Credit Rating Agencies under Regulation (EU) No. 1060/2009. As such, each of Moody's and Fitch is included in the list of credit rating agencies published by the European Union Securities and Markets Authority on its website in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold

securities issued by the Issuer (or beneficial interests therein), does not address the likelihood of timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisations.

### *Legislation*

Both in its jurisdiction of incorporation and generally, the Issuer is governed by, and is subject to, the Companies (Jersey) Law 1991, as amended and the Financial Services (Jersey) Law 1998, as amended.

In relation to securities issued under its debt issuance programme, the Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, the Financial Services and Markets Act 2000, and the listing rules of the United Kingdom Financial Services Authority (the "FSA").

### *Principal activities*

The Issuer, through its branch network and subsidiary undertakings, provides a range of banking and related financial services in the Middle East, North Africa and Pakistan.

The Issuer's principal business activities are as follows:

#### *Personal Banking*

The Issuer offers a full range of banking and personal financial services, from current and savings accounts to time deposits, credit cards, mortgages, financial planning services, loans to expatriates and nationals, and diverse payment services.

#### *Corporate Banking*

The Issuer offers a wide range of traditional products and services tailored to help corporate customers with all their banking needs, local as well as international, effectively and efficiently. Based on relationship banking blended with innovative new ideas, the Issuer works closely with customers to understand their business and develop practical, cost effective solutions. Through ready access to an extensive team of product specialists and dedicated relationship managers, the Issuer can provide customers including, Sovereigns, large corporates and small and medium enterprises, with the tailored solutions, such as trade finance, they need to assist them in achieving their business goals.

#### *Global Markets*

The Issuer's Regional Treasury Centre is based in Dubai, UAE providing services to the dealing rooms of Jordan, Egypt, Algeria, Lebanon, Oman, Bahrain, Kuwait, Qatar and Pakistan. The Issuer's Global Markets division offers the full spectrum of treasury services to its customers, ranging from basic foreign exchange products to complex derivative and structured products.

#### *Global Banking*

As part of the HSBC Group's regional investment banking arm in the Middle East and North Africa, the Issuer has one of the most significant investment banking operations in the region.

The Issuer offers a full spectrum of investment banking services for corporate and institutional clients. By drawing on local commercial market knowledge and international product expertise, the investment banking and markets business is able to provide an excellent combination of global coverage and local market penetration.

Investment banking services offered include: debt capital markets, corporate finance and advisory, asset management, securities dealing services and private equity.

#### *Private Banking*

Offshore private banking services are provided through many of the Issuer's offices within the Middle East and North Africa. Working with dedicated HSBC Private Bank offices around the world, the Issuer provides advice and guidance on deposits, securities portfolios, asset protection (through the formation of trusts and offshore companies) and other investments such as the purchase of international real estate.

#### *HSBC Group Operations in the Middle East and North Africa*

The HSBC Group is represented in the Middle East and North Africa through the following members of the HSBC Group: the Issuer, HSBC Financial Services (Middle East) Limited, HSBC Insurance Services (Lebanon) S.A.L., HSBC Bank Egypt S.A.E, HSBC Securities (Egypt) S.A.E., The Hongkong and Shanghai Banking Corporation Limited, HSBC Middle East Finance Company Limited, HSBC Middle East Securities LLC, HSBC Bank International Limited, Dar Es Salaam Investment Bank, HSBC Middle East Leasing Partnership and HSBC Saudi Arabia Limited. An associate company of the HSBC Group, The Saudi British Bank, and its subsidiaries, also have operations in the Middle East.

The Issuer provides a wide range of banking services for both corporate and personal customers in Bahrain, Jordan, Lebanon, Oman, Qatar, Kuwait, Pakistan, the Palestinian Autonomous Area, Algeria and the UAE.

The Issuer also plays an important role in the community by supporting a wide range of charitable and community projects, principally through the HSBC in the Community Committee, MENA Region a U.S.\$ 3.3 million sponsorship initiative.

#### *HSBC Amanah*

HSBC Amanah is the Islamic financial services division within the HSBC Group and currently has its Middle East and North Africa regional head office in Dubai. HSBC Amanah aims to be the leading international provider of value added *Shariah*-compliant financial products and services to all customer groups including consumer, commercial, corporate and private banking.

All HSBC Amanah products and transactions are developed in consultation with independent *Shariah* scholars and approved by them prior to distribution. The Central *Shariah* Committee of HSBC Amanah that provides guidance to the Issuer on Islamic financial services and products comprises the following scholars:

- (1) Sheikh Nizam Yakuby is a graduate in Economics and Comparative Religion from McGill University and holds a Master of Science degree in Finance from McGill University, Canada. He is an internationally acclaimed scholar in the Islamic banking industry. He has been a teacher of Tafsir since 1976. He advises a number of banks and financial institutions and is a member of the Shariah Board of Central Bank of Bahrain. He also sits on the Shariah Boards of Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) and the International Islamic Financial Market (“IIFM”).
- (2) Sheikh Dr Mohamed Ali Elgari holds a Ph.D. in economics from the University of California. He is a professor of Islamic Economics at King Abdul Aziz University. He is an expert at the Islamic Jurisprudence Academies of the Organization of Islamic Countries and the Islamic

World League. Dr. Elgari is a member of the Shariah boards of many Islamic banks, takaful companies and international bodies including the Dow Jones International Islamic Fund Market. He also sits on the Shariah Boards of AAOIFI and is a member of the Advisory Board of Harvard Series on Islamic Law.

- (3) Dr Muhammad Imran Ashraf Usmani has completed his Aalmiyah from Jamia Darul Uloom, Karachi and holds a Ph.D. in Islamic finance from the University of Karachi. He is a member of the Central Shariah Board of the Central Bank of Pakistan. He is an established academic and teaches Fiqh at Jamia Darul Uloom, Karachi. Dr. Imran Usmani has been engaged by various financial and educational institutions for advice on Islamic Law and Islamic Finance.

### *Organisational Structure*

HSBC Holdings plc and its subsidiaries is one of the largest banking and financial services organisations in the world with a market capitalisation of USD 136 billion at 31 December 2011.

As at 31 December 2011, the HSBC Group had total assets of USD 2,556 billion, and total shareholders' equity of USD 158,725 million. For the year ended 31 December 2011, the HSBC Group's operating profit was USD 18,608 million on total operating income of USD 83,461 million. The HSBC Group had a tier 1 capital ratio of 11.5 per cent. and a core tier 1 capital ratio of 10.1 per cent. as at 31 December 2011.

Headquartered in London, the HSBC Group operates through an extensive and long established international network of some 7,200 offices in 85 countries and territories in six geographical regions: Europe, Hong Kong, the rest of Asia-Pacific, Middle East and North Africa, North America and Latin America. Within these regions, a comprehensive range of financial services is offered to personal, commercial, corporate, institutional, investment and private banking clients.

The HSBC Group's products and services are delivered to clients through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking.

Since the establishment in 1999 of HSBC as a uniform, international brand name, the HSBC Group's hexagon corporate symbol has become a familiar sight across the world.

The Issuer is the HSBC Group's principal operating subsidiary undertaking in the Middle East and North Africa. It is a wholly-owned, indirectly held (via intermediate holding entities in the United Kingdom and the Netherlands) subsidiary of HSBC Holdings plc.

As at the date of this document, the Issuer's principal subsidiary undertakings are:

	<i>Country of Incorporation or registration</i>	<i>HBME's interest in equity capital (per cent.)</i>
HSBC Bank Middle East Nominees W.L.L.	Bahrain	95
HSBC Financial Services (Middle East) Limited	Dubai, UAE	100
HSBC Middle East Finance Company Limited	Dubai, UAE	80
HSBC Middle East Securities LLC	Dubai, UAE	100

	<i>Country of Incorporation or registration</i>	<i>HBME's interest in equity capital (per cent.)</i>
HSBC Insurance Services (Lebanon) S.A.L.	Lebanon	100

#### ***Acquisitions / Disposals***

The Issuer has recently made announcements, as detailed below, which are still to be formally concluded.

#### ***Lloyds Banking Group onshore assets in the United Arab Emirates***

The Issuer has entered into an agreement to acquire the onshore retail and commercial banking business of Lloyds Banking Group in the United Arab Emirates. The transaction, which is subject to regulatory approvals, is expected to complete in 2012.

#### ***Oman International Bank***

The Issuer has entered into an agreement with Oman International Bank (“**OIB**”) to merge its Oman branch with OIB. Following the merger, the Issuer will hold 51 per cent. of the combined entity which will be re-named HSBC Bank Oman SAOG, and remain listed on the Muscat Stock Exchange. Regulatory approvals are ongoing with closure anticipated by 3 June 2012.

#### ***Pakistan***

The Issuer announced its intention to sell its operations in Pakistan on 10 April 2012 and is currently at the bidding stage.

#### ***Authorised share capital***

As at the date of this document:

- a. The authorised share capital of the Issuer is U.S.\$ 1,500,000,000, divided into 1,500,000,000 ordinary shares of U.S.\$ 1.00 each per share, of which 931,055,000 shares have been issued; and
- b. The authorised non-equity preference share capital of the Issuer is (i) 1,350,000 cumulative redeemable preference shares of U.S.\$ 1.00 each per share, of which 825,000 shares have been issued; and (ii) 1,150,000 non-cumulative redeemable preference shares of U.S.\$1.00 each per share, of which 225,000 shares have been issued.

#### ***Financial Trend Information***

There are no known financial trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

#### ***Management***

At the date of this document, the Directors of the Issuer, their functions and their principal outside activities (if any) of significance to the Issuer, are as follows:

<i>Name</i>	<i>Function within the Issuer</i>	<i>Principal Outside Activity</i>
David Gordon Eldon	Chairman and Non-Executive Director	
Simon Nigel Cooper	Director, Deputy Chairman and Chief Executive Officer	HSBC Holdings plc Group General Manager. Director HSBC Bank Egypt S.A.E, and The Saudi British Bank
Abdel Salam Mostafa El Anwar	Non-Executive Director	HSBC Holdings plc Group General Manager. Chairman HSBC Bank Egypt S.A.E.
Alexander Andrew Flockhart	Non-Executive Director	HSBC Holdings plc Group General Manager.
Robert Blackburn Gray	Non-Executive Director	Chairman HSBC Saudi Arabia Limited, Director HSBC Bank Egypt S.A.E.
Mukhtar Malik Hussain	Non-Executive Director	HSBC Holdings plc Group General Manager
Christopher John Meade Keirle	Executive Director	
Anthony Robin Dominic Monro-Davies	Independent Non-Executive Director	
Abdul Hakeem Mohdtayyeb Hashim Bin Mosafawi	Non-Executive Director	Chief Executive Officer, Qatar
Abdulfattah Sayed Mansoor Sharaf	Non-Executive Director	Chief Executive Officer , UAE
Thomas Lindsay Slattery	Independent Non-Executive Director	
Nicholas Gary Winsor	Non-Executive Director	Chief Executive Officer HSBC Channel Islands and Isle of Man

The business address for the purposes of correspondence for all the Directors of the Issuer is located at HSBC House, Esplanade, St. Helier, Jersey JE4 8UB, Channel Islands.

The Company Secretary of the Issuer is John Alan Tothill, whose business address for the purposes of correspondence is located at HSBC House, Esplanade, St. Helier, Jersey JE4 8UB, Channel Islands.

There are no conflicts of interest between any duties owed to the Issuer by its management or by its Company Secretary (as described above) and their private interests and/or other duties, and no such potential conflicts of interest to the knowledge of the Issuer as at the date of this document, and the Issuer has procedures in place to manage any such potential conflicts of interest which arise from time to time.

### ***Major Shareholders***

The whole of the ordinary issued share capital of the Issuer and the majority of the issued preference share capital of the Issuer is beneficially owned by HSBC Middle East Holdings B.V., the Issuer's immediate parent shareholder, which is incorporated in The Netherlands, and which is a wholly-owned, indirectly-held, subsidiary of HSBC Holdings plc. Shareholders of the Issuer have elected in accordance with the provisions of the Companies (Jersey) Law 1991, as amended, to dispense with the requirement for the holding of annual general meetings. The appointment of Auditors, and any changes to the Memorandum and Articles of Association of the Issuer, require the approval of Shareholders in general meeting.

### ***Material Contracts***

There are no material contracts that have been entered into in the ordinary course of the Issuer's business, which could result in any HSBC Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.

## GENERAL INFORMATION

1. The Issuer prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.
2. There has been no material adverse change in the prospects of the Issuer and its subsidiary undertakings taken as a whole since 31 December 2011.
3. There has been no significant change in the financial position of the Issuer and its subsidiary undertakings taken as a whole since 31 December 2011.
4. Neither the Issuer nor any of the Issuer's subsidiary undertakings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against the Issuer or any of its subsidiary undertakings or the group as a whole of which the Issuer is aware), during the 12 month period before the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and its subsidiary undertakings.
5. KPMG Channel Islands Limited ("**KPMG**") of 5 St. Andrew's Place, St. Helier, Jersey JE4 8WQ, Channel Islands has audited without qualification the Financial Statements contained in the Annual Report and Accounts of the Issuer for the financial years ended 31 December 2010 and 31 December 2011. All audit partners of KPMG are members of United Kingdom recognised accountancy bodies and KPMG is subject to oversight by the Institute of Chartered Accountants in England and Wales.
6. The continuation of this Registration Document and programmes described in any Prospectus were authorised by a resolution of the Board of Directors of the Issuer passed on 21 February 2012.
7. For so long as the Issuer may issue securities with respect to which this Registration Document forms part of the prospectus prepared by the Issuer relating to such securities, the following documents may be inspected during normal business hours at the registered office of the Issuer:
  - (a) the memorandum and articles of association of the Issuer; and
  - (b) the audited consolidated financial statements of the Issuer and its subsidiary undertakings for the years ended 31 December 2010 and 31 December 2011.