

## HSBC USA Inc. Buffered Accelerated Market Participation Securities™ (“Buffered AMPS”)

- ▶ This free writing prospectus relates to four separate offerings:
  - Buffered AMPS™ linked to the S&P 500® Index
  - Buffered AMPS™ linked to the Russell 2000® Index
  - Buffered AMPS™ linked to the iShares® MSCI EAFE Index Fund
  - Buffered AMPS™ linked to the SPDR® S&P® Metals & Mining ETF
- ▶ 18-month maturity
- ▶ 2x exposure to any positive return in the relevant reference asset, subject to a maximum return
- ▶ Protection from the first 10% of any losses in the relevant reference asset.
- ▶ All payments on the securities are subject to the credit risk of HSBC USA Inc.

The Buffered Accelerated Market Participation Securities™ (“Buffered AMPS” or, each a “security” and collectively the “securities”) offered hereunder will not be listed on any U.S. securities exchange or automated quotation system. The securities will not bear interest.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the securities or passed upon the accuracy or the adequacy of this document, the accompanying prospectus, prospectus supplement or underlying supplements. Any representation to the contrary is a criminal offense. We have appointed HSBC Securities (USA) Inc., an affiliate of ours, as the agent for the sale of the securities. HSBC Securities (USA) Inc. will purchase the securities from us for distribution to other registered broker-dealers or will offer the securities directly to investors. In addition, HSBC Securities (USA) Inc. or another of its affiliates or agents may use the pricing supplement to which this free writing prospectus relates in market-making transactions in any securities after their initial sale. Unless we or our agent informs you otherwise in the confirmation of sale, the pricing supplement to which this free writing prospectus relates is being used in a market-making transaction. See “Supplemental Plan of Distribution (Conflicts of Interest)” on page FWP-21 of this free writing prospectus.

**Investment in the securities involves certain risks. You should refer to “Risk Factors” beginning on page FWP-8 of this document, page S-3 of the accompanying prospectus supplement and either page S-1 of the accompanying Equity Index Underlying Supplement or page S-2 of the accompanying ETF Underlying Supplement, as applicable.**

	Price to Public	Underwriting Discount <sup>1</sup>	Proceeds to Issuer
Per security / Total linked to the SPX	\$1,000 /		
Per security / Total linked to the RTY	\$1,000 /		
Per security / Total linked to the EFA	\$1,000 /		
Per security / Total linked to the XME	\$1,000 /		

<sup>1</sup>HSBC USA Inc. or one of our affiliates may pay varying underwriting discounts of up to 2.10% and referral fees of up to 0.60% per \$1,000 Principal Amount of securities in connection with the distribution of the securities. In no case will the sum of the underwriting discounts and referral fees exceed 2.10% per \$1,000 Principal Amount. See “Supplemental Plan of Distribution (Conflicts of Interest)” on page FWP-21 of this free writing prospectus.

### The Securities:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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HSBC USA Inc.

# Buffered Accelerated Market Participation Securities™ (Buffered AMPS)

S&P 500® Index  
 Russell 2000® Index  
 iShares® MSCI EAFE Index Fund  
 SPDR® S&P® Metals & Mining ETF

This FWP relates to four separate offerings of Buffered AMPS™ by HSBC USA Inc., each linked to the performance of a different Reference Asset as indicated below.

Reference Asset	Market Exposure	Ticker	Maximum Cap <sup>1</sup>	CUSIP
S&P 500® Index ("SPX")	large-cap U.S. equities	SPX	9.00% to 13.00%	4042K15R0
Russell 2000® Index ("RTY")	small-cap U.S. equities	RTY	12.50% to 16.50%	4042K15S8
iShares® MSCI MSCI EAFE Index Fund ("EFA")	global developed markets equities	EFA	12.00% to 16.00%	4042K15T6
SPDR® S&P® Metals & Mining ETF ("XME")	U.S. metals and mining equities	XME	18.00% to 22.00%	4042K15U3

<sup>1</sup> Expected range. The actual Maximum Cap with respect to each offering will be determined on the Pricing Date.

## Indicative Terms\*

Principal Amount	\$1,000 per security
Term	18 months
Upside Participation Rate	200% (2x) exposure to any positive Reference Return, subject to the relevant Maximum Cap
Buffer Value	With respect to each offering, -10%
Payment at Maturity per security	<p><b>If the relevant underlying Reference Return is greater than zero</b>, you will receive the lesser of:</p> <p>a) \$1,000 + (\$1,000 × Reference Return × Upside Participation Rate); and</p> <p>b) \$1,000 + (\$1,000 × Maximum Cap).</p> <p><b>If the relevant Reference Return is less than or equal to zero but greater than or equal to the Buffer Value:</b></p> <p>\$1,000 (zero return).</p> <p><b>If the relevant Reference Return is less than the relevant Buffer Value:</b></p> <p>\$1,000 + [\$1,000 × (Reference Return + 10%)]. For example, if the Reference Return is -30%, you will suffer a 20% loss and receive 80% of the Principal Amount, subject to the credit risk of HSBC. If the Reference Return is less than the relevant Buffer Value, you may lose up to 90% of your investment.</p>
Reference Return	$\frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$
Initial Value	See page FWP-5
Final Value	See page FWP-5
Pricing Date	October 25, 2012
Trade Date	October 25, 2012
Original Issue Date	October 30, 2012
Final Valuation Date	April 25, 2014
Maturity Date	April 30, 2014

## The Buffered AMPS™

For investors who seek a particular Market Exposure and who believe the corresponding Reference Asset will appreciate over the term of the Buffered AMPS, the Buffered AMPS provide an opportunity for accelerated returns (subject to a Maximum Cap). If the Reference Return is below the Buffer Value, then the Buffered AMPS provide 1:1 exposure to any potential decline in the Reference Asset beyond -10%.

If the relevant Reference Asset appreciates over the term of the securities, you will realize 200% (2x) of the relevant Reference Asset appreciation up to the relevant Maximum Cap. If the relevant Reference Asset declines, you will lose 1% of your investment for every 1% decline in the relevant Reference Asset beyond the -10% Buffer Value.

The offering period for the Buffered AMPS is through **October 25, 2012**



\* As more fully described beginning on page FWP-4.

## Payoff Example

The table at right shows the hypothetical payout profile of an investment in the securities reflecting the 200% (2x) Upside Participation Rate and assuming a 9.00% Maximum Cap. The actual Maximum Cap with respect to your Buffered AMPS will be determined on the Pricing Date.

Reference Return	Participation in Reference Return	Buffered AMPS
20% 4.50%	2x upside exposure, subject to Maximum Cap	9% 9%
3% 2%	2x upside exposure	6% 4%
-5% -10%	Buffer of -10%	0% 0%
-11% -20%	1x Loss Beyond Buffer	-1% -10%

### S&P 500® Index

The SPX is a capitalization-weighted index of 500 U.S. stocks. It is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The top 5 industry groups by market capitalization as of September 24, 2012 were: Information Technology, Financials, Health Care, Energy, and Consumer Discretionary.

### Russell 2000® Index

The RTY is designed to track the performance of the small-capitalization segment of the U.S. equity market. It consists of the smallest 2,000 companies included in the Russell 3000® Index, which is composed of the 3,000 largest U.S. companies as determined by market capitalization.

The top 5 industry groups by market capitalization as of August 31, 2012 were: Financial Services, Consumer Discretionary, Technology, Producer Durables, and Health Care.

### iShares® MSCI EAFE Index Fund

The EFA seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the European, Australasian, and Far Eastern markets, as measured by the MSCI EAFE® Index, which is the underlying index of the EFA. As of August 31, 2012, the MSCI EAFE Index consisted of the following 22 component country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

### SPDR® S&P® Metals & Mining ETF

The XME seeks to replicate as closely as possible, before fees and expenses, the total return of the S&P Metals & Mining Select Industry™ Index, which measures the performance of the Metals & Mining segment of the U.S. equity market.

For further information on each Reference Asset please see "Information Relating to the Securities Linked to the S&P 500® Index", "Information Relating to the Securities Linked to the Russell 2000® Index", "Information Relating to the Securities Linked to the iShares® MSCI EAFE Index Fund", or "Information Relating to the Securities Linked to the SPDR® S&P® Metals & Mining ETF", as applicable, on page FWP-13, FWP-14, FWP-15 or FWP-16, as applicable, and "The S&P 500® Index," "The Russell 2000® Index," and "The iShares® MSCI EAFE Index Fund" in the accompanying Equity Index Underlying Supplement or ETF Underlying Supplement, as applicable. We have derived all disclosure regarding the Reference Assets from publicly available information. Neither HSBC USA Inc. nor any of its affiliates have undertaken any independent review of, or made any due diligence inquiry with respect to, the publicly available information about the Reference Assets.

HSBC USA Inc.



## Buffered Accelerated Market Participation Securities™ (Buffered AMPS)

S&P 500® Index

Russell 2000® Index

iShares® MSCI EAFE Index Fund

SPDR® S&P® Metals & Mining ETF

This free writing prospectus relates to four offerings of Buffered Accelerated Market Participation Securities. Each of the four securities will have the respective terms described in this free writing prospectus and the accompanying prospectus supplement, prospectus and relevant underlying supplement. If the terms of the securities offered hereby are inconsistent with those described in the accompanying prospectus supplement, prospectus or relevant underlying supplement, the terms described in this free writing prospectus shall control. **You should be willing to forgo interest and dividend payments during the term of the securities and, if the relevant Reference Return is negative, lose up to 90% of your principal.**

This free writing prospectus relates to multiple offerings of securities, each linked to the performance of a specific index or index fund (each index or index fund, a “Reference Asset”). Each of the four securities will have a different Maximum Cap. The performance of each of the four securities does not depend on the performance of any of the other securities. The purchaser of a security will acquire a senior unsecured debt security of HSBC USA Inc. linked to the relevant Reference Asset, as described below. The following key terms relate to the offerings of securities:

**Issuer:** HSBC USA Inc.

**Principal Amount:** \$1,000 per security

**Reference Asset:** The relevant underlying index or index fund, as indicated below

Reference Asset	Ticker	Upside Participation Rate	Maximum Cap <sup>1</sup>	CUSIP/SIN
S&P 500® Index	SPX	200%	9.00% to 13.00%	4042K15R0/US4042K15R02
Russell 2000® Index	RTY	200%	12.50% to 16.50%	4042K15S8/US4042K15S84
iShares® MSCI MSCI EAFE Index Fund	EFA	200%	12.00% to 16.00%	4042K15T6/US4042K15T67
SPDR® S&P® Metals & Mining ETF	XME	200%	18.00% to 22.00%	4042K15U3/US4042K15U31

**Trade Date:** October 25, 2012

**Pricing Date:** October 25, 2012

**Original Issue Date:** October 30, 2012

**Final Valuation Date:** April 25, 2014, subject to adjustment as described under “Additional Terms of the Notes—Valuation Dates” in the relevant accompanying underlying supplement.

**Maturity Date:** 3 business days after the Final Valuation Date, and expected to be April 30, 2014. The Maturity Date is subject to adjustment as described under “Additional Terms of the Notes—Coupon Payment Dates, Call Payment Dates and Maturity Date” in the relevant accompanying underlying supplement.

**Payment at Maturity:** On the Maturity Date, for each security, we will pay you the Final Settlement Value.

<sup>1</sup> Expected with respect to each offering of securities. The actual Maximum Cap for each offering of securities will be determined on the Pricing Date.

<b>Final Settlement Value:</b>	<p><b><i>If the relevant Reference Return is greater than zero</i></b>, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of securities, equal to the lesser of:</p> <p>(a) <math>\\$1,000 + (\\$1,000 \times \text{Reference Return} \times \text{Upside Participation Rate})</math>; and</p> <p>(b) <math>\\$1,000 + (\\$1,000 \times \text{Maximum Cap})</math>.</p> <p><b><i>If the relevant Reference Return is less than or equal to zero but greater than or equal to the Buffer Value</i></b>, you will receive \$1,000 per \$1,000 Principal Amount of securities (zero return).</p> <p><b><i>If the relevant Reference Return is less than the Buffer Value</i></b>, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of securities, calculated as follows:</p> <p><math>\\$1,000 + [\\$1,000 \times (\text{Reference Return} + 10\%)]</math>.</p> <p>Under these circumstances, you will lose 1% of the Principal Amount of your securities for each percentage point that the Reference Return is below the Buffer Value. For example, if the Reference Return is -30%, you will suffer a 20% loss and receive 80% of the Principal Amount, subject to the credit risk of HSBC. <b>If the Reference Return is less than the Buffer Value, you may lose up to 90% of your investment.</b></p>
<b>Reference Return:</b>	<p>With respect to each Reference Asset, the quotient, expressed as a percentage, calculated as follows:</p> $\frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$
<b>Buffer Value</b>	With respect to each offering, -10%
<b>Initial Value:</b>	The Official Closing Value of the relevant Reference Asset on the Pricing Date.
<b>Final Value:</b>	With respect to each of the SPX and the RTY, the Official Closing Value of such Reference Asset on the Final Valuation Date. With respect to the EFA and the XME, the Official Closing Value of such Reference Asset on the Final Valuation Date, adjusted by the calculation agent as described under "Additional Terms of the Notes—Antidilution and Reorganization Adjustments" in the accompanying ETF Underlying Supplement.
<b>Official Closing Value:</b>	The closing level or closing price, as applicable, of the Reference Asset on any scheduled trading day as determined by the calculation agent based upon the value displayed on the relevant Bloomberg Professional <sup>®</sup> service page (with respect to the SPX, "SPX <INDEX>", with respect to the RTY, "RTY <INDEX>" , with respect to the EFA, "EFA UP <EQUITY>", and with respect to the XME, "XME UP <EQUITY>"), or, for each Reference Asset, any successor page on the Bloomberg Professional <sup>®</sup> service or any successor service, as applicable.
<b>Form of Securities:</b>	Book-Entry
<b>Listing:</b>	The securities will not be listed on any U.S. securities exchange or quotation system.

## GENERAL

This free writing prospectus relates to four separate offerings of securities, each linked to a different Reference Asset identified on the cover page. The purchaser of a security will acquire a senior unsecured debt security of HSBC USA Inc. linked to a single Reference Asset. We reserve the right to withdraw, cancel or modify any offering and to reject orders in whole or in part. Although each offering of securities relates to a Reference Asset identified on the cover page, you should not construe that fact as a recommendation as to the merits of acquiring an investment linked to such Reference Asset or any component security included in such Reference Asset or as to the suitability of an investment in the securities.

You should read this document together with the prospectus dated March 22, 2012, the prospectus supplement dated March 22, 2012 and either the Equity Index Underlying Supplement dated March 22, 2012 (for securities linked to the SPX or the RTY) or the ETF Underlying Supplement dated March 22, 2012 (for securities linked to the EFA or the XME), as applicable. If the terms of the securities offered hereby are inconsistent with those described in the accompanying prospectus supplement, prospectus, or relevant underlying supplement, the terms described in this free writing prospectus shall control. You should carefully consider, among other things, the matters set forth in "Risk Factors" beginning on page FWP-8 of this free writing prospectus, page S-3 of the prospectus supplement and either page S-1 of the Equity Index Underlying Supplement or page S-2 of the ETF Underlying Supplement, as applicable, as the securities involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the securities. As used herein, references to the "Issuer", "HSBC", "we", "us" and "our" are to HSBC USA Inc.

HSBC has filed a registration statement (including a prospectus, a prospectus supplement and underlying supplements) with the SEC for the offerings to which this free writing prospectus relates. Before you invest, you should read the prospectus, prospectus supplement and relevant underlying supplement in that registration statement and other documents HSBC has filed with the SEC for more complete information about HSBC and these offerings. You may get these documents for free by visiting EDGAR on the SEC's web site at [www.sec.gov](http://www.sec.gov). Alternatively, HSBC Securities (USA) Inc. or any dealer participating in these offerings will arrange to send you the prospectus, prospectus supplement and relevant underlying supplement if you request them by calling toll-free 1-866-811-8049.

You may also obtain:

- ▶ The prospectus supplement at: <http://www.sec.gov/Archives/edgar/data/83246/000104746912003151/a2208335z424b2.htm>
- ▶ The prospectus at: <http://www.sec.gov/Archives/edgar/data/83246/000104746912003148/a2208395z424b2.htm>

*For securities linked to the SPX or the RTY:*

- ▶ The Equity Index Underlying Supplement at: [http://www.sec.gov/Archives/edgar/data/83246/000114420412016693/v306691\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420412016693/v306691_424b2.htm)

*For securities linked to the EFA or the XME:*

- ▶ The ETF Underlying Supplement at: [http://www.sec.gov/Archives/edgar/data/83246/000114420412016689/v306692\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420412016689/v306692_424b2.htm)

We are using this free writing prospectus to solicit from you an offer to purchase the securities. You may revoke your offer to purchase the securities at any time prior to the time at which we accept your offer by notifying HSBC Securities (USA) Inc. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. In the event of any material changes to the terms of the securities, we will notify you.



## PAYMENT AT MATURITY

On the Maturity Date, for each security you hold, we will pay you the Final Settlement Value, which is an amount in cash, as described below:

**If the relevant Reference Return is greater than zero**, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of securities, equal to the lesser of:

- (a)  $\$1,000 + (\$1,000 \times \text{Reference Return} \times \text{Upside Participation Rate})$ ; and
- (b)  $\$1,000 + (\$1,000 \times \text{Maximum Cap})$ .

**If the relevant Reference Return is less than or equal to zero but greater than or equal to the Buffer Value**, you will receive \$1,000 per \$1,000 Principal Amount of securities (zero return).

**If the relevant Reference Return is less than the Buffer Value**, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of securities, calculated as follows:

$$\$1,000 + [\$1,000 \times (\text{Reference Return} + 10\%)].$$

Under these circumstances, you will lose 1% of the Principal Amount of your securities for each percentage point that the Reference Return is below the Buffer Value. For example, if the Reference Return is -30%, you will suffer a 20% loss and receive 80% of the Principal Amount, subject to the credit risk of HSBC. **You should be aware that if the relevant Reference Return is less than the Buffer Value, you may lose up to 90% of your investment.**

### Interest

The securities will not pay interest.

### Calculation Agent

We or one of our affiliates will act as calculation agent with respect to the securities.

### Reference Sponsor and Reference Issuer

With respect to securities linked to the SPX, Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., is the reference sponsor. With respect to securities linked to the RTY, the Russell Investment Group is the reference sponsor. With respect to securities linked to the EFA, iShares, Inc. is the reference issuer. With respect to securities linked to the XME, the SPDR® Series Trust is the reference issuer.

## INVESTOR SUITABILITY

### The securities may be suitable for you if:

- ▶ You seek an investment with an enhanced return linked to the potential positive performance of the relevant Reference Asset and you believe the value of such Reference Asset will increase over the term of the securities.
- ▶ You are willing to invest in the securities based on the Maximum Cap indicated herein with respect to that security offering, which may limit your return at maturity. The actual Maximum Cap for each offering of securities will be determined on the Pricing Date.
- ▶ You are willing to make an investment that is exposed to the negative Reference Return on a 1-to-1 basis for each percentage point that the relevant Reference Return is less than -10%.
- ▶ You are willing to accept the risk and return profile of the securities versus a conventional debt security with a comparable maturity issued by HSBC or another issuer with a similar credit rating.
- ▶ You are willing to forego dividends or other distributions paid to holders of the stocks comprising the relevant Reference Asset, or the Reference Asset itself, as applicable.
- ▶ You do not seek current income from your investment.
- ▶ You do not seek an investment for which there is an active secondary market.
- ▶ You are willing to hold the securities to maturity.
- ▶ You are comfortable with the creditworthiness of HSBC, as Issuer of the securities.

### The securities may not be suitable for you if:

- ▶ You believe the relevant Reference Return will be negative on the Final Valuation Date or that the relevant Reference Return will not be sufficiently positive to provide you with your desired return.
- ▶ You are unwilling to invest in the securities based on the Maximum Cap indicated herein with respect to that security offering, which may limit your return at maturity. The actual Maximum Cap for each offering of securities will be determined on the Pricing Date.
- ▶ You are unwilling to make an investment that is exposed to the negative Reference Return on a 1-to-1 basis for each percentage point that the relevant Reference Return is below -10%.
- ▶ You seek an investment that provides full return of principal.
- ▶ You prefer the lower risk, and therefore accept the potentially lower returns, of conventional debt securities with comparable maturities issued by HSBC or another issuer with a similar credit rating.
- ▶ You prefer to receive the dividends or other distributions paid on the stocks comprising the relevant Reference Asset, or the Reference Asset itself, as applicable.
- ▶ You seek current income from your investment.
- ▶ You seek an investment for which there will be an active secondary market.
- ▶ You are unable or unwilling to hold the securities to maturity.
- ▶ You are not willing or are unable to assume the credit risk associated with HSBC, as Issuer of the securities.

## RISK FACTORS

We urge you to read the section “Risk Factors” beginning on page S-3 in the accompanying prospectus supplement and either page S-1 of the Equity Index Underlying Supplement or page S-2 of the ETF Underlying Supplement, as applicable. Investing in the securities is not equivalent to investing directly in any of the stocks comprising the relevant Reference Asset or the Reference Asset itself, as applicable. You should understand the risks of investing in the securities and should reach an investment decision only after careful consideration, with your advisors, of the suitability of the securities in light of your particular financial circumstances and the information set forth in this free writing prospectus and the accompanying prospectus supplement, prospectus and relevant underlying supplement.

In addition to the risks discussed below, you should review “Risk Factors” in the accompanying prospectus supplement and relevant underlying supplement including the explanation of risks relating to the securities described in the following sections:

- ▶ “— Risks Relating to All Note Issuances” in the prospectus supplement;

*If your securities are linked to the SPX or RTY:*

- ▶ “— General risks related to Indices” in the Equity Index Underlying Supplement;

*If your securities are linked to the RTY:*

- ▶ “—Small-Capitalization or Mid-Capitalization Companies Risk” in the Equity Index Underlying Supplement;

*If your securities are linked to the EFA or XME:*

- ▶ “— General risks related to Index Funds” in the ETF Underlying Supplement;
- ▶ “— Securities Prices Generally are Subject to Political, Economic, Financial, and Social Factors that Apply to the Markets in which they Trade and, to a Lesser Extent, Foreign Markets” in the ETF Underlying Supplement;
- ▶ “— Risks Associated with Non-U.S. Companies” in the ETF Underlying Supplement;



- ▶ “— Time differences between the Domestic and Foreign Markets and New York City may create discrepancies in the Trading Level or Price of the Notes” in the ETF Underlying Supplement;
- ▶ “— The Notes are Subject to Currency Exchange Risk” in the ETF Underlying Supplement; and
- ▶ “— Even if our or our Affiliates’ Securities are held by an Index Fund, We or our Affiliates will not have any Obligation to Consider Your Interests” in the ETF Underlying Supplement.

You will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities.

**Your investment in the securities may result in a loss.**

You will be exposed to the decline in the Final Value from the Initial Value beyond the Buffer Value of -10%. Accordingly, if the relevant Reference Return is less than -10%, your Payment at Maturity will be less than the Principal Amount of your securities. You may lose up to 90% of your investment at maturity if the relevant Reference Return is negative.

**The appreciation on the securities is limited by the relevant Maximum Cap.**

You will not participate in any appreciation in the value of the relevant Reference Asset (as multiplied by the Upside Participation Rate) beyond the relevant Maximum Cap. The Maximum Cap (to be determined on the Pricing Date) will not be less than 9.00% or greater than 13.00% with respect to the securities linked to the SPX, will not be less than 12.50% or greater than 16.50% with respect to the securities linked to the RTY, will not be less than 12.00% or greater than 16.00% with respect to the securities linked to the EFA, and will not be less than 18.00% or greater than 22.00% with respect to the securities linked to the XME. You will not receive a return on the securities greater than the relevant Maximum Cap.

**Credit risk of HSBC USA Inc.**

The securities are senior unsecured debt obligations of the Issuer, HSBC, and are not, either directly or indirectly, an obligation of any third party. As further described in the accompanying prospectus supplement and prospectus, the securities will rank on par with all of the other unsecured and unsubordinated debt obligations of HSBC, except such obligations as may be preferred by operation of law. Any payment to be made on the securities, including any return of principal at maturity, depends on the ability of HSBC to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of HSBC may affect the market value of the securities and, in the event HSBC were to default on its obligations, you may not receive the amounts owed to you under the terms of the securities.

**The securities will not bear interest.**

As a holder of the securities, you will not receive interest payments.

**Changes that affect the relevant Reference Asset will affect the market value of the securities and the amount you will receive at maturity.**

The policies of the reference sponsor or reference issuer of the relevant Reference Asset concerning additions, deletions and substitutions of the constituents comprising such Reference Asset and the manner in which the reference sponsor or reference issuer takes account of certain changes affecting those constituents included in such Reference Asset may affect the value of such Reference Asset. The policies of the reference sponsor or reference issuer with respect to the calculation of the relevant Reference Asset could also affect the value of such Reference Asset. The reference sponsor or reference issuer may discontinue or suspend calculation or dissemination of its relevant Reference Asset. Any such actions could affect the value of the securities.

**The securities are not insured by any governmental agency of the United States or any other jurisdiction.**

The securities are not deposit liabilities or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or program of the United States or any other jurisdiction. An investment in the securities is subject to the credit risk of HSBC, and in the event that HSBC is unable to pay its obligations as they become due, you may not receive the full Payment at Maturity of the securities.

**Certain built-in costs are likely to adversely affect the value of the securities prior to maturity.**

While the Payment at Maturity described in this free writing prospectus is based on the full Principal Amount of your securities, the original issue price of the securities includes the agent’s commission and the estimated cost of HSBC hedging its obligations under the securities. As a result, the price, if any, at which HSBC Securities (USA) Inc. will be willing to purchase securities from you in secondary market transactions, if at all, will likely be lower than the original issue price, and any sale prior to the Maturity Date could result in a substantial loss to you. The securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your securities to maturity.

**The securities lack liquidity.**

The securities will not be listed on any securities exchange. HSBC Securities (USA) Inc. is not required to offer to purchase the securities in the secondary market, if any exists. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Because other dealers are not likely to make a secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which HSBC Securities (USA) Inc. is willing to buy the securities.

**Potential conflicts of interest may exist.**

HSBC and its affiliates play a variety of roles in connection with the issuance of the securities, including acting as calculation agent and hedging our obligations under the securities. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the securities. We will not have any obligation to consider your interests as a holder of the securities in taking any action that might affect the value of your securities.

**Uncertain tax treatment.**

For a discussion of the U.S. federal income tax consequences of your investment in a security, please see the discussion under "U.S. Federal Income Tax Considerations" herein and the discussion under "U.S. Federal Income Tax Considerations" in the accompanying prospectus supplement.

## ILLUSTRATIVE EXAMPLES

The following table and examples are provided for illustrative purposes only and are hypothetical. They do not purport to be representative of every possible scenario concerning increases or decreases in the value of the relevant Reference Asset relative to its Initial Value. We cannot predict the Final Value of the relevant Reference Asset. The assumptions we have made in connection with the illustrations set forth below may not reflect actual events. You should not take this illustration or these examples as an indication or assurance of the expected performance of the relevant Reference Asset to which your securities are linked or the return on your securities. With respect to the securities, the Final Settlement Value may be less than the amount that you would have received from a conventional debt security with the same stated maturity, including those issued by HSBC. The numbers appearing in the table below and following examples have been rounded for ease of analysis.

The table below illustrates the Payment at Maturity on a \$1,000 investment in the securities for a hypothetical range of Reference Returns from -100% to +100%. The following results are based solely on the assumptions outlined below. The "Hypothetical Return on the Security" as used below is the number, expressed as a percentage, that results from comparing the Payment at Maturity per \$1,000 Principal Amount of securities to \$1,000. The potential returns described here assume that your securities are held to maturity. You should consider carefully whether the securities are suitable to your investment goals. The following table and examples assume the following:

- ▶ Principal Amount: \$1,000
- ▶ Upside Participation Rate: 200%
- ▶ Hypothetical Maximum Cap: 9.00% (The actual Maximum Cap for each offering of securities will be determined on the Pricing Date and with respect to the securities linked to the SPX will not be less than 9.00% or greater than 13.00%, with respect to the securities linked to the RTY will not be less than 12.50% or greater than 16.50%, with respect to the securities linked to the EFA will not be less than 12.00% or greater than 16.00% and with respect to the securities linked to the XME will not be less than 18.00% or greater than 22.00%).

The actual Initial Value and Maximum Cap with respect to each offering of securities will be determined on the Pricing Date.

Hypothetical Reference Return	Hypothetical Payment at Maturity	Hypothetical Return on the Security
100.00%	\$1,090.00	9.00%
80.00%	\$1,090.00	9.00%
60.00%	\$1,090.00	9.00%
40.00%	\$1,090.00	9.00%
20.00%	\$1,090.00	9.00%
15.00%	\$1,090.00	9.00%
10.00%	\$1,090.00	9.00%
5.00%	\$1,090.00	9.00%
<b>4.50%</b>	<b>\$1,090.00</b>	<b>9.00%</b>
2.00%	\$1,040.00	4.00%
1.00%	\$1,020.00	2.00%
<b>0.00%</b>	<b>\$1,000.00</b>	<b>0.00%</b>
-1.00%	\$1,000.00	0.00%
-2.00%	\$1,000.00	0.00%
-5.00%	\$1,000.00	0.00%
<b>-10.00%</b>	<b>\$1,000.00</b>	<b>0.00%</b>
-15.00%	\$950.00	-5.00%
-20.00%	\$900.00	-10.00%
-30.00%	\$800.00	-20.00%
-40.00%	\$700.00	-30.00%
-60.00%	\$500.00	-50.00%
-80.00%	\$300.00	-70.00%
-100.00%	\$100.00	-90.00%

The following examples indicate how the Final Settlement Value would be calculated with respect to a hypothetical \$1,000 investment in the securities.

**Example 1: The relevant Reference Return is 2.00%.**

Reference Return:	2.00%
<b>Final Settlement Value:</b>	<b>\$1,040.00</b>

Because the relevant Reference Return is positive, and such Reference Return multiplied by the Upside Participation Rate is less than the hypothetical Maximum Cap, the Final Settlement Value would be \$1,040.00 per \$1,000 Principal Amount of securities, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Reference Return} \times \text{Upside Participation Rate}) \\
 & = \$1,000 + (\$1,000 \times 2.00\% \times 200\%) \\
 & = \$1,040.00
 \end{aligned}$$

Example 1 shows that you will receive the return of your principal investment plus a return equal to the relevant Reference Return multiplied by 200% when such Reference Return is positive and, as multiplied by the Upside Participation Rate, equal to or less than the relevant Maximum Cap.

**Example 2: The relevant Reference Return is 15.00%.**

Reference Return:	15.00%
<b>Final Settlement Value:</b>	<b>\$1,090.00</b>

Because the relevant Reference Return is positive, and such Reference Return multiplied by the Upside Participation Rate is greater than the hypothetical Maximum Cap, the Final Settlement Value would be \$1,090.00 per \$1,000 Principal Amount of securities, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Maximum Cap}) \\
 & = \$1,000 + (\$1,000 \times 9.00\%) \\
 & = \$1,090.00
 \end{aligned}$$

Example 2 shows that you will receive the return of your principal investment plus a return equal to the Maximum Cap when the relevant Reference Return is positive and such Reference Return multiplied by 200% exceeds the relevant Maximum Cap.

**Example 3: The relevant Reference Return is -5.00%.**

Reference Return:	-5.00%
<b>Final Settlement Value:</b>	<b>\$1,000.00</b>

Because the relevant Reference Return is less than zero but greater than the Buffer Value of -10%, the Final Settlement Value would be \$1,000.00 per \$1,000 Principal Amount of securities (a zero return).

Example 3 shows that you will receive the return of your principal investment where the value of the relevant Reference Asset declines by no more than 10% over the term of the securities.

**Example 4: The relevant Reference Return is -30.00%.**

Reference Return:	-30.00%
<b>Final Settlement Value:</b>	<b>\$800.00</b>

Because the relevant Reference Return is less than the Buffer Value of -10%, the Final Settlement Value would be \$800.00 per \$1,000 Principal Amount of securities, calculated as follows:

$$\begin{aligned}
 & \$1,000 + [\$1,000 \times (\text{Reference Return} + 10\%)] \\
 & = \$1,000 + [\$1,000 \times (-30.00\% + 10\%)] \\
 & = \$800.00
 \end{aligned}$$

Example 4 shows that you are exposed on a 1-to-1 basis to declines in the value of the Reference Asset beyond the Buffer Value of -10%. YOU MAY LOSE UP TO 90% OF THE PRINCIPAL AMOUNT OF YOUR SECURITIES.

## INFORMATION RELATING TO THE SECURITIES LINKED TO THE S&P 500® INDEX

*The disclosure relating to the SPX contained below relates only to the offering of securities linked to the SPX.*

### Description of the SPX

The SPX is a capitalization-weighted index of 500 U.S. stocks. It is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The top 5 industry groups by market capitalization as of September 24, 2012 were: Information Technology, Financials, Health Care, Energy, and Consumer Discretionary.

### Historical Performance of the SPX

The following graph sets forth the historical performance of the SPX based on the daily historical closing levels from September 24, 2007 through September 24, 2012. The closing level for the SPX on September 24, 2012 was 1,456.89. We obtained the closing levels below from the Bloomberg Professional® service. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, the information obtained from the Bloomberg Professional® service.

***For more information about the SPX, see “The S&P 500® Index” on page S-6 of the accompanying Equity Index Underlying Supplement.***



The historical levels of the SPX should not be taken as an indication of future performance, and no assurance can be given as to the Official Closing Value of the SPX on the Final Valuation Date.

## INFORMATION RELATING TO THE SECURITIES LINKED TO THE RUSSELL 2000® INDEX

*The disclosure relating to the RTY contained below relates only to the offering of securities linked to the RTY.*

### Description of the RTY

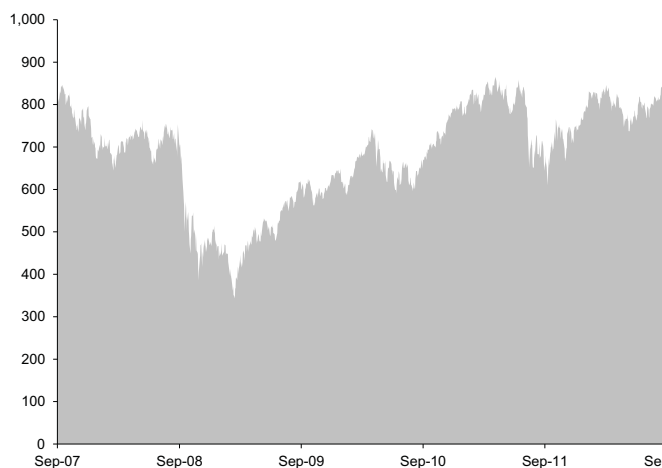
The RTY is designed to track the performance of the small capitalization segment of the United States equity market. All 2,000 stocks are traded on the New York Stock Exchange or NASDAQ, and the RTY consists of the smallest 2,000 companies included in the Russell 3000® Index. The Russell 3000® Index is composed of the 3,000 largest United States companies as determined by market capitalization and represents approximately 98% of the United States equity market.

The top 5 industry groups by market capitalization as of August 31, 2012 were: Financial Services, Consumer Discretionary, Technology, Producer Durables, and Health Care.

***For more information about the RTY, see “The Russell 2000® Index” on page S-21 of the accompanying Equity Index Underlying Supplement.***

### Historical Performance of the RTY

The following graph sets forth the historical performance of the RTY based on the daily historical closing levels from September 24, 2007 through September 24, 2012. The closing level for the RTY on September 24, 2012 was 851.76. We obtained the closing levels below from the Bloomberg Professional® service. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, the information obtained from the Bloomberg Professional® service.



The historical levels of the RTY should not be taken as an indication of future performance, and no assurance can be given as to the Official Closing Value of the RTY on the Final Valuation Date.



## INFORMATION RELATING TO THE SECURITIES LINKED TO THE iSHARES® MSCI EAFE INDEX FUND

The disclosure relating to the EFA contained below relates only to the offering of securities linked to the EFA.

### Description of the EFA

The EFA seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the European, Australasian, and Far Eastern markets, as measured by the MSCI EAFE® Index, which is the underlying index of the EFA. As of August 31, 2012, the MSCI EAFE Index consisted of the following 22 component country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

### Historical Performance of the EFA

The following graph sets forth the historical performance of the EFA based on the daily historical closing prices from September 24, 2007 through September 24, 2012. The closing price for the EFA on September 24, 2012 was \$54.35. We obtained the closing prices below from the Bloomberg Professional® service. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, the information obtained from the Bloomberg Professional® service.



For more information about the EFA, see “The iShares® MSCI EAFE Index Fund” on page S-24 of the accompanying ETF Underlying Supplement.

The historical prices of the EFA should not be taken as an indication of future performance, and no assurance can be given as to the Official Closing Value of the EFA on the Final Valuation Date.

<u>Quarter Begin</u>	<u>Quarter End</u>	<u>Quarterly High</u>	<u>Quarterly Low</u>	<u>Quarterly Close</u>
1/3/2007	3/30/2007	\$76.94	\$70.95	\$76.27
4/2/2007	6/29/2007	\$81.79	\$76.05	\$80.63
7/2/2007	9/28/2007	\$85.50	\$67.99	\$82.56
10/1/2007	12/31/2007	\$86.49	\$78.00	\$78.50
1/2/2008	3/31/2008	\$79.22	\$65.63	\$71.90
4/1/2008	6/30/2008	\$78.76	\$68.06	\$68.70
7/1/2008	9/30/2008	\$68.39	\$52.36	\$56.30
10/1/2008	12/31/2008	\$56.42	\$35.53	\$44.87
1/2/2009	3/31/2009	\$45.61	\$31.56	\$37.59
4/1/2009	6/30/2009	\$49.18	\$37.28	\$45.81
7/1/2009	9/30/2009	\$56.31	\$43.49	\$54.70
10/1/2009	12/31/2009	\$57.66	\$52.42	\$55.30
1/4/2010	3/31/2010	\$58.00	\$49.94	\$56.00
4/1/2010	6/30/2010	\$58.08	\$45.86	\$46.51
7/1/2010	9/30/2010	\$55.81	\$46.45	\$54.92
10/1/2010	12/31/2010	\$59.50	\$53.85	\$58.23
1/3/2011	3/31/2011	\$61.98	\$54.69	\$60.09
4/1/2011	6/30/2011	\$64.35	\$56.71	\$60.14
7/1/2011	9/30/2011	\$60.86	\$46.09	\$47.75
10/3/2011	12/30/2011	\$55.86	\$45.46	\$49.53
1/3/2012	3/30/2012	\$55.91	\$48.99	\$54.90
4/2/2012	6/29/2012	\$55.68	\$46.55	\$49.96
7/2/2012*	9/24/2012*	\$55.57	\$47.30	\$54.35

\* As of the date of this free writing prospectus available information for the third calendar quarter of 2012 includes data for the period from July 2, 2012 through September 24, 2012. Accordingly, the “Quarterly High,” “Quarterly Low” and “Quarterly Close” data indicated are for this shortened period only and do not reflect complete data for the third calendar quarter of 2012.

## **INFORMATION RELATING TO THE SECURITIES LINKED TO THE SPDR® S&P® Metals & Mining ETF**

### **Description of the XME**

#### **General**

We have derived all information relating to the XME, including, without limitation, its make-up, performance, method of calculation and changes in its components from publicly available sources. The XME is a unit investment trust registered under the Investment Company Act of 1940, as amended, that is designed to generally replicate as closely as possible, before expenses, the total performance of the S&P Metals & Mining Select Industry™ Index (the "XME Underlying Index"). The XME was created to provide investors with the opportunity to purchase a security representing a proportionate undivided ownership interest in a portfolio of securities consisting of all of the common stocks which comprise the XME Underlying Index. The XME is listed on the NYSE Arca under the ticker symbol "XME." Information provided to or filed with the SEC by the XME pursuant to the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, can be located by reference to SEC file numbers 333-57793 and 811-08839, respectively, through the SEC's website at <http://www.sec.gov>. Information from outside sources is not incorporated by reference in, and should not be considered a part of, this document. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, such information. In addition, information may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. As a prospective purchaser of the Securities, you should undertake an independent investigation of the XME as in your judgment is appropriate to make an informed decision with respect to an investment linked to the XME.

#### **Investment Objective**

The XME seeks to replicate as closely as possible, before fees and expenses, the total return of the XME Underlying Index, which measures the performance of the Metals & Mining segment of the U.S. equity market. The companies included in the XME Underlying Index are selected on the basis of Global Industry Classification Standards ("GICS") and liquidity and market cap requirements from a universe of companies defined by the S&P® Total Stock Market Index (the "S&P TMI"), a U.S. total market composite index. The inception date of the XME is June 19, 2006.

#### **Investment Strategy — Replication**

The XME pursues the indexing strategy of "replication" in attempting to track the performance of the XME Underlying Index. The XME will invest in all of the securities that comprise the XME Underlying Index. The XME will normally invest substantially all, but at least 80% of its total assets in the common stocks that comprise the XME Underlying Index.

#### **Correlation**

The XME Underlying Index is a theoretical financial calculation, while the XME is an actual investment portfolio. The performance of the XME and the XME Underlying Index will vary somewhat due to transaction costs, asset valuations, market impact, corporate actions (such as mergers and spin-offs) and timing variances. A correlation of 100% would indicate perfect correlation. Any correlation of less than 100% is called "tracking error." The XME, using a replication strategy, can be expected to have a smaller tracking error than a fund using the representative sampling strategy. Representative sampling is a strategy in which a fund invests in a representative sample of securities in an underlying index.

#### **The XME Underlying Index**

The XME Underlying Index is published by S&P Financial Services LLC ("S&P") and represents the Metals & Mining sub-industry portion of the S&P TMI. The XME Underlying Index is one of the 25 S&P Select Industry Indexes (the "Select Industry Indexes"), each designed to measure the performance of a narrow sub-industry determined based on the GICS. Membership in the Select Industry Indexes is based on the GICS classification, as well as liquidity and market cap requirements. As of July 30, 2012, the XME Underlying Index consists of 40 S&P TMI constituents belonging to the Metals & Mining GICS sub-industry classification that satisfy the following criteria: (i) are a U.S.-based company; and (ii) have a float-adjusted market capitalization above \$500 million with a float-adjusted liquidity ratio (defined by dollar value traded over the previous 12 months divided by the float-adjusted market capitalization as of the last index rebalancing) of above 90% or have a float-adjusted market capitalization above \$400 million with a float-adjusted liquidity ratio above 150%. The length of time to evaluate liquidity is reduced to the available trading period for initial public offerings or spin-offs that do not have 12 months of trading history.

If there are not 35 eligible constituents for the XME Underlying Index as a result of the application of the criteria described in the preceding paragraph, stocks from a supplementary list of highly correlated sub-industries that meet the market capitalization and liquidity thresholds are included in order of their float-adjusted market capitalization. The market capitalization threshold may be relaxed to ensure that there are at least 22 stocks in the Index as of the rebalancing effective date. The market capitalization threshold and the liquidity threshold are each reviewed from time to time based on market conditions. Rebalancing occurs after the closing on the third Friday of the quarter ending month. The S&P TMI tracks all the U.S. common stocks listed on the NYSE (including NYSE Arca), the NYSE Alternext, the NASDAQ Global Select Market, the NASDAQ Select Market and the NASDAQ Capital Market. The XME Underlying Index is an equal weighted market cap index.

#### *Computation of the XME Underlying Index*

Prior to March 2005, the Market Value of a component stock was calculated as the product of the market price per share and the total number of outstanding shares of the component stock. In March 2004, S&P announced that it would transition the XME Underlying Index to float-adjusted market capitalization weights. The transition began in March 2005 and was completed in September 2005. S&P's criteria for selecting stock for the XME Underlying Index was not changed by the shift to float adjustment. However, the adjustment affects each company's weight in the XME Underlying Index (i.e., its Market Value). Currently, S&P calculates the XME Underlying Index based on the total float-adjusted market capitalization of each component stock, where each stock's weight in the XME Underlying Index is proportional to its float-adjusted Market Value.

Under float adjustment, the share counts used in calculating the XME Underlying Index reflect only those shares that are available to investors, not all of a company's outstanding shares. S&P defines three groups of shareholders whose holdings are subject to float adjustment:

- holdings by other publicly traded corporations, venture capital firms, private equity firms, strategic partners, or leveraged buyout groups;
- holdings by government entities, including all levels of government in the U.S. or foreign countries; and
- holdings by current or former officers and directors of the company, founders of the company, or family trusts of officers, directors, or founders, as well as holdings of trusts, foundations, pension funds, employee stock ownership plans, or other investment vehicles associated with and controlled by the company.

Treasury stock, stock options, restricted shares, equity participation units, warrants, convertible stock, and rights are not part of the float. In cases where holdings in a group exceed 10% of the outstanding shares of common stock of a company, the holdings of that group are excluded from the float-adjusted count of shares to be used in the index calculation. Mutual funds, investment advisory firms, pension funds, or foundations not associated with the company and investment funds in insurance companies, shares of a U.S. company traded in Canada as "exchangeable shares," shares that trust beneficiaries may buy or sell without difficulty or significant additional expense beyond typical brokerage fees, and, if a company has multiple classes of common stock outstanding, the shares of the most liquid class of common stock and shares that are in an unlisted or non-traded class so long as such shares are convertible by shareholders into the class of common stock that is most liquid without undue delay and cost, are part of the float.

For each stock, an investable weight factor ("IWF") is calculated by dividing the available float shares, defined as the total shares of common stock outstanding less shares held in one or more of the three groups listed above where the group holdings exceed 10% of the outstanding shares of common stock, by the total shares of common stock outstanding. The float-adjusted index is then calculated by dividing the sum of the IWF multiplied by both the price and the total shares outstanding for each stock by an index divisor (the "Divisor"). For companies with multiple classes of common stock that are includible in the float, S&P calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

As of the date of this free writing prospectus, the XME Underlying Index is calculated using a base-weighted aggregate methodology: the level of the XME Underlying Index reflects the total Market Value of all the component stocks relative to the XME Underlying Index base date of June 28, 1991. The daily calculation of the XME Underlying Index is computed by determining the aggregate Market Value of the available float shares outstanding of each common stock comprising the XME Underlying Index, evaluated at its last sale price on the Relevant Exchange, and dividing the result by the Divisor which is designed to yield a resulting index value in the applicable magnitude (as opposed to an actual number in the billions). The Divisor is adjusted from time to time as discussed below.

The XME Underlying Index maintenance includes monitoring and completing the adjustments for additions and deletions of the constituent companies, share changes, stock splits, stock dividends and stock price adjustments due to company restructurings or spin-offs. Continuity in index values is maintained by adjusting the Divisor for all changes in the XME Underlying Index constituents' share capital after the base date of June 28, 1991 with the index value as of the base date set at 100. Some corporate actions, such as stock splits and stock dividends do not require Divisor adjustments because following a stock split or stock dividend, both the stock price and number of shares outstanding are adjusted by S&P so that there is no change in the Market Value of the component stock. All stock split and dividend adjustments are made after the close of trading on the day before the ex-date.

To prevent the level of the XME Underlying Index from changing due to corporate actions, all corporate actions which affect the total Market Value of the XME Underlying Index require a Divisor adjustment. By adjusting the Divisor for the change in total Market Value, the level of the XME Underlying Index remains constant. This helps maintain the level of the XME Underlying Index as an accurate barometer of stock market performance and ensures that the movement of the XME Underlying Index does not reflect the corporate actions of individual companies in the XME Underlying Index. All Divisor adjustments are made after the close of trading and after the calculation of the closing levels of the XME Underlying Index. Some corporate actions, such as stock splits and stock dividends, require simple changes in the common shares outstanding and the stock prices of the companies in the XME Underlying Index and do not require Divisor adjustments.

The table below summarizes the types of index maintenance adjustments and indicates whether or not a Divisor adjustment is required.

<b>Type of Corporate Action</b>	<b>Comments</b>	<b>Divisor Adjustment</b>
Company added/deleted	Net change in market value determines divisor adjustment.	Yes
Change in shares outstanding	Any combination of secondary issuance, share repurchase or buy back—share counts revised to reflect change.	Yes
Stock split	Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting.	No
Spin-off	If spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value ( <i>i.e.</i> , the value of the spun-off unit).	Yes
Spin-off	Spun-off company added to the index, no company removed from the index.	No
Spin-off	Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion.	Yes
Change in IWF	Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The Divisor change reflects the change in market value caused by the change to an IWF.	Yes
Special dividend	When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value.	Yes
Rights offering	Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid.	Yes

Each of the corporate events exemplified in the table requiring an adjustment to the Divisor has the effect of altering the Market Value of the component stock and consequently of altering the aggregate Market Value of the XME Underlying Index component stocks (the “Post-Event Aggregate Market Value”). In order that the level of the XME Underlying Index (the “Pre-Event Index Value”) not be affected by the altered Market Value (whether increase or decrease) of the affected component stock, a new Divisor (“New Divisor”) is derived as follows:

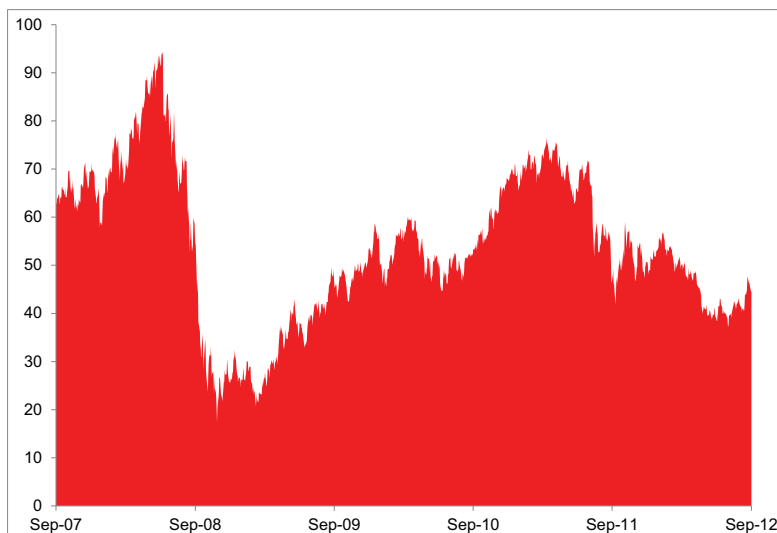
$$\frac{\text{Post-Event Aggregate Market Value}}{\text{New Divisor}} = \text{Pre-Event Index Value}$$

$$\text{New Divisor} = \frac{\text{Post-Event Aggregate Market Value}}{\text{Pre-Event Index Value}}$$

A large part of the XME Underlying Index maintenance process involves tracking the changes in the number of shares outstanding of each of the companies whose common stock is included in the XME Underlying Index. Four times a year, on a Friday close to the end of each calendar quarter, the share totals of companies in the XME Underlying Index are updated as required by any changes in the number of shares of common stock outstanding and then the Divisor is adjusted accordingly. In addition, changes in a company’s shares of common stock outstanding of 5% or more due to mergers, acquisitions, public offerings, private placements, tender offers, Dutch auctions or exchange offers are made as soon as reasonably possible. Other changes of 5% or more (due to, for example, company stock repurchases, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participations or other recapitalizations) are made weekly, and are announced on Wednesdays for implementation after the close of trading on the following Wednesday. If a 5% or more change causes a company’s IWF to change by 5 percentage points or more (for example from 0.80 to 0.85), the IWF will be updated at the same time as the share change, except IWF changes resulting from partial tender offers will be considered on a case-by-case basis. Changes to an IWF of less than 5 percentage points are implemented at the next IWF review, which occurs annually. In the case of certain rights issuances, in which the number of rights issued and/or terms of their exercise are deemed substantial, a price adjustment and share increase may be implemented immediately.

## Historical Performance of the XME

The following graph sets forth the historical performance of the XME based on the daily historical closing prices from September 24, 2007 through September 24, 2012. The closing price for the XME on September 24, 2012 was \$44.35. We obtained the closing prices below from the Bloomberg Professional® service. We have not undertaken any independent review of, or made any due diligence inquiry with respect to, the information obtained from the Bloomberg Professional® service.



The historical prices of the XME should not be taken as an indication of future performance, and no assurance can be given as to the Official Closing Value of the XME on the Final Valuation Date.

<u>Quarter Begin</u>	<u>Quarter End</u>	<u>Quarterly High</u>	<u>Quarterly Low</u>	<u>Quarterly Close</u>
1/3/2007	3/30/2007	\$76.94	\$70.95	\$76.27
4/2/2007	6/29/2007	\$67.49	\$57.40	\$62.53
7/2/2007	9/28/2007	\$68.02	\$49.19	\$63.70
10/1/2007	12/31/2007	\$71.46	\$60.79	\$69.48
1/2/2008	3/31/2008	\$78.04	\$53.03	\$70.01
4/1/2008	6/30/2008	\$96.09	\$68.47	\$94.24
7/1/2008	9/30/2008	\$93.60	\$42.66	\$47.08
10/1/2008	12/31/2008	\$46.90	\$17.20	\$27.79
1/2/2009	3/31/2009	\$33.10	\$20.55	\$25.14
4/1/2009	6/30/2009	\$43.51	\$24.24	\$37.01
7/1/2009	9/30/2009	\$50.12	\$31.64	\$45.64
10/1/2009	12/31/2009	\$54.22	\$41.24	\$51.61
1/4/2010	3/31/2010	\$60.46	\$44.44	\$56.81
4/1/2010	6/30/2010	\$60.40	\$45.51	\$45.69
7/1/2010	9/30/2010	\$54.53	\$43.71	\$53.48
10/1/2010	12/31/2010	\$69.44	\$52.81	\$68.78
1/3/2011	3/31/2011	\$74.88	\$64.98	\$74.28
4/1/2011	6/30/2011	\$77.42	\$61.81	\$69.41
7/1/2011	9/30/2011	\$72.02	\$44.64	\$44.82
10/3/2011	12/30/2011	\$59.34	\$40.19	\$48.99
1/3/2012	3/30/2012	\$57.05	\$48.07	\$49.70
4/2/2012	6/29/2012	\$51.08	\$37.84	\$41.44
7/2/2012*	9/24/2012*	\$48.26	\$37.10	\$44.35

\* As of the date of this free writing prospectus available information for the third calendar quarter of 2012 includes data for the period from July 2, 2012 through September 24, 2012. Accordingly, the "Quarterly High," "Quarterly Low" and "Quarterly Close" data indicated are for this shortened period only and do not reflect complete data for the third calendar quarter of 2012.



## **SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)**

We have appointed HSBC Securities (USA) Inc., an affiliate of HSBC, as the agent for the sale of the securities. Pursuant to the terms of a distribution agreement, HSBC Securities (USA) Inc. will purchase the securities from HSBC at the price to public less the underwriting discount set forth on the cover page of the pricing supplement to which this free writing prospectus relates, for distribution to other registered broker-dealers, or will offer the securities directly to investors. HSBC Securities (USA) Inc. proposes to offer the securities at the price to public set forth on the cover page of this free writing prospectus. HSBC USA Inc. or one of our affiliates may pay varying underwriting discounts of up to 2.10% and referral fees of up to 0.60% per \$1,000 Principal Amount of securities in connection with the distribution of the securities to other registered broker-dealers. In no case will the sum of the underwriting discounts and referral fees exceed 2.10% per \$1,000 Principal Amount.

An affiliate of HSBC has paid or may pay in the future an amount to broker-dealers in connection with the costs of the continuing implementation of systems to support the securities.

In addition, HSBC Securities (USA) Inc. or another of its affiliates or agents may use the pricing supplement to which this free writing prospectus relates in market-making transactions after the initial sale of the securities, but is under no obligation to do so and may discontinue any market-making activities at any time without notice.

See "Supplemental Plan of Distribution (Conflicts of Interest)" on page S-49 in the prospectus supplement.

## U.S. FEDERAL INCOME TAX CONSIDERATIONS

There is no direct legal authority as to the proper tax treatment of the securities, and therefore significant aspects of the tax treatment of the securities are uncertain as to both the timing and character of any inclusion in income in respect of the securities. Under one approach, a security should be treated as a pre-paid executory contract with respect to the relevant Reference Asset. We intend to treat the securities consistent with this approach. Pursuant to the terms of the securities, you agree to treat the securities under this approach for all U.S. federal income tax purposes. Subject to the limitations described therein, and based on certain factual representations received from us, in the opinion of our special U.S. tax counsel, Morrison & Foerster LLP, it is reasonable to treat a security as a pre-paid executory contract with respect to the relevant Reference Asset. Pursuant to this approach and subject to the discussion below regarding “constructive ownership transactions”, we do not intend to report any income or gain with respect to the securities prior to their maturity or an earlier sale or exchange and we intend to treat any gain or loss upon maturity or an earlier sale or exchange as long-term capital gain or loss, provided that you have held the security for more than one year at such time for U.S. federal income tax purposes.

Despite the foregoing, U.S. holders (as defined under “U.S. Federal Income Tax Considerations” in the accompanying prospectus supplement) should be aware that the Internal Revenue Code of 1986, as amended (the “Code”), contains a provision, Section 1260 of the Code, which sets forth rules which are applicable to what it refers to as “constructive ownership transactions.” Due to the manner in which it is drafted, the precise applicability of Section 1260 of the Code to any particular transaction is often uncertain. In general, a “constructive ownership transaction” includes a contract under which an investor will receive payment equal to or credit for the future value of any equity interest in a regulated investment company (such as shares of the EFA and XME (the “Underlying Shares”)). Under the “constructive ownership” rules, if an investment in the securities is treated as a “constructive ownership transaction,” any long-term capital gain recognized by a U.S. holder in respect of a security will be recharacterized as ordinary income to the extent such gain exceeds the amount of “net underlying long-term capital gain” (as defined in Section 1260 of the Code) of the U.S. holder determined as if the U.S. holder had acquired the Underlying Shares on the original issue date of the security at fair market value and sold them at fair market value on the Maturity Date (if the security was held until the Maturity Date) or on the date of sale or exchange of the security (if the security was sold or exchanged prior to the Maturity Date) (the “Excess Gain”). In addition, an interest charge will also apply to any deemed underpayment of tax in respect of any Excess Gain to the extent such gain would have resulted in gross income inclusion for the U.S. holder in taxable years prior to the taxable year of the sale, exchange or maturity of the security (assuming such income accrued at a constant rate equal to the applicable federal rate as of the date of sale, exchange or maturity of the security).

Although the matter is not clear, there exists a risk that an investment in the securities linked to the EFA or XME will be treated as a “constructive ownership transaction.” If such treatment applies, it is not entirely clear to what extent any long-term capital gain recognized by a U.S. holder in respect of a security linked to the EFA or XME will be recharacterized as ordinary income. It is possible, for example, that the amount of the Excess Gain (if any) that would be recharacterized as ordinary income in respect of each security linked to the EFA or XME will equal the excess of (i) any long-term capital gain recognized by the U.S. holder in respect of such a security over (ii) the “net underlying long-term capital gain” such U.S. holder would have had if such U.S. holder had acquired a number of the Underlying Shares at fair market value on the original issue date of such security for an amount equal to the “issue price” of the security and, upon the date of sale, exchange or maturity of the security, sold such Underlying Shares at fair market value (which would reflect the percentage increase in the value of the Underlying Shares over the term of the security). Accordingly, U.S. holders should consult their tax advisors regarding the potential application of the “constructive ownership” rules.

We will not attempt to ascertain whether any of the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, would be treated as a passive foreign investment company (“PFIC”) or United States real property holding corporation (“USRPHC”), both as defined for U.S. federal income tax purposes. If one or more of the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, and consult your tax advisor regarding the possible consequences to you if one or more of the entities whose stock is included in, or owned by, the relevant Reference Asset, as the case may be, is or becomes a PFIC or a USRPHC.

For a discussion of the U.S. federal income tax consequences of your investment in a security, please see the discussion under “U.S. Federal Income Tax Considerations” in the accompanying prospectus supplement.

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You should only rely on the information contained in this free writing prospectus, any accompanying underlying supplement, prospectus supplement and prospectus. We have not authorized anyone to provide you with information or to make any representation to you that is not contained in this free writing prospectus, any accompanying underlying supplement, prospectus supplement and prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This free writing prospectus, any accompanying underlying supplement, prospectus supplement and prospectus are not an offer to sell these securities, and these documents are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted. You should not, under any circumstances, assume that the information in this free writing prospectus, any accompanying underlying supplement, prospectus supplement and prospectus is correct on any date after their respective dates.

## HSBC USA Inc.

**\$ Buffered Accelerated Market Participation Securities Linked to the S&P 500® Index**

**\$ Buffered Accelerated Market Participation Securities Linked to the Russell 2000® Index**

**\$ Buffered Accelerated Market Participation Securities Linked to the iShares® MSCI EAFE Index Fund**

**\$ Buffered Accelerated Market Participation Securities Linked to the SPDR® S&P® Metals & Mining ETF**

**October 1, 2012**

**FREE WRITING PROSPECTUS**