

## HSBC USA Inc. Buffered Income Plus Notes Linked to the Russell 2000® Index

- ▶ Buffered Income Plus Notes linked to the Russell 2000® Index
- ▶ Maturity of four years
- ▶ A 2.50% Minimum Annual Coupon and a 3.50% Performance-Based Annual Coupon if the level of the reference asset on the applicable coupon valuation date is greater than or equal to its level on the pricing date
- ▶ Repayment of principal at maturity if the return of the reference asset is greater than or equal to -20%, with the possibility of losing up to 80% of the principal amount at maturity.
- ▶ All payments on the Notes are subject to the credit risk of HSBC USA Inc.

The 4 Year Income Plus Notes with Buffer linked to the Russell 2000® Index (the "Notes") offered hereunder will not be listed on any U.S. securities exchange or automated quotation system.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Notes or passed upon the accuracy or the adequacy of this document, the accompanying prospectus, prospectus supplement or Equity Index Underlying Supplement. 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 Notes. HSBC Securities (USA) Inc. will purchase the Notes from us for distribution to other registered broker-dealers or will offer the Notes directly to investors. 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 Notes 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-11 of this free writing prospectus.

**Investment in the Notes involves certain risks. You should refer to "Risk Factors" beginning on page FWP-7 of this document, beginning on page S-3 of the accompanying prospectus supplement and beginning on page S-1 of the accompanying Equity Index Underlying Supplement.**

	Price to Public	Underwriting Discount <sup>1</sup>	Proceeds to Issuer
Per Note/total	\$1,000		

<sup>1</sup> HSBC USA Inc. or one of our affiliates may pay varying underwriting discounts of up to 3.00% and referral fees of up to 1.60% per \$1,000 Principal Amount of Notes in connection with the distribution of the Notes to other registered broker-dealers. In no case will the sum of the underwriting discounts and referral fees exceed 3.60% per \$1,000 Principal Amount. See "Supplemental Plan of Distribution (Conflicts of Interest)" on page FWP-11 of this free writing prospectus.

### The Notes:

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

HSBC USA Inc.

# Buffered Income Plus Notes

Linked to the Russell 2000® Index

## Indicative Terms\*

Principal Amount	\$1,000 per Note
Term	4 years
Reference Asset	The Russell 2000® Index
Payment at Maturity	The Final Settlement Value plus any unpaid Coupon
Coupon	<p>The Coupon on each Coupon Payment Date for each Note will be variable and be calculated as follows:</p> <p><b>If the Reference Return on the applicable Coupon Valuation Date is greater than or equal to zero, you will receive:</b></p> <p><math>\\$1,000 \times (\text{Performance-Based Coupon Rate} + \text{Minimum Coupon Rate})</math></p> <p><b>If the Reference Return on the applicable Coupon Valuation Date is less than zero, you will receive:</b></p> <p><math>\\$1,000 \times \text{Minimum Coupon Rate}.</math></p>
Final Settlement Value	<p>For each \$1,000 Principal Amount of Notes, you will receive a cash payment on the Maturity Date, calculated as follows:</p> <p><b>If the Reference Return on the final Coupon Valuation Date is greater than or equal to the Buffer: \$1,000</b></p> <p><b>If the Reference Return on the final Coupon Valuation Date is less than the Buffer:</b></p> <p><math>\\$1,000 + [\\$1,000 \times (\text{Reference Return} + 20\%)]</math></p> <p>For example, if the Reference Return is -30%, you will suffer a 10% loss and receive 90% of the Principal Amount. If the Reference Return on the Final Valuation Date is less than the Buffer, you may lose up to 80% of the Principal Amount</p>
Minimum Coupon Rate	2.50% per annum
Performance-Based Coupon Rate	3.50% per annum
Buffer	-20%
Reference Return	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Coupon Valuation Dates	See page FWP-4
Coupon Payment Dates	See page FWP-4
Pricing Date	November 26, 2012
Trade Date	November 26, 2012
Original Issue Date	November 29, 2012
Final Valuation Date	November 25, 2016
Maturity Date	November 30, 2016

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

## The Notes

For investors who believe the Reference Asset will appreciate during the term of the Notes, the Notes provide an opportunity for yearly coupon payments of not less than the Minimum Coupon Rate or greater than the sum of the Minimum Coupon Rate and the Performance-Based Coupon Rate. Other than the potential coupon payments, holders of the Notes will not participate in any increase in the level of the reference asset.

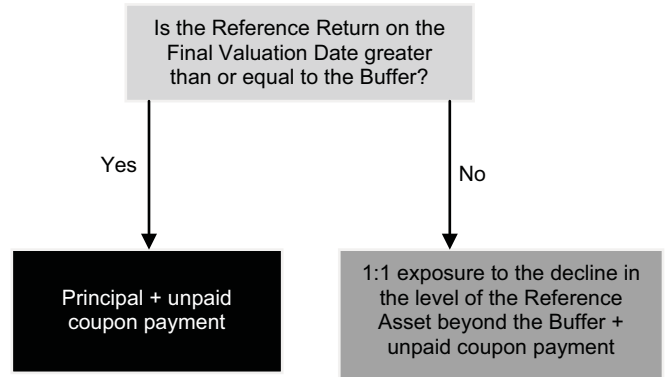
If the Reference Return on the Final Valuation Date is less than the Buffer, you will lose some or all of your initial investment, but will keep any coupon payments made to you during the term of the Notes. If you lose some or all of your initial investment, even with any coupon payments, your yield on an investment in the Notes may be negative.

The offering period for the Notes is through **November 26, 2012**



## Illustration of Payment Scenarios at Maturity

Your payment at maturity on the Notes will depend on whether or not the Reference Return is less than the Buffer. Regardless of whether or not the Reference Return is less than the Buffer, you will receive the Minimum Coupon Amount on each Coupon Payment Date. If you lose some or all of your initial investment, even with any coupon payments, your yield on an investment in the Notes may be negative.

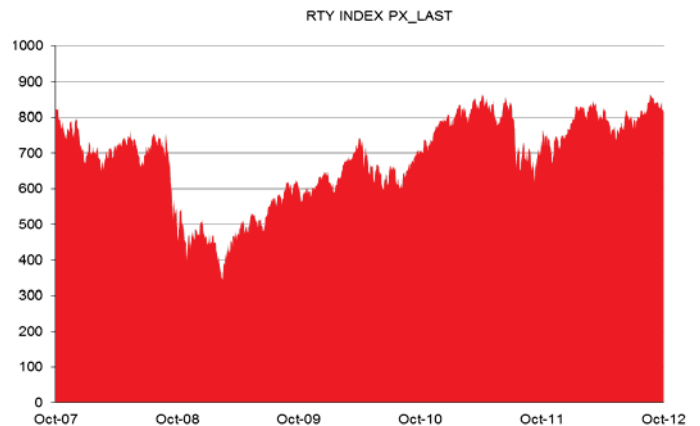


## Information about the Reference Asset

### 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 September 30, 2012 were: Financial Services, Consumer Discretionary, Technology, Producer Durables and Health Care.



The graph above illustrates the daily five year performance of the Reference Asset through October 24, 2012. Past performance is not necessarily an indication of future results. For further information on the Reference Asset please see "The Russell 2000® Index" on page FWP-10 and in the accompanying Equity Index Underlying Supplement. We have derived all disclosure regarding the Reference Asset 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 Asset.

**Linked to the Russell 2000® Index**

This free writing prospectus relates to an offering of Notes linked to the Russell 2000® Index (the "Reference Asset"). The purchaser of a Note will acquire a senior unsecured debt security of HSBC USA Inc. with annual coupons as described below.

The offering of Notes will have the terms described in this free writing prospectus and the accompanying prospectus supplement and prospectus. If the terms of the Notes offered hereby are inconsistent with those described in the accompanying prospectus supplement, prospectus or Equity Index Underlying Supplement, the terms described in this free writing prospectus shall control. The following key terms relate to the offering of Notes:

**Issuer:** HSBC USA Inc.

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

**Reference Asset:** The Russell 2000® Index

**Payment at Maturity:** On the Maturity Date, for each security, we will pay you the Final Settlement Value in addition to any Coupon due.

**Final Settlement Value:** For each \$1,000 Principal Amount of Notes, you will receive a cash payment on the Maturity Date, calculated as follows:

**If the Reference Return on the final Coupon Valuation Date is greater than or equal to the Buffer:** 100% of the Principal Amount

**If the Reference Return on the final Coupon Valuation Date is less than the Buffer:**

$\$1,000 + [\$1,000 \times (\text{Reference Return} + 20\%)]$

For example, if the Reference Return is -30%, you will suffer a 10% loss and receive 90% of the Principal Amount. If the Reference Return on the Final Valuation Date is less than the Buffer, you may lose up to 80% of the Principal Amount.

**Buffer:** -20%

**Coupon:** The Coupon on each Coupon Payment Date for each Note will be variable and be calculated as follows:

**If the Reference Return on the applicable Coupon Valuation Date is greater than or equal to zero, you will receive:**

$\$1,000 \times (\text{Performance-Based Coupon Rate} + \text{Minimum Coupon Rate})$

**If any Reference Stock Return on the applicable Coupon Valuation Date is less than zero, you will receive:**

$\$1,000 \times \text{Minimum Coupon Rate}$ .

**Minimum Coupon Rate:** 2.50% per annum

**Performance-Based Coupon Rate:** 3.50% per annum

**Reference Return:** On any Coupon Valuation Date:  $\frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$

**Coupon Valuation Dates and Coupon Payment Dates:**

Coupon Valuation Date*	Coupon Payment Date**
November 25, 2013	November 29, 2013
November 25, 2014	December 1, 2014
November 24, 2015	November 30, 2015
November 25, 2016	November 30, 2016 (the Maturity Date)

\* Subject to the adjustment as described under "Additional Terms of the Notes—Valuation Dates" in the accompanying Equity Index Underlying Supplement.

\*\*Expected. 3 business days after the relevant Coupon Valuation Date.

**Initial Value:** The Official Closing Value of the Reference Asset on the Pricing Date.

**Final Value:** The Official Closing Value of the Reference Asset on the applicable Coupon Valuation Date.

**Official Closing Value:** The closing level of the Reference Asset on any scheduled trading day as determined by the calculation agent based upon the value displayed on Bloomberg Professional® page "RTY <INDEX>"

**Trade Date:** November 26, 2012

**Pricing Date:** November 26, 2012

**Original Issue Date:** November 29, 2012

**Maturity Date:** November 30, 2016, which is 3 business days after the final Coupon Valuation Date. 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 accompanying Equity Index Underlying Supplement.

**CUSIP/ISIN:** 40432X2L4/US40432X2L45

**Form of Notes:** Book-Entry

**Calculation Agent:** HSBC USA Inc. or one of its affiliates.

**Listing:** The Notes will not be listed on any U.S. securities exchange or quotation system.

## GENERAL

This free writing prospectus relates to one security offering linked to the Reference Asset identified on the cover page. The purchaser of a Note will acquire a senior unsecured debt security of HSBC USA Inc. linked to ten Reference Stocks. We reserve the right to withdraw, cancel or modify this offering and to reject orders in whole or in part. Although the offering of Notes relates to the 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 the Reference Asset or as to the suitability of an investment in the Notes.

You should read this document together with the prospectus dated March 22, 2012, the prospectus supplement dated March 22, 2012 and the Equity Index Underlying Supplement dated March 22, 2012. If the terms of the Notes offered hereby are inconsistent with those described in the accompanying prospectus supplement, prospectus or Equity Index 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-7 of this free writing prospectus, beginning on page S-3 of the prospectus supplement and beginning on page S-1 of the Equity Index Underlying Supplement, as the Notes 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 Notes. 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, prospectus supplement and Equity Index Underlying Supplement) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the prospectus, prospectus supplement and Equity Index Underlying Supplement in that registration statement and other documents HSBC has filed with the SEC for more complete information about HSBC and this offering. 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 this offering will arrange to send you the prospectus, prospectus supplement and Equity Index Underlying Supplement if you request them by calling toll-free 1-866-811-8049.

You may also obtain:

- ▶ 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)
- ▶ 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>

We are using this free writing prospectus to solicit from you an offer to purchase the Notes. You may revoke your offer to purchase the Notes 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 Notes prior to their issuance. In the event of any material changes to the terms of the Notes, we will notify you.

## PAYMENTS ON THE NOTES

### Payment at Maturity

On the Maturity Date, for each Note you hold, we will pay you the Final Settlement Value plus any Coupon due. The Final Settlement Value, which is an amount in cash, is determined as follows:

**If the Reference Return on the Final Valuation Date is greater than or equal to the Buffer, you will receive:**

\$1,000

**If the Reference Return on the Final Valuation Date is less than or equal to the Buffer, you will receive:**

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

Under these circumstances, you will lose 1% of the Principal Amount of your Notes for each percentage point that the Reference Return is below the Buffer. For example, if the Reference Return is -30%, you will suffer a 10% loss and receive 90% of the Principal Amount, subject to the credit risk of HSBC. **You should be aware that if the Reference Return is less than the Buffer Value, you may lose up to 80% of your investment.**

### Coupons

On each Coupon Payment Date, we will pay you the relevant Coupon relating to your Note. The Coupon will vary, will be calculated on the relevant Coupon Valuation Date and will be equal to the Minimum Coupon Rate or, if applicable, the Performance-Based Coupon Rate plus the Minimum Coupon Rate. If, on a Coupon Valuation Date, the Reference Return is greater than or equal to zero, the Coupon will be the Performance-Based Coupon Rate plus the Minimum Coupon Rate. If, on a Coupon Valuation Date, the Reference Return is less than zero, the Coupon will be the Minimum Coupon Rate. If any Coupon Payment Date falls on a day that is not a business day, the related coupon payment will be made on the immediately succeeding business day. In the case of the final Coupon Payment Date that is also the Maturity Date, in the event the Maturity Date is postponed as described under “Additional Terms of the Notes—Coupon Payment Dates, Call Payment Dates and Maturity Date” in the accompanying Equity Index Underlying Supplement, such final Coupon Payment Date will be postponed until the postponed Maturity Date. In no event, however, will any additional interest accrue on the Notes as a result of any of the foregoing postponements. For information regarding the record dates applicable to the Notes, please see the section

entitled “Description of Notes — Interest and Principal Payments — Recipients of Interest Payments” on page S-11 in the accompanying prospectus supplement.

**Reference Sponsor**

The Russell Investment Group is the reference sponsor of the Reference Asset.

**Calculation Agent**

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

## INVESTOR SUITABILITY

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

- ▶ You seek an investment that provides an annual Coupon based on the performance of the Reference Asset that will not be less than the Minimum Coupon Rate or greater than the sum of the Minimum Coupon Rate and the Performance-Based Coupon Rate.
- ▶ You believe the Coupon Rate on the Coupon Valuation Dates will be an amount sufficient to provide you with a satisfactory return on your investment.
- ▶ 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 Reference Return is less than -20%.
- ▶ You are willing to invest in the Notes based on the Minimum Coupon Rate of 2.50% and the Performance-Based Coupon Rate of 3.50%, which will limit your Coupon on any Coupon Payment Date to 6.00%.
- ▶ You are willing to accept the risk and return profile of the Notes versus a conventional debt security with a comparable maturity issued by HSBC or another issuer with a similar credit rating.
- ▶ You are willing to forgo dividends or other distributions paid to holders of the stocks comprising the Reference Asset.
- ▶ You do not seek an investment for which there is an active secondary market.
- ▶ You are willing to hold the Notes to maturity.
- ▶ You are comfortable with the creditworthiness of HSBC, as Issuer of the Notes.

## RISK FACTORS

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

In addition to the risks discussed below, you should review “Risk Factors” in the accompanying prospectus supplement and Equity Index Underlying Supplement, including the explanation of risks relating to the Notes described in the following sections:

- ▶ “— Risks Relating to All Note Issuances” in the prospectus supplement;
- ▶ “— General risks related to Indices” in the Equity Index Underlying Supplement; and
- ▶ “— Small-Capitalization or Mid-Capitalization Companies Risk” in the Equity Index Underlying Supplement.

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

### Your investment in the Notes may result in a loss.

You will be exposed to the decline in the Final Value on the final Coupon Valuation Date from the Initial Value beyond the Buffer Value of -20%. Accordingly, if the Reference Return is less than -20%, your Payment at Maturity will be less than the Principal Amount of your Notes. You may lose up to 80% of your investment at maturity if the Reference Return is negative.

### The amount of the annual Coupon is uncertain and may be as low as the Minimum Coupon Rate.

The amount of the annual Coupon you receive is not fixed and will depend on the performance of the Reference Asset. If the Reference Return is negative on a Coupon Valuation Date, you will receive a Coupon equal to the Minimum Coupon Rate on the applicable Coupon Payment Date.

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

- ▶ You seek an investment where the Coupon is based on the actual performance of the Reference Asset and is not limited to the sum of the Minimum Coupon Rate and the Performance-Based Coupon Rate.
- ▶ You believe the level of the Reference Asset will generally decrease over the term of the Notes.
- ▶ 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 Reference Return is below -20%.
- ▶ 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 dividends or other distributions paid to holders of the stocks comprising the Reference Asset.
- ▶ You seek an investment for which there will be an active secondary market.
- ▶ You are unable or unwilling to hold the Notes to maturity.
- ▶ You are not willing or are unable to assume the credit risk associated with HSBC, as Issuer of the Notes.

**You will not directly participate in any increase in the level of the Reference Asset and your Coupon is capped.**

You will not directly participate in any increase in the level of the Reference Asset. Instead you will receive annual Coupons as described under the captions “Coupon,” “Minimum Coupon Rate,” and “Performance-Based Coupon Rate” on page FWP-4. The Coupons payable to you will be based upon whether the level of the Reference Asset increases or decreases. Regardless of the extent to which the level of the Reference Asset increases, the Coupon Rates will not exceed the sum of the Minimum Coupon Rate and the Performance-Based Coupon Rate. Therefore, you may earn significantly less by investing in the Notes than you would have earned by investing directly in the Reference Asset.

**The Notes are subject to the credit risk of HSBC USA Inc.**

The Notes 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 Notes 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 Notes, including any Coupons or 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 Notes 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 Notes.

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

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

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

While the payment at maturity described in this free writing prospectus is based on the full Principal Amount of your Notes, the original issue price of the Notes includes the agent's commission and the estimated cost of HSBC hedging its obligations under the Notes. As a result, the price, if any, at which HSBC Securities (USA) Inc. will be willing to purchase Notes 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 Notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Notes to maturity.

**The Notes lack liquidity.**

The Notes will not be listed on any securities exchange. HSBC Securities (USA) Inc. is not required to offer to purchase the Notes 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 Notes easily. Because other dealers are not likely to make a secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which HSBC Securities (USA) Inc. is willing to buy the Notes.

**Potential conflicts.**

HSBC and its affiliates play a variety of roles in connection with the issuance of the Notes, including acting as calculation agent and hedging our obligations under the Notes. 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 Notes. We will not have any obligation to consider your interests as a holder of the Notes in taking any action that might affect the value of your Notes.

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

The Notes 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 Notes 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 Notes.

**Tax treatment.**

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

## ILLUSTRATIVE EXAMPLES

The following examples are provided for illustrative purposes only and are hypothetical. These examples are representative of only a few possible scenarios concerning increases or decreases in the level of the Reference Asset relative to its Initial Value and how those increases and decreases affect the Final Settlement Value or the Coupons payable on the Notes. We cannot predict the Final Value of the Reference Asset on the Coupon Valuation Dates. The assumptions we have made in connection with the illustrations set forth below may not reflect actual events, and you should not take these examples as an indication or assurance of the expected performance of the Reference Asset or return on the Notes. The total payment you receive over the term of the Notes 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 examples below illustrate the Coupon Payments on a \$1,000 investment in the Notes for a hypothetical range of performance for the Reference Asset. The following results are based solely on the assumptions outlined below. The potential returns described here show potential valuations for different Coupon Valuation Dates during the term of the Notes. You should consider carefully whether the Notes are suitable to your investment goals. The numbers appearing below have been rounded for ease of analysis. The following examples reflect the Buffer of -20.00%, the Minimum Coupon Rate of 2.50%, and the Performance-Based Coupon Rate of 3.50%.

### Calculation of the Coupon:

**Example 1:** The Reference Return on a Coupon Valuation Date is 10%

Minimum Coupon Rate = 2.50%

Performance-Based Rate = 3.50%

Coupon =  $\$1,000 \times (2.50\% + 3.50\%) = \$60.00$

As illustrated above, the hypothetical Reference Return on one of the Coupon Valuation Dates is greater than zero, and therefore you would receive both the Minimum Coupon Rate and the Performance Based Coupon Rate.

**Example 2:** The Reference Return on a Coupon Valuation Date is -10%

Minimum Coupon Rate = 2.50%

Performance-Based Rate = 3.50%

Coupon =  $\$1,000 \times (2.50\%) = \$25.00$

As illustrated above, the hypothetical Reference Return on one of the Coupon Valuation Dates is less than zero, and therefore you would receive only the Minimum Coupon Rate.

### Calculation of the Final Settlement Value:

**Example 3:** The Reference Return on the final Coupon Valuation Date is 10%

Final Settlement Value = \$1,000

Because the Reference Return is greater than the Buffer of -20%, the Final Settlement Value would be \$1,000 per \$1,000 Principal Amount of the Notes (a zero return). This example shows that you will not participate in any increase in the level of the Reference Asset beyond receiving any applicable Coupons.

**Example 4:** The Reference Return on the final Coupon Valuation Date is -10%

Final Settlement Value = \$1,000

Because the Reference Return is less than zero but greater than the Buffer of -20%, the Final Settlement Value would be \$1,000 per \$1,000 Principal Amount of the Notes (a zero return). This example shows that you will receive the return of your principal investment where the value of the Reference Asset declines by no more than 20% over the term of the Notes.

**Example 5:** The Reference Return on the final Coupon Valuation Date is -40%

Because the Reference Return is less than the Buffer Value of -20%, the Final Settlement Value would be \$800 per \$1,000 Principal Amount of the Notes, calculated as follows:

Final Settlement Value      =  $\$1,000 + \$1,000 \times (-40\% + 20\%)$   
   =  $\$1,000 + \$1,000 \times (-20\%)$   
   = \$800

This example 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 -20%. **YOU MAY LOSE UP TO 80% OF THE PRINCIPAL AMOUNT OF YOUR NOTES.**

## THE RUSSELL 2000® INDEX

### Description of the RTY

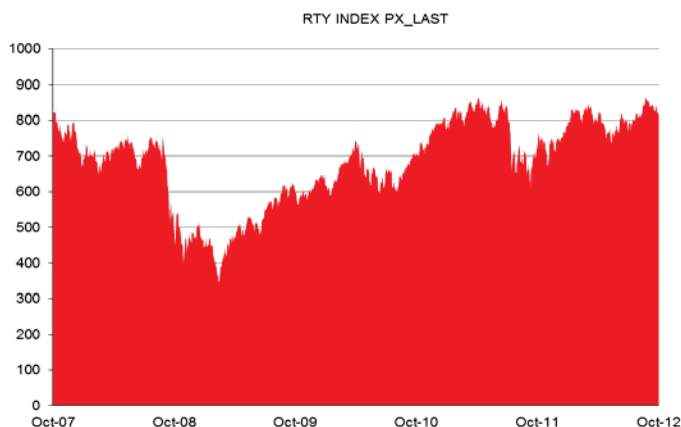
The RTY is designed to track the performance of the small capitalization segment of the United States equity market. All 2,000 stocks are traded on the New York Stock Exchange or NASDAQ, and the RTY consists of the smallest 2,000 companies included in the Russell 3000® Index. The Russell 3000® Index 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 September 30, 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 October 1, 2007 through October 24, 2012. The closing level for the RTY on October 24, 2012 was 813.65. 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.**

## **EVENTS OF DEFAULT AND ACCELERATION**

If the Notes have become immediately due and payable following an event of default (as defined in the accompanying prospectus) with respect to the Notes, you will not be entitled to any additional payments, other than your Principal Amount, with respect to the Notes. The accelerated Maturity Date will be the third business day following the date of acceleration, and on such accelerated Maturity Date you will be entitled to receive \$1,000 per \$1,000 Principal Amount of Notes you hold.

For more information, see “Description of Debt Securities — Senior Debt Securities — Events of Default” in the prospectus.

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

We have appointed HSBC Securities (USA) Inc., an affiliate of HSBC, as the agent for the sales of the Notes. Pursuant to the terms of a distribution agreement, HSBC Securities (USA) Inc. will purchase the Notes 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 Notes directly to investors. HSBC Securities (USA) Inc. proposes to offer the Notes 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 3.00% and referral fees of up to 1.60% per \$1,000 Principal Amount of Notes in connection with the distribution of the Notes to other registered broker-dealers. In no case will the sum of the underwriting discounts and referral fees exceed 3.60% 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 Notes.

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 Notes, 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

Prospective investors should note that the discussion under the section called “United States Federal Taxation” in the accompanying prospectus supplement does not apply to the Notes issued under this document and is superseded by the following discussion.

The following summary is a general discussion of the material U.S. federal tax consequences of ownership and disposition of the Notes. This discussion applies only to initial investors in the Notes who:

- purchase the Notes at their “issue price”; and
- will hold the Notes as capital assets, within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”).

This summary does not discuss all of the tax consequences that may be relevant to particular investors or to investors subject to special treatment under the federal income tax laws (such as banks, thrifts or other financial institutions; insurance companies; securities dealers or brokers, or traders in securities electing mark-to-market treatment; regulated investment companies or real estate investment trusts; small business investment companies; S corporations; investors that hold their Notes through a partnership or other entity treated as a partnership for federal tax purposes; investors whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; non-U.S. persons that may qualify for the benefits of a U.S. income tax treaty; persons subject to the alternative minimum tax; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; or “controlled foreign corporations” or a “passive foreign investment companies” for federal income tax purposes).

As the law applicable to the U.S. federal income taxation of instruments such as the Notes is technical and complex, the discussion below necessarily represents only a general summary. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed. Investors should consult their tax advisers regarding the potential U.S. federal income tax consequences of the ownership or disposition of the underlying shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof, changes to any of which subsequent to the date of this document may affect the tax consequences described herein. Persons considering the purchase of the Notes should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

### General

Pursuant to the terms of the Notes, you agree to treat a Note for U.S. federal income tax purposes as a single financial contract that provides for coupon payments that will be treated as gross income to you at the time received or accrued in accordance with your regular method of tax accounting. 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 Note as a single financial contract that provides for coupon payments.

**Due to the absence of statutory, judicial or administrative authorities that directly address the treatment of the Notes or instruments that are similar to the Notes for U.S. federal income tax purposes, no assurance can be given that the Internal Revenue Service (the “IRS”) or the courts will agree with the tax treatment described herein. Accordingly, you should consult your tax advisers regarding all aspects of the U.S. federal tax consequences of an investment in the Notes (including possible alternative treatments of the Notes) and with respect to any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. Unless otherwise stated, the following discussion is based on the treatment of each Note as described in the previous paragraph.**

### Tax Consequences to U.S. Holders

This section applies to you only if you are a U.S. Holder. As used herein, the term “U.S. Holder” means a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States, for federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for federal tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia);
- an estate whose income is subject to federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons, for federal income tax purposes, have the authority to control all of its substantial decisions.

## ***Tax Treatment of the Notes***

Assuming the treatment of the Notes as set forth above is respected, the following U.S. federal income tax consequences should result.

***Tax Basis.*** A U.S. Holder's tax basis in the Notes should equal the amount paid by the U.S. Holder to acquire the Notes.

***Tax Treatment of Coupon Payments.*** Any coupon payment on the Notes should be taxable as ordinary income to a U.S. Holder at the time received or accrued in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

***Sale, Exchange, Early Redemption or Settlement of the Notes.*** Upon a sale, exchange, early redemption or settlement of the Notes for cash at maturity, a U.S. Holder should recognize gain or loss equal to the difference between the amount realized (other than with respect to cash attributable to a coupon payment, which should be treated as discussed above) on the sale, exchange, early redemption or settlement and the U.S. Holder's tax basis in the Notes sold, exchanged, redeemed or settled. Any such gain or loss should be capital gain or loss. Capital gain recognized by an individual U.S. Holder is generally taxed at preferential rates where the property is held for more than one year and is generally taxed at ordinary income rates where the property is held for one year or less.

## ***Possible Alternative Tax Treatments of an Investment in the Notes***

Due to the absence of authorities that directly address the proper tax treatment of the Notes, no assurance can be given that the IRS will accept, or that a court will uphold, the tax treatment described above. In particular, the IRS could seek to treat a Note as a contingent payment debt instrument. If the Notes are so treated, a holder would generally be required to accrue interest income over the term of the Notes based upon the yield at which we would issue a non-contingent fixed-rate debt instrument with other terms and conditions similar to the Notes. In addition, any gain a holder might recognize upon the sale or maturity of the Notes would be ordinary income and any loss recognized by a holder at such time would be ordinary loss to the extent of interest that same holder included in income in the current or previous taxable years in respect of the Notes, and thereafter, would be capital loss.

Other alternative federal income tax treatments of the Notes are also possible, which if applied could also affect the timing and character of the income or loss with respect to the Notes. On December 7, 2007, the Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. The notice focuses on whether to require holders of "prepaid forward contracts" and similar instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; whether these instruments are or should be subject to the "constructive ownership" regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose an interest charge; and appropriate transition rules and effective dates. While it is not clear whether instruments such as the Notes would be viewed as similar to the prepaid forward contracts described in the notice, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Notes, possibly with retroactive effect. U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Notes, including possible alternative treatments and the issues presented by this notice.

## ***Backup Withholding and Information Reporting***

Backup withholding may apply in respect of the amounts paid to a U.S. Holder, unless such U.S. Holder provides proof of an applicable exemption or a correct taxpayer identification number, or otherwise complies with applicable requirements of the backup withholding rules. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the U.S. Holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS. In addition, information returns may be filed with the IRS in connection with payments on the Notes and the proceeds from a sale, exchange, early redemption or other disposition of the Notes, unless the U.S. Holder provides proof of an applicable exemption from the information reporting rules.

## ***Tax Consequences to Non-U.S. Holders***

This section applies to you only if you are a Non-U.S. Holder. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a nonresident alien individual for federal income tax purposes;

- a foreign corporation for federal income tax purposes;
- an estate whose income is not subject to federal income tax on a net income basis; or
- a trust if no court within the United States is able to exercise primary jurisdiction over its administration or if United States persons do not have the authority to control all of its substantial decisions.

The term "Non-U.S. Holder" does not include any of the following holders:

- a holder who is an individual present in the United States for 183 days or more in the taxable year of disposition and who is not otherwise a resident of the United States for U.S. federal income tax purposes;
- certain former citizens or residents of the United States; or
- a holder for whom income or gain in respect of the Notes is effectively connected with the conduct of a trade or business in the United States.

Such holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Notes.

Although significant aspects of the tax treatment of each Note are uncertain, we intend to withhold on any coupon payment made to a Non-U.S. Holder generally at a rate of 30% or at a reduced rate specified by an applicable income tax treaty under an "other income" or similar provision. We will not be required to pay any additional amounts with respect to amounts withheld. In order to claim an exemption from or a reduction in the 30% withholding tax, a Non-U.S. Holder of the Notes must comply with certification requirements to establish that it is not a U.S. person and is eligible for a reduction of, or an exemption from withholding under, an applicable tax treaty. If you are a Non-U.S. Holder, you should consult your tax advisers regarding the tax treatment of the Notes, including the possibility of obtaining a refund of any withholding tax and the certification requirement described above.

A "dividend equivalent" payment is treated as a dividend from sources within the U.S. and such payments generally would be subject to a 30% (or a lower rate under an applicable treaty) withholding tax if paid to a non-U.S. holder. Under proposed Treasury regulations, certain payments that are contingent upon or determined by reference to U.S. source dividends, including payments reflecting adjustments for extraordinary dividends, with respect to equity-linked instruments, including the Notes, may be treated as dividend equivalents. If adopted in their current form, the regulations will impose a withholding tax on payments made on the Notes on or after January 1, 2014 that are treated as dividend equivalents. In that case, we (or the applicable paying agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld. Further, non-U.S. Holders may be required to provide certifications prior to, or upon the sale, redemption or maturity of the Notes in order to minimize or avoid U.S. withholding taxes.

### ***Backup Withholding and Information Reporting***

Information returns may be filed with the IRS in connection with payments on the Notes and the proceeds from a sale, exchange, early redemption or other disposition. A Non-U.S. Holder may be subject to backup withholding in respect of amounts paid to the Non-U.S. Holder, unless such Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person for U.S. federal income tax purposes or otherwise establishes an exemption. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is furnished to the IRS.

### **Foreign Account Tax Compliance Act**

On March 18, 2010, the Hiring Incentives to Restore Employment Act (the "HIRE Act") was signed into law. Under certain circumstances, the HIRE Act will impose a withholding tax of 30% on payments of U.S. source income on, and the gross proceeds from a disposition of, securities made to certain foreign entities unless various information reporting requirements are satisfied. We will not pay any additional amounts in respect of such withholding. These rules generally would apply to payments made after December 31, 2012. Despite the December 31, 2012 date set forth in the HIRE Act, the Treasury Department has issued preliminary guidance indicating that the withholding tax on U.S. source income will not be imposed with respect to payments made prior to January 1, 2014 and that the withholding tax on gross proceeds from a disposition of securities will not be imposed with respect to payments made prior to January 1, 2015. Under the HIRE Act, the withholding and reporting requirements generally will not apply to payments made on, or gross proceeds from a disposition of, securities outstanding as of March 18, 2012 (the "Grandfather Date"). However, the Treasury Department has released proposed regulations that would extend the Grandfather Date to January 1, 2013. These proposed regulations would be effective once finalized. Prospective investors should consult their tax advisors regarding the HIRE Act.

## TABLE OF CONTENTS

### Free Writing Prospectus

General .....	FWP-5
Payments On The Notes .....	FWP-5
Investor Suitability .....	FWP-7
Risk Factors .....	FWP-7
Illustrative Examples .....	FWP-9
The Russell 2000® Index .....	FWP-10
Events of Default and Acceleration .....	FWP-11
Supplemental Plan of Distribution (Conflicts of Interest) .....	FWP-11
U.S. Federal Income Tax Considerations .....	FWP-12

### Equity Index Underlying Supplement

Risk Factors .....	S-1
The S&P 500® Index .....	S-6
The S&P 100® Index .....	S-10
The S&P MidCap 400® Index .....	S-14
The S&P 500 Low Volatility Index .....	S-18
The Russell 2000® Index .....	S-21
The Dow Jones Industrial Average <sup>SM</sup> .....	S-25
The Hang Seng China Enterprises Index .....	S-27
The Hang Seng® Index .....	S-30
The Korea Stock Price Index 200 .....	S-33
MSCI Indices .....	S-36
The EURO STOXX 50® Index .....	S-40
The PHLX Housing Sector <sup>SM</sup> Index .....	S-42
The TOPIX® Index .....	S-46
The NASDAQ-100 Index® .....	S-49
S&P BRIC 40 Index .....	S-53
The Nikkei 225 Index .....	S-56
The FTSE™ 100 Index .....	S-58
Other Components .....	S-60
Additional Terms of the Notes .....	S-60

### Prospectus Supplement

Risk Factors .....	S-3
Risks Relating to Our Business .....	S-3
Risks Relating to All Note Issuances .....	S-3
Pricing Supplement .....	S-7
Description of Notes .....	S-8
Use of Proceeds and Hedging .....	S-30
Certain ERISA Considerations .....	S-30
U.S. Federal Income Tax Considerations .....	S-32
Supplemental Plan of Distribution (Conflicts of Interest) .....	S-49

### Prospectus

About this Prospectus .....	1
Risk Factors .....	1
Where You Can Find More Information .....	1
Special Note Regarding Forward-Looking Statements .....	2
HSBC USA Inc. ....	3
Use of Proceeds .....	3
Description of Debt Securities .....	3
Description of Preferred Stock .....	15
Description of Warrants .....	21
Description of Purchase Contracts .....	25
Description of Units .....	28
Book-Entry Procedures .....	30
Limitations on Issuances in Bearer Form .....	35
U.S. Federal Income Tax Considerations Relating to Debt Securities .....	35
Plan of Distribution (Conflicts of Interest) .....	51
Notice to Canadian Investors .....	53
Notice to EEA Investors .....	58
Certain ERISA Matters .....	59
Legal Opinions .....	60
Experts .....	60

You should only rely on the information contained in this free writing prospectus, the accompanying Equity Index 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, the accompanying Stock-Linked 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, the accompanying Stock-Linked Underlying Supplement, prospectus supplement and prospectus are not an offer to sell these Notes, and these documents are not soliciting an offer to buy these Notes, 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, the accompanying Stock-Linked Underlying Supplement, prospectus supplement and prospectus is correct on any date after their respective dates.

# HSBC USA Inc.

**\$ Buffered Income Plus Notes linked to the Russell 2000® Index**

**October 31, 2012**

**FREE WRITING PROSPECTUS**