

## HSBC USA Inc.

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

- ▶ Buffered AMPS™ linked to the S&P 500® Index
- ▶ 18-month maturity
- ▶ 3x exposure to any positive return in the reference asset, subject to a maximum return
- ▶ Protection from the first 10% of any losses in the 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 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 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-14 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 page S-1 of the accompanying Equity Index Underlying Supplement.**

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

<sup>1</sup>HSBC USA Inc. or one of our affiliates may pay referral fees of up to 0.25% per \$1,000 Principal Amount of securities in connection with the distribution of the securities to other registered broker-dealers. See “Supplemental Plan of Distribution (Conflicts of Interest)” on page FWP-14 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) Linked to the S&P 500® Index

## Indicative Terms\*

Principal Amount	\$1,000 per security
Reference Asset	S&P 500® Index ("SPX")
Term	18 months
Upside Participation Rate	300% (3x) exposure to any positive Reference Return, subject to the Maximum Cap
Buffer Value	-10%
Reference Return	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Payment at Maturity per security	<p><b>If the underlying Reference Return is greater than zero</b>, you will receive 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>If the Reference Return is less than or equal to zero but greater than or equal to the Buffer Value:</b></p> <p><math>\\$1,000</math> (zero return).</p> <p><b>If the Reference Return is less than the Buffer Value:</b></p> <p><math>\\$1,000 + (\\$1,000 \times (\text{Reference Return} + 10\%))</math>. 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 Buffer Value, you may lose up to 90% of your investment.</p>
Maximum Cap	At least 12%, which will be determined on the Pricing Date.
Initial Level	The Official Closing Level of the Reference Asset on the Pricing Date.
Final Level	The Official Closing Level of the Reference Asset on the Final Valuation Date.
Pricing Date	December 17, 2012
Trade Date	December 17, 2012
Original Issue Date	December 20, 2012
Final Valuation Date	June 17, 2014
Maturity Date	June 20, 2014
CUSIP	40432X5G2

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

## The Buffered AMPS™

For investors who seek a particular Market Exposure and believe the 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 Reference Asset appreciates over the term of the securities, you will realize 300% (3x) of the Reference Asset appreciation up to the Maximum Cap. If the Reference Asset declines, you will lose 1% of your investment for every 1% decline in the Reference Asset beyond the -10% Buffer Value.

The offering period for the Buffered AMPS is through **December 17, 2012**



## Payoff Example

The table at right shows the hypothetical payout profile of an investment in the securities reflecting the 300% (3x) Upside Participation Rate and assuming a 12% Maximum Cap. The actual Maximum Cap will be determined on the Pricing Date.

Reference Return	Participation in Reference Return	Buffered AMPS
20% 4%	3x upside exposure, subject to Maximum Cap	12% 12%
3% 2%	3x upside exposure	9% 6%
-5% -10%	Buffer of -10%	0% 0%
-11% -20%	1x Loss Beyond Buffer	-1% -10%

## Information about the Reference Asset

### 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 December 6, 2012 were: Information Technology, Financials, Health Care, Energy and Consumer Discretionary.



For further information on the Reference Asset please see "Information Relating to the Reference Asset" on page FWP-12 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.

HSBC USA Inc.



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

Linked to the S&P 500® Index

This free writing prospectus relates to an offering of Buffered Accelerated Market Participation Securities. The securities will have the terms described in this free writing prospectus and the accompanying prospectus supplement, prospectus and Equity Index Underlying Supplement. If the terms of the securities 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 be willing to forgo interest and dividend payments during the term of the securities and, if the Reference Return is negative, lose up to 90% of your principal.**

This free writing prospectus relates to an offering of securities linked to the performance of the S&P 500® Index. The purchaser of a security will acquire a senior unsecured debt security of HSBC USA Inc. linked to the Reference Asset, as described below. The following key terms relate to the offering of securities:

Issuer:	HSBC USA Inc.
Principal Amount:	\$1,000 per security
Reference Asset:	S&P 500® Index
Trade Date:	December 17, 2012
Pricing Date:	December 17, 2012
Original Issue Date:	December 20, 2012
Final Valuation Date:	June 17, 2014, subject to adjustment as described under "Additional Terms of the Notes—Valuation Dates" in the accompanying Equity Index Underlying Supplement.
Maturity Date:	3 business days after the Final Valuation Date, and expected to be June 20, 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 accompanying Equity Index Underlying Supplement.
Payment at Maturity:	On the Maturity Date, for each security, we will pay you the Final Settlement Value.
Reference Return:	The quotient, expressed as a percentage, calculated as follows: $\frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$
Final Settlement Value:	<p><b>If the Reference Return is greater than zero</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>If the Reference Return is less than or equal to zero but greater than or equal to the Buffer Value</b>, you will receive \$1,000 per \$1,000 Principal Amount of securities (zero return).</p> <p><b>If the Reference Return is less than the Buffer Value</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 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>
Buffer Value:	-10%
Upside Participation Rate:	300%
Maximum Cap:	At least 12%, which will be determined on the Pricing Date.
Initial Level:	The Official Closing Level of the Reference Asset on the Pricing Date.
Final Level:	The Official Closing Level of the Reference Asset on the Final Valuation Date.
Official Closing Level:	The closing level of the Reference Asset on any scheduled trading day as determined by the calculation agent based upon the level displayed on the Bloomberg Professional® service page "SPX <INDEX>", any successor page on the Bloomberg Professional® service or any successor service, as applicable.

**Form of Securities:** Book-Entry

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

**CUSIP/ISIN** 40432X5G2/US40432X5G23

*The Trade Date, the Pricing Date and the other dates set forth above are subject to change, and will be set forth in the final pricing supplement relating to the securities.*

## GENERAL

This free writing prospectus relates to a single offering of securities linked to the Reference Asset identified on the cover page. The purchaser of a security will acquire a senior unsecured debt security of HSBC USA Inc. We reserve the right to withdraw, cancel or modify the offering and to reject orders in whole or in part. Although the offering of securities 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 any component security included in the 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 the Equity Index Underlying Supplement dated March 22, 2012. If the terms of the securities 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-8 of this free writing prospectus, page S-3 of the prospectus supplement and page S-1 of the Equity Index Underlying Supplement, 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 offering 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 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 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>
- ▶ 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)

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 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 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 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 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

S&P Dow Jones Indices LLC, a subsidiary of The McGraw-Hill Companies, Inc., is the reference sponsor.



## 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 Reference Asset and you believe the level of the 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, which may limit your return at maturity. The actual Maximum Cap 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 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 Reference Asset.
- ▶ 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.

## RISK FACTORS

We urge you to read the section “Risk Factors” beginning on page S-3 in the accompanying prospectus supplement and page S-1 of the Equity Index Underlying Supplement. Investing in the securities is not equivalent to investing directly in any of the stocks comprising the 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 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 securities 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;

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 Level from the Initial Level beyond the Buffer Value of -10%. Accordingly, if the 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 Reference Return is negative.

### The appreciation on the securities is limited by the Maximum Cap.

You will not participate in any appreciation in the level of the Reference Asset (as multiplied by the Upside Participation Rate) beyond the Maximum Cap. The Maximum Cap (to be determined on the Pricing Date) will not be less than 12%. You will not receive a return on the securities greater than the Maximum Cap.

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

- ▶ You believe the Reference Return will be negative on the Final Valuation Date or that the 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, which may limit your return at maturity. The actual Maximum Cap 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 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 Reference Asset.
- ▶ 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.



**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 Reference Asset will affect the market value of the securities 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 level of the Reference Asset. The policies of the reference sponsor with respect to the calculation of the Reference Asset could also affect the level of the Reference Asset. The reference sponsor may discontinue or suspend calculation or dissemination of its Reference Asset. Any such actions could affect the value of the securities.

**The securities are not insured or guaranteed 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 or guaranteed 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 level of the Reference Asset relative to its Initial Level. We cannot predict the Final Level of the 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 Reference Asset to which your securities are linked or the return on your 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: 300%
- ▶ Buffer Value: -10%
- ▶ Hypothetical Maximum Cap: 12% (The actual Maximum Cap will be determined on the Pricing Date).

The actual Initial Level and Maximum Cap will be determined on the Pricing Date.

Hypothetical Reference Return	Hypothetical Payment at Maturity	Hypothetical Return on the Security
100.00%	\$1,120.00	12.00%
80.00%	\$1,120.00	12.00%
60.00%	\$1,120.00	12.00%
40.00%	\$1,120.00	12.00%
20.00%	\$1,120.00	12.00%
15.00%	\$1,120.00	12.00%
10.00%	\$1,120.00	12.00%
<b>4.00%</b>	<b>\$1,120.00</b>	<b>12.00%</b>
2.00%	\$1,060.00	6.00%
1.00%	\$1,030.00	3.00%
<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 Reference Return is 2.00%.**

Reference Return:	2.00%
<b>Final Settlement Value:</b>	<b>\$1,060.00</b>

Because the Reference Return is positive, and the Reference Return multiplied by the Upside Participation Rate is less than the hypothetical Maximum Cap, the Final Settlement Value would be \$1,060.00 per \$1,000 Principal Amount of securities, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Reference Return} \times \text{Upside Participation Rate}) \\
 & = \$1,000 + (\$1,000 \times 2.00\% \times 300\%) \\
 & = \$1,060.00
 \end{aligned}$$

Example 1 shows that you will receive the return of your principal investment plus a return equal to the Reference Return multiplied by 300% when the Reference Return is positive and, as multiplied by the Upside Participation Rate, equal to or less than the Maximum Cap.

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

Reference Return:	15.00%
<b>Final Settlement Value:</b>	<b>\$1,120.00</b>

Because the Reference Return is positive, and the Reference Return multiplied by the Upside Participation Rate is greater than the hypothetical Maximum Cap, the Final Settlement Value would be \$1,120.00 per \$1,000 Principal Amount of securities, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Maximum Cap}) \\
 & = \$1,000 + (\$1,000 \times 12.00\%) \\
 & = \$1,120.00
 \end{aligned}$$

Example 2 shows that you will receive the return of your principal investment plus a return equal to the Maximum Cap when the Reference Return is positive and the Reference Return multiplied by 300% exceeds the Maximum Cap.

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

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

Because the 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 level of the Reference Asset declines by no more than 10% over the term of the securities.

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

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

Because the 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 level 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 REFERENCE ASSET

### 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 December 6, 2012 were: Information Technology, Financials, Health Care, Energy and Consumer Discretionary.

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

### Historical Performance of the SPX

The following graph sets forth the historical performance of the SPX based on the daily historical closing levels from December 6, 2007 through December 6, 2012. The closing level for the SPX on December 6, 2012 was 1,413.94. 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 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.

### License Agreement

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

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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 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 Reference Asset. Pursuant to this approach, 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.

We will not attempt to ascertain whether any of the entities whose stock is included in, or owned by, the 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 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 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 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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### \$ Buffered Accelerated Market Participation Securities Linked to the S&P 500® Index

December 7, 2012

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