

# HSBC USA Inc. Return Optimization Securities

## Linked to the Russell 2000® Index due on or about May 30, 2014

### Investment Description

These Return Optimization Securities Linked to the Russell 2000® Index (the "Index") are senior unsecured debt securities issued by HSBC USA Inc. ("HSBC"), which we refer to as the "Securities". The Securities will rank equally with all of our other unsecured and unsubordinated debt obligations. If the Index Return is equal to or greater than zero, HSBC will repay the Principal Amount at maturity, and will pay a return equal to the Multiplier of 3.00 times the Index Return, up to the Maximum Gain, which will be set on the Trade Date and is expected to be between 11.50% and 15.50%. If the Index Return is less than zero, HSBC will pay less than the full Principal Amount at maturity, if anything, resulting in a loss of principal that is proportionate to the negative Index Return. **Investing in the Securities involves significant risks. You will not receive interest or dividend payments during the term of the Securities. You may lose some or all of your Principal Amount. Any payment on the Securities, including any repayment of principal at maturity, is subject to the creditworthiness of HSBC. If HSBC were to default on its payment obligations, you may not receive any amounts owed to you under the Securities and you could lose your entire investment.**

### Features

- ❑ **Enhanced Growth Potential:** At maturity, the Securities enhance any positive Index Return up to the Maximum Gain. If the Index Return is less than zero, investors will be exposed to the negative Index Return at maturity.
- ❑ **Full Downside Market Exposure:** If the Index Return is negative, investors will be exposed to the full downside performance of the Index and HSBC will pay less than the full Principal Amount at maturity, resulting in a loss of principal that is proportionate to the Index's decline. Accordingly, you could lose some or all of the Principal Amount. Any payment on the Securities, including any repayment of principal, is subject to the creditworthiness of HSBC.

### Key Dates<sup>1</sup>

Trade Date	April 25, 2013
Settlement Date	April 30, 2013
Final Valuation Date <sup>2</sup>	May 23, 2014
Maturity Date <sup>2</sup>	May 30, 2014

<sup>1</sup> Expected.

<sup>2</sup> See page 4 for additional details.

**THE SECURITIES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. THE TERMS OF THE SECURITIES MAY NOT OBLIGATE HSBC TO REPAY THE FULL PRINCIPAL AMOUNT OF THE SECURITIES. THE SECURITIES HAVE DOWNSIDE MARKET RISK SIMILAR TO THE INDEX, WHICH CAN RESULT IN A LOSS OF UP TO 100% OF THE PRINCIPAL AMOUNT AT MATURITY. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING A DEBT OBLIGATION OF HSBC. YOU SHOULD NOT PURCHASE THE SECURITIES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE SECURITIES.**

**YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER "KEY RISKS" BEGINNING ON PAGE 5 OF THIS FREE WRITING PROSPECTUS AND THE MORE DETAILED "RISK FACTORS" BEGINNING ON PAGE S-1 OF THE ACCOMPANYING EQUITY INDEX UNDERLYING SUPPLEMENT AND BEGINNING ON PAGE S-3 OF THE ACCOMPANYING PROSPECTUS SUPPLEMENT BEFORE PURCHASING ANY SECURITIES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, YOUR SECURITIES.**

### Security Offering

HSBC USA Inc. is offering Return Optimization Securities Linked to the Russell 2000® Index. The return on the Principal Amount is subject to, and will not exceed, the predetermined Maximum Gain, which will be determined on the Trade Date. The Securities are offered at a minimum investment of 100 Securities at the price to public described below. The indicative Maximum Gain range for the Securities is listed below. The actual Maximum Gain and Initial Level for the Securities will be determined on the Trade Date.

Underlying Index	Multiplier	Maximum Gain	Initial Level	CUSIP	ISIN
Russell 2000® Index	3.00	11.50% to 15.50%	•	40433X704	US40433X7049

See "Additional Information about HSBC USA Inc. and the Securities" on page 2 of this free writing prospectus. The Securities offered will have the terms specified in the accompanying prospectus dated March 22, 2012, the accompanying prospectus supplement dated March 22, 2012, the accompanying Equity Index Underlying Supplement dated March 22, 2012 and the terms set forth herein.

*Neither the U.S. Securities and Exchange Commission, or 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. 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 of the United States or any other jurisdiction.*

The Securities will not be listed on any U.S. securities exchange or quotation system. HSBC Securities (USA) Inc., an affiliate of HSBC USA Inc., will purchase the Securities from HSBC USA Inc. for distribution to UBS Financial Services Inc., acting as agent.

	Price to Public <sup>(1)</sup>	Underwriting Discount <sup>(1)</sup>	Proceeds to Us
Per Security	\$10.00	\$0.20	\$9.80
Total	•	•	•

<sup>(1)</sup> With respect to sales to certain fee-based advisory accounts for which UBS is an investment adviser, UBS will act as placement agent at a price to public of \$9.80 per Security and will not receive a sales commission with respect to such sales. See "Supplemental Plan of Distribution (Conflicts of Interest)" on the last page of this free writing prospectus.

### The Securities:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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## Additional Information about HSBC USA Inc. and the Securities

This free writing prospectus relates to the offering of Securities linked to the Index identified on the cover page. As a purchaser of a Security, you will acquire a senior unsecured debt instrument linked to the Index, which will rank equally with all of our other unsecured and unsubordinated debt obligations. Although the offering of Securities relates to the Index identified on the cover page, you should not construe that fact as a recommendation of the merits of acquiring an investment linked to the Index, 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 Equity Index Underlying Supplement, prospectus supplement or prospectus, the terms described in this free writing prospectus shall control. You should carefully consider, among other things, the matters set forth in "Key Risks" beginning on page 5 of this free writing prospectus and in "Risk Factors" beginning on page S-1 of the Equity Index Underlying Supplement and beginning on page S-3 of the prospectus supplement, as the Securities involve risks not associated with conventional debt securities. You are urged to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities.

HSBC USA Inc. has filed a registration statement (including the Equity Index Underlying Supplement, prospectus and prospectus supplement) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the Equity Index Underlying Supplement, prospectus and prospectus supplement in that registration statement and other documents HSBC USA Inc. has filed with the SEC for more complete information about HSBC USA Inc. 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 Equity Index Underlying Supplement, prospectus and prospectus supplement if you request them by calling toll-free 1-866-811-8049.

### **You may access these documents on the SEC web site at [www.sec.gov](http://www.sec.gov) as follows:**

- ◆ Equity Index Underlying Supplement dated March 22, 2012:  
[http://www.sec.gov/Archives/edgar/data/83246/000114420412016693/v306691\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420412016693/v306691_424b2.htm)
- ◆ Prospectus supplement dated March 22, 2012:  
<http://www.sec.gov/Archives/edgar/data/83246/000104746912003151/a2208335z424b2.htm>
- ◆ Prospectus dated March 22, 2012:  
<http://www.sec.gov/Archives/edgar/data/83246/000104746912003148/a2208395z424b2.htm>

*As used herein, references to the "Issuer," "HSBC", "we," "us" and "our" are to HSBC USA Inc. References to the "prospectus supplement" mean the prospectus supplement dated March 22, 2012, references to "accompanying prospectus" mean the HSBC USA Inc. prospectus, dated March 22, 2012 and references to the "Equity Index Underlying Supplement" mean the Equity Index Underlying Supplement dated March 22, 2012.*

## Investor Suitability

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

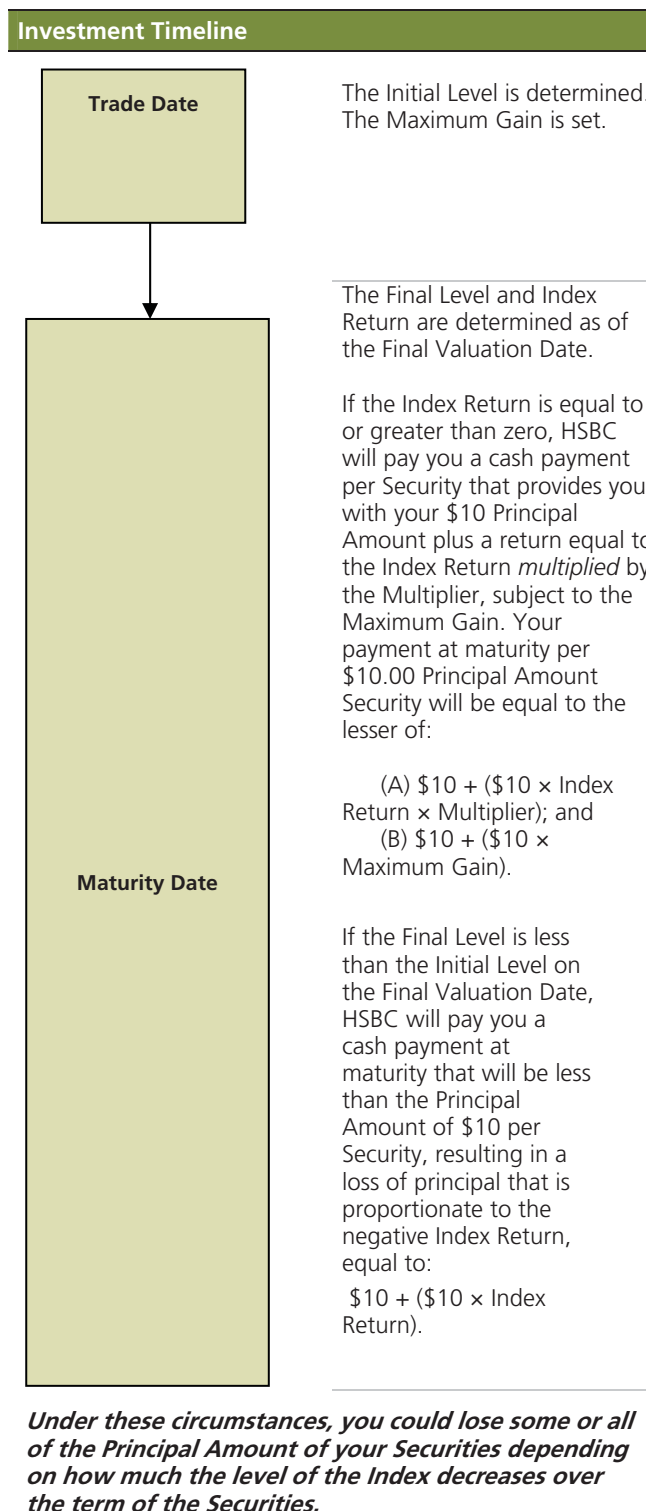
- ◆ You fully understand the risks inherent in an investment in the Securities, including the risk of loss of your entire initial investment.
- ◆ You can tolerate a loss of all or a substantial portion of your Principal Amount and are willing to make an investment that has the same downside market risk as the Index.
- ◆ You believe the Index will appreciate over the term of the Securities, but will not appreciate by more than the Maximum Gain.
- ◆ You understand and accept that your potential return is limited by the Maximum Gain and you would be willing to invest in the Securities if the Maximum Gain was set equal to the bottom of the range listed on the cover hereof (the actual Maximum Gain will be determined on the Trade Date).
- ◆ 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 do not seek current income from your investment and are willing to forgo dividends paid on the stocks included in the Index.
- ◆ You are willing to hold the Securities to maturity, a term of approximately 13 months, and accept that there may be little or no secondary market for the Securities.
- ◆ You are willing to assume the creditworthiness of HSBC, as Issuer of the Securities, and understand that if HSBC defaults on its obligations, you may not receive any amounts due to you, including any repayment of principal.

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

- ◆ You do not fully understand the risks inherent in an investment in the Securities, including the risk of loss of your entire initial investment.
- ◆ You cannot tolerate a loss of all or a substantial portion of your Principal Amount, and you are not willing to make an investment that has the same downside market risk as the Index.
- ◆ You believe that the level of the Index will decline during the term of the Securities and is likely to close below the Initial Level on the Final Valuation Date, or you believe the Index will appreciate over the term of the Securities by more than the Maximum Gain.
- ◆ You require an investment designed to provide full return of principal at maturity.
- ◆ You seek an investment that participates in the full appreciation of the Index or that has unlimited returns, or you would not be willing to invest in the Securities if the Maximum Gain was set equal to the bottom of the range listed on the cover hereof (the actual Maximum Gain will be determined on the Trade Date).
- ◆ 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 seek current income from your investment or prefer to receive the dividends paid on the stocks included in the Index.
- ◆ You are unable or unwilling to hold the Securities to maturity, a term of approximately 13 months, or you seek an investment for which there will be an active secondary market.
- ◆ You are not willing or are unable to assume the credit risk associated with HSBC, as Issuer of the Securities, for any payment on the Securities, including any repayment of principal.

**The suitability considerations identified above are not exhaustive. Whether or not the Securities are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your investment, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the Securities in light of your particular circumstances. You should also review “Key Risks” beginning on page 5 of this free writing prospectus and “Risk Factors” beginning on page S-1 of the Equity Index Underlying Supplement and beginning on page S-3 of the prospectus supplement.**

Indicative Terms	
Issuer	HSBC USA Inc.
Issue Price	\$10.00 per Security for brokerage account holders; \$9.75 per Security for certain advisory account holders.
Principal Amount	\$10 per Security. The Payment at Maturity will be based on the Principal Amount per Security.
Term	Approximately 13 months
Trade Date <sup>1</sup>	April 25, 2013
Settlement Date <sup>1</sup>	April 30, 2013
Final Valuation Date	May 23, 2014, subject to adjustment as described under "Additional Terms of the Notes" in the accompanying Equity Index Underlying Supplement.
Maturity Date	May 30, 2014, subject to adjustment as described under "Additional Terms of the Notes" in the accompanying Equity Index Underlying Supplement.
Index	Russell 2000® Index (Ticker: RTY)
Payment at Maturity (per \$10 Principal Amount Security) <sup>2</sup>	You will receive a cash payment at maturity linked to the performance of the Index during the term of the Securities.  <b>If the Index Return is equal to or greater than zero</b> , HSBC will pay you an amount equal to the lesser of: (A) $\$10 + (\$10 \times \text{Index Return} \times \text{Multiplier})$ ; and (B) $\$10 + (\$10 \times \text{Maximum Gain})$ .  <b>If the Index Return is negative</b> , HSBC will pay you a cash payment at maturity less than the Principal Amount of \$10 per Security, if anything, resulting in a loss of principal that is proportionate to the negative Index Return, equal to: $\$10 + (\$10 \times \text{Index Return})$
Multiplier	3.00
Maximum Gain	Between 11.50% and 15.50%. The actual Maximum Gain will be determined on the Trade Date.
Index Return	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Initial Level	The Official Closing Level of the Index on the Trade Date.
Final Level	The Official Closing Level of the Index on the Final Valuation Date.
Official Closing Level	The Official Closing Level on any scheduled trading day will be the closing level of the Index as determined by the calculation agent and based on the value displayed on Bloomberg Professional® service page "RTY <INDEX>", or on any successor page on the Bloomberg Professional® service or any successor service, as applicable.
CUSIP / ISIN	40433X704/US40433X7049
Calculation Agent	HSBC USA Inc. or one of its affiliates.



**INVESTING IN THE SECURITIES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE SOME OR ALL OF YOUR PRINCIPAL AMOUNT. ANY PAYMENT ON THE SECURITIES, INCLUDING ANY REPAYMENT OF PRINCIPAL AT MATURITY, IS SUBJECT TO THE CREDITWORTHINESS OF HSBC. IF HSBC WERE TO DEFAULT ON ITS PAYMENT OBLIGATIONS, YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE SECURITIES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.**

<sup>1</sup> Expected. In the event any change is made to the expected Trade Date and Settlement Date, the Final Valuation Date and Maturity Date will be changed so that the stated term of the Securities remains the same.

<sup>2</sup> Payment at maturity and any repayment of principal is provided by HSBC USA Inc., and therefore is dependent on the ability of HSBC USA Inc. to satisfy its obligations when they come due

## Key Risks

**An investment in the Securities involves significant risks. Some of the risks that apply to the Securities are summarized here, but you are urged to read the more detailed explanation of risks relating to the Securities generally in the “Risk Factors” section of the accompanying Equity Index Underlying Supplement and the accompanying prospectus supplement. You are also urged to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities.**

- ♦ **Risk of Loss at Maturity** – The Securities differ from ordinary debt securities in that HSBC will not necessarily pay the full Principal Amount of the Securities at maturity. The return on the Securities at maturity is linked to the performance of the Index and will depend on whether, and to the extent which, the Index Return is positive or negative. If the Final Level is less than the Initial Level, you will be fully exposed to any negative Index Return and HSBC will pay you less than the Principal Amount at maturity, if anything, resulting in a loss of principal that is proportionate to the decline in the Final Level as compared to the Initial Level. ***Under these circumstances, you will lose a significant portion, and could lose all, of the Principal Amount.***
- ♦ **Limited Return at Maturity** – The return on the Securities at maturity is subject to the Maximum Gain. If the Final Level multiplied by the Multiplier is greater than the Maximum Gain at maturity, the return on the Securities will be limited to the Principal Amount multiplied by the Maximum Gain and you will not benefit from any further appreciation of the Index.
- ♦ **The Multiplier Applies Only if You Hold the Securities to Maturity** – You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, the price you receive will likely not reflect the full economic value of the Multiplier or the Securities themselves, and the return you realize may be less than three times the Index's return, even if such return is positive and is less than the Maximum Gain. You can receive the full benefit of the Multiplier and earn the potential Maximum Gain from HSBC only if you hold your Securities to maturity.
- ♦ **The Amount Payable on the Securities Is Not Linked to the Level of the Index at Any Time Other Than on the Final Valuation Date** – The Final Level will be based on the Official Closing Level of the Index on the Final Valuation Date, subject to postponement for non-trading days and certain market disruption events. Even if the level of the Index appreciates prior to the Final Valuation Date but then drops on the Final Valuation Date to a level that is less than the Initial Level, the Payment at Maturity will be less, and may be significantly less, than it would have been had the Payment at Maturity been linked to the level of the Index prior to such drop. Although the actual level of the Index on the Maturity Date or at other times during the term of the Securities may be higher than the Final Level, the Payment at Maturity will be based solely on the Official Closing Level of the Index on the Final Valuation Date.
- ♦ **Certain Built-in Costs Are Likely to Adversely Affect the Value of the Securities Prior to Maturity** – Generally, the price of the Securities in the secondary market, if any, is likely to be lower than the initial offering price since the issue price includes, and the secondary market prices are likely to exclude, hedging costs and, for brokerage account holders, commissions and other compensation paid with respect to the Securities. You should be willing to hold your Securities to maturity. The Securities are not designed to be short-term trading instruments. The price at which you will be able to sell your Securities to HSBC, its affiliates or any party in the secondary market prior to maturity, if at all, may be at a substantial discount from the Principal Amount of the Securities, even in cases where the Index has appreciated since the Trade Date.
- ♦ **No Interest** – HSBC will not make any interest payments with respect to the Securities.
- ♦ **Credit Risk of Issuer** – 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 repayment 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 any amounts owed to you under the terms of the Securities and could lose your entire investment.
- ♦ **Owning the Securities Is Not the Same as Owning the Stocks Comprising the Index** – The return on your Securities may not reflect the return you would realize if you actually owned the stocks included in the Index. As a holder of the Securities, you will not have voting rights or rights to receive dividends or other distributions or other rights that holders of the stocks included in the Index would have.
- ♦ **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 HSBC is unable to pay its obligations when due, you may not receive any amounts owed to you under the Securities and you could lose your entire investment.
- ♦ **Lack of Liquidity** – The Securities will not be listed on any securities exchange or quotation system. One of our affiliates may offer to repurchase the Securities in the secondary market but is not required to do so and may cease any such market-making activities at any time without notice. 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 one of our affiliates is willing to buy the Securities. The price, if any, will exclude any fees or commissions paid by brokerage account holders when the Securities were purchased and therefore will generally be lower than such purchase price.
- ♦ **Changes Affecting the Index** – The policies of the reference sponsor concerning additions, deletions and substitutions of the stocks included in the Index and the manner in which the reference sponsor takes account of certain changes affecting those stocks included in the Index may adversely affect the level of the Index. The policies of the reference sponsor with respect to the calculation of the Index could also adversely affect the level of the Index. The reference sponsor may discontinue or suspend calculation or dissemination of the Index. Any such actions could have an adverse effect on the value of the Securities.

- ◆ **Potential Conflict of Interest** – HSBC and its affiliates may engage in business with the issuers of the stocks comprising the Index, which could affect the price of such stocks or the level of the Index and thus, may present a conflict between the obligations of HSBC and you, as a holder of the Securities. Additionally, potential conflicts of interest may exist between the Calculation Agent, which may be HSBC or any of its affiliates, and you with respect to certain determinations and judgments that the Calculation Agent must make, which include determining the Payment at Maturity based on the observed Final Level as well as whether to postpone the determination of the Final Level and the Maturity Date if a Market Disruption Event occurs and is continuing on the Final Valuation Date.
- ◆ **Potentially Inconsistent Research, Opinions or Recommendations by HSBC, UBS or Their Respective Affiliates** – HSBC, UBS Financial Services Inc., or their respective affiliates may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the Securities and which may be revised at any time. Any such research, opinions or recommendations could affect the level of the Index or the price of the stocks included in the Index, and therefore, the market value of the Securities.
- ◆ **Market Price Prior to Maturity** – The market price of the Securities will be influenced by many unpredictable and interrelated factors, including the level of the Index; the volatility of the Index; dividends; the time remaining to the maturity of the Securities; interest rates in the markets in general; geopolitical conditions and economic, financial, political, regulatory, judicial or other events; and the creditworthiness of HSBC.
- ◆ **Potential HSBC Impact on Price** – Trading or transactions by HSBC or any of its affiliates in the stocks comprising the Index or in futures, options, exchange-traded funds or other derivative products on stocks comprising the Index, may adversely affect the market value of the stocks comprising the Index, the level of the Index, and, therefore, the market value of your Securities.
- ◆ **Small Capitalization Risk** – The Index tracks companies that are considered small-capitalization. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies and therefore the index level may be more volatile than an investment in stocks issued by large-capitalization companies. Stock prices of small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded, making it difficult for the Index to track them. In addition, small-capitalization companies are typically less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Small-capitalization companies are often subject to less analyst coverage and may be in early, and less predictable, periods of their corporate existences. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.
- ◆ **Uncertain Tax Treatment** – 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 reasonable approach, the Securities should be treated as pre-paid cash-settled executory contracts with respect to the Index. HSBC intends to treat the Securities consistent with this approach and pursuant to the terms of the Securities, you agree to treat the Securities under this approach for all U.S. federal income tax purposes. See “U.S. Federal Income Tax Considerations — Certain Equity-Linked Notes — Certain Notes Treated as Forward Contracts or Executory Contracts” in the prospectus supplement for the U.S. federal income tax considerations applicable to Securities that are treated as pre-paid cash-settled executory contracts. Because of the uncertainty regarding the tax treatment of the Securities, we urge you to consult your tax advisor as to the tax consequences of your investment in a Security.

In Notice 2008-2, the Internal Revenue Service (“IRS”) and the Treasury Department requested comments as to whether the purchaser of an exchange traded note or pre-paid forward contract (which may include the Securities) should be required to accrue income during its term under a mark-to-market, accrual or other methodology, whether income and gain on such a note or contract should be ordinary or capital, and whether foreign holders should be subject to withholding tax on any deemed income accrual. Accordingly, it is possible that regulations or other guidance could provide that a U.S. holder (as defined in the prospectus supplement) of the Securities is required to accrue income in respect of the Securities prior to the receipt of payments with respect to the Securities or their earlier sale. Moreover, it is possible that any such regulations or other guidance could treat all income and gain of a U.S. holder in respect of the Securities as ordinary income (including gain on a sale). Finally, it is possible that a non-U.S. holder (as defined in the prospectus supplement) of the Securities could be subject to U.S. withholding tax in respect of the Securities. It is unclear whether any regulations or other guidance would apply to the Securities (possibly on a retroactive basis). Prospective investors are urged to consult with their tax advisors regarding Notice 2008-2 and the possible effect to them of the issuance of regulations or other guidance that affects the U.S. federal income tax treatment of the Securities.

For a more complete 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 prospectus supplement.

## Scenario Analysis and Examples at Maturity

The scenario analysis and examples below 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 Index relative to the Initial Level. We cannot predict the Final Level or the Official Closing Level of the Index on any other scheduled trading day. You should not take the scenario analysis and these examples as an indication or assurance of the expected performance of the Index. The numbers set forth in the examples below have been rounded for ease of analysis. The following scenario analysis and examples illustrate the Payment at Maturity for a \$10.00 Principal Amount of Securities. The scenario analysis provides different hypothetical returns depending on the purchase price of the Securities.

The following scenario analysis and examples assume an Initial Level of 949.82 and a Maximum Gain of 13.50% (the actual Initial Level and Maximum Gain will be determined on the Trade Date), and reflect the Multiplier of 3.00.

**Example 1 — The level of the Index increases from an Initial Level of 949.82 to a Final Level of 987.81.** The Index Return is calculated as follows:

$$(987.81 - 949.82) / 949.82 = 4.00\%$$

Because the Index Return is greater than zero, the Payment at Maturity for each \$10.00 Principal Amount of Securities is calculated as the lesser of:

(A) \$10.00 + (\$10.00 × Index Return × Multiplier), and

(B) \$10.00 + (\$10.00 × Maximum Gain)

= the lesser of (A) \$10.00 + (\$10.00 × 4.00% × 3.00) and (B) \$10.00 + (\$10.00 × 13.50%)

= the lesser of (A) \$10.00 + (\$10.00 × 12.00%) and (B) \$10.00 + (\$10.00 × 13.50%)

= \$10.00 + (\$10.00 × 12.00%)

= \$10.00 + \$1.20

= \$11.20

Because the Index Return of 4.00% multiplied by the Multiplier is less than the hypothetical Maximum Gain of 13.50%, at maturity, for each \$10.00 Principal Amount of Securities, HSBC will pay you \$11.20, resulting in a total return on the Securities of 12.00% for purchases by brokerage accounts at \$10.00 per \$10.00 Principal Amount and 14.29% for purchases by advisory accounts at \$9.80 per \$10.00 Principal Amount.

**Example 2 — The level of the Index increases from an Initial Level of 949.82 to a Final Level of 1,139.78.** The Index Return is calculated as follows:

$$(1,139.78 - 949.82) / 949.82 = 20.00\%$$

Because the Index Return is greater than zero, the Payment at Maturity for each \$10.00 Principal Amount of Securities is calculated as the lesser of:

(A) \$10.00 + (\$10.00 × Index Return × Multiplier), and

(B) \$10.00 + (\$10.00 × Maximum Gain)

= the lesser of (A) \$10.00 + (\$10.00 × 20.00% × 3.00) and (B) \$10.00 + (\$10.00 × 13.50%)

= the lesser of (A) \$10.00 + (\$10.00 × 60.00%) and (B) \$10.00 + (\$10.00 × 13.50%)

= \$10.00 + (\$10.00 × 13.50%)

= \$10.00 + \$1.35

= \$11.35

Because the Index Return of 20.00% multiplied by the Multiplier is greater than the hypothetical Maximum Gain of 13.50%, at maturity, for each \$10.00 Principal Amount of Securities, HSBC will pay you \$11.35, the maximum payment on the Securities, resulting in a total return on the Securities of 13.50% for purchases by brokerage accounts at \$10.00 per \$10.00 Principal Amount and 15.82% for purchases by advisory accounts at \$9.80 per \$10.00 Principal Amount.

**Example 3 — The level of the Index decreases from an Initial Level of 949.82 to a Final Level of 759.86.** The Index Return is calculated as follows:

$$(759.86 - 949.82) / 949.82 = -20.00\%$$

Because the Index Return is negative, at maturity, for each \$10.00 Principal Amount of Securities HSBC will pay you an amount equal to the Principal Amount reduced by 1% for every 1% by which the Index declines, and the Payment at Maturity is calculated as follows:

\$10.00 + (\$10.00 × Index Return)

= \$10.00 + (\$10.00 × -20.00%)

= \$10.00 - \$2.00

= \$8.00

In this scenario, the total loss on the Securities is 20.00% for purchases by brokerage accounts at \$10.00 per \$10.00 Principal Amount and 18.37% for purchases by advisory accounts at \$9.80 per \$10.00 Principal Amount.

**Scenario Analysis – Hypothetical Payment at Maturity for each \$10.00 Principal Amount of Securities.**

Hypothetical Final Level*	Hypothetical Index Return	Multiplier	Hypothetical Payment at Maturity	Hypothetical Return on Securities <sup>(1)</sup>	Hypothetical Return on Securities Purchased at \$9.80 by Advisory Accounts <sup>(2)</sup>
1,899.64	100.00%	3.00	\$11.35	13.50%	15.82%
1,804.66	90.00%	3.00	\$11.35	13.50%	15.82%
1,709.68	80.00%	3.00	\$11.35	13.50%	15.82%
1,614.69	70.00%	3.00	\$11.35	13.50%	15.82%
1,519.71	60.00%	3.00	\$11.35	13.50%	15.82%
1,424.73	50.00%	3.00	\$11.35	13.50%	15.82%
1,329.75	40.00%	3.00	\$11.35	13.50%	15.82%
1,234.77	30.00%	3.00	\$11.35	13.50%	15.82%
1,139.78	20.00%	3.00	\$11.35	13.50%	15.82%
1,044.80	10.00%	3.00	\$11.35	13.50%	15.82%
992.56	4.50%	3.00	\$11.35	13.50%	15.82%
987.81	4.00%	3.00	\$11.20	12.00%	14.29%
968.82	2.00%	3.00	\$10.60	6.00%	8.16%
949.82	0.00%	N/A	\$10.00	0.00%	2.04%
930.82	-2.00%	N/A	\$9.80	-2.50%	0.00%
902.33	-5.00%	N/A	\$9.50	-5.00%	-3.06%
854.84	-10.00%	N/A	\$9.00	-10.00%	-8.16%
759.86	-20.00%	N/A	\$8.00	-20.00%	-18.37%
664.87	-30.00%	N/A	\$7.00	-30.00%	-28.57%
569.89	-40.00%	N/A	\$6.00	-40.00%	-38.78%
474.91	-50.00%	N/A	\$5.00	-50.00%	-48.98%
379.93	-60.00%	N/A	\$4.00	-60.00%	-59.18%
284.95	-70.00%	N/A	\$3.00	-70.00%	-69.39%
189.96	-80.00%	N/A	\$2.00	-80.00%	-79.59%
94.98	-90.00%	N/A	\$1.00	-90.00%	-89.80%
0.00	-100.00%	N/A	\$0.00	-100.00%	-100.00%

\* The level of the Index excludes cash dividend payments on the stocks included in the Index.

- (1) This "Hypothetical Return on Securities" is the number, expressed as a percentage, that results from comparing the Payment at Maturity per \$10 Principal Amount Security to the purchase price of \$10 per Security for all brokerage account holders.
- (2) This "Hypothetical Return on Securities" is the number, expressed as a percentage, that results from comparing the Payment at Maturity per \$10 Principal Amount Security to the purchase price of \$9.80 per Security, which is the purchase price for investors in advisory accounts. See "Supplemental Plan of Distribution (Conflicts of Interest)" on the last page of this free writing prospectus.

## What Are the Tax Consequences of the Securities?

You should carefully consider, among other things, the matters set forth in the section "U.S. Federal Income Tax Considerations" in the prospectus supplement. The following discussion summarizes the U.S. federal income tax consequences of the purchase, beneficial ownership, and disposition of each of the Securities. This summary supplements the section "U.S. Federal Income Tax Considerations" in the prospectus supplement and supersedes it to the extent inconsistent therewith.

There are no statutory provisions, regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Securities. Under one reasonable approach, the Securities should be treated as pre-paid cash-settled executory contracts with respect to the Index. HSBC intends to treat the Securities consistent with this approach and 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 certain limitations described in the prospectus supplement, and based on certain factual representations received from HSBC, in the opinion of HSBC's special U.S. tax counsel, Morrison & Foerster LLP, it is reasonable to treat the Securities in accordance with this approach. Pursuant to this approach, HSBC does not intend to report any income or gain with respect to the Securities prior to their maturity or an earlier sale or exchange and HSBC intends 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. See "U.S. Federal Income Tax Considerations — Certain Equity-Linked Notes — Certain Notes Treated as Forward Contracts or Executory Contracts" in the prospectus supplement for the U.S. federal income tax considerations applicable to Securities that are treated as pre-paid cash-settled executory contracts.

Because there are no statutory provisions, regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as those of the Securities, other characterizations and treatments are possible and the timing and character of income in respect of the Securities might differ from the treatment described above. For example, the Securities could be treated as debt instruments that are "contingent payment debt instruments" for U.S. federal income tax purposes, subject to the treatment described under the heading "U.S. Federal Income Tax Considerations — U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes — Contingent Payment Debt Instruments" in the prospectus supplement.

In Notice 2008-2, the Internal Revenue Service ("IRS") and the Treasury Department requested comments as to whether the purchaser of an exchange traded note or pre-paid forward contract (which may include the Securities) should be required to accrue income during its term under a mark-to-market, accrual or other methodology, whether income and gain on such a note or contract should be ordinary or capital, and whether foreign holders should be subject to withholding tax on any deemed income accrual. Accordingly, it is possible that regulations or other guidance could provide that a U.S. holder (as defined in the prospectus supplement) of the Securities is required to accrue income in respect of the Securities prior to the receipt of payments with respect to the Securities or their earlier sale. Moreover, it is possible that any such regulations or other guidance could treat all income and gain of a U.S. holder in respect of the Securities as ordinary income (including gain on a sale). Finally, it is possible that a non-U.S. holder (as defined in the prospectus supplement) of the Securities could be subject to U.S. withholding tax in respect of the Securities. It is unclear whether any regulations or other guidance would apply to the Securities (possibly on a retroactive basis). Prospective investors are urged to consult with their tax advisors regarding Notice 2008-2 and the possible effect to them of the issuance of regulations or other guidance that affects the U.S. federal income tax treatment of the Securities.

We will not attempt to ascertain whether any of the entities whose stock is included in, or owned by, the Index, 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 Index, 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 Index, 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 Index, as the case may be, is or becomes a PFIC or a USRPHC.

Withholding and reporting requirements under the legislation enacted on March 18, 2010 (as discussed beginning on page S-48 of the prospectus supplement) will generally apply to payments made after December 31, 2013. However, this withholding tax will not be imposed on payments pursuant to obligations outstanding on January 1, 2014. Additionally, with respect to non-U.S. Holders, withholding due to any payment being treated as a "dividend equivalent" (as discussed beginning on page S-47 of the prospectus supplement) will begin no earlier than January 1, 2014. Holders are urged to consult with their own tax advisors regarding the possible implications of this recently enacted legislation on their investment in the Securities.

**PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SECURITIES.**

### 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 February 28, 2013 were: Financial Services, Consumer Discretionary, Producer Durables, Technology, and Health Care.

***For more information about the RTY, see "The Russell 2000® Index" beginning 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 March 26, 2008 through March 26, 2013. The closing level for the RTY on March 26, 2013 was 949.82. 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 Level of the RTY on the Final Valuation Date.

## Events of Default and Acceleration

If the Securities have become immediately due and payable following an event of default (as defined in the accompanying prospectus) with respect to the Securities, the Calculation Agent will determine the accelerated payment due and payable at maturity in the same general manner as described in “Indicative Terms” in this free writing prospectus. In that case, the scheduled trading day preceding the date of acceleration will be used as the Final Valuation Date for purposes of determining the Index Return. If a Market Disruption Event exists with respect to the Index on that scheduled trading day, then the accelerated Final Valuation Date for the Index will be postponed for up to five scheduled trading days (in the same manner used for postponing the originally scheduled Final Valuation Date). The accelerated Maturity Date will also be postponed by an equal number of business days.

If the Securities have become immediately due and payable following an event of default, you will not be entitled to any additional payments with respect to the Securities. For more information, see “Description of Debt Securities — Senior Debt Securities — Events of Default” in the accompanying prospectus.

## Supplemental Plan of Distribution (Conflicts of Interest)

Pursuant to the terms of a distribution agreement, HSBC Securities (USA) Inc., an affiliate of HSBC, will purchase the Securities from HSBC for distribution to UBS Financial Services Inc. (the “Agent”). HSBC will agree to sell to the Agent, and the Agent will agree to purchase, all of the Securities at the price indicated on the cover of the pricing supplement, which is the document that will be filed pursuant to Rule 424(b)(2) containing the final pricing terms of the Securities. The Agent may allow a concession not in excess of the underwriting discount set forth on the cover of this free writing prospectus to its affiliates for distribution of the Securities to brokerage accounts. With respect to sales to certain fee-based advisory accounts for which UBS is an investment adviser, UBS will act as placement agent at a price to public of \$9.80 per Security and will not receive a sales commission with respect to such sales. HSBC has agreed to indemnify the Agent against liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments that the Agent may be required to make relating to these liabilities as described in the prospectus supplement and the prospectus.

Subject to regulatory constraints, HSBC USA Inc. (or an affiliate thereof) intends to offer to purchase the Securities in the secondary market, but is not required to do so and may cease making such offers at any time. HSBC or its affiliate will enter into swap agreements or related hedge transactions with one of its other affiliates or unaffiliated counterparties, which may include the Agent, in connection with the sale of the Securities and the Agent and/or an affiliate may earn additional income as a result of payments pursuant to the swap or related hedge transactions.

In addition, HSBC Securities (USA) Inc. or another of its affiliates or agents may use the pricing supplement related to this free writing prospectus in market-making transactions after the initial sale of the Securities, but is under no obligation to make a market in the Securities 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 accompanying prospectus supplement.