

Supplement dated December 22, 2016  
to term sheet dated November 22, 2016,  
product supplement EQUITY INDICES SUN-1  
dated April 23, 2015,  
prospectus supplement and prospectus dated March 5, 2015  
(together, the “Note Prospectus”)

Filed pursuant to Rule 424(b)(3)  
Registration Statement No. 333-202524



**HSBC USA Inc.**  
**Market-Linked Step Up Notes**  
**Linked to the Dow Jones Industrial Average<sup>®</sup>, due November 22, 2019**  
**CUSIP: 40435B395**  
**(the “notes”)**

This document (the “**supplement**”) supplements the Note Prospectus in connection with any secondary market transactions in the notes by us, Merrill Lynch, Pierce, Fenner & Smith Incorporated and any of our respective affiliates. Capitalized terms used but not defined in this supplement have the meanings set forth in the Note Prospectus.

The Starting Value for the notes was defined in the final term sheet dated November 22, 2016 (the “**Final Term Sheet**”). The Starting Value was defined as the lowest closing level of the Market Measure on any Market Measure Business Day (subject to adjustment as set forth in the Final Term Sheet) during the Starting Value Determination Period. The closing level of the Market Measure on November 22, 2016, the first day of the Starting Value Determination Period, was 19,023.87.

The Starting Value Determination Period expired on December 22, 2016. The lowest closing level of the Market Measure on any Market Measure Business Day during the Starting Value Determination Period was 19,023.87, which was the closing level of the Market Measure on November 22, 2016.

Therefore, the Starting Value and the Threshold Value for the notes is 19,023.87 and the Step Up Value is 23,056.93 (121.20% of the Starting Value, rounded to two decimal places).

**Documentation**

You should read this supplement, together with the documents listed below, which together contain the terms of the notes and supersede all prior or contemporaneous oral statements as well as any other written materials. You should carefully consider, among other things, the matters set forth in the “Risk Factors” sections beginning on page TS-6 of the Final Term Sheet, page PS-7 of product supplement EQUITY INDICES SUN-1, page S-1 of the prospectus supplement and page 2 of the prospectus, 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.

You may access these documents on the Securities and Exchange Commission (“SEC”) website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Final Term Sheet dated November 22, 2016:  
[https://www.sec.gov/Archives/edgar/data/83246/000114420416136441/v453779\\_424b2.pdf](https://www.sec.gov/Archives/edgar/data/83246/000114420416136441/v453779_424b2.pdf)
- Product supplement EQUITY INDICES SUN-1 dated April 23, 2015:  
[http://www.sec.gov/Archives/edgar/data/83246/000114420415024586/v408139\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420415024586/v408139_424b2.htm)
- Prospectus supplement dated March 5, 2015:  
[http://www.sec.gov/Archives/edgar/data/83246/000114420415014311/v403645\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420415014311/v403645_424b2.htm)
- Prospectus dated March 5, 2015:  
<http://www.sec.gov/Archives/edgar/data/83246/000119312515078931/d884345d424b3.htm>

Our Central Index Key, or CIK, on the SEC website is 83246. Unless otherwise indicated or unless the context requires otherwise, all references in this supplement to “we,” “us,” “our,” or similar references are to HSBC USA Inc.