

HSBC USA Inc.

## Digital Dual Directional Barrier Notes



Linked to the STOXX<sup>®</sup> Europe 600 Banks Index (the "Reference Asset")

- ▶ Fixed Upside Return of at least 32% (to be determined on the Pricing Date) if the Final Level of the Reference Asset is at least 80% of its Initial Level
- ▶ Even if the Reference Asset increases by more than the Fixed Upside Return, the notes will not provide a return beyond the Fixed Upside Return
- ▶ Full exposure to declines in the Reference Asset if the return is less than -20%
- ▶ Approximately 3 Year Maturity
- ▶ All payments on the notes are subject to the credit risk of HSBC USA Inc.

The Digital Dual Directional Barrier Notes (each a "note" and collectively the "notes") offered hereunder will not be listed on any U.S. securities exchange or automated quotation system. These notes 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 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. 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 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-14 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, page S-1 of the accompanying prospectus supplement and page S-2 of the accompanying Equity Index Underlying Supplement.**

The Estimated Initial Value of the notes on the Pricing Date is expected to be between \$930 and \$975 per note, which will be less than the price to public. The market value of the notes at any time will reflect many factors and cannot be predicted with accuracy. See "Estimated Initial Value" on page FWP-4 and "Risk Factors" beginning on page FWP-7 of this document for further information.

	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 varying underwriting discounts of up to 2.25% per \$1,000 Principal Amount in connection with the distribution of the notes 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

## Indicative Terms<sup>1</sup>

<b>Principal Amount</b>	\$1,000 per note
<b>Term</b>	Approximately 3 years
<b>Reference Asset</b>	The STOXX <sup>®</sup> Europe 600 Banks Index (Ticker: SX7P)
<b>Fixed Upside Return</b>	At least 32% (to be determined on the Pricing Date)
<b>Barrier Level</b>	-20%
<b>Reference Return</b>	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
<b>Payment at Maturity per Note</b>	<p><b>If the Reference Return is greater than or equal to the Barrier Level</b>, you will receive:  <math>\\$1,000 + (\\$1,000 \times \text{Fixed Upside Return})</math>.</p> <p><b>If the Reference Return is less than the Barrier Level</b>:  <math>\\$1,000 + (\\$1,000 \times \text{Reference Return})</math>. If the Reference Return is less than the Barrier Level, you will lose some or all of your investment. For example, if the Reference Return is -30%, you will suffer a 30% loss and receive 70% of the Principal Amount, subject to the credit risk of the Issuer.</p>
<b>Initial Level</b>	See page FWP-4
<b>Final Level</b>	See page FWP-4
<b>Pricing Date</b>	February 17, 2017
<b>Trade Date</b>	February 17, 2017
<b>Original Issue Date</b>	February 23, 2017
<b>Final Valuation Date<sup>(2)</sup></b>	February 19, 2020
<b>Maturity Date<sup>(2)</sup></b>	February 24, 2020
<b>CUSIP/ISIN</b>	40433UR65 / US40433UR650

## The Notes

These Digital Dual Directional Barrier Notes may be suitable for investors who believe that the Reference Asset will appreciate over the term of the notes. So long as the Reference Return is below the Fixed Upside Return and above the Barrier Level at maturity, the notes will outperform the Reference Return.

If the Reference Return is greater than or equal to -20%, you will realize the Fixed Upside Return at maturity (subject to the credit risk of HSBC). Even if the Reference Return exceeds the Fixed Upside Return, the notes will not provide a return beyond the Fixed Upside Return. If the Reference Asset declines by more than 20%, you will lose 1% of your investment for every 1% decline in the Reference Asset.



<sup>(1)</sup> As more fully described on page FWP-4.

<sup>(2)</sup> Subject to adjustment as described under "Additional Terms of the Notes" in the accompanying Equity Index Underlying Supplement.

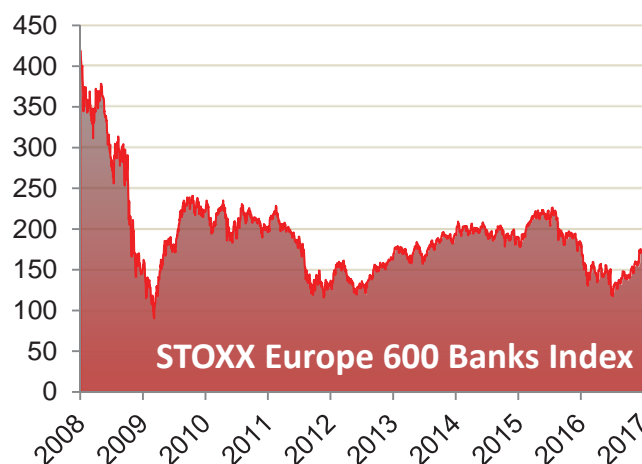
## Payoff Example

The table at right shows the hypothetical payout profile of an investment in the notes reflecting a hypothetical Fixed Upside Return of 32.00%. The actual Fixed Upside Return will be determined on the Pricing Date and will be at least 32.00%.

Reference Return	Participation in Reference Return	Securities Return
35% 10%	Fixed Upside Return	32% 32%
-5% -19%	Barrier Level of -20%	32% 32%
-26% -30%	1x loss from Initial Level if below Barrier Level	-26% -30%

## Information about the Reference Asset

The Index is one of 19 STOXX® Europe 600 Supersector indices that compose the STOXX® Europe 600 Index. The STOXX® Europe 600 Index contains the 600 largest stocks by free float market capitalization traded on the major exchanges of 17 European countries and are organized into the following 19 Supersectors: automobile and parts, banks, basic resources, chemicals, construction and materials, financial services, food and beverage, health care, industrial goods and services, insurance, media, oil and gas, personal and household goods, real estate, communications, retail, technology, travel and leisure and utilities.



The graph above illustrates the performance of the Reference Asset from January 1, 2008 through February 7, 2017. The closing levels in the graph above were obtained from the Bloomberg Professional® Service. Past performance is not necessarily an indication of future results. For further information on the Reference Asset, please see "The STOXX® Europe 600 Banks Index" on page FWP-12 of this free writing prospectus. 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. Digital Dual Directional Barrier Notes

## Linked to the STOXX® Europe 600 Banks Index



This free writing prospectus relates to a single offering of Digital Dual Directional Barrier Notes. The notes 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 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 be willing to forgo interest and dividend payments during the term of the notes and, if the Reference Return is less than -20%, lose up to 100% of your principal.**

This free writing prospectus relates to an offering of notes linked to the performance of the STOXX® Europe 600 Banks Index (the “Reference Asset”). The purchaser of a note 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 notes:

Issuer:	HSBC USA Inc.
Principal Amount:	\$1,000 per note
Reference Asset:	The STOXX® 600 Banks Index (Ticker: SX7P)
Trade Date:	February 17, 2017
Pricing Date:	February 17, 2017
Original Issue Date:	February 23, 2017
Final Valuation Date:	February 19, 2020, 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 February 24, 2020. 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.
Fixed Upside Return:	At least 32.00% (to be determined on the Pricing Date)
Payment at Maturity:	On the Maturity Date, for each note, we will pay you the Final Settlement Value.
Final Settlement Value:	<p><b>If the Reference Return is greater than or equal to the Barrier Level</b>, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of notes, of:</p> <p><math>\\$1,000 + (\\$1,000 \times \text{Fixed Upside Return})</math>.</p> <p><b>If the Reference Return is less than the Barrier Level</b>, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of notes, calculated as follows:</p> <p><math>\\$1,000 + (\\$1,000 \times \text{Reference Return})</math>.</p> <p>Under these circumstances, you will lose 1% of the Principal Amount of your notes for every 1% decline in the Reference Asset. <b>If the Reference Return is less than the Barrier Level, you will lose some or all of your investment.</b></p> <p>For example, if the Reference Return is -30%, you will suffer a 30% loss and receive 70% of the Principal Amount, subject to the credit risk of the Issuer.</p>
Reference Return:	<p>The quotient, expressed as a percentage, calculated as follows:</p> $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Barrier Level:	-20%
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 Bloomberg Professional® service page “SX7P <INDEX>”, or on any successor page on the Bloomberg Professional® service or any successor service, as applicable.
Form of Notes:	Book-Entry
Listing:	The notes will not be listed on any U.S. securities exchange or quotation system.
CUSIP/ISIN:	40433UR65 / US40433UR650
Estimated Initial Value:	The Estimated Initial Value of the notes will be less than the price you pay to purchase the notes. The Estimated Initial Value does not represent a minimum price at which we or any of our affiliates would be willing to purchase your notes in the secondary market, if any, at any time. The Estimated Initial Value will be calculated on the Pricing Date. See “Risk Factors — The Estimated Initial Value of the notes, which will be determined by us on the Pricing Date, will be less than the price to public and may differ from the market value of the notes in the secondary market, if any.”

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 notes.

## GENERAL

This free writing prospectus relates to an offering of notes linked to the Reference Asset. The purchaser of a note 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 notes relates to the Reference Asset, 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 notes.

You should read this document together with the prospectus dated March 5, 2015, the prospectus supplement dated March 5, 2015 and the Equity Index Underlying Supplement dated March 5, 2015. If the terms of the notes offered hereby are inconsistent with those described in the accompanying prospectus, prospectus supplement 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, page S-1 of the prospectus supplement and page S-2 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/83246/000114420415014327/v403626\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420415014327/v403626_424b2.htm)

The prospectus supplement at: [http://www.sec.gov/Archives/edgar/data/83246/000114420415014311/v403645\\_424b2.htm](http://www.sec.gov/Archives/edgar/data/83246/000114420415014311/v403645_424b2.htm)

The prospectus at: <http://www.sec.gov/Archives/edgar/data/83246/000119312515078931/d884345d424b3.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.

## PAYMENT AT MATURITY

On the Maturity Date, for each note 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 or equal to -20%**, you will receive a cash payment on the Maturity Date, per \$1,000 Principal Amount of notes, of:

$$\$1,000 + (\$1,000 \times \text{Fixed Upside Return}).$$

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

$$\$1,000 + (\$1,000 \times \text{Reference Return}).$$

Under these circumstances, you will lose 1% of the Principal Amount of your notes for every 1% decline in the Reference Asset. **You should be aware that if the Reference Return is less than the Barrier Level, you will lose some or all of your investment.**

## Interest

The notes will not pay interest.

## Calculation Agent

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

## Reference Sponsor

STOXX Limited is the reference sponsor.

## INVESTOR SUITABILITY

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

- ▶ You seek an investment with a return linked to the potential positive performance of the Reference Asset, up to the Fixed Upside Return, and you believe the level of the Reference Asset will not change or will increase over the term of the notes.
- ▶ You are willing to make an investment that is exposed to the negative Reference Return on a 1-to-1 basis if the Reference Return is less than -20%.
- ▶ 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 included in 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 notes to maturity.
- ▶ You are comfortable with the creditworthiness of HSBC, as Issuer of the notes.

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

- ▶ You believe the Reference Return will be negative or that the Fixed Upside Return or the Reference Return will not provide you with your desired return.
- ▶ You are unwilling to make an investment that is exposed to the negative Reference Return on a 1-to-1 basis if the Reference Return is less than -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 the dividends or other distributions paid on the stocks included in 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 notes to maturity.
- ▶ You are not willing or are unable to assume the credit risk associated with HSBC, as Issuer of the notes.



## RISK FACTORS

We urge you to read the section “Risk Factors” beginning on page S-1 in the accompanying prospectus supplement and on page S-2 of the accompanying Equity Index Underlying Supplement. Investing in the notes is not equivalent to investing directly in any of the stocks included 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 Equity Index Underlying Supplement, prospectus supplement and prospectus.

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; and
- ▶ “— 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 notes may result in a loss.**

You will be fully exposed to the decline in the Final Level from the Initial Level if the Reference Return is beyond the Barrier Level 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 100% of your investment at maturity if the Reference Return is negative.

### **The appreciation on the notes is limited by the Fixed Upside Return.**

You will not participate in any appreciation in the level of the Reference Asset beyond the Fixed Upside Return. The Fixed Upside Return will be at least 32% (to be determined on the Pricing Date).

### **The amount payable on the notes is not linked to the level of the Reference Asset at any time other than the Final Valuation Date.**

The Final Level will be based on the Official Closing Level of the Reference Asset on the Final Valuation Date, subject to postponement for non-trading days and certain market disruption events. Even if the level of the Reference Asset appreciates during the term of the notes other than on the Final Valuation Date but then decreases on the Final Valuation Date to a level that is less than the Initial Level, the Payment at Maturity may be less, and may be significantly less, than it would have been had the Payment at Maturity been linked to the level of the Reference Asset prior to such decrease. Although the actual level of the Reference Asset on the Maturity Date or at other times during the term of the notes may be higher than the Final Level, the Payment at Maturity will be based solely on the Official Closing Level of the Reference Asset on the Final Valuation Date.

### **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 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.

### **The notes will not bear interest.**

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

### **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 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 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 the Reference Asset. Any such actions could affect the value of the notes.

### **The notes are not insured or guaranteed 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 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 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.

**The Estimated Initial Value of the notes, which will be determined by us on the Pricing Date, will be less than the price to public and may differ from the market value of the notes in the secondary market, if any.**

The Estimated Initial Value of the notes will be calculated by us on the Pricing Date and will be less than the price to public. The Estimated Initial Value will reflect our internal funding rate, which is the borrowing rate we pay to issue market-linked securities, as well as the mid-market value of the embedded derivatives in the notes. This internal funding rate is typically lower than the rate we would use when we issue conventional fixed or floating rate debt securities. As a result of the difference between our internal funding rate and the rate we would use when we issue conventional fixed or floating rate debt securities, the Estimated Initial Value of the notes may be lower if it were based on the prices at which our fixed or floating rate debt securities trade in the secondary market. In addition, if we were to use the rate we use for our conventional fixed or floating rate debt issuances, we would expect the economic terms of the notes to be more favorable to you. We will determine the value of the embedded derivatives in the notes by reference to our or our affiliates' internal pricing models. These pricing models consider certain assumptions and variables, which can include volatility and interest rates. Different pricing models and assumptions could provide valuations for the notes that are different from our Estimated Initial Value. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect. The Estimated Initial Value does not represent a minimum price at which we or any of our affiliates would be willing to purchase your notes in the secondary market (if any exists) at any time.

**The price of your notes in the secondary market, if any, immediately after the Pricing Date will be less than the price to public.**

The price to public takes into account certain costs. These costs, which will be used or retained by us or one of our affiliates, include the underwriting discount, our affiliates' projected hedging profits (which may or may not be realized) for assuming risks inherent in hedging our obligations under the notes and the costs associated with structuring and hedging our obligations under the notes. If you were to sell your notes in the secondary market, if any, the price you would receive for your notes may be less than the price you paid for them because secondary market prices will not take into account these costs. The price of your notes in the secondary market, if any, at any time after issuance will vary based on many factors, including the level of the Reference Asset and changes in market conditions, and cannot be predicted with accuracy. The notes are not designed to be short-term trading instruments, and you should, therefore, be able and willing to hold the notes to maturity. Any sale of the notes prior to maturity could result in a loss to you.

**If we were to repurchase your notes immediately after the Original Issue Date, the price you receive may be higher than the Estimated Initial Value of the notes.**

Assuming that all relevant factors remain constant after the Original Issue Date, the price at which HSBC Securities (USA) Inc. may initially buy or sell the notes in the secondary market, if any, and the value that we may initially use for customer account statements, if we provide any customer account statements at all, may exceed the Estimated Initial Value on the Pricing Date for a temporary period expected to be approximately 12 months after the Original Issue Date. This temporary price difference may exist because, in our discretion, we may elect to effectively reimburse to investors a portion of the estimated cost of hedging our obligations under the notes and other costs in connection with the notes that we will no longer expect to incur over the term of the notes. We will make such discretionary election and determine this temporary reimbursement period on the basis of a number of factors, including the tenor of the notes and any agreement we may have with the distributors of the notes. The amount of our estimated costs which we effectively reimburse to investors in this way may not be allocated ratably throughout the reimbursement period, and we may discontinue such reimbursement at any time or revise the duration of the reimbursement period after the Original Issue Date of the notes based on changes in market conditions and other factors that cannot be predicted.

**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 of interest may exist.**

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.

**Uncertain tax treatment.**

For a discussion of the U.S. federal income tax consequences of your investment in the notes, 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.

**A limited number of stocks included in the Index may affect its level.**

As of December 30, 2016, the top three Index components constituted 30.70% of the total weight of the Index and the top six Index components constituted 46.66% of the total weight of the Index. Because a limited number of Index components constitute a relatively heavy weight of the Index, any reduction in the market price of those Index components is likely to have a disproportionately adverse impact on the level of the Index and the value of the notes as compared to a reduction of the market price of the other Index components. While we or our respective affiliates may from time to time own securities of companies included in the Index, we and our respective affiliates do not control any company included in the Index and are not responsible for any disclosure made by any other



company. None of the companies included in the Index will have any obligation to take your interests as holders of the notes into consideration for any reason, including taking any corporate actions that might affect the prices of the Index components.

**The stocks included in the Index are concentrated in one sector.**

All of the stocks included in the Index are issued by European companies in the financial sector. As a result, the stocks that will determine the performance of the notes are concentrated in one sector. Although an investment in the notes will not give holders any ownership or other direct interests in the stocks underlying the Index, the return on an investment in the notes will be subject to certain risks associated with a direct equity investment in European companies in the financial sector, including those discussed below. Accordingly, by investing in the notes, you will not benefit from the diversification which could result from an investment linked to companies that operate in multiple sectors.

**Adverse conditions in the financial sector may reduce your return on the notes.**

All of the companies included in the Index are issued by European companies whose primary lines of business are directly associated with the financial services sector. The profitability of these companies is largely dependent on the availability and cost of capital funds, and can fluctuate significantly, particularly when market interest rates change. Credit losses resulting from financial difficulties of these companies' customers can negatively impact the sector. In addition, adverse economic, business, or political developments affecting the European and international markets, could have a major effect on the level of the Index. As a result of these factors, the value of the notes may be subject to greater volatility and be more adversely affected by economic, political, or regulatory events relating to the financial services sector.

**Economic conditions have adversely impacted the stock prices of many companies in the financial services sector, and may do so during the term of the notes.**

In recent years, economic conditions in Europe have resulted, and may continue to result, in significant losses among many companies that operate in the financial services sector. These conditions have also resulted, and may continue to result, in a high degree of volatility in the stock prices of European financial institutions, and substantial fluctuations in the profitability of these companies. Many European financial services companies have experienced substantial decreases in the value of their assets, or taken action to raise capital (including the issuance of debt or equity securities). Further, companies in this sector have been subject to unprecedented government actions and regulation, which may limit the scope of their operations and, in turn, result in a decrease in value of these companies. Any of these factors may have an adverse impact on the level of the Index. As a result, the level of the Index may be adversely affected by economic, political, or regulatory events affecting the European financial services sector or one of the sub-sectors of that sector. This in turn could adversely impact the market value of the notes.

## 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. The assumptions we have made in connection with the illustrations set forth below may not reflect actual events, and the hypothetical Initial Level used in the table and examples below is not expected to be the actual Initial Level. You should not take this illustration or these examples as an indication or assurance of the expected performance of the Reference Asset or the return on your notes. 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 Final Settlement Value on a \$1,000 investment in the notes 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 Note" as used below is the number, expressed as a percentage, that results from comparing the Final Settlement Value per \$1,000 Principal Amount of notes to \$1,000. The potential returns described here assume that your notes are held to maturity. You should consider carefully whether the notes are suitable to your investment goals. The following table and examples assume the following:

Principal Amount: \$1,000

Hypothetical Initial Level\*: 3,000

Barrier Level: -20%

Hypothetical Fixed Upside Return: 32.00% (The actual Fixed Upside Return will be determined on the Pricing Date and will be at least 32.00%).

\*The actual Initial Level will be determined on the Pricing Date.

Hypothetical Final Level	Hypothetical Reference Return	Hypothetical Final Settlement Value	Hypothetical Return on the Note
6,000.00	100.00%	\$1,320.00	32.00%
5,400.00	80.00%	\$1,320.00	32.00%
4,800.00	60.00%	\$1,320.00	32.00%
3,900.00	30.00%	\$1,320.00	32.00%
<b>3,720.00</b>	<b>32.00%</b>	<b>\$1,320.00</b>	<b>32.00%</b>
3,600.00	20.00%	\$1,320.00	32.00%
3,300.00	10.00%	\$1,320.00	32.00%
3,150.00	5.00%	\$1,320.00	32.00%
3,060.00	2.00%	\$1,320.00	32.00%
3,030.00	1.00%	\$1,320.00	32.00%
<b>3,000.00</b>	<b>0.00%</b>	<b>\$1,320.00</b>	<b>32.00%</b>
2,970.00	-1.00%	\$1,320.00	32.00%
2,940.00	-2.00%	\$1,320.00	32.00%
2,850.00	-5.00%	\$1,320.00	32.00%
2,700.00	-10.00%	\$1,320.00	32.00%
2,550.00	-15.00%	\$1,320.00	32.00%
<b>2,325.00</b>	<b>-20.00%</b>	<b>\$1,320.00</b>	<b>32.00%</b>
1,800.00	-40.00%	\$600.00	-40.00%
1,500.00	-50.00%	\$500.00	-50.00%
600.00	-80.00%	\$200.00	-80.00%
0.00	-100.00%	\$0.00	-100.00%

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

**Example 1: The level of the Reference Asset increases from the Initial Level of 3,000.00 to a Final Level of 3,150.00.**

Reference Return:	5.00%
<b>Final Settlement Value:</b>	<b>\$1,320.00</b>

Because the Reference Return is positive, and such Reference Return is less than the hypothetical Fixed Upside Return, the investor receives the Fixed Upside Return, and the Final Settlement Value would be \$1,320.00 per \$1,000 Principal Amount of notes, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Fixed Upside Return}) \\
 &= \$1,000 + (\$1,000 \times 32.00\%) \\
 &= \$1,320.00
 \end{aligned}$$

Example 1 shows that you will benefit from the Fixed Upside Return at maturity when the Reference Return is positive but less than the Fixed Upside Return.

**Example 2: The level of the Reference Asset increases from the Initial Level of 3,000.00 to a Final Level of 4,800.00.**

Reference Return:	60.00%
<b>Final Settlement Value:</b>	<b>\$1,320.00</b>

Because the Reference Return is positive, and the Reference Return is greater than the hypothetical Fixed Upside Return, the Final Settlement Value would still be \$1,320.00 per \$1,000 Principal Amount of notes, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Fixed Upside Return}) \\
 &= \$1,000 + (\$1,000 \times 32.00\%) \\
 &= \$1,320.00
 \end{aligned}$$

Example 2 shows that you will only receive the return of your principal investment plus the Fixed Upside Return at maturity even if the Reference Return is positive and greater than the Fixed Upside Return.

**Example 3: The level of the Reference Asset decreases from the Initial Level of 3,000.00 to a Final Level of 2,850.00.**

Reference Return:	-5.00%
<b>Final Settlement Value:</b>	<b>\$1,320.00</b>

Because the Reference Return is greater than -20%, the investor receives the hypothetical Fixed Upside Return, and the Final Settlement Value would be \$1,320.00 per \$1,000 Principal Amount of notes.

**Example 4: The level of the Reference Asset decreases from the Initial Level of 3,000.00 to a Final Level of 1,500.00.**

Reference Return:	-50.00%
<b>Final Settlement Value:</b>	<b>\$500.00</b>

Because the Reference Return is less than the Barrier Level of -20%, the Final Settlement Value would be \$500.00 per \$1,000 Principal Amount of notes, calculated as follows:

$$\begin{aligned}
 & \$1,000 + (\$1,000 \times \text{Reference Return}) \\
 &= \$1,000 + (\$1,000 \times -50.00\%) \\
 &= \$500.00
 \end{aligned}$$

Example 4 shows that you are fully exposed on a 1-to-1 basis to declines in the level of the Reference Asset if the Reference Return is beyond the Barrier Level of -20%. YOU MAY LOSE UP TO 100% OF THE PRINCIPAL AMOUNT OF YOUR NOTES.

## THE STOXX<sup>®</sup> EUROPE 600 BANKS INDEX (“SX7P”)

### Description of the STOXX<sup>®</sup> Europe 600 Banks Index

All disclosures contained in this free writing prospectus regarding the Index, including, without limitation, its make-up, method of calculation, and changes in its components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by, STOXX Limited (“**STOXX**” or the “**Index sponsor**”). The Index sponsor, which owns the copyright and all other rights to the Index, has no obligation to continue to publish, and may discontinue publication of, the Index.

#### *STOXX Limited Publishes the Reference Asset*

The Index was created by STOXX, which is owned by Deutsche Börse AG. Publication of the Index began in June 1998, based on an initial index value of 100 at December 31, 1991. The level of the Index is disseminated on, and additional information about the Index is published on, the STOXX website. Information contained in the STOXX website is not incorporated by reference in, and should not be considered a part of, this free writing prospectus.

#### *Index Composition and Maintenance*

The Index is one of 19 STOXX<sup>®</sup> Europe 600 Supersector indices that compose the STOXX<sup>®</sup> Europe 600 Index. The STOXX<sup>®</sup> Europe 600 Index contains the 600 largest stocks by free float market capitalization traded on the major exchanges of 17 European countries and are organized into the following 19 Supersectors: automobile and parts, banks, basic resources, chemicals, construction and materials, financial services, food and beverage, health care, industrial goods and services, insurance, media, oil and gas, personal and household goods, real estate, communications, retail, technology, travel and leisure and utilities. Each of the 19 STOXX<sup>®</sup> Europe 600 Supersector indices contain the companies of the STOXX<sup>®</sup> Europe 600 Index that fall within the relevant supersector, determined by reference to the Industry Classification Benchmark (“ICB”), an international system for categorizing companies that is maintained by FTSE International Limited. The Index includes companies in the banks supersector, which tracks companies providing a broad range of financial services, including retail banking, loans and money transmissions. The Index is weighted by free float market capitalization. As of December 30, 2016, the top 10 companies included in the Index according to their index weights were as follows:

Company	Weight (%)
HSBC Holdings plc	16.10
Banco Santander S.A.	7.54
BNP Paribas	7.06
UBS Group AG	5.59
ING Group	5.41
Lloyds Banking Group	4.96
Barclays plc	4.62
Banco Bilbao Vizcaya Argentaria, S.A.	4.39
Société Générale Group	3.94
Bank Intesa Sanpaolo	3.64

The composition of each of the STOXX<sup>®</sup> Europe 600 Supersector indices is reviewed quarterly, based on the closing stock data on the last trading day of the month following the implementation of the last quarterly index review. The component stocks are announced on the fourth Tuesday of the month immediately prior to the review implementation month. Changes to the component stocks are implemented on the third Friday in each of March, June, September and December and are effective the following trading day.

The free float factors for each component stock used to calculate the Index, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The STOXX<sup>®</sup> Europe 600 Index is also reviewed on an ongoing basis, and any changes affecting the STOXX<sup>®</sup> Europe 600 Index are also applied to the relevant STOXX<sup>®</sup> Europe 600 Supersector index. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings and bankruptcy) that affect the STOXX<sup>®</sup> Europe 600 Index composition are immediately reviewed. Any changes are announced, implemented and effective in line with the type of corporate action and the magnitude of the effect.

#### *Index Calculation*

The Index is calculated with the “Laspeyres formula,” which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the index value can be expressed as follows:

$$\text{Index} = \frac{\text{free float market capitalization of the Index at the time}}{\text{divisor of the Index at the time}}$$

The “free float market capitalization of the Index” is equal to the sum of the products of the closing price, number of shares, free float factor, weighting cap factor and exchange rate from local currency into index currency for each component stock as of the time the Index is being calculated.

All components of each STOXX<sup>®</sup> Europe 600 Supersector index, including the Index, are subject to a 30% cap for the largest company and a 15% cap for the second-largest company. The weighting cap factors are published on the second Friday of each March, June, September and December, one week prior to quarterly review implementation, and calculated using Thursday's closing prices. In addition, an intra-quarter capping will be triggered if the largest company exceeds 35% or the second-largest exceeds 20%.

The Index is also subject to a divisor, which is adjusted to maintain the continuity of index values despite changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

### License Agreement

We or one of our affiliates has entered into a nonexclusive license agreement providing for the license to it, in exchange for a fee, of the right to use certain indices owned and published by STOXX Limited in connection with some products, including the notes.

STOXX and its licensors (the "Licensors") have no relationship to HSBC USA Inc., other than the licensing of the Reference Asset and the related trademarks for use in connection with the notes.

### STOXX and its Licensors do not:

- Sponsor, endorse, sell or promote the notes.
- Recommend that any person invest in the notes or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of the notes.
- Have any responsibility or liability for the administration, management or marketing of the notes.
- Consider the needs of the notes or the owners of the notes in determining, composing or calculating the Reference Asset or have any obligation to do so.

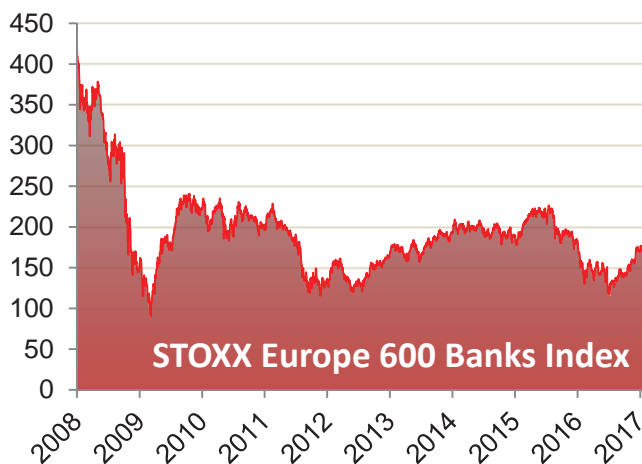
### STOXX and its Licensors will not have any liability in connection with the notes. Specifically,

- STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about:
  - The results to be obtained by the notes, the owner of the notes or any other person in connection with the use of the Reference Asset and the data included in the Reference Asset;
  - The accuracy or completeness of the Reference Asset and its data;
  - The merchantability and the fitness for a particular purpose or use of the Reference Asset and its data;
- STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the Reference Asset or its data;
- Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.

The licensing agreement between HSBC USA Inc. and STOXX is solely for their benefit and not for the benefit of the owners of the notes or any other third parties.

### Historical Performance of the SX7P

The following graph sets forth the historical performance of the SX7P based on the daily historical closing levels from January 1, 2008 through February 7, 2017. We obtained the closing levels below from the Bloomberg Professional<sup>®</sup> 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<sup>®</sup> service.



## **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, the calculation agent will determine the accelerated payment due and payable in the same general manner as described in "Payment at Maturity" in this free writing prospectus. In that case, the scheduled trading day immediately preceding the date of acceleration will be used as the Final Valuation Date for purposes of determining the Reference Return, and the accelerated maturity date will be three business days after the accelerated Final Valuation Date. If a Market Disruption Event exists with respect to the Reference Asset on that scheduled trading day, then the accelerated Final Valuation Date for the Reference Asset 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 notes have become immediately due and payable following an event of default, you will not be entitled to any additional payments with respect to the notes. 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)**

We have appointed HSBC Securities (USA) Inc., an affiliate of HSBC, as the agent for the sale 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 2.25% per \$1,000 Principal Amount of notes in connection with the distribution of the notes to other registered broker-dealers.

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 make a market in the notes and may discontinue any market-making activities at any time without notice.

See "Supplemental Plan of Distribution (Conflicts of Interest)" on page S-59 in the prospectus supplement.



## U.S. FEDERAL INCOME TAX CONSIDERATIONS

There is no direct legal authority as to the proper tax treatment of the notes, and therefore significant aspects of the tax treatment of the notes are uncertain as to both the timing and character of any inclusion in income in respect of the notes. Under one approach, a note should be treated as a pre-paid executory contract with respect to the Reference Asset. We intend to treat the notes consistent with this approach. Pursuant to the terms of the notes, you agree to treat the notes 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 note 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 notes 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 note 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 the Reference Asset 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 the Reference Asset 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 the Reference Asset and consult your tax advisor regarding the possible consequences to you if one or more of the entities whose stock is included in the Reference Asset is or becomes a PFIC or a USRPHC.

Under current law, while the matter is not entirely clear, individual non-U.S. holders, and entities whose property is potentially includible in those individuals' gross estates for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, the notes are likely to be treated as U.S. situs property, subject to U.S. federal estate tax. These individuals and entities should consult their own tax advisors regarding the U.S. federal estate tax consequences of investing in the notes.

A "dividend equivalent" payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30% U.S. withholding tax if paid to a non-U.S. holder. Under U.S. Treasury Department regulations, payments (including deemed payments) with respect to equity-linked instruments ("ELIs") that are "specified ELIs" may be treated as dividend equivalents if such specified ELIs reference an interest in an "underlying security," which is generally any interest in an entity taxable as a corporation for U.S. federal income tax purposes if a payment with respect to such interest could give rise to a U.S. source dividend. However, the IRS has issued guidance that states that the U.S. Treasury Department and the IRS intend to amend the effective dates of the U.S. Treasury regulations to provide that withholding on dividend equivalent payments will not apply to specified ELIs that are not delta-one instruments and that are issued before January 1, 2018. Based on HSBC Bank's determination that the notes are not "delta-one" instruments, non-U.S. holders should not be subject to withholding on dividend equivalent payments, if any, under the notes. However, it is possible that the notes could be treated as deemed reissued for U.S. federal income tax purposes upon the occurrence of certain events affecting the Reference Asset or the notes, and following such occurrence the notes could be treated as subject to withholding on dividend equivalent payments. Non-U.S. holders that enter, or have entered, into other transactions in respect of the Reference Asset or the notes should consult their tax advisors as to the application of the dividend equivalent withholding tax in the context of the notes and their other transactions. If any payments are treated as dividend equivalents subject to withholding, 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.

Additionally, the IRS has announced that withholding under the Foreign Account Tax Compliance Act (as discussed in the accompanying prospectus supplement) on payments of gross proceeds from a sale, exchange, redemption or other disposition of the notes will only apply to dispositions after December 31, 2018.

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" in the accompanying prospectus supplement.

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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 Equity Index 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 Equity Index 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 Equity Index Underlying Supplement, prospectus supplement and prospectus is correct on any date after their respective dates.

# HSBC USA Inc.

**\$ Digital Dual Directional Barrier  
Notes linked to the  
STOXX® Europe 600 Banks Index**

**February 8, 2017**

**FREE WRITING PROSPECTUS**