

urged to consult with their own tax advisors regarding the possible implications of this recently enacted legislation on their investment in the Notes.

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.

Selected Risk Considerations

An investment in the Notes involves significant risks. Investing in the Notes is not equivalent to investing directly in the Reference Currency. These risks are explained in more detail in the "Risk Factors" section of the accompanying prospectus supplement.

- ∞ **SUITABILITY OF THE NOTES FOR INVESTMENT** — You should only reach a decision to invest in the Notes after carefully considering, with your advisors, the suitability of the Notes in light of your investment objectives and the information set out in this pricing supplement. Neither HSBC nor any dealer participating in the offering makes any recommendation as to the suitability of the Notes for investment.
- ∞ **THE AMOUNT PAYABLE ON THE NOTES IS NOT LINKED TO THE SPOT RATE OF THE REFERENCE CURRENCY AT ANY TIME OTHER THAN ON THE FINAL VALUATION DATE** — The Final Spot Rate will be based on the Spot Rate of the Reference Currency on the Final Valuation Date, subject to postponement and certain market disruption events. Even if the Spot Rate of the Reference Currency appreciates prior to the Final Valuation Date but then drops on the Final Valuation Date to a level that is below the Barrier 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 Spot Rate of the Reference Currency prior to such drop. Although the actual Spot Rate of the Reference Currency on the Maturity Date or at other times during the term of the Notes may be higher than the Final Spot Rate, the Payment at Maturity will be based solely on the Final Spot Rate on the Final Valuation Date.
- ∞ **YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS** — The Notes do not guarantee any return of principal. The return on the Notes at maturity is linked to the performance of the Reference Currency and will depend on the extent to which the Reference Currency appreciates or depreciates. If the Reference Currency has depreciated against the U.S. Dollar, compared to the Initial Spot Rate, by more than 15%, then the benefit provided by the Barrier Level will terminate. **IN THAT SITUATION, YOU MAY LOSE UP TO 100% OF YOUR INVESTMENT.**
- ∞ **THE MAXIMUM RETURN ON THE NOTES IS LIMITED** — The payment on your Notes is limited to \$1,285.00 for each \$1,000 Principal Amount of Notes. This will be the case even if the Reference Currency has appreciated against the U.S. Dollar by more than 28.50%.
- ∞ **THE NOTES ARE SUBJECT TO THE CREDIT RISK OF HSBC USA INC.** — The Notes are senior unsecured debt obligations of the Issuer, HSBC, and are not, either directly or indirectly, an obligation of any third party. As further described in the accompanying prospectus supplement and prospectus, the Notes will rank on par with all of the other unsecured and unsubordinated debt obligations of HSBC, except such obligations as may be preferred by operation of law. Any payment to be made on the Notes, including any 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.
- ∞ **INVESTING IN THE NOTES IS NOT EQUIVALENT TO INVESTING DIRECTLY IN THE REFERENCE CURRENCY** — You may receive a lower return than you would have received if you had invested directly in the Reference Currency. The Reference Currency Return is dependent solely on the formula set forth above and not on any other formula that could be used for calculating currency performances. As such, the Reference Currency Return may be materially different from the return on a direct investment in the Reference Currency.
- ∞ **CURRENCY MARKETS MAY BE VOLATILE** — Currency markets may be highly volatile. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time. Foreign currency rate risks include, but are not limited to, convertibility risk and market volatility and potential interference by foreign governments through regulation of local markets, foreign investment or particular transactions in foreign currency. These factors may affect the value of the Reference Currency on the Final Valuation Date, and therefore, the value of your Notes.
- ∞ **LEGAL AND REGULATORY RISKS** — Legal and regulatory changes could adversely affect exchange rates. In addition, many governmental agencies and regulatory organizations are authorized to take extraordinary actions in the event of market emergencies. It is not possible to predict the effect of any future legal or regulatory action relating to exchange rates, but any such action could cause unexpected volatility and instability in currency markets with a substantial and adverse effect on the performance of the Reference Currency and, consequently, the value of the Notes.
- ∞ **IF THE LIQUIDITY OF THE REFERENCE CURRENCY IS LIMITED, THE VALUE OF THE NOTES WOULD LIKELY BE IMPAIRED** — Currencies and derivatives contracts on currencies may be difficult to buy or sell, particularly during adverse market conditions. Reduced liquidity on the Final Valuation Date would likely have an adverse effect on the Final Spot Rate for the Reference Currency, and therefore, on the return of your Notes. Limited liquidity relating to the