

HSBC Securities (Japan) Limited

Financial Statements

Income statement for the year ended 31 December 2016

	2016 Yen m	2015 Yen m
Interest income	7,529	3,387
Interest expense	(5,664)	(2,591)
Net interest income	1,865	796
Fee and commission income	4,627	3,084
Fee and commission expense	(412)	(309)
Net Fee income	4,215	2,775
Net trading income	91	216
Other operating income	812	966
Net operating income	6,983	4,753
General and administrative expense	(3,296)	(3,670)
Total operating expenses	(3,296)	(3,670)
Profit before tax	3,687	1,083
Tax expense	(1,237)	(512)
Profit for the year	2,450	571

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Statement of financial position as at 31 December 2016

	2016 Yen m	2015 Yen m	2014 Yen m
Assets			
Cash and cash equivalents	26,435	7,619	3,015
Derivatives	910	540	905
Trade and other receivables	90,610	45,334	97,869
Financial investments	236,971	-	-
Reverse repurchase agreements - non trading	1,614,329	1,424,292	1,226,686
Property, plant and equipment	42	48	42
Deferred tax asset	47	40	184
Intangible assets	5	8	-
Total assets	1,969,349	1,477,881	1,328,701
Liabilities and equity			
Liabilities			
Trade and other payables	321,078	26,257	80,570
Derivatives	882	501	591
Repurchase agreements - non trading	1,621,315	1,424,637	1,228,487
Accruals, deferred income and other liabilities	3,632	7,202	534
Current tax liabilities	1,012	318	111
Total liabilities	1,947,919	1,458,915	1,310,293
Equity			
Called up share capital	19,775	19,775	19,775
Retained earnings (accumulated losses)	1,655	(809)	(1,367)
Total equity	21,430	18,966	18,408
Total equity and liabilities	1,969,349	1,477,881	1,328,701