

The top of the page features a large, stylized graphic of the letter 'N' composed of several overlapping triangles in various shades of red. The word 'NOMURA' is written in white, bold, uppercase letters in the top right corner.

NOMURA

Capital Nomura Securities Public Company Limited

Annual Report 2013



Content

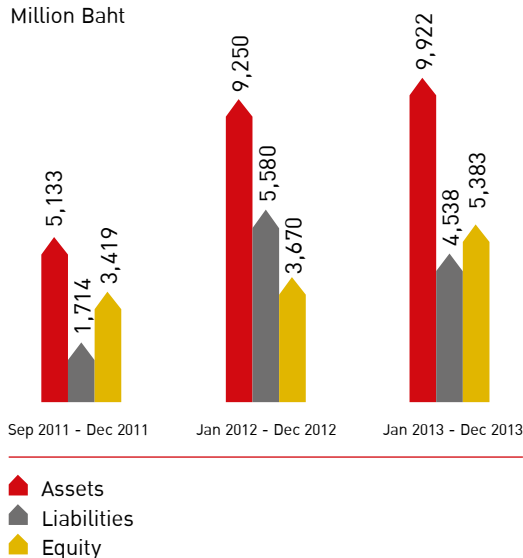
Financial Highlight	01
Board Of Director	02
Message from the Chairman	03
Policy and Business Overview	05
Business Profile for fiscal year 2013	10
Market and Competitive Conditions	12
Risk Factors	18
Legal Disputes	21
General Information	22
Shareholders Structure	29
Management Structure	33
Corporate Governance Policy	44
Committees	51
Nomination of Directors and the Management	57
Monitoring the use of and access to inside information	60
Auditor Remuneration	61
Other good governance	62
Corporate Social Responsibility	63
Internal Control and Risk Assessment	67
Report of Audit Committee	69
Connected Transactions	72
Key Financial Ratios	79
Management Discussion and Analysis	80
Report of the Board of Directors' Responsibility for Financial Statements	84
Report of Independent Auditor	85
Financial Statements	86

Financial Highlight

NOMURA

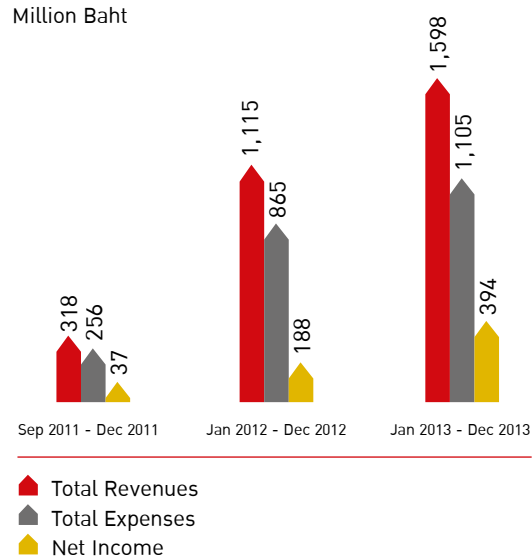
Financial Position

Million Baht



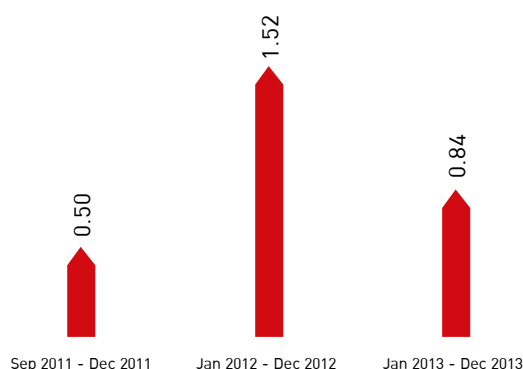
Performance

Million Baht



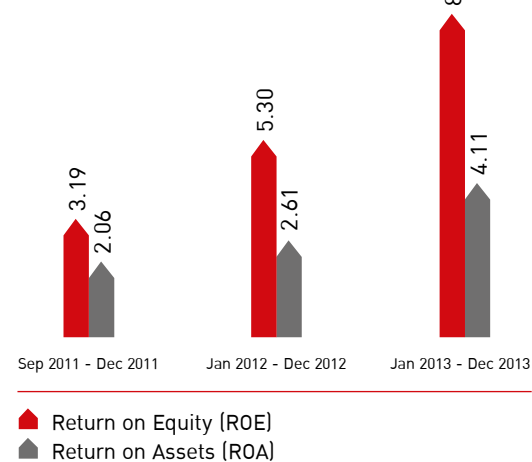
Debt to Equity Ratio

Time



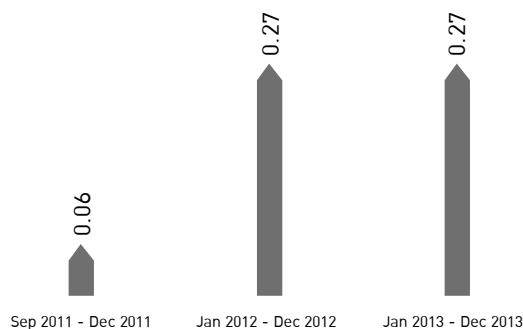
Return on Equity & Assets

%



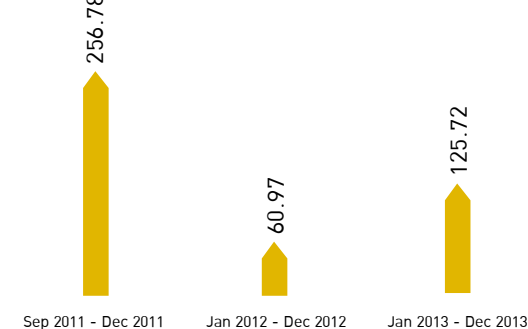
Earnings per share

Baht



Net Capital Ratio

%





Mr.Suthep Peetakanont
Chairman of the Board
of Directors and
Chairman of the Board
of Executive Directors



Mr.Shinichi Mizuno
President



Mr.Naoki Sugaya
Executive Director



Mr.Nimit Wongjariyakul
Executive Director



Mrs.Chrisana Sae-Leiw
Executive Director



Mr.Motoyuki Komabayashi
Director



Mrs.Wattanee Phanachet
Chairman of the Audit
Committee and
Independent Director



**Mr.Prasert
Virasathienpornkul**
Audit Committee Member
and Independent Director



Col.Ruangsub Kovindha
Audit Committee
Member and
Independent Director



Dr.Prasit Kanchanasakdichai
Independent Director

Message from the Chairman

NOMURA

Dear Shareholders,

The year 2013 was a volatile one for Thailand's stock market. Economic indicators at the beginning of the year showed a strong recovery after severe flooding had badly affected the economy in late 2011 and following through into the first half of 2012. Indeed, the Country posted an historical peak GDP growth rate of 19.1% in the fourth quarter of 2012. The economic recovery was primarily driven by both private and public investment post the 2011 floods coupled with continued robust consumption growth. Increased optimism towards the government's planned two-trillion-baht infrastructure development project added to the overall positive sentiment towards the Stock Exchange of Thailand ("SET") helping to attract investors in the first half of the year.



However, that initial optimism in the first half of the year was replaced with a decidedly more cautious backdrop in the second half. Growing political uncertainty significantly dampened overall investment and consumption resulting in GDP growth slowing to just 2.9% compared with initial estimates of 5.0%+ made at the beginning of the year. In addition to domestic issues, growing concerns relating to the scaling back of monetary easing by the US Federal Reserve ("QE Tapering") saw outflows of funds generally from emerging markets leading to record-high foreign investor selling of Thai securities throughout 2013 to the tune of Baht 1.93 billion (net).

Against this backdrop, the SET Index rose from 1,391.93 points at the end of 2012 to a 19-year high at 1,643.43 points on May 21, 2013 and then subsequently dropped to 1,298.71 points by the end of 2013, or a loss of 6.7% compared with the previous year. The average daily turnover of 2013 though reached Baht 48,070 million, a record for the SET and equivalent to a 55% increase from the previous year.

In the fiscal year 2013, CNS continued to firmly push through key initiatives within the securities brokerage business including the recruitment of new young talent under "Young Talent Financial Advisor (YTFA)" program. A total of 68 young financial advisors were recruited and developed through 3 seasons of the YFTA program. At the same time, 2 new branches were opened, in Saraburi and Phetburi, underpinning the ongoing expansion of CNS's client base nationwide. This brought the total number of branches to 25 at the end of the year.

In addition to the YFTA program and increased branch penetration, another key CNS strategy to enhance the securities brokerage business is the expansion of the margin loan business, helping to increase brokerage fees and the investor base as well as add incremental revenue in the form of loan interest. Buoyed by rising investment levels, the margin loan business grew strongly in 2013 with the outstanding loan balance reaching a peak of Baht 6,700 million during the year before ending 2013 at Baht 5,785 million. This compares with an ending balance of Baht 5,265 million in 2012. The margin loan business was funded through a combination of borrowings and the Company's capital.

Other key strategies to diversify and strengthen CNS's revenue base were the establishment of fixed income trading and underwriting businesses in February 2013. According to Thai Bond Market Association data, CNS's market share in corporate bond trading and commercial paper (Bill of Exchange) trading among securities firms was 5.11% with trading volume of Baht 6,610 million and 15.66% with trading volume of Baht 25,800 million, respectively. CNS's market share of both types of trading ranked 4th among all securities firms. With regards the fixed income underwriting business, CNS had underwritten 11 bill of exchange mandates and 5 corporate bond mandates with the approximate total value of Baht 5,000 million in 2013.

NOMURA

The mutual fund selling agent business, under the “Nomura iFUND” brand, continues see strong growth. CNS is currently the first and only agent in Thailand that allows clients to conveniently trade mutual fund units from all the asset management companies by themselves. The number of client accounts using this service rose from 11,953 accounts with a total investment value of Baht 2,570 million at the end of 2012 to 18,433 accounts with a total investment value of Baht 3,355 million at the end of 2013. This service provides clients the convenience to buy, sell, or switch their mutual fund units either via an online trading system or through CNS’s financial advisors with the highlighted fund facts provided in the online trading system for their investment consideration.

To facilitate continued business expansion and vibrant market conditions, CNS increased its registered capital on May 10, 2013 from Baht 716,823,000 to Baht 2,150,469,000 and also changed the par value from Baht 10 each to Baht 1 each. This was done through the resolution of the Annual General Meeting of Shareholders held on April 26, 2013. The increased capital was registered and fully paid-up on June 24, 2013.

As a result of the above factors, CNS’s net profit for the fiscal year 2013 was Baht 394.04 million or a 109.61% increase from the previous year. Earnings per share stood at Baht 0.27.

For the fiscal year 2014, CNS will continue to focus on strategies that enhance the business and service qualities leading to increased client satisfaction and improved cost control and efficiencies. This includes the ongoing development of productive and knowledgeable young talent financial advisors as part of our fully-integrated financial management. This strategy will help drive revenues through the development financial products and up-to-date information technology in order to serve the investment world with speedy, accurate and an efficient service as well as adhering to corporate social responsibilities (CSR), transparency and good governance, quality leadership and risk management discipline. All of these will be key factors in creating long-term shareholder value.

Last but not least and on behalf of CNS’s Board of Directors, I would like to express our sincerest gratitude to shareholders, clients and various organizations for their continuous support and trust throughout the year. Also, I would like to express my utmost gratitude to the management and valuable staff for their contribution and dedication helping to drive sustainable growth and fruitful development of the Company and to maintain our status as “your Best Partner for Success” for the future.



MR.SUTHEP PEETAKANONT
Chairman of the Board of Directors
Chairman of the Board of Executive Directors

Policy and Business Overview

NOMURA

The Company name

Capital Nomura Securities Public Company Limited (“CNS”)

Type of Business

CNS engages in securities business, chiefly securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, securities borrowing and lending business, selling agent business and fixed income trading business.

Background

- CNS was originally registered as a Limited Company on May 26, 1970 under the name of “Bangkok Nomura International Securities Company Limited” (Company Registration No.317/2513).
- CNS was one of the founding members of the SET in 1975.
- On November 1, 1979, the Company’s name was changed to “Bangkok Nomura Finance and Securities Company Limited”.
- On September 23, 1985, the Company’s name was changed to “Capital Finance and Securities Company Limited”.
- On April 26, 1988, CNS was listed on the SET and returned its finance license to the Ministry of Finance.
- On June 28, 1991, the Company’s name was changed to “Capital Nomura Securities Company Limited”.
- On February 24, 1994, CNS was converted into a “Public Company Limited” under the name of “Capital Nomura Securities Public Company Limited” (Registration No. 0107537000653).
- On December 29, 2010, the Company’s Thai name was changed to “บริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)”.

Vision

Capital Nomura Securities Public Company (“CNS”) aims to be a client-driven financial services firm contributing the development of capital markets in Thailand.

Corporate Strategies

- Provide a range of products suitable for individual client needs, investment strategies and risk appetites.
- Deliver high value-added financial services by enhancing our consulting-based approach.
- Develop an extensive client franchise by building up a solid retail channel across Thailand.
- Strengthen online functions by offering a full lineup of services through internet that meets the diverse needs of our clients.
- Improve the quality of financial education programs to encourage our clients to learn more about investing.
- Enhance wholesale operations by providing high-quality research and leveraging our strengths in Japanese business.
- Create an efficient and low cost operational base by improving IT systems.

Major changes and developments

The major changes and developments to the Business and the Management during the previous three years were as follows;

Fiscal Year 2011

- Launched a mutual fund online trading service through Omnibus Account on “CNS iFUND” application in order to facilitate the clients interested in mutual funds investment which were managed by leading asset management companies. Clients are able to do their mutual fund trading transactions via the Internet by themselves and as well as checking their investment portfolios with just one account or username.
- Opened branches according to the cooperation between CNS and the Small and Medium Enterprise Development Bank of Thailand (“SME Bank”), located in the areas of SME Bank office building at the Headquarter, Phaholyothin Road, Bangkok and provincial SME banks, totaled 8 branches in Nonthaburi, Nakornsawan, Nakorn Ratchasima, Khon Khaen, Rayong, Ayudhaya, Phuket and Chiangrai. Opening of such branches was CNS’s aggressive business strategy to expand our client base throughout the country.
- Started to provide securities trading services for the securities listed in the Lao Securities Exchange to our clients who were interested in the Lao stock market investment. The new service was another alternative for our clients.
- Set up Investment Research and Investor Services Division (IRIS) to re-format and re-make research papers of Research Division in order to fulfill individual retail clients’ needs. IRIS was also in charge of organizing seminars to share both financial and investment information with nationwide investors.
- Re-branded “CNS iFUND” application to “NOMURA iFUND” to boost clients’ recognition of the name of its mutual fund online trading application. In addition, CNS also developed and re-branded its website from “www.cnsrealtime.com” to “www.nomuradirect.com” to be more attractive and modern.
- Introduced a new channel for online trading by developing “CNSRealtime on iOS” application on iOS platform, in which clients can use on their iPhones, iPads and iPod Touch. CNS also launched “i2Trade Droid” application on Android platform and “i2Trade Extra” application of which clients could trade both securities and derivatives through just only one application.

September - December 2011

- Opened additional branches, located in the areas of provincial SME Banks, totaled 5 branches in Chiangmai, Had Yai, Singburi, Chonburi and Ubon Ratchathani.
- Re-branded “CNSRealtime on iOS” application to “NomuraDirect on iOS” to boost clients’ recognition of the name of its securities online trading application.
- The Annual General Meeting of Shareholders of Year 2011 held on December 14, 2011 resolved to change the fiscal year from “September 1 to August 31 of every year” to “January 1 to December 31 of every year”. CNS was granted the approval from the Revenue Department, registered such change with Accounts Inspector and also amended CNS’s Articles of Association. Therefore, CNS had closed its account for the four month period of September 1, 2011 to December 31, 2011 in order to change the next fiscal year to be “January 1 to December 31 of every year” as resolved by the Annual General Meeting of Shareholders of Year 2011.

Fiscal Year 2012

- Expanded financial advisor teams (Retail Sales Division) and increased a number of financial advisors, focusing on the new generation by launching “Young Talent Financial Advisor” project to prepare for a business expansion in the future.
- Opened additional branches, located in the areas of provincial SME Banks, totaled 5 branches in Udonthani, Lampang, Rangsit, Ladkrabang and Omnoi.
- Developed and opened new channels of internet services to serve diverse investors’ needs, including PC, iOS and Android platforms as follows;
 - Added SBL — Securities Borrowing and Lending Real Time services through NomuraDirect on iOS application which clients can place orders, borrow, short sell, cover and return securities anywhere and anytime through iPhone, iPad and iPod touch.
 - Developed “G2Express VIPTrade” application, a securities online trading application on PC that allowed clients to customize a display and offered technical chart, world indices and real-time news from reliable sources.
 - Developed “i2Trade Plus” application, a securities online trading application on PC. Clients can place buy or sell transactions both securities and derivatives through iOS and Android platforms.
 - Developed “Nomura iGlobal” application, an overseas securities online trading application.

Fiscal Year 2013

- Developed various online trading applications through internet to serve diverse client's needs through PC, iOS, Android and Windows Phone platforms. The applications were as follows;
 - Added Technical Chart, Research, SBL service (iOS platform only) on i2Trade Plus application through PC, iOS and Android platforms.
 - Developed "i2Trade Plus" application, a securities online trading application on Window Phone platform.
 - Added "Bar Trade" on eFinanceThai application to facilitate in an immediate order placing on PC to clients.
- Set up NOMURA Margin Loan Trading Simulation in order to share knowledge and virtual experience to investors for an investing in margin account through internet.

CNS aims to develop integrated online trading services and applications to be more efficient and up-to-date in order to serve clients' needs and to support the business expansion and high turnover of securities, derivatives, mutual funds and oversea securities trading in the future.

- Established Fixed Income Sales and Trading Department to provide over the counter (OTC) Fixed Income Trading service in both primary and secondary market to individual retail clients and institutional clients. This service will offer more choices of investment.
- Granted permission by the Ministry of Planning and Investment of Lao PDR in February 2013 and also the the Securities and Exchange Commission in March 2014 to open a Representative Office at Lao PDR with the registered capital of KIP 1 billion, located at ANZ Building, Hatsady Village, Chanthabouly District, Vientiane Capital, Lao P.D.R. The Representative Office has been operated since April 12, 2013 with the scope of activities as follows;
 - (1) Coordinating with the head office and undertaking a feasibility study for a branch establishment.
 - (2) Promoting technical cooperation regarding the development of the Lao Securities Exchange.
- Opened additional branches, located in the areas of provincial SME Banks, totaled 2 branches in Phetburi and Saraburi.
- On 26 April 2013, the Annual General Meeting of CNS's shareholders No.1/2556 resolved to change a par value and increase CNS's registered capital as follows;
 - 1. Approved a share split by changing the par value of its ordinary shares from Baht 10 per share (71,682,300 shares) to Baht 1 per share (716,823,000 shares).
 - 2. Approved an increase of Baht 1,433,646,000 in its registered capital, from Baht 716,823,000 to Baht 2,150,469,000 by issuing 1,433,646,000 newly ordinary shares with a par value of Baht 1 each. The newly issued shares were allotted and offered for sales to its existing shareholders in proportion to their existing shareholding ratio at the rate of 1 existing ordinary share to 2 newly issued ordinary shares at Baht 1 each. CNS registered the increase in capital with the Ministry of Commerce on May 3, 2013.

CNS's ordinary shares were traded on the Stock Exchange of Thailand (the SET) at a par value of Baht 1 each on May 10, 2013.

The newly share subscription period was June 17-21, 2013. The 1,433,646,000 newly issued shares were completely sold at a price of Baht 1 and fully paid totaling Baht 1,433,646,000.

The fully paid-up capital was registered with the Ministry of Commerce on June 24, 2013.

The newly issued shares were listed on the SET on June 27, 2013.

Shareholding structure of the Group

CNS had neither subsidiaries nor affiliated companies.

Relationship with the Group of major shareholders

As of May 30, 2013, Nomura group held CNS shares at 38% under the name of Nomura Holdings Inc. of 25.11% and Nomura Asia Holdings N.V. of 12.91%. CNS is still independent in management and making decision on business.

a) Securities Brokerage Business

CNS is a member of the SET and provides securities brokerage services to both domestic and foreign investors. It aims to expand its brokerage service by extending its customer base through cash and credit balance accounts. CNS also offers internet-based trading services through communication devices on PC, iOS, Android and Windows Phone platforms.

CNS sets up the Overseas Investment Sales Department to provide securities brokerage services of the listed securities in the overseas stock exchanges and/or the securities that the Securities and Exchange Commission ("the SEC") allows Thai investors to invest.

b) Derivatives Brokerage Business

Derivative Brokerage business is a vital source of revenue to CNS. CNS provides brokerage services for derivative products, in Thailand Futures Exchange Market ("TFEX"), comprising SET50 Index Futures, SET50 Index Options, Gold Futures, Mini Gold Futures, Single Stock Futures, Interest Rate Futures, Silver Futures, Oil Futures and USD Futures. Its main targets are individual retail clients and also institutional clients. CNS has a highly experienced and potential team as well as an effective derivatives trading system. These should help enhance CNS's competitive advantages as well as boosting the trading volume of derivative products in the future.

c) Financial Advisory Business

CNS was granted an approval by the SEC to provide financial advisory services within the scope set by the SEC.

d) Underwriting Business

CNS provides underwriting and standby underwriting services to the issuer of securities for several types of securities such as common shares, debentures, warrants, unit trusts and etc.

e) Securities Borrowing and Lending Business

The Ministry of Finance granted CNS permission to operate a Securities Borrowing and Lending Business. Its objective in lending securities is to allow its clients to short sell securities through their credit balance accounts under CNS. These types of transactions are limited to securities listed in the SET 100 Index and in the list of securities that CNS allows the clients to purchase through margin accounts (Marginable Securities List) and Exchange-traded funds (ETF) only.

f) Selling Agent Business

CNS acts as a selling agent for all leading mutual fund management companies. As a selling agent, CNS has the main objectives to support its core main business and generate more income in a long term.

g) Fixed Income Trading Business

CNS provides over the counter (OTC) Fixed Income Trading service in both primary and secondary market to individual retail clients and institutional clients by acting as a mediator between buyers and sellers. CNS also does proprietary trading on fixed income securities.

Revenue Structure

Type of Revenue	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)		Fiscal Year 2012 (Jan 1, 2012- Dec 31, 2012)		Sep 1, 2011 - Dec 31, 2011		Fiscal Year 2011 (Sep 1, 2010- Aug 31, 2011)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Brokerage fees	1,056.59	66.11	725.20	65.05	205.97	64.69	737.98	73.49
Fees and service income	118.61	7.42	102.72	9.21	15.15	4.76	58.70	5.85
Gain (loss) on securities	19.30	1.21	2.14	0.19	(0.72)	(0.23)	42.34	4.22
Gain (loss) on derivatives	(13.60)	(0.85)	(0.02)	0.00	(0.03)	0.00	0.21	0.02
Interest and dividend	84.36	5.28	64.75	5.81	29.23	9.18	47.32	4.71
Interest on margin loans	328.05	20.53	216.15	19.39	52.73	16.56	109.96	10.95
Other income	4.87	0.30	3.89	0.35	16.06	5.04	7.67	0.76
Total revenue	1,598.18	100.00	1,114.83	100.00	318.39	100.00	1,004.18	100.00

Policies and significant marketing strategies

CNS aims to be one of the country's leading securities firms providing quality, fully-integrated and state-of-the-art services to CNS's existing and potential clients. CNS plans to develop the quality of its financial advisors to be ready for new innovation of financial instruments, for example, debts and derivatives. Moreover, CNS has continuously developed the quality of its research papers and Information Technology (IT) system up to higher standard, serving as one of the competitive tools for tapping higher market share on the continuing basis.

Industry condition

Securities trading on the SET for the fiscal year 2013 sharply increased from the fiscal year 2012, evidenced by the increase in Average Daily Turnover (both SET and MAI) from Baht 32.30 billion in the fiscal year 2012 to Baht 50.33 billion in the fiscal year 2013 or 56% increase.

SET index approximately decreased by 7% from 1,392.93 points (as of December 31, 2012) to 1,298.71 points (as of December 31, 2013). During the fiscal year 2013, it reached the highest point at 1,641.43 points or approximately 18% increase from the closing index as of December 31, 2012, leading to upside Average Daily Turnover. Influential factors of the investment in Year 2014 were as follows;

(1) Thailand's economy of Year 2013 and economic outlook of Year 2014

Thailand's economy of Year 2013 grew by 2.9%, much lower than Year 2012 which grew by 6.5%. The slow growth was due to both internal and external factors. The internal factors were the ends of economic stimulus projects in 2012 such as the first car buyer scheme and the consumption for post flood repair and replacement. The external factors were the decline in exports due to the world economy's slow growth at 2.9% of Year 2013 comparing to 3.2% of Year 2012. Also, Thailand's major exports faced supply shortages such as a drop in shrimp exports from shrimp diseases. However, the economic stability was not the concern since the inflation rate of Year 2013 at 2.2% was lower than the rate of Year 2012 at 3.0%. Also, the deficit in current account of Year 2013 at 0.7% of Gross Domestic Product: GDP slowly grew from Year 2012 at 0.4%.

Regarding to an outlook of Year 2014, Thailand's economy would grow only at 2.4% from the slow investment. The political instability would also affect the decline in the overall investment of Year 2014 by 1.6%, comparing to the decline of Year 2013 by 1.9%. However, exports would be recovered and drive the overall economy with forecasted growth by 1.1%, better than the decline of Year 2013 by 0.2%. The exports were forecasted to grow by 1.1% comparing to the minus 0.2% in Year 2013 due to the world economy's growth which was anticipated to grow by 3.4% in Year 2014, from 2.9% for Year 2013. The private consumption was forecasted to grow only by 1.6% which was much lower than the average of 3.0% during Year 2004-2013 due to household's high-debts and cautious spending. Nevertheless, the economic stability was forecasted to be normal from the slightly increase in inflation rate by 2.3% and the stable deficit in current accounts at 1.1% of GDP.

(2) Earnings of listed companies in Year 2014

Regarding to an outlook of Year 2014, earnings of listed companies would continuously grow due to the world economic recovery which would support the international trade. The recovery of commodity demand will also drive the export and commodity sector. Also, the domestic consumption declined since Year 2013 from a political turmoil would continuously impact the economy during the first half of Year 2014. These factors would lead Monetary Policy Committee to consider the relaxed monetary policy to stimulate Thailand's economy, by reducing the policy interest rate to 1.75% (forecasted to reduce twice totaling 0.5% in Year 2014) and can consequently encourage the rapid recovery of the domestic consumption and investment especially in the second half of Year 2014 and then drive the earning per share (EPS) of listed companies for Year 2014 to 110 Baht per share or 15% growth, comparing to the slow growth at only 5% in Year 2013.

Nevertheless, Thailand's macroeconomics was forecasted to grow, despite some fragility caused from both internal and external factors, due to the strong growth of financial position of listed companies. Meanwhile, the dividend yield would be higher than 3.0% which would encourage the investment in the SET, whereas, the increasingly severe political instability might be the significant risk factor that causes the decline in the SET's turnover of Year 2014.

(3) Competition of securities brokerage business

For the fiscal year 2013, securities brokerage business encountered an intense competition especially those brokerages whose focus is geared towards individual retail clients. Their key strategy to compete their competitors was enhancing the quality of Information Technology (IT) services, research papers as well as online trading system. However, some securities firms still used the human resource strategy by recruiting high volume financial advisors from other firms. For foreign clients, securities firms attempted to boost turnover from the Exclusive Partner agreement. All of the aforementioned business strategies or policies were an adaptation from the brokerage fee liberalization effective since the beginning of Year 2012.

NOMURA

SET Data

	Fiscal Year 2013	Fiscal Year 2012	Change	
			Amount	%
SET Information				
Total Turnover				
Value (Baht of Billion)	11,777.21	7,615.64	4,161.57	54.65
Average Daily Turnover (Baht of Billion)	48.07	31.08	16.99	54.65
SET Index (Point)				
High (Close)	1,643.43	1,397.19	246.24	17.62
Low (Close)	1,275.76	1,036.21	239.55	23.12
Close at the end of the year	1,298.71	1,391.93	(93.22)	(6.70)
Average Dividend Yield *	3.24	2.98	0.26	8.72
P/E Ratio (Time)*	14.60	18.25	(3.65)	(20.00)
Market Capitalization (Baht of Billion)*	11,496.77	11,831.45	(334.68)	(2.83)
Listed Securities				
No. of listed securities*	1,099	948	151	15.93
No. of listed companies*	489	477	12	2.52
No. of newly listed companies	13	8	5	62.50
MAI Information				
Total Turnover				
Value (Baht of Billion)	553.46	298.93	254.53	85.15
Average Daily Turnover (Baht of Billion)	2.26	1.22	1.04	85.15
MAI Index (Point)				
High (Close)	510.44	415.89	94.55	22.73
Low (Close)	323.36	266.91	56.45	21.15
Close at the end of the year	356.80	415.68	(58.88)	(14.16)
Average Dividend Yield *	1.46	1.58	(0.12)	(7.59)
P/E Ratio (Time)*	28.32	22.80	5.52	24.21
Market Capitalization (Baht of Billion)*	177.36	133.02	44.35	33.34
Listed Securities				
No. of listed securities*	127	100	27	27.00
No. of listed companies*	95	81	14	17.28
No. of newly listed companies	15	10	5	50.00

Source: the SET

* Figure as of January 31, 2014

(4) Top five securities firms in terms of market share

Regarding the market share of securities brokerage business, the top five securities firms' market share, ranked by the top five's turnover, for the fiscal year 2013 accounted for 33.58% of total turnover, decreasing from 34.92% in the fiscal year 2012. This reflected the turnover distributions among the members of securities firms.

(5) CNS's market share and types of clients**Market share of securities brokerage business**

For the fiscal year 2013, CNS's market share of securities brokerage business was at 2.69% and ranked 19th out of total 33 securities firms, slightly decreasing from 2.73% in the fiscal year 2012 as follows;

Unit: Million Baht

Turnover*	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	Fiscal Year 2012 (Jan 1, 2012- Dec 31, 2012)	Sep 1, 2011 - Dec 31, 2011	Fiscal Year 2011 (Sep 1, 2010- Aug 31, 2011)
- SET**	10,775,616	6,886,046	1,697,899	7,340,386
- CNS	580,094	375,994	95,854	359,730
CNS' s market share**	2.69%	2.73%	2.82%	2.45%

Source: the SET

* inclusive of SET and MAI

** exclusive of Proprietary Trading

Classified by types of clients based on turnover of the fiscal year 2013, CNS's main client group remained at individual retail clients with the proportion of 77.04%, followed by domestic institutional clients at 11.55% (Mutual Funds, Private Wealth, Insurance Companies and Provident Funds) and foreign institutional clients at 11.28%, respectively. The proportion in individual retail and domestic institutional clients decreased from the fiscal year 2012 whereas the proportion in foreign institutional clients increased.

NOMURA

Turnover classified by types of clients*	Fiscal Year 2013 (Jan 1, 2013 - Dec 31, 2013)		Fiscal Year 2012 (Jan 1, 2012 - Dec 31, 2012)		Sep 1, 2011 - Dec 31, 2011		Fiscal Year 2011 (Sep 1, 2010 - Aug 31, 2011)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
- Proprietary Trading	734	0.13	545	0.15	96	0.10	567	0.16
- Mutual Funds	41,468	7.15	28,628	7.61	6,224	6.49	22,354	6.21
- Individual Retail	446,924	77.04	296,456	78.85	73,081	76.24	285,321	79.32
- Private Wealth	8,023	1.38	6,783	1.80	1,126	1.18	3,773	1.05
- Insurance Companies	5,764	0.99	3,722	0.99	926	0.97	5,299	1.47
- Provident Funds	11,768	2.03	9,561	2.54	1,726	1.80	7,358	2.04
- Foreign Institutional	65,413	11.28	30,299	8.06	12,675	13.22	35,058	9.75
Total	580,094	100.00	375,994	100.00	95,854	100.00	359,730	100.00

* inclusive of SET and MAI

Classified by categories based on turnover of the fiscal year 2013, the proportion of internet trading clients was at 46.46%, nearly to the prior year. The remainder was normal clients (through financial advisors). For the fiscal year 2013, the cash account clients was at 81.0%. The remainder of 19% was from the margin account clients which decreased from the fiscal year 2012.

Turnover classified by types of clients*	Fiscal Year 2013 (Jan 1, 2013 - Dec 31, 2013)		Fiscal Year 2012 (Jan 1, 2012 - Dec 31, 2012)		Sep 1, 2011 - Dec 31, 2011		Fiscal Year 2011 (Sep 1, 2010 - Aug 31, 2011)	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Normal - through Financial Advisor								
- Cash Account	276,161	47.61	171,547	45.62	46,975	49.01	182,971	50.87
- Margin Loan Account	34,406	5.93	30,416	8.09	8,402	8.76	38,862	10.80
Internet Trading								
- Cash Account	193,710	33.39	87,224	23.20	21,181	22.10	81,671	22.70
- Margin Loan Account	75,817	13.07	86,807	23.09	19,296	20.13	56,226	15.63
Total	580,094	100.00	375,994	100.00	95,854	100.00	359,730	100.00

* inclusive of SET and MAI

Market share of Fixed Income Trading Business

In the fiscal year 2013, CNS started over the counter (OTC) Fixed Income Trading. Its market share in corporate debenture trading among securities firms was 5.11% with trading volume of Baht 6,610 million. Its market share in commercial paper trading was 15.66% with the trading volume of Baht 25,800 million. CNS's market shares of both types of trading ranked 4th among securities firms.

Market share of Derivatives Brokerage Business

For the fiscal year 2013, CNS's market share of derivatives brokerage business was at 1.35%, slightly decreasing from 1.50% in the fiscal year 2012 as follows.

Unit: Contracts

Total volume of derivatives	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	Fiscal Year 2012 (Jan 1, 2012- Dec 31, 2012)	Sep 1, 2011 - Dec 31, 2011	Fiscal Year 2011 (Sep 1, 2010- Aug 31, 2011)
- TFEX	16,664,126	10,457,928	3,859,999	8,167,938
- CNS	448,695	312,883	120,186	216,418
CNS's market share	1.35%	1.50%	1.56%	1.32%

Source: TFEX

Sources of Fund and Net Capital Ratio

CNS has a funding policy determining on the risk from interest rate, foreign currency, repayment period, trading relationship as well as needs of funds and financial conditions. CNS appropriately funds from both short-term and long-term sources to align with financial conditions, liquidity and financial costs. In case that CNS has borrowings in foreign currencies, CNS has a risk management policy to hedge risks from foreign currency. CNS also has a policy to maintain Net Capital Ratio in accordance with the requirement by the SEC at the higher of Baht 25 million or 7% of total general debt and collateral asset.

On 24 June 2013, CNS increased its registered capital amounting Baht 1,433.65 million, leading to newly registered capital totaling Baht 2,150.47 million.

As at 31 December 2013, CNS had shareholders' equity of Baht 5,383.39 million and borrowings from financial institutions of Baht 900 million with available short-term credit line and overdraft limit. CNS also had a borrowing from a related party of Baht 1,647.47 million for working capital and liquidity. Such borrowing was fully hedged for the risk from foreign currency.

As at December 31, 2013, CNS's Net Capital Ratio was Baht 4,628.31 million or 125.72% of total general debt and collateral asset which was higher than the minimum ratio required by the SEC.

Risk from the SET's volatility

CNS's core revenue is dependent on the condition of the equity market and investors' overall confidence in the SET. When the SET becomes highly volatile, giving rise to a decline in average trading volume, CNS's revenue (e.g. brokerage fees and investment banking fees including investment advisory fees and fees on warranties of securities sales) will be affected and so will the revenue for the entire securities industry. Nonetheless, CNS has a policy to restructure its business and service revenue by not depending heavily on any particular line of business. In addition, CNS has improved its approach to providing services suitable to various market circumstances (e.g. advisory services for debt restructuring and mergers) to offset the shortfall in securities brokerage revenue that is highly sensitive to the SET's volatility.

Risk from dependency on a few high volume-trade accounts

One of the major risks involved in the securities trading business includes a heavy reliance on high-volume trade accounts. In addressing this issue, over the past years CNS has implemented measures to minimize such risk in response to changes in the investment atmosphere and clients base. CNS has expanded its client base by raising the portion of local and foreign institutional clients, while maintaining its retail client base which is the main target group. This is supported by a series of investment seminars and road-show to convey information to the clients.

Personnel Risk

Securities brokerage business is highly vulnerable of staff turnover, especially financial advisors. CNS sets up a policy on the appropriate compensation and remuneration in accordance with the SET's requirements and has a policy to continually educate its financial advisors on investment knowledge and services.

Risk from doubtful debt and bad debt

CNS minimizes this risk by directing its financial advisors to assess clients' financial status prior to opening accounts, as well as by prohibiting clients from borrowing funds to purchase high-risk securities. CNS provides margin loans only for purchases of securities that appear on the 'Marginable Securities List'. CNS cautiously screens clients by providing suitable credit lines that correspond to their financial status to avoid bad debt problems. CNS also recognizes the importance of debt collection by reviewing clients' financial status and controlling their credit lines closely. Simultaneously, all members of financial advisors are instructed to follow the rules and regulations set forth by CNS.

Risks from underwriting and financial advisory business**(1) Risk from underwriting business**

CNS may suffer losses from the remaining under-subscribed securities being transferred to CNS's investment portfolio. Such losses might arise as a result of an inappropriate guarantee with regard to quantity and share price caused from the SET's volatility, as well as fluctuations in interest rates and foreign exchange rates; all of which could possibly undermine investors' interest in the newly listed companies. In an attempt to minimize such risk, CNS conducts preliminary studies in order to obtain information on securities issuers, as well as analyzing and investigating different categories of businesses and industry trends that include a detailed examination of operating results and future prospects. CNS also evaluates the interests of clients or investors in the quantity of offered securities. This information will then be used as one of the criteria for deciding whether to underwrite such securities.

(2) Risk from financial advisory business

In providing this kind of service, CNS and its clients must be mutually responsible for disclosing accurate, sufficient and detailed information to the public. This responsibility applies to the issuance of securities and sales offerings, the filing of listing applications, the acquisition of securities for business takeovers, as well as the full disclosure of information to shareholders of listed companies in any transaction that is governed by the SEC and the SET (including related transactions, the acquisition or sale of securities, tender offers and merger an acquisition, etc.). Thus, CNS is very selective with respect to its clients and studies clients' preliminary information before accepting the job. In addition, CNS prudently determines the appropriate steps with respect to the due diligence process and keeps its staff fully informed on regulations issued by the SEC and the SET, as well as rules and regulations with regard to financial advisory services. In this way, each operational process is taken care of to ensure that the services provided by CNS to its clients are in their best interests.

Risk from brokerage fee liberalization

From the announcement of the SET and the SEC on brokerage fee liberalization from January 1, 2012 onwards, the new rates of minimum fees and trading fee liberalization has directly impacted CNS's profitability. CNS is well aware of this risk and has prepared to enhance its competitive advantage after the brokerage fee liberalization came into effect both in term of financial status and business strategies. For example CNS has diversified its source of income to other businesses, apart from the brokerage business as well as improving of quality of research reports and financial advisors' services and knowledge.

Risk from source of fund

CNS provides margin loan, which is the short-term loan, to provide clients liquidity of buying/selling securities. Short-term working capital becomes essential and the needs of funds depend on market turnover. CNS is aware of the risk and shall consider ways of fund raising and considers several sources of funds for enough working capital for doing business at reasonable cost and acceptable risk as CNS regularly takes majority of the loans from local financial institutions. For the fiscal year 2013, CNS had a short-term borrowing from a foreign related party. Such borrowing was fully repaid in January 2014.

Risk from interest rate

CNS sets up a low interest rate on margin loan, which is the short-term loan, to be competitive whereas CNS funds both in short-term and long-term. CNS recognizes this risk and considers appropriate proportions of the fund for the business operation.

Risk from legal issues

In engaging in the securities business, CNS is regulated by the SEC and the SET. Accordingly, CNS has to comply with applicable laws, rules and regulations in relation to securities business (e.g. The Securities and Exchange Act B.E. 2535 and the Derivative Act B.E. 2546). Furthermore, CNS has to comply with other relevant laws, such as the Anti-Money of Laundering Act B.E. 2542 and other relevant rules and regulations.

Complying with the aforementioned laws, rules and regulations, particularly the amendments or additions thereof, may affect CNS's performance. In many cases, the cost of compliance may significantly increase. In some cases changes to the laws and regulations leads to intensified competition in the securities businesses. For example, the liberalization of the existing securities business licensing system which results in an unlimited number of licenses and the brokerage fee liberalization effective since the beginning of Year 2012 onwards.

Legal Disputes

NOMURA

As of December 31, 2013, CNS had no legal dispute cases which was higher than 5% of its shareholders' equity or significantly impacted the business operation.

The Company name

Capital Nomura Securities Public Company Limited

Type of Business

CNS engages in securities business, chiefly securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, securities borrowing and lending business, selling agent business and fixed income trading business.

CNS Internet Homepage:	http://www.cns.co.th and http://www.nomuradirect.com	
Telephone:	+66(0) 2638 5500	+66(0) 2287 6000
Facsimile:	+66(0) 2287 6001	
Type of Securities:	Ordinary shares	
Total Number of Shares:	2,150,469,000 shares	
Registered Capital:	2,150,469,000 Baht	
Paid-up Capital:	2,150,469,000 Baht	
Treasury Stock:	As of December 31, 2013, CNS has no outstanding treasury stock. (Dec 31, 2012: -None-)	

Office Location**1) Head Office:**

25 Bangkok Insurance Building, 15th-17th Floor, South Sathorn Road, Sathorn, Bangkok 10120

Telephone: +66(0) 2638 5000 +66(0) 2287 6000

Facsimile: +66(0) 2287 6001

2) Bangna Branch:

589/111 Central City Tower 1 Office, 19th Floor, Bangna-Trad Road, Bangna, Bangkok 10260

Telephone: +66(0) 2725 8600

Facsimile: +66(0) 2745 6220 +66(0) 2745 6221

3) Phra-Pinklao Branch:

7/129 Central Plaza Pinklao Office Building, 9th Floor, Room 902, Baromrajchonnee Road, Arun-Amarin, Bangkok Noi, Bangkok 10700

Telephone: +66(0) 2638 5950 +66(0) 2287 6950

Facsimile: +66(0) 2884 9064 +66(0) 2884 9067

4) Vibhavadi-Rangsit Branch:

123 Sun Towers Building B, 23rd Floor, Unit B-2304, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900

Telephone: +66(0) 2638 5920 +66(0) 2287 6920

Facsimile: +66(0) 2617 7800

NOMURA

Investor Services Network

1) Esplanade Branch:

99 Esplanade Building, 2nd Floor, Room 202-1, Ratchadaphisek Road, Din Daeng, Bangkok 10400

Telephone: +66(0) 2354 0760 +66(0) 2641 3250

Facsimile: +66(0) 2641 3249

2) Phaholyothin Branch

310 SME Bank Tower, 1st Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400

Telephone: +66(0) 2638 5051 +66(0) 2287 6051

Facsimile: +66(0) 2357 1255

3) Nonthaburi Branch

5/74-75 Moo 5, Piboonsongkram Road, Suanyai, Muang, Nonthaburi 11000

Telephone: +66(0) 2525 3070 +66(0) 2525 3071

Facsimile: +66(0) 2525 3072

4) Nakornsawan Branch

919/28, 919/111 Moo 10, Phaholyothin Road, Nakornsawantok, Muang, Nakornsawan 60000

Telephone: +66(0) 5622 0094 +66(0) 5622 0095

Facsimile: +66(0) 5622 0096

5) Nakorn Ratchasima Branch

751/10-11, Mitrapab Road, Nai Muang, Muang, Nakorn Ratchasima 30000

Telephone: +66(0) 4435 3634 +66(0) 4435 3635

Facsimile: +66(0) 4435 3011

6) Khon Khaen Branch

497/1-3 Moo 2, Mitrapab Road, Sila, Muang, Khon Khaen 40000

Telephone: +66(0) 4346 5416 +66(0) 4346 5430

Facsimile: +66(0) 4346 5209

7) Rayong Branch

51/32 Moo 3, Sai 36 Road, Tubma, Muang, Rayong 21000

Telephone: +66(0) 3861 4283 +66(0) 3861 4284

Facsimile: +66(0) 3861 4285

8) Ayudhaya Branch

58/9-10 Moo 1, Rojana Road, Thanu, Uthai, Phranakorn Sri Ayudhaya 13000

Telephone: +66(0) 3533 5414 +66(0) 3533 5415

Facsimile: +66(0) 3533 5416

9) Phuket Branch

32/175-176 Poonpol Road, Talad Nua, Muang, Phuket 83000

Telephone: +66(0) 7621 4422 +66(0) 7621 4423

Facsimile: +66(0) 7621 4424

10) Chiangrai Branch

450/29-32 Moo 13, Phaholyothin Road, Rob Wiang, Muang, Chiangrai 57000

Telephone: +66(0) 5377 4823 +66(0) 5377 4873

Facsimile: +66(0) 5377 4821

11) Chiangmai Branch

7/1-4 Moo 2, Superhighway Chiangmai-Lampang Road, Changpuak, Muang, Chiangmai 50300

Telephone: +66(0) 5321 0834 +66(0) 5321 0835

Facsimile: +66(0) 5321 0841

12) Had Yai Branch

434 Supasarn Rangsan Road, Had Yai, Songkla 90110

Telephone: +66(0) 7422 1542 +66(0) 7422 1543

Facsimile: +66(0) 7422 1544

NOMURA

13) Singburi Branch

155/59-60 Moo 7, Nai Taen Road, Bangman, Muang, Singburi 16000

Telephone: +66(0) 3651 2996 +66(0) 3651 2997

Facsimile: +66(0) 3651 2986

14) Chonburi Branch

51/15-16 Moo 2, Sukhumvit Road, Samed, Muang, Chonburi 20000

Telephone: +66(0) 3814 4157 +66(0) 3814 4158

Facsimile: +66(0) 3814 4159

15) Ubon Ratchathani Branch

756/4 Chayangkul Road, Nai-Muang, Muang, Ubon Ratchathani 34000

Telephone: +66(0) 4531 5326 +66(0) 4531 5327

Facsimile: +66(0) 4531 5328

16) Udonthani Branch

499/3-5 Moo 7, Soi Ban Nonpiboon, Mak Khaeng, Muang, Udonthani 41000

Telephone: +66(0) 4221 2004 +66(0) 4221 2005

Facsimile: +66(0) 4221 2006

17) Lampang Branch

292-294 Highway Lampang-Ngaw Road, Phrabat, Muang, Lampang 52000

Telephone: +66(0) 5482 1977 +66(0) 5482 1978

Facsimile: +66(0) 5482 1979

18) Rangsit Branch

132/15-17 Moo 9, Lumlookka Road, Kookot, Lumlookka, Pathumthani 12130

Telephone: +66(0) 2287 6281 +66(0) 2638 5281

Facsimile: +66(0) 2531 2915

19) Ladkrabang Branch

497 Luang Phaeng Road, Tub Yao, Ladkrabang, Bangkok 10520

Telephone: +66(0) 2287 6282 +66(0) 2638 5282

Facsimile: +66(0) 2172 9959

20) Omnoi Branch

219/1277-78 Moo 12, Petchkasem Road, Omnoi, Krathumbaen, Samutsakorn 74130

Telephone: +66(0) 2287 6280 +66(0) 2638 5280

Facsimile: +66(0) 2420 1953

21) Saraburi Branch

88/24 Sudbuntad Road, Pak Priaw, Muang, Saraburi 18000

Telephone: +66(0) 3622 3448-9

Facsimile: +66(0) 3622 3450

22) Phetchburi Branch

45, 47 Shesraintr Road, Klong Krasaeng, Muang, Phetchburi 76000

Telephone: +66(0) 3240 0582-3

Facsimile: +66(0) 3240 0580

Representative Office at Lao PDR.

ANZ Building, Hatsady Village, Chanthabouly District, Vientiane Capital, Lao P.D.R.

Telephone: +66(0) 2638 5000 +66(0) 2287 6000

Facsimile: +66(0) 2287 6001

NOMURA

Other References

- **Share Registrar**

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Klong Toey, Bangkok 10110

Telephone: +66 (0) 2229 2800

Facsimile: +66 (0) 2654 5427

Call Center: +66 (0) 2229 2888

E-Mail: TSDCallCenter@set.or.th

Website: <http://www.tsd.co.th>

- **Auditors**

Ernst & Young Office Limited

33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Road, Klong Toey, Bangkok 10110

Telephone: +66 (0) 2264 0777 +66 (0) 2661 9190

Facsimile: +66 (0) 2264 0789 +66 (0) 2264 0790 +66(0) 2661 9192

E-Mail: ErnstYoung.Thailand@th.ey.com

Website: <http://www.ey.com>

By: Miss Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499

Shareholders Structure

NOMURA

Registered and Paid-up Capital

On May 10, 2013, CNS changed a par value of its shares from Baht 10 each to Baht 1 each, and increased its registered capital from Baht 716,823,000 to Baht 2,150,469,000 by issuing newly ordinary shares to its existing shareholders in proportion to their existing shareholding ratio at the rate of 1 existing ordinary share to 2 newly issued ordinary shares. The newly issued shares of 1,433,646,000 shares were traded on the SET on June 27, 2013. As a result, CNS's registered capital was Baht 2,150,469,000 and fully paid-up totaling Baht 2,150,469,000. Total capital was 2,150,469,000 ordinary shares at a par value of Baht 1.

As of December 27, 2013, the Thai NVDR Company Limited, which is a subsidiary wholly owned by the SET, issued Non-Voting Depository Right (NVDR) of CNS's shares totaling 167,356,630 units or 7.78% of CNS's registered capital, sharply increasing from the outstanding NVDR as at December 28, 2012 totaling 2,746,800 units or 3.83% of CNS's registered capital. The NVDR holders receive the same financial rights as investing in CNS's ordinary shares but cannot exercise the voting right in the shareholders' meeting, except the voting to delist CNS from the SET.

The amount of CNS's ordinary shares issued as NVDR may be changed and is not under the control of CNS. The investors can check the amount of NVDR in the SET's website: www.set.or.th/nvdr

- Amount, value, condition and characteristic of person holding preferred share
 - N/A -
- Capital structure of convertible securities and debt instruments
 - N/A -
- Major shareholder agreement affecting the securities issuance and offering for sale or CNS's management and significant issues affecting CNS's performance
 - N/A -
- Foreign shareholder restriction

Foreign shareholder can hold CNS's shares not exceeding 49% of the issued and fully paid-up capital. As of May 30, 2013, foreign shareholders held approximately 43.26% of fully paid-up capital.

NOMURA

Major Shareholders

Top Ten Shareholders

Top Ten Shareholders as of May 30, 2013 (latest book closing date)

Shareholders' name	Number of shares	%
1. Nomura Holdings, Inc.	180,000,000	25.11
2. Nomura Asia Holding N.V.	92,565,000	12.91
3. The Thai NVDR Co., Ltd.	55,510,100	7.74
4. Mr.Watshira Tayanaraporn	35,555,500	4.96
5. UOB KAY HIAN PRIVATE LIMITED	26,060,000	3.63
6. Aberdeen Small Cap Fund	24,562,000	3.42
7. Mrs.Kunthong Udommahuntisuk	11,000,000	1.53
8. Mr.Prasart Mahakijisiri	7,000,000	0.97
9. Mrs.Juntana Anakatham	6,770,000	0.94
10. Mr.Prasit Chonglerttrakul	5,675,000	0.79

Note: Investors can check latest top ten major shareholders from CNS's website prior to the annual general shareholders' meeting.

Influence of Major Shareholders over the Company's Management Policies

The first two major shareholders as of CNS's latest book closing on May 30, 2013 were Nomura Holdings, Inc. and Nomura Asia Holding N.V., holding CNS's shares totaling 272,565,000 shares or approximately 38.02 % of CNS's registered capital. Two representatives acted as CNS's Executive Directors and one representative acted as a Non-Executive Director.

Details of Nomura Holdings, Inc.:

(As of September 30, 2013)

Common Stock Issued : 3,822,562,601 shares

Listings : The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Osaka, Nagoya and Singapore stock exchanges. The shares are also listed on the New York Stock Exchange in the form of American Depositary Shares (ADSs).

Number of shareholders : 483,664

Top Ten Major Shareholders of Nomura Holdings, Inc.

Shareholder's Name	Number of shares (Thousands)	%
1. Japan Trustee Services Bank, Ltd. (Trust Account)	163,086	4.26
2. The Master Trust Bank of Japan, Ltd. (Trust Account)	144,378	3.77
3. Caceis Bank France, Ordinary Account	69,821	1.82
4. The Bank of New York Treaty JASDEC Account	64,721	1.69
5. The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	52,065	1.36
6. Japan Trustee Services Bank, Ltd. (Trust Account 9)	44,004	1.15
7. The Bank of New York Mellon as Depository Bank for Depository Receipt Holders	43,617	1.14
8. State Street Bank West Client-Treaty	38,245	1.00
9. Citibank Hong Kong PBG Clients H.K.	37,332	0.97
10. State Street Bank and Trust Company 505225	36,683	0.95

Note: Nomura Holdings, Inc. had 114,834 thousand shares of treasury stock (not included in the above top ten major shareholders).

Shareholder of Nomura Asia Holding N.V.

Shareholders' name	Number of shares	%
Nomura Holdings, Inc.	1,400,000	100.00
Total	1,400,000	100.00

Investment in other Company

- No -

Dividend Policy

CNS has a policy to propose dividend payment to its shareholders at least 60% of its net profit on an annual basis, except for cases when CNS needs to set aside a larger budget for business expansion or other significant activities. However, CNS's dividend payment is subject to the resolution of the shareholders' meeting.

Historical data of dividend payments over the past 5 years

Dividend payment for the performance of fiscal year (Sep-Aug for 2008-2011 and Jan-Dec for 2012)	2008	2009	2010	2011	Sep 11 - Dec 11	2012
Dividend payment per share (Baht) *	1.50	0.95	1.70	3.10	0.50	1.60
Net income (Million Baht)	123.13	68.61	117.10	217.26	37.44	187.99
Dividend payout ratio	87.33	99.25	99.29	97.59	91.34	61.01

* Dividend payment per share paid in 2008 — 2012 was based on an ordinary share at a par value of Baht 10.

Management Structure

NOMURA

Board of Directors

As of 31, 2013, CNS's Board of Directors had ten members which consisted of independent directors, directors who represented the major shareholders, directors who were Executives and Non-Executive Director so that they could perform effectively as follows:

- | | | |
|-----|-------------------------------|---|
| 1. | Mr.Suthep Peetakanont | Chairman of the Board of Director and
Chairman of the Board of Executive Directors |
| 2. | Mr.Shinichi Mizuno | President |
| 3. | Mr.Nimit Wongjariyakul | Executive Director |
| 4. | Mr.Naoki Sugaya | Executive Director |
| 5. | Mrs.Chrisana Sae-Leiw | Executive Director |
| 6. | Mr.Motoyuki Komabayashi | Director |
| 7. | Mrs.Wattanee Phanachet | Independent Director |
| 8. | Col.Ruangsub Kovindha | Independent Director |
| 9. | Mr.Prasert Virasathienpornkul | Independent Director |
| 10. | Mr.Prasit Kanchanasakdichai | Independent Director |

Miss Kridsana Kulpanyalert is the secretary of the Board of Directors.

The Company's Authorized Directors

Directors authorized to sign and bind CNS were any two of Mr.Suthep Peetakanont, Mr.Shinichi Mizuno, Mr.Nimit Wongjariyakul, Mr.Naoki Sugaya and Mrs.Chrisana Sae-Leiw with CNS's seal.

NOMURA

The Number of Board of Directors' Meetings and the Attendance by Individual Members for the fiscal year 2013 was as follows:

Meeting No. / Year Name / Date	1/56	2/56	3/56	4/56	5/56	6/56	7/56	8/56	9/56	10/56	11/56	Total
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Times
Mr.Suthep Peetakanont	a	a	a	a	a	a	a	a	a	a	a	11
Mr.Shinichi Mizuno	a	a	a	a	a	a	a	a	a	a	a	11
Mr.Nimit Wongjariyakul	a	a	a	a	a	a	a	a	a	a	a	11
Mr.Naoki Sugaya	a	a	a	a	a	a	a	a	a	a	a	11
Mrs.Chrisana Sae-Leiw ⁽¹⁾	a	a	a	a	a	a	-	a	a	a	a	10
Mr.Koki Miura ⁽²⁾	a	-	a	-	-	-	-	-	-	-	-	2
Mr.Motoyuki Komabayashi ⁽³⁾⁽⁴⁾	-	-	-	-	a	a	a	a	a	-	a	6
Mrs.Wattanee Phanachet	a	a	a	a	a	a	a	a	a	a	a	11
Mr.Prasert Virasathienpornkul	a	a	a	a	a	a	a	a	a	a	a	11
Col. Ruangsub Kovindha	a	a	a	a	a	a	a	a	a	a	a	11
Mr.Prasit Kachanasakdichai	a	a	a	a	a	a	a	a	a	-	a	10
Total Attendants	10	10	10	9	10	10	9	10	10	8	10	-

Note:

(1) Mrs.Chrisana Sae Leiw had business trip and could not attend the Meeting No. 7/2556

(2) Mr.Koki Miura could not attend the Meeting No.2/2556 because of the business reason, and then resigned from the Director effective from April 29, 2013.

(3) Mr.Motoyuki Komabayashi was appointed, by the Board of Director Meeting no 4/2556 held on May 10, 2013, to be CNS's Director to replace the resigned director, effective from May 13, 2013. CNS received approval from the SEC on May 27, 2013 and registered the change in director with the Ministry of Commerce on May 29, 2013.

(4) Mr.Motoyuki Komabayashi and Mr.Prasit Kachanasakdichai had another engagement so they could not attend the Meeting No.10/2556.

Management Staff

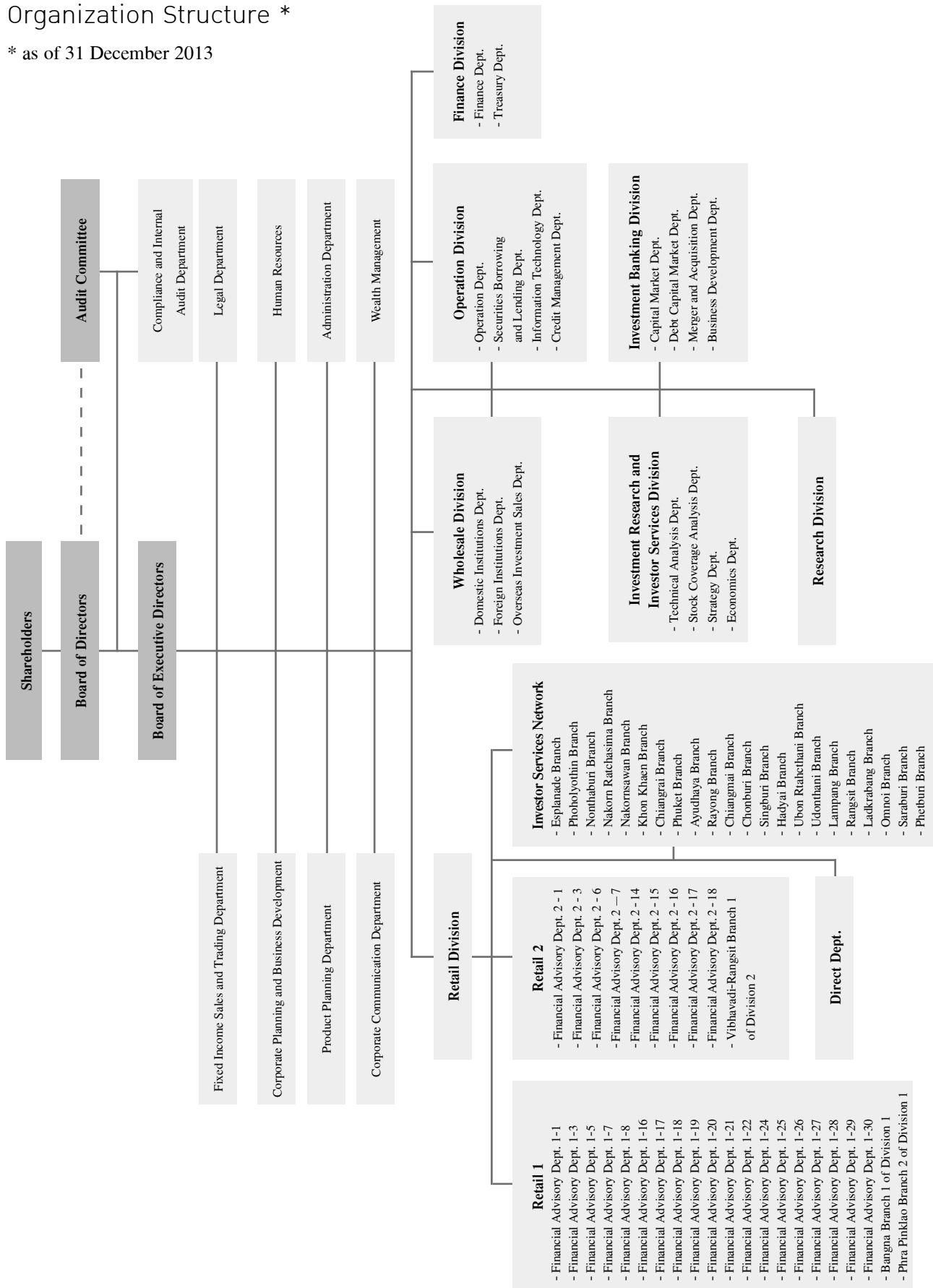
As of December 31, 2013, CNS had fourteen Management staff as follows:

- | | | |
|-----|-------------------------------|---|
| 1. | Mr.Suthep Peetakanont | Chairman of the Board of Director and
Chairman of the Board of Executive Directors |
| 2. | Mr.Shinichi Mizuno | President |
| 3. | Mr.Nimit Wongjariyakul | Executive Director |
| 4. | Mr.Naoki Sugaya | Executive Director |
| 5. | Mrs.Chrisana Sae-Leiw | Executive Director |
| 6. | Mr.Motoyuki Komabayashi | Director |
| 7. | Mrs.Wattanee Phanachet | Independent Director |
| 8. | Col.Ruangsub Kovindha | Independent Director |
| 9. | Mr.Prasert Virasathienpornkul | Independent Director |
| 10. | Mr.Prasit Kanchanasakdichai | Independent Director |
| 11. | Mrs.Krittika Tharamart | Director of Retail Sales Division 2 |
| 12. | Mr.Nithi Wanikpun | Head of Research Division |
| 13. | Miss.Kridsana Kulpanyalert | Head of Finance Division |
| 14. | Mr.Yoshikazu Yonenaga | Division Head of Investment Banking Division |

The above Management staff was under the SET's notification.

Organization Structure *

* as of 31 December 2013



Company Secretary

The Board of Directors resolved to appoint Miss. Kridsana Kulpanyalert, Head of Finance Division, as Company Secretary since March 22, 2013.

Directors' and Management staff remuneration

Monetary remuneration

Directors' remuneration

The remuneration paid to the Board of Directors and Audit committee for the fiscal year 2013 was as follows:

Unit: Baht

No.	Name	One-time remuneration	Audit Committee	Meeting Allowance	Total
1	Mr.Suthep Peetakanont	250,000	-	-	250,000
2	Mr.Shinichi Mizuno	220,000	-	-	220,000
3	Mr.Nimit Wongjariyakul	220,000	-	-	220,000
4	Mr.Naoki Sugaya	220,000	-	-	220,000
5	Mrs.Chrisana Sae-Leiw	220,000	-	-	220,000
6	Mr.Koki Miura ⁽¹⁾	220,000	-	30,000	250,000
7	Mr.Motoyuki Komabayashi ⁽²⁾	-	-	90,000	90,000
8	Mrs.Wattanee Phanachet	220,000	286,000	165,000	671,000
9	Mr.Prasert Virasathienpornkul	220,000	220,000	165,000	605,000
10	Col.Ruangsub Kovindha	220,000	220,000	165,000	605,000
11	Dr.Prasit Kanchanasakdichai	220,000	-	150,000	370,000
	Total	2,230,000	726,000	765,000	3,721,000

Note:

(1) Mr.Koki Miura resigned from the Director effective from April 29, 2013.

(2) Mr.Motoyuki Komabayashi was appointed, by the Board of Director Meeting No. 4/2556 held on May 10, 2013, to be CNS's Director to replace the resigned director, effective from May 13, 2013. CNS received approval from the SEC on May 27, 2013 and registered the change in director with the Ministry of Commerce on May 29, 2013.

NOMURA

Executive Directors' and Management staff remuneration

Directors' remuneration, excluding salary, bonus and other remunerations of the Executive Directors were paid referring to the resolution of the shareholders' meeting.

Salary, bonus and other remunerations of the Executive Directors and Management staff were paid, in comparison with peer groups, based on their duties and responsibilities as well as CNS's performance and their performances during the past year.

Management staff remuneration	Fiscal Year 2013	
	No.of person	Remuneration (Baht)
Salary and Bonus	11	90,398,508
Social security fund contributions, provident fund contributions and other benefits	11	18,746,767
Total	11	109,145,275

Note: The above remuneration was paid to five Executive Directors and six Management staff, included two Management staff resigned and one Management staff appointed during the year.

Other remuneration

Provident fund

CNS and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E 2530. The Fund is contributed to by both the employees and CNS at the rate of 5 - 10 percent of the employee's salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon their termination in accordance with the rules of the Fund. Executive Directors can voluntarily join the program. Foreign Executive Directors are prohibited to join the program.

Employee Joint Investment Program

CNS established the Employee Joint Investment Program ("the EJIP"), one of the employee welfare benefits. This program supports the employees who voluntarily apply to be the EJIP members to build their wealth by possessing CNS shares. The EJIP members must contribute a certain amount or a certain portion, but not less than Baht 500 and not greater than 10 percent of their salary and average incentive, on a monthly basis. CNS then contributes to the EJIP members at 10 percent of their contributions. Executive Directors are prohibited to join the program.

Personnel

As of December 31, 2013, CNS had 518 employees.

Labor dispute for the past 3 year

CNS had no significant labor dispute during the past 3 years.

Executive Directors', Management staff and staff remuneration

For fiscal year 2013, salary, bonus, provident fund contributions and other remunerations of Executive Directors', Management staff and staff were as follows:

Executive Directors', Management staff and staff remuneration	Fiscal Year 2013
	Remuneration (Baht)
Salary and Bonus	454,092,295
Social security fund contributions, provident fund contributions and other benefits	160,339,218
Total	614,431,513

Human resources development plan

Human resources development cost for the past 3 years was as follows;

Unit: Baht

	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	Fiscal Year 2012 (Jan 1, 2012- Dec 31, 2012)	Sep 1, 2011 - Dec 31, 2011	Fiscal Year 2011 (Sep 1, 2010- Aug 31, 2011)
Training and seminar cost	755,115	749,965	112,411	271,324

CNS has a policy and a budget allocation of continual developments in Human Resources both in professional and general knowledge. CNS emphasizes to develop personnel of all business lines to be more competent and expert under their areas. CNS also provides overseas training and also invites experts from overseas to share their views on the economic outlook and their investment knowledge in order to enhance personnel's competency and competitiveness in the long run and also serve the future changeable economy.

Profile of Directors, Management, Controllers and Company Secretary

Profile of Directors, Management, Controllers and Company Secretary as of December 31, 2013

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) *	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Suthep Peetakanont Chairman of the Board of Director Chairman of the Board of Executive Directors	51	Master of Business Administration, University of Missouri, Kansas City, U.S.A	-	-	Sep 2011-Present	■ Chairman of the Board of Director and Chairman of the Board of Executive Directors	■ Capital Nomura Securities Plc	<ul style="list-style-type: none"> ■ Director Certification Program (DCP), 2000 / Thai Institute of Directors Association (IOD) ■ Chairman 2000, 2002 / Thai Institute of Directors Association (IOD)
					Jun 2010-Aug 2011	■ Chairman of the Board of Director and Acting Chairman of the Board of Executive Directors	■ Capital Nomura Securities Plc	
					Dec 2009-May 2010	■ Chairman of the Board of Executive Directors	■ Capital Nomura Securities Plc	
					Jun - Dec 2009	■ Chairman of the Board of Director and Executive Director	■ Capital Nomura Securities Plc	
					1996 - May 2009	<ul style="list-style-type: none"> ■ Honorary Chairman ■ Chairman of the Board of Director and Chairman of the Board of Executive Directors 	■ Capital Nomura Securities Plc	
Mr. Shinichi Mizuno President	45	Bachelor of Commerce, Kansai University, Japan	-	-	Jun 2010 - Present	■ President	■ Capital Nomura Securities Plc	-
					Apr - May 2010	■ Managing Director, Head of Global Business Department	■ Nomura Securities Co., Ltd.	
					Dec 2009 - Mar 2010	■ Managing Director, Head of Asia Retail Business Department	■ Nomura Securities Co., Ltd.	
					Dec 2007 - Nov 2009	■ Managing Director, Branch Manager, Denchofu Branch Office	■ Nomura Securities Co., Ltd.	
					Apr 2006 - Nov 2007	■ Executive Director, Product Development & Planning Department	■ Nomura Securities Co., Ltd.	
					Apr 2003 - Mar 2006	■ Executive Director, Retail Strategy Department	■ Nomura Securities Co., Ltd.	
Mr. Nimit Wongjariyakul Executive Director	49	Master of Engineering, Pennsylvania State University, U.S.A.	-	-	Dec 2007 - Present	■ Executive Director	■ Capital Nomura Securities Plc	<ul style="list-style-type: none"> ■ Leader Program 16, 2013, Capital Market Academy ■ DCP Refresher Course, 2009, Thai Institute of Directors Association (IOD)
					1998 - Dec 2007	■ Head of Investment Banking Division	■ Capital Nomura Securities Plc	

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) *	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Naoki Sugaya Executive Director	48	Bachelor of Agriculture, Meiji University, Japan	-	-	2009 - Present 2003 - 2009 2001 - 2003	■ Executive Director ■ Business Manager of Fixed Income Division - Asia Pacific ■ Head of Administration	■ Capital Nomura Securities Plc ■ Nomura International (Hong Kong) Limited ■ Nomura Italia SIM P.A., Milano, Italia	-
Mrs. Chrisana Sae-Leiw Executive Director	53	Bachelor of Science, Southern Adventist University, U.S.A.	-	-	2009 - Present 1996 - 2008	■ Executive Director ■ Director	■ Capital Nomura Securities Plc ■ Capital Nomura Securities Plc	■ Efficient Human Resource Operation by the HR Scorecard, 2011, The Thai Chamber of Commerce ■ Sale creation and development (Sale management), 2011, The Thai Chamber of Commerce ■ Negotiation skills and debt collection, 2011, The Thai Institute of Banking and Finance Association
Mr. Motoyuki Komabayashi Director	53	Bachelor of Laws, Keio University, Japan	-	-	May 2013 - Present Apr 2013 - Present Apr 2008 - Mar 2013 July 2005 - Mar 2008 July 2001 - Jun 2005 June 1999 - Jun 2001	■ Director ■ Managing Director ■ Managing Director ■ Executive Director ■ Deputy Head of Risk Management ■ Head of Asia Risk Management	■ Capital Nomura Securities Plc ■ Nomura Holdings, Inc. ■ Nomura Securities Co., Ltd. ■ Nomura Securities Co., Ltd. ■ Nomura International Plc., London ■ Nomura International Plc., Hong Kong	-
Mrs. Wattanee Phanachet Chairman of the Audit Committee and Independent Director	76	M.A.(Accounting), University of Alabama, U.S.A.	-	-	1998 - Present 2007 - Present 1999 - Present 2005 - Present 2006 - Apr 2009 1999 - 2006 2005 - 2008 2006 - 2007	■ Chairman of the Audit Committee and Independent Director ■ Audit Committee and Independent Director ■ Audit Committee and Independent Director ■ Specialist in the field of Finance and Accounting ■ Audit Committee and Independent Director ■ Audit Committee and Independent Director ■ Head, Sub-Committee on Certified Public Accountant's Qualification Committee on Curriculum Quality Guarantee	■ Capital Nomura Securities Plc ■ Esso (Thailand) Plc ■ Thai Poly Acrylic Plc ■ Civil Service Commission ■ Electricity Generating Plc ■ Delta Electronics (Thailand) Plc ■ Federation of Accounting Professions ■ Faculty of Commerce and Accountancy, Chulalongkorn University	■ DCP Refresher Course, 4/2007, Thai Institute of Directors Association (IOD) ■ Audit Committee Program (ACP), 16/2007, Thai Institute of Directors Association (IOD) ■ Board Performance Evaluation, 2004, Thai Institute of Directors Association (IOD) ■ Director Certification Program (DCP), 15/2002, Thai Institute of Directors Association (IOD)

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) *	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Mr. Prasert Virasathienpornkul Audit Committee Member and Independent Director	53	Master of Business Administration, University of Wisconsin Madison, U.S.A.	-	-	1999 - Present 1997 - Present Present	■ Audit Committee Member and Independent Director ■ Managing Director ■ Audit Committee and Independent Director	■ Capital Nomura Securities Plc ■ Concept Training & Consultant Co., Ltd. ■ Master Ad Public Company Limited	■ Director Certification Program (DCP), 2002, Thai Institute of Directors Association (IOD)
Col. Ruangsub Kovindha Audit Committee Member and Independent Director	61	Bachelor of Science in Engineering, University of Alabama, U.S.A.	-	-	2002 - Present 2000 - Present	■ Audit Committee Member and Independent Director ■ Managing Director	■ Capital Nomura Securities Plc ■ United Information Highway Co., Ltd.	■ Director Accreditation Program (DAP), 2007, Thai Institute of Directors Association (IOD) ■ Capital Market Academy Leader Program (CMA14)
Dr. Prasit Kanchanasakdichai Independent Director	49	DBA in Finance with highest score in the class as well as Beta, Gamma, Sigma Honor, Boston University, U.S.A.	-	-	Dec 2010 - Present Present Present Present 2004 - 2008 2004 - 2008 2004 - 2008	■ Independent Director ■ President ■ Managing Director ■ Managing Director ■ President ■ President ■ President	■ Capital Nomura Securities Plc ■ Thai Const & Building Manufacturing Public Company Limited ■ C.M. Manufacturing Company Limited ■ T.C.B. Home Center Company Limited ■ Hory Engineering Corporation (Japan) ■ MK Industry Co., Ltd (Korea) or Hory Engineering Korea ■ Peri-Hory Asia Formwork Pte. Ltd. (Singapore)	■ Director Certification Program (DCP), 2004, Thai Institute of Directors Association (IOD)
Mrs. Krittika Tharamart Director of Retail Sales Division 2	53	Bachelor of Education, Phranakthon Rajabhat University	1,523,201 shares **	-	May 2009 - Present 1986 - 2009	■ Director of Retail Sales Division 2 ■ Head of Retail Sales Division 2	■ Capital Nomura Securities Plc ■ Capital Nomura Securities Plc	-
Mr. Nithi Wanikpurn and Director of Research Division	46	Master of Business Administration, Suffolk University, U.S.A.	-	-	Jul 2012 - Present	■ Director of Research Division	■ Capital Nomura Securities Plc	-

Name / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%) *	Family Relationship among Executives	Work Experiences			Training Program
					Period	Position	Name of the company / unit	
Ms.Kridsana Kulpanyalert Division Head of Finance Division and Company Secretary ***	52	Master of Business Administration, Thammasat University	337,200 shares **	-	2013 - Present 2012 2000 - 2011	<ul style="list-style-type: none"> ■ Division Head of Finance Division ■ Chief Operation Officer ■ Department Head of Credit Management Department 	<ul style="list-style-type: none"> ■ Capital Nomura Securities Plc ■ Alphametrics Co., Ltd ■ Capital Nomura Securities Plc 	<ul style="list-style-type: none"> ■ Update of Accounting Standard, 2013, NYC Management Co., Ltd. ■ Deferred Tax Accounting 2013 (NYC Management Co., Ltd.) Hedge Accounting 2013 (NYC Management Co., Ltd.) ■ Update of Accounting Standard 8 Issues 2010 (Ministry of Commerce) ■ Update of Accounting Standard- (Property Plant and Equipment 2010 (Ministry of Commerce)
Mr.Yoshikazu Yonenaga Division Head of Investment Banking Division	39	Bachelor of Arts in Economics, Keio University, Japan	-	-	Feb 2013 - Present Feb 2012 -Jan 2013 Jun 2010 - Jan 2012 Dec 2006 -May 2010 2006	<ul style="list-style-type: none"> ■ Division Head of Investment Banking Division ■ Head of Japan Desk and Acting Division Head of Investment Banking Division ■ Head of Japan Desk and Deputy Division Head of Investment Banking Division ■ Executive Director of Consulting Department I ■ Vice President, Product Planning Department 	<ul style="list-style-type: none"> ■ Capital Nomura Securities Plc ■ Capital Nomura Securities Plc ■ Capital Nomura Securities Plc ■ Nomura Healthcare Co.,Ltd. ■ Nomura Securities Co.,Ltd. 	-

Remarks:

* Number of shares and % of shareholding as of December 31, 2013, ordinary shares of Baht 1 each.

** CNS Shareholding of 2 Executives was from Employee Joint Investment Program (EJIP)

*** Company Secretary has to perform her duty under the Section 89/15 and 89/16 of the Securities Exchange Act (no.4) B.E.2551 (2008) effective from August, 2008 with responsibility, carefulness and integrity.

She has to comply with related rule and regulation, Company's Article of Association. The Company Secretary's duties are as follows;

1. Preparing and keeping important document such as Directors Register, Invitation Letter to Board of Directors, Minute of the Board of Directors Meeting, Notification to shareholders for the Annual General Meeting of Shareholders and Minute of the Annual General Meeting of Shareholders etc.
2. Performing any duty as required by the Capital Market Supervisory Board.
3. Performing any duty as required by the Company;
 - 3.1 Arranging meeting for the Board of Directors and the Annual General Meeting of Shareholders
 - 3.2 Coordinate with regulators to ensure that the Company discloses information as required by the rule and regulation.
 - 3.3 Providing Director briefing to newly appointed Directors
 - 3.4 Performing any duty as assigned by the Company

The Board of Directors realizes the importance of conducting business in compliance with Good Corporate Governance Principles. On April 25, 2005, the Board of Directors resolved CNS's Good Corporate Governance Policy in writing in both Thai and English languages, to comply with the principles, rules and regulations regarding Good Corporate Governance stated by the SET and the SEC, which cover the following categories:

- Right of shareholders
- Equitable treatment of shareholders
- Roles of stakeholders
- Disclosure and transparency
- Responsibilities of the Board

In April 2005, CNS also set Code of Conduct in writing and in both Thai and English languages for CNS's directors and staff, using as a practice guideline. Moreover, the Board of Directors has regularly reviewed and adjusted the Good Corporate Governance Policy and the Code of Conduct to be suited with current circumstances and covered newly guidelines which were announced by the related authorities. CNS had reviewed and adjusted the Good Corporate Governance Policy and the Code of Conduct. The latest review was conducted on August 24, 2011 and February 22, 2013. CNS had also posted the latest versions of the Good Corporate Governance Policy and the Code of Conduct on CNS's website (www.cns.co.th) under "Corporate Governance" topic.

Each Year, CNS communicates and encourages all directors and staff to understand and strictly comply with the Good Corporate Governance Policy and the Code of Conduct and also evaluates the results of compliance with those matters.

In the fiscal year 2013, CNS has arranged the trainings and seminars to educate and refresh the staff's understanding regarding CNS's Good Corporate Governance policy and Code of Conduct by Human Resource Department. Also, CNS has posted information regarding CNS's Good Corporate Governance Policy and Code of Conduct as a wallpaper in staff's computer screen and promoted the compliance of Good Corporate Governance policy and Code of Conduct.

In the fiscal year 2013, CNS had corporate social responsibility campaigns. (Details were presented under "Corporate Social Responsibility" topic)

Right of Shareholders

CNS realizes the basic rights of shareholders which includes the right to buy, sell, or transfer shares, the right to gain shares in CNS's profit, the right to receive relevant and adequate information of CNS in a timely manner, the right to participate and vote in shareholder meetings to elect or remove directors, appoint external auditors and consider on any issues or transactions which may have significant impacts on CNS such as amendments to CNS's article of association and affidavit, capital increase or decrease.

CNS did not do any actions that limit or violate shareholders' rights which did not cover only rights as stated by law but also cover the right to study CNS's information, the right to ask and receive answers from the Board of Directors in shareholder meetings, the right to attend shareholder meetings even for late comers, the right to receive criteria and procedure for attending shareholder meetings and sufficient information regarding the issues to be discussed in each agenda in an appropriate time prior to the meeting. There will be no unprecedented distribution of additional key information apart from what have been distributed at the shareholder meeting. No additional issues are added to the agenda and no changes made to key information without prior notice to shareholders.

In the fiscal year 2013, CNS held the Annual General Meeting of Shareholders ("AGM") on April 26, 2013. All 10 Directors, external auditor and management in significant positions such as the Head of Finance Division, the Head of Operation Division, and the members of Credit Review Committee attended the meeting to clarify and answer the questions.

For the 2013 AGM, Thailand Securities Depository Co., Ltd. (TSD) as CNS's share registrar submitted an invitation letter, annual report and other related information to the shareholders fourteen days prior to the meeting. In the invitation letter, CNS provided the below information to shareholders.

- Meeting agendas and the Board of Directors' opinion in each agenda
- Supporting information and document for each agenda, including biography of directors who were nominated for CNS's directorship
- CNS's annual report and year-end financial statement
- Criteria, procedure and required documents for attending shareholder meeting
- CNS's article of association related to the meeting agendas
- Name and biography of three independent directors for shareholders who could not attend by themselves to consider appointing to be proxy
- Three proxy forms for shareholders to select based on their needs, including the forms that shareholders could decide their votes in each agenda
- Map of the meeting venue

CNS also published the invitation letter, annual report and other information as above on CNS's website around 20 days before meeting date.

In the 2013 AGM, the Chairman informed shareholders of the voting procedure before starting the meeting agenda, and during the meeting the Chairman facilitated shareholders' questions and asked the responsible persons to answer all questions. The meeting took approximately two hours which was enough for clarifying issues, discussing as well as answering question and finding resolutions. CNS submitted the shareholder meeting's resolutions through the SET's website on the meeting date and submitted the minutes of shareholders' meeting which documented about meeting, votes, questions and answers in each agenda to the SET and published on CNS's website within fourteen days from meeting date. Therefore, the shareholders could review such information without waiting for next meeting.

Equitable Treatment of Shareholders

CNS realizes that all shareholders should be treated in an equal way and fair treatment basis. This includes; supervising the uses of shareholders' money in proper ways, arranging shareholder meeting in the manner that could support the equitable treatment to all shareholders, allowing any shareholders who could not attend the meeting to appoint their proxies, setting up procedures to prevent the use of inside information for abusive self-dealing, setting up procedure to declare the interest of directors and managements and setting up procedure for consideration of connected transaction to be in compliance with the SET's and the SEC's rules and regulations.

In the 2013 AGM on April 26, 2013, CNS proposed three independent directors so that the shareholders could choose as their proxies in case they could not attend the meeting. In addition, CNS sent three proxy forms to the shareholders to choose one of them which match to their needs. Among these three forms, these were the forms in which shareholders were able to specify their votes. The Chairman of the AGM had conducted the meeting by following the sequence of meeting agenda defined in an invitation letter and did not add any new agendas. During the meeting, the Chairman facilitated shareholders' questions and asked the responsible persons to answer all questions regardless of the amount of shares they were holding (or whether they were major or minor shareholders). CNS used voting cards for transparency and future reference. The Chairman also announced voting results and scores of agree, not agree and abstain in each agenda to the meeting. In case the shareholders had any question or objected to that result, they could ask for score re-checking immediately. Moreover, CNS had policy and procedure to prevent of insider information or abusive self-dealing. Those policies and procedures were conveyed to all staff in both verbal and writing forms. CNS's Board also required the directors and managements to report their holding in CNS's stocks as required by the SEC when they change their holdings and at each monthly Board's meeting.

Role of Stakeholders

CNS realized all stakeholders should be treated fairly in accordance with their legal rights as specified in relevant laws or commitments. CNS shall not take any action to violate the right of such stakeholders.

CNS set Good Corporate Governance Policy that “CNS’s Board of Directors shall realize all stakeholders’ rights and establish a code of business ethics for CNS’s operations and principles of good practice for directors and staff, and shall endeavor the communications among all relevant parties”. CNS set guideline of treatment to stakeholders in a Code of Conduct for several areas including corporate social responsibility, standard practice to clients, compliance with laws and regulations, staff investment, conflicts of interest, confidentiality, fair dealing, protection and proper use of corporate assets, respect for human rights, and etc. CNS published the Code of Conduct on CNS’s website (www.cns.co.th) under “Corporate Governance” topic.

CNS had procedure to report significant information in which the stakeholders should be informed of in the annual report and/or CNS’s website. Such information includes quarterly financial statements, year-end financial statements, other published information, internal control, list of CNS’s Board of Directors, list of major shareholders, minutes of shareholder meeting, annual report and etc. Moreover, CNS also provides channels to receive suggestions or complaints. Stakeholders may send their suggestions or complaints to the Compliance and Internal Audit Department which report directly to the Board of Directors and Audit Committee. If stakeholders have any question, they may contact CNS’s investor relations staff

Disclosure and Transparency

CNS realized that all important information, including financial data and non-financial data, must be disclosed on the basis of accuracy, completeness, timeliness and transparency through easy-to-access and fairly accessible channels.

In the fiscal year 2013, CNS disclosed all important information, information that might impact shareholders’ and investors’ decisions, information that must be disclosed by laws and regulations of relevant authorities, such as quarterly financial statements, year-end financial statements, annual report, 56-1 report, minutes of shareholders meeting, the significant resolutions of the Board of Directors’ meeting, AGM invitation letter, list of CNS’s Board of Directors. CNS published the information in both Thai and English languages for shareholders, investors and stakeholders on the SET’s website and/or CNS’s website. CNS always keeps the information updated.

In annual report and 56-1 report, CNS disclosed all information required by the SEC and the SEC in a complete manner which included roles and responsibilities of the Board of Directors and committees, report of the Board’s responsibility for financial statements, report of the Audit Committee, Audit Committee’s opinion on connected transactions, the number of the Board’s and Audit Committee’s Meetings, the number of attendance by each member of the Board and Audit Committee, directors’ and executives’ remunerations, auditor report and year-end financial statements.

In the fiscal year 2013, CNS had not been charged by the SET, SEC or any authorities related to the breaching of disclosure information.

CNS also sets up an investor relation function for providing significant information, answering questions and being a communication channel between CNS and shareholders or investors.

Responsibilities of the Board

CNS realizes that the Board of Directors plays important roles in corporate governance for the best interest of CNS and they are accountable to shareholders and independent of management.

1) Board of Directors' Structure

As of December 31, 2013, CNS had ten members in the Board of Directors, consisting of;

- Executive directors 5 persons
- Non-Executive directors 5 persons

Non-Executive directors were:

- Independent directors 4 persons
- Outside directors 1 persons

As of December 31, 2013, CNS had four independent directors of ten directors which was not less than 1/3 of total Board of Directors as required by the SEC's rules and regulations. The Board of Directors considered and agreed that number, proportion and qualification of the Board as above are appropriate considering the size of CNS and balancing of authority in management. Although the Chairman of the Board of Directors is not an independent director, the Chairman always strictly adheres to CNS's Good Corporate Governance Policy and he has knowledge, capability and experience in CNS's business for a long time. Moreover, the management decision is based on the resolution of the Board of Executive Directors (which comprises of five executive directors), not only the managing director or one of the executive directors. Based on those reasons, it's ensured that the Chairman shall perform his/her job in transparent, fair and prudent manner for the most interest of all stakeholders.

CNS's article of association stated that "in each AGM, 1/3 of the Directors shall retire. If the number of directors cannot be a multiple of three, the nearest number to 1/3 must retire from CNS. The Directors who have been in the longest term of service must retire by rotation".

In working as CNS's Board of Directors, they were aware of efficiency in performance as CNS's directors as a key factor. In the fiscal year 2013, CNS's Board of Directors implemented a board performance self-assessment to evaluate the Board's performance. The Board of Directors had considered the assessment results of the past year and then determined measures to improve its performance together. CNS's Board of Directors also carefully considered the holding positions in other companies of each Board of Directors member whether it would affect to his/her performance as the CNS's director or not and whether it would lead a conflict of interest or bias in decision making for the CNS's benefits or not. However, CNS had already disclosed the details of holding position in other companies of each director in 56-1 report and annual report for shareholders' consideration. According to the information, a number and nature of business that each director is in the position would not affect his/her performance as CNS's director. In addition, CNS also sets up clear policies that each director must declare his/her direct and indirect interest in any agreements which CNS entering and each director who has interest in such agreement must not be involved in consideration and voting process in such agreement.

NOMURA

CNS appoints a person in charge of CNS's secretary who is a permanent staff, to take care of the Board of Directors' activities, co-operating to ensure that the Board of Directors' resolutions are taken proper actions, preparing director registration, keeping director's and management's interest report, and other tasks as regulated by laws, rules and regulations of the SET, the SEC and other related authorities.

2) Committees

CNS has clearly separated the roles, duties and responsibilities of the Board of Directors, the Board of Executive Directors, Audit Committee, Credit Review Committee, Marginable Securities Committee, Risk Management Committee so that those would supervise and support the management appropriately. Information of structures, roles, duties and responsibilities of each committee were presented under "Committees" topic.

3) Roles, Duties and Responsibilities of the Board

CNS's Board of Directors reviews and approves CNS's visions, missions, strategies, goals, risks, business plans and budgets proposed by the management. CNS supervises, monitors and evaluates measurements to monitor the management's performance to ensure efficiency as expected. CNS also sets up communication system to convey CNS's visions, missions, strategies and goals to directors, managements and staff regularly through the staff meetings and the internal communication system such as Intranet or email.

CNS realizes their roles, duties and responsibilities in creating and promoting Good Corporate Governance in CNS, to support the growth and sustaining of CNS's business with efficient and transparent management which brings about confidence to all related stakeholders and maximizes CNS's and shareholders' benefits. CNS therefore has set up the written Good Corporate Governance policy and the written Code of Conduct since year 2005, as a practice guideline for staff and has reviewed this Good Corporate Governance Policy and Code of Conduct every year to accommodate it with current situation.

CNS sets up the training and seminar to refresh knowledge, understanding and confirming all staff to comply strictly with the Good Corporate Governance Policy and a Code of Business Conduct. In the fiscal year 2013, CNS arranged the training to educate the staff's understanding regarding Good Corporate Governance and Corporate Social Responsibility. CNS's Board of Directors also determined measurement to supervise, monitor and evaluate the compliance of Good Corporate Governance and Code of Conduct and report this compliance result to the Board of Directors for future improvement.

CNS's has had policies and guidelines to prevent related persons from exploiting their positions for personal interest by setting up policy that all connected transaction must be done on CNS's benefit basis and must be in compliance with the rules and regulations of the SET and the SEC. In addition, all connected transactions must be approved by the Board of Directors or reported to the Board of Directors if that transaction could be approved by the management according to the SET's and the SEC's rules and regulations.

CNS realizes the importance of good internal control in the 5 areas of control environment, risk assessment, control activities and information and communication. CNS requested all departments to operate with good internal control and strictly follow rules and regulation of related authorities. However, CNS sets up the Compliance and Internal Audit Department to be responsible for reviewing and monitoring CNS's operations in this aspect. The Compliance and Internal Audit Department shall evaluate the risk of each function to determine a proper scope, time spending and resource to audit in each area and report the result to Audit Committee and CNS's Board of Directors.

4) Board's Meeting

CNS holds regular meetings on a monthly basis, or at least one time in each quarter and may hold extra meetings when necessary. The Chairman of the Board of Directors and the Executive Directors shall jointly set the agenda for the Board of Directors' meeting. However, each director can propose an issue for a meeting agenda. CNS's Secretary shall send invitation letter attached by the meeting agenda and adequate documents to all directors seven days prior to the meeting so that the directors shall have enough time to study such information before the meeting. The Secretary shall set the annual meeting schedule for the Board of Directors to plan in advance for their attendance. The Board of Directors shall set meeting date, time and venue in advance to ensure that all directors can attend the meeting.

In the Board of Directors' meeting, the Chairman of the Board of Directors appropriately allocated the meeting time to propose the meeting agenda and express their comments. In addition, the Chairman also encouraged creative discussion or careful consideration especially in issues concerning Good Corporate Governance to maximize CNS's interest. If there was any meeting agenda which related to any function within CNS, the Board of Directors would invite the top management of such function or department to present or clarify additional information to the Board of Directors and also introduce those top managements to the Board of Directors for the consideration of concession plan in the future.

The number of each director's attendance in the meeting was presented under "The Number of Board of Directors' Meetings and the Attendance by Individual Members for the fiscal year 2013" and "The Number of Audit Committee Meetings and the Attendance by Individual Members for the fiscal year 2013" topics.

5) Remuneration

CNS has set directors' remuneration policies by comparing with remunerations that other companies in the same industry and with the same size of business and service pay to their directors. In addition, CNS also considered experience, scope of work, role, and responsibility of each director in defining the director's remuneration before proposing to the shareholders' meeting to approve. For remuneration to the management, the Board of Executive Directors set policies by considering of knowledge, accountability, experience, past performance, level of contribution and important to the achievement of CNS's goal. CNS already presented the number of directors' and managements' remuneration under "Remuneration of Directors and Management" topic.

6) Board and Management's Training

CNS encourages and facilitates training and development for directors, managements, Company secretary and staff in all levels to regularly refresh and get more knowledge and understanding about CNS's business, services, products, current and future laws, rules and regulations including Good Corporate Governance and Code of Conduct.

In the fiscal year 2013, CNS supported directors and staff in all levels to join training programs and seminars held by the Thai Institute of Directors, the SET, the SEC, the Federation of Accounting Professions, the Securities Analysts Association and other related units or organizations. Moreover, CNS arranged in-house training sessions conducted by internal human resource and also invited the special experts or professors to be guest speakers.

CNS also requests the Human Resource Department to prepare "Director's Handbook" for new appointing director to use as a guideline and also provided a brief presentation related to CNS's business, service, policy and significant operating procedures. This director's handbook shall help the new appointed director to understand CNS's business quicker. This director's handbook gathered information about role, duty and responsibility of director and Board of Directors, practice guideline of director, right and equitable treatment of shareholders and shareholder meeting, handbook for director of the Securities Company and duty and responsibility of director and management according to the Securities and Exchange Act.

7) Investor Relations

CNS makes sure that both financial and non-financial information relating to CNS's business, performance and significant matter which might impact the decision of shareholders, investors and stakeholders are revealed in an accurate, complete, adequate, consistent and timely manner. CNS monitors CNS's activities to be in compliance with laws, rules and regulations related to information disclosure of the SEC, the SET and other related authorities.

In addition to the information disclosure according to the laws, rules and regulations of the SEC, the SET and other related authorities as stated above, CNS also disclosed significant financial and non-financial information to shareholders, investors and those interested through CNS's website. Moreover, anyone interested can contact directly to the investor relations staff through CNS's website (www.cns.co.th) or email to BKKInvestorRelations@th.nomura.com or telephone number 0-2638-5840.

Committees

NOMURA

Please refer to the Board of Directors' Structure in "Corporate Governance Policy".

CNS's committees consist of a Board of Directors, a Board of Executive Directors, an Audit Committee, a Credit Review Committee, a Marginable Securities Committee, a Risk Management Committee and Management staff. For transparency and accountability, the roles and responsibilities are clearly separated between each committee and Management staff as per the following details;

a) Board of Directors

CNS's Board of Directors had ten members which consisted of independent directors, directors who represented the major shareholders, directors who were executives and non-executive director so that they could perform effectively as follows;

- | | | |
|-----|-------------------------------|--|
| 1. | Mr.Suthep Peetakanont | Chairman of the Board of Directors and
Chairman of the Board of Executive Directors |
| 2. | Mr.Shinichi Mizuno | President |
| 3. | Mr.Nimit Wongjariyakul | Executive Director |
| 4. | Mr.Naoki Sugaya | Executive Director |
| 5. | Mrs.Chrisana Sae-Leiw | Executive Director |
| 6. | Mr.Motoyuki Komabayashi | Director |
| 7. | Mrs.Wattanee Phanachet | Independent Director |
| 8. | Col. Ruangsub Kovindha | Independent Director |
| 9. | Mr.Prasert Virasathienpornkul | Independent Director |
| 10. | Mr.Prasit Kanchanasakdichai | Independent Director |

Miss Kridsana Kulpanyalert is the secretary of the Board of Directors.

The Company's Authorized Directors

Directors authorized to sign and bind CNS were any two of Mr.Suthep Peetakanont, Mr.Shinichi Mizuno, Mr.Nimit Wongjariyakul, Mr.Naoki Sugaya, and Mrs.Chrisana Sae-Leiw with CNS's seal.

Authorities and Duties of the Board of Directors

1. To perform their duties in accordance with laws, its objects and Articles of Association, as well as the resolutions of the shareholders' meetings. The Board of Directors may entrust one or several directors or any other person(s) to perform any tasks for the Board of Directors.
2. To consider, determine, correct or change the directors who have the authority to sign and bind CNS in order to make juristic acts for and on behalf of CNS.
3. To perform their duties in accordance with the principle of good corporate governance as outlined by the SET.

4. To notify, without delay, any members of the Board of Directors of the following cases:
 - 4.1 He/She has either direct or indirect interests in any contract made by CNS during the accounting period. The facts relating to the nature of the contract, the names of the counter parties and the interest (if any) of such director(s) must be specified;
 - 4.2 He/She holds CNS's shares. Either an increase or a decrease in the amount of shares held during the accounting year (if any) must be specified.

Independent Directors

As of December 31, 2013, CNS has four independent directors according to the SEC's notification which states that "at least one - third of the directors must be independent directors and the independent directors must be not less than three persons" as follows:

1. Mrs.Wattanee Phanachet
2. Mr.Prasert Virasathienpornkul
3. Col. Ruangsub Kovindha
4. Dr.Prasit Kachanasakdichai

b) Board of Executive Directors

As of December 31, 2013, CNS had five members in the Board of Executive Directors as follows;

- | | | |
|----|------------------------|--|
| 1. | Mr.Suthep Peetakanont | Chairman of the Board of Executive Directors |
| 2. | Mr.Shinichi Mizuno | President |
| 3. | Mr.Nimit Wongjariyakul | Executive Director |
| 4. | Mr.Naoki Sugaya | Executive Director |
| 5. | Mrs.Chrisana Sae-Leiw | Executive Director |

Miss Kridsana Kulpanyalert is the secretary of the Board of Executive Directors.

Authorities and Duties of the Board of Executive Directors

1. To operate and oversee CNS's operations as assigned by the Board of Directors, which shall include:
 - 1.1 To set business policies, goals, operating plans, strategies and annual budget in order for the approval of the Board of Directors;
 - 1.2 To govern and ensure that CNS's operations are in accordance with applicable laws, the objectives and article and association of CNS as well as are corresponding with the business policies, goals, operating plans, business strategies and budget that have been approved by the Board of Directors;
 - 1.3 To approve the operating expenses that exceed authorized limit of the management under the approval authorities of CNS or the annual budget approved by the Board of Directors;
 - 1.4 To approve trading limit for securities trading, credit limit for credit balance/margin accounts and credit limit for securities borrowing and lending accounts as well as to approve other transactions related to securities businesses that exceed the authorized limits of the management under the approval authorities of CNS;
 - 1.5 To approve underwriting transactions and other transactions in relation to investment banking businesses under the approval authorities of CNS;

- 1.6 To set the organizational structure and management authorities in order to cope with the recruitment, the employment, the remuneration, the transfer, the training and the dismissal of CNS's personnel from the Senior Vice President downwards;
 - 1.7 To sell, transfer or dispose CNS's assets that are unused, out of date or below standard as well as to set the allowance for bad debts, asset impairment and to write off bad debts under the general accepted accounting principles and the recommendations of CNS's auditor;
 - 1.8 To appoint or assign any person(s) to perform any duties on behalf of the Board of Executive Directors as appropriate where the Board of Executive Directors may at any time terminate such appointment; Provided however that such delegation of duties and responsibilities to the Board of Executive Directors shall not be the delegation or sub-delegation which would enable the Board of Executive Directors and/or their agents to approve any transactions that may result in conflict of interest (as defined by the SEC) except for the normal business transactions which are clearly stipulated.
2. To perform any other duties as may be delegated by the Board of Directors.

c) Audit Committee

For fiscal year 2013, CNS has three members of Audit Committee as follows;

1. Mrs.Wattanee Phanachet Chairman of the Audit Committee
2. Col.Ruangsub Kovindha Audit Committee Member
3. Mr.Prasert Virasathienpornkul Audit Committee Member

Ms.Penphun Palungvitvatana is the secretary of the Audit Committee.

Note: Mrs.Wattanee Phanachet is the Audit Committee who has expertise and experience in reviewing CNS's financial statements and has the experience in reviewing the financial statements during the previous five years until present as follows:

Year	Position	Company
1998 - Present	Chairman of Audit Committee and Independent Director	Capital Nomura Securities Public Company Limited
1999 - Present	Audit Committee Member and Independent Director	Thai Poly Acrylic Public Company Limited
2007 - Present	Audit Committee Member and Independent Director	Esso (Thailand) Public Company Limited
2006 - April 2009	Audit Committee Member and Independent Director	Electricity Generating Public Company Limited

Authorities and Duties of the Audit Committee

1. To review the accuracy and adequacy of CNS's financial reporting.
2. To review the appropriateness and effectiveness of internal control systems and internal audit functions, and consider the independence of Compliance and Internal Audit Department, as well as approve appointment, promotion, rotation or termination of Head of Compliance and Internal Audit Department.
3. To review risk assessment and risk management with CNS's management and monitor risk management process.
4. To review CNS's operations in compliance with securities and exchanges laws, SET regulations, and regulations relating to CNS's business.
5. To consider, select and propose the appointment of an independent person to act as the external auditor, propose remuneration, and meet with the external auditor privately without the management's presence at least once a year.
6. To consider CNS's transactions with related parties or any transactions that may lead to conflict of interests to comply with SET and SEC regulations and to ensure that such transactions are reasonable and are beneficial to CNS the most.
7. To prepare the Audit Committee Report to be disclosed in CNS's annual report. Such report shall be signed by the Chairman of Audit Committee and shall comprise of at least the following information:
 - opinion on the accuracy, completeness and reliability of CNS's financial report
 - opinion on the adequacy of CNS's internal control systems
 - opinion on the compliance with the securities and exchanges laws, SET regulations, and regulations relating to CNS's business
 - opinion on the appropriateness of an external auditor
 - opinion on the transactions that may lead to conflicts of interests
 - the number of Audit Committee Meetings and attendance of each Audit Committee Member
 - overall opinion or notice that the Audit Committee obtained from operating according to the Charter of Audit Committee
 - any issue that the shareholders and general investors should acknowledge under the scope of duties and responsibilities assigned by CNS's Board of Directors
8. Inspect /Assign the inspection on any issue informed by CNS's external auditor in case the external auditor observes suspicious behaviour that directors, management or the person who is responsible for CNS's operation might commit any offence against Securities and Exchange Act (No.4) B.E.2551, and report preliminary inspection result to the Office of SEC and the external auditor within thirty days after being informed by the external auditor.
9. From operating the duties, in case the Audit Committee observes or suspects the following actions:
 - 1) transaction with conflict of interests
 - 2) fraud, irregularity or significant weakness of internal control system
 - 3) offence against securities and exchange laws, SET regulations or any regulations relating to CNS's business

that would significantly affect CNS's financial position and operating result, the Audit Committee shall report the issue to the Board of Directors to correct within the period that the Audit committee deems appropriate. Unless the Board of Directors or the management take action within the predetermined period, any Audit Committee Member may report such issue to the Office of SEC or SET.

10. Perform any duties assigned by the Board of Directors with the approval of the Audit Committee

During the fiscal year 2013, the Audit Committee Meetings were held for 4 times to acknowledge the operating results from Head of Finance Division and Head of Compliance and Internal Audit Department and to evaluate the internal control system and review CNS's financial statements with the external auditor.

d) Credit Review Committee

As of December 31, 2013, CNS had five members in the Credit Review Committee as follows;

- | | | |
|----|------------------------|----------|
| 1. | Mr.Suthep Peetakanont | Chairman |
| 2. | Mr.Shinichi Mizuno | Member |
| 3. | Mr.Nimit Wongjariyakul | Member |
| 4. | Mr.Naoki Sugaya | Member |
| 5. | Mrs.Chrisana Sae-Leiw | Member |

Ms. Ampika Saringkarnboriboon is the secretary of the Credit Review Committee.

Authorities and Duties of the Credit Review Committee

1. To set the standard practices of account opening credit limits and increasing of credit limits, as well as setting up guidelines for consideration of credit limits.
2. To appoint an authorized person approving credit limits for securities trading, as well as considering requested cases which are not stated in the internal guidelines.
3. To set measures of credit risk control or consider any other issues relating to the credit facilities including collateral concentration limit.
4. To approve the Marginable Securities List proposed by the Marginable Securities Committee.
5. To appoint Member of Marginable Securities Committee.
6. To consider the interest rate for cash balance and margin loan

e) Marginable Securities Committee

As of December 31, 2013, CNS had three members in the Marginable Securities Committee as follows:

- | | | |
|----|--|------------------------|
| 1. | Department Head of Credit Management Department | Chairman and Secretary |
| 2. | Executive Director - Operations Division | Member |
| 3. | Head of Investment Research and Investor Services Division | Member |

Authorities and Duties of the Marginable Securities Committee

1. To consider and determine practices and guidelines for the selection of marginable stocks and margin levels suitable for the domestic economy and brokerage business, and make proposal to the Credit Review Committee.
2. To periodically review the Marginable Securities List and the initial margin rate based on the assigned and requested basis, and propose the reviewed list to the Credit Review Committee for their approval.
3. To consider and determine collateral concentration limit suitable for liquidity and risk of each securities.
4. To set measures to manage the risk from collateral concentration.

f) Risk Management Committee

As of December 31, 2013, CNS had five members in the Risk Management Committee as follows:

- | | | |
|----|---|----------|
| 1. | Mr.Naoki Sugaya | Chairman |
| 2. | Executive Director - IT/Operation Division Head | Member |
| 3. | Head of Finance Division | Member |
| 4. | Department Head of Compliance and Internal Audit Department | Member |
| 5. | Department Head of Legal Department | Member |

The Members of the Committee might be replaced as appointed by the Board of Executive Directors. The Board of Executive Directors can also adjust a number of members as appropriate from time to time.

Authorities and Duties of Risk Management Committee

1. To establish and enforce risk management policies.
2. To establish and operate risk management processes.
3. To verify the effectiveness of risk management methods.
4. To report the Board of Executive Directors and the Board of Directors.

Nomination of Directors and the Management **NOMURA**

a) **Directors**

The Board of Directors shall select persons with suitable knowledge and attributes to become CNS's director by recommending such persons for nomination to a shareholders' meeting for approval in accordance with the following rules and procedures:

1. One shareholder shall have votes equal to the number of shares held;
2. In choosing the directors, the method of voting used may be to vote on candidate by candidate or several candidates together, whichever the shareholders' meeting finds appropriate, but in voting to pass a resolution, the shareholders shall vote using all the votes under (1) which cannot be divided for any particular candidates or group to any extent at all.
3. Voting for election of the directors shall base on the majority of votes. In the case of equality of votes, the presiding chairman shall have an additional casting vote.

Appointing Replacement Director

1. In case there is a vacancy on the Board of Directors other than from the normal rotation, the Board of Directors shall choose any person who is qualified and not prohibited by law as a replacement director in the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than two months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. Also, the resolution to appoint a replacement director mentioned above must receive at least three-fourths of the total votes by the remaining directors.
2. In case all of the directors vacate their office, the incumbent Board of Directors shall become an acting Board to carry on CNS's business but only to the extent that is necessary, until a new Board of Directors has taken up its duties unless the Court orders otherwise. In case the Board of Directors has vacated the office by the Court order, the Board that has vacated the office must convene a shareholders' meeting to elect a new Board of Directors within one month from the date of vacating the office, by sending a notice to inform shareholders of the meeting at least fourteen days prior to the meeting date.
3. In case there are vacancies to the extent that the number of remaining directors is less than the number required to constitute a quorum, the remaining directors shall act in the name of the Board of Directors only for convening a shareholders' meeting to elect replacement directors for all the vacancies. The meeting shall be convened within one month from the date the number of directors was reduced to less than the number required to constitute a quorum, and the replacement directors shall hold the office only for the remaining terms of the directors whom they replace.

Independent Director

CNS has the definition of independent directors which was stricter than the minimum requirements of the SEC and the SET regarding number and qualification of the independent directors.

- (1) CNS must have Independent Directors at least 1/3 of the total number of CNS's directors and at least 3 persons
- (2) Each Independent Director must have the below qualifications.
 - (a) must not hold shares in excess of 0.50% of the total number of shares with voting rights of CNS, the parent company, subsidiary, associated company, major shareholder or controlling person of CNS, whilst the shareholding of any related person of such Independent Director must also be counted.

- (b) not be and have not been a director participating in management role, or an employee, an officer, an advisor which receives regular salary, or a controlling person of CNS or the parent company, subsidiary, associated company, subsidiary in the same level, major shareholder or controlling person of CNS, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed. However, that prohibited characteristics shall not apply to an Independent Director who used to be a governmental officer or an advisor to a government authority, which is a major shareholder or the controlling person of CNS.
- (c) not be a person having blood relationship or relationship through legal registration as a father, mother, spouse, sibling and child, including as a spouse of a child, of any management person, major shareholder, or any controlling person or the person being nominated to be a management person or a controlling person of CNS or subsidiary.
- (d) not have and have not had any business relationship with CNS, the parent company, subsidiary, associated company, major shareholder, or controlling person of CNS in the manner in which his/her independent discretion might be obstructed, neither is nor used to be a significant shareholder or a controlling person of any Company that has business relationship with CNS, the parent company, subsidiary, associated company, major shareholder or controlling person of CNS, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed.

The business relationship above includes normal practice trading transactions to lease or rent of real property, transactions related to assets/services, or financial support provision or reception by borrowing or lending, guarantee, providing collateral including other similar actions which make CNS or its counter parties having an obligation against the other a debt servicing worth three percent of the net tangible assets of CNS or more than Baht twenty million, whichever is lower. The calculation of liabilities shall comply with the criteria on the calculation of Connected Transaction as stipulated in the SET Notification re Disclosure of Information and other Acts of Listed Companies concerning the Connected Transaction. However, in consideration of liabilities, the liabilities incurred during one-year period prior to the date of commencement of business relationship with the same person shall be inclusive.

- (e) not be and have not been an auditor of CNS, the parent company, subsidiary, associated company, major shareholder or controlling person of CNS and not be a significant shareholder, a controlling person, or a partner of any audit firm which the auditor of CNS, the parent company, subsidiary, associated company, major shareholder, or controlling person of CNS is working, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed.
- (f) not be or have not been any professional service provider, including legal or financial advisor who obtains fee of more than Baht 2 million per year from CNS, the parent company, subsidiary, associated company, major shareholder or controlling person of CNS and not be a significant shareholder, a controlling person or a partner of any such professional service provider, unless such Independent Director has not possessed the characteristics referred to above for at least 2 years prior to the date on which such Independent Director is appointed.
- (g) not be a director appointed as a representative of CNS's director, a major shareholder, or a shareholder who is a related person of CNS's major shareholder.

- (h) not engage in any business which has a same nature as CNS or subsidiary and which in any material respect, is competitive with the business of CNS or subsidiary, or not be a significant partner in a partnership or a director participating in any management role, an employee, an officer, an advisor obtaining regular salary or a shareholder holding more than 0.50% of the shares with voting rights of other Company engaging in any business which has a same nature as CNS, or subsidiary and which in any material respect, is competitive with the business of CNS or subsidiary.
- (i) not have any other characteristics by which his/her independent comment/opinion on CNS's operation may be restricted.

b) Executive of Directors

The Board of Directors has full authority to appoint Executive Directors.

c) Audit Committee

The Board of Directors or shareholder's meeting shall appoint members of Audit Committee. The Audit Committee must be CNS's director. At Present, Audit Committee shall consist of at least three Audit Committee members. CNS's criteria of the Audit Committee are similar to the requirements of the SEC and the SET as follows.

- (a) The Board of Directors or shareholder's meeting shall appoint members of Audit Committee.
- (b) An Audit Committee member must be independent director and possess qualifications as prescribed by the Office of the SEC and the SET, and:
 1. not being a director who is authorized by the Board of Directors to make decision in carrying out businesses of CNS, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest; and
 2. not being CNS's director, its Parent Company, its Subsidiary, or a subsidiary in the same level, which are listed Company.
- (c) The Audit Committee shall perform duties as stated in the SET Notification re Qualifications and Scope of Work of the Audit Committee.
- (d) The members of Audit Committee shall be capable of performing Audit Committee duties. At least one member must have sufficient knowledge and experience to review the reliability of financial statements.

d) Management staff

The Board of Executive Directors had an authority to select and appoint suitable persons to be Management staff.

e) Number of directors from the Major Shareholder

As of December 31, 2013, CNS had three directors represented the major shareholders including Mr.Shinichi Mizuno, Mr.Naoki Sugaya and Mr.Motoyuki Komabayashi.

Supervision over the performance of subsidiaries and affiliated companies

As of December 2013, CNS had neither subsidiaries nor affiliated companies.

Monitoring the use of and access to inside information

Policy on Inside Information

CNS has the policy to prevent staff and all executives from using the inside information or information obtained from the duties for their own benefits by applying the following control measures:

1. Staff and all executive directors are required to open trading account only at CNS. For Thai securities, CNS allows for opening such in cash account and for lending the staff's securities. For foreign securities, CNS allows for opening foreign securities trading account in Cash Balance — FI account.
2. Staff and all executive directors are required to submit the trading transaction report of their related persons to the Compliance and Internal Audit Department upon request.
3. All executives must prepare and disclose report of CNS securities holding to the Board of Directors.
4. Staff and the Board of Directors are prohibited from trading CNS share 45 days after closing of quarterly financial statement. The directors are also not allowed to trade CNS share from the date of receiving supporting documents of Board of Directors' meeting for acknowledgment of quarterly or monthly financial statements, to the date of announcing financial statement to public.
5. In relation to the trading of securities of which CNS's research paper covers, it is required that:
 - 5.1. An analyst in the related Division is not permitted to trade any securities or all securities in the sector that he/she is responsible for. Department Head or higher positions of the related Division are not permitted to trade any securities.
 - 5.2. Staff and all executive directors are prohibited from trading any securities of which he/she knows or should know that the related Division is in the process of preparing information of such securities or plan to distribute research report of such securities.
 - 5.3. All staff in the related Division, all executive directors and all officers in the Compliance and Internal Audit Department is prohibited from trading securities within three business days from the date the research paper is published and distributed.
6. Staff and members of the Board of Directors who know or should know non-public information or inside information of any securities are not allowed to trade those securities, whether he/she is in the department possesses those information or not.
7. Monitoring of the access or use of inside information is under the responsibility of the Compliance and Internal Audit Department.

Enforcement

Trading securities for one's own benefit by using inside information is a breach of the above policy and CNS will take disciplinary action against all parties involved.

Auditor Remuneration

NOMURA

Unit: Baht

No.	Company	Auditor Name	Audit Fee
1	Capital Nomura Securities Public Company Limited (For the fiscal year from January 1, 2013 - December 31, 2013)	Ernst & Young Office Limited (By Miss Somjai Khunapasut)	1,150,000
Audit Fee - Total			1,150,000

Note: Ernst & Young Office Limited did not provide any services to CNS except the service as an external auditor.

The Number of Audit Committee Meetings and the Attendance by Individual Members for the fiscal year 2013 was as follows:

Name	Position	Number of Meeting	Number of Attendance
Mrs.Wattanee Phanachet	Chairman of the Audit Committee	4	4
Col. Ruangsub Kovindha	Audit Committee Member	4	4
Mr.Prasert Virasathienpornkul	Audit Committee Member	4	4

In the Audit Committee Meeting No. 4/2556 held on November 11, 2013, the Audit Committee had the meeting with the external auditor independently without the presence of CNS's staff.

Corporate Social Responsibility

NOMURA

CNS aims to be the leading financial service provider with ethical practice, good corporate governance and social responsibilities. Therefore, CNS has taken or supported many activities that can help improve our societies and cultivated social responsibility culture to our employees. All levels of staffs are welcome to participate in the activities.

1) Business Ethic

CNS has conducted business with fairness, integrity and rule and regulation compliance. CNS also concerns the benefits of all stakeholders and applies the equitable business practice.

2) Anti-Corruption

CNS has a policy to conduct its business with fairness to all stakeholder and social responsibility awareness. CNS sets procedure to encourage anti-corruption and to prevent fraud and misappropriate behaviors of staffs.

CNS is currently considering and further studying the detail for joining Collective Action Coalition as CNS fully supports the principle of anti-corruption.

3) Human Rights

CNS has always respected human rights and set its guidelines as follows:

- **Non-Discrimination:** CNS understands the importance of human dignity, rights and liberty. CNS shall not discriminate people on the basis of gender, race, religion, society, nationality, economic status or social status.
- CNS awares and respects people's right in the process to set CNS's policies and guidelines.

NOMURA

4) Fairness and Labor Practices

CNS has conducted its operation with fairness and in compliance with Labor law. CNS has set its guidelines as follows:

- **Labor Practices:** CNS shall not employ forced labors or child labors and shall prohibit a person who is under 18 years old to perform or work in a hazardous place.
- **Compensation and fringe benefits:** CNS will pay wage, compensation and fringe benefits to staffs in compliance with labor law with fairness and accuracy.
- **Equal Treatment:** CNS shall treat its employees equally and CNS shall comply with Labor protection Act B.E.2541 which is the minimum standard for the following areas; hiring, wages, training, promotion, termination of employment, and lay off.
- **Humanity:** CNS respects the rights of employee and prohibits any actions that cause harm to employees neither physically nor psychologically including threats of any kind.

5) Client Responsibility

CNS provides service with integrity and ethic in order to gain trust from our clients and relevant parties which will finally create sustainable growth to CNS. Therefore, CNS sets clear guideline and business framework as follows;

- **Suitability Test;** Our financial advisors have to ask our clients to complete suitability test before starting to invest in order to understand clients' risk appetite and be able to provide suitable financial advices.
- **Product presentation;** Our financial advisors will present our products and services with clear details including condition and fee to all groups of customers equally without discrimination between big and small customers to make customers understand risk and reward of the products they would like to invest.
- **Investment education:** To improve investment capability and sustainability of investors, CNS has the policy to share investment knowledge to customers through seminar on monthly basis.
- **Reliable fact;** All information provided CNS's financial advisors or other staffs in writing or verbal has to be accountable and reliable. Our clients will provide clients only facts without rumors.
- All clients' information will be kept and classified as confidentiality and CNS won't disclose such information without clients' authorization.
- CNS has provided several ways for customers to communicate or give feedback through our website www.nomuradirect.com or Call Center NOMURA DIRECT.
- All Company employees possess high standard of knowledge and professional capability in order to provide competent service to customers.

6) Environmental Responsibilities

CNS had the concrete policy to take care of the environment and society as:

- Strictly follow rules and regulation about environment by developing operation standard to conform with environmental regulation
- Support green products and services that have less impact to environment and people health
- Develop management policy and Company culture of environmental care. CNS had participated in the 2013 Earth Hour project by encouraging our employees to turn off electricity during 20.30 - 21.30 o'clock along with people around the world to save energy for the world.
- Provide proper and standard working environment with hygienic and safety.

**7) Community Improvement**

- Join “Click2Win Campus League” which was the trading simulation competition to encourage students to learn and develop themselves as the professional investors by being sponsors of Ramkhamhaeng University and Silpakorn University Phetchaburi IT Campus.
- Join with Chulalongkorn University by hosting an investment lecture under topic “Abenomics and Securities Market in Japan” to the students of MABE: The Master of Arts Program in Business and Managerial Economics. CNS invited Mr.Yuta Seki, Managing Director, Research, Nomura Institute of Capital Markets Research to be guest lecturer for this topic. Sponsor “Musical...Musical#4” Concert of The Cardiac Children Foundation of Thailand in Her Royal Highness Princess Galyani Vadhana in order to support healthcare to poor children with heart disease.

NOMURA

- Join with SME Bank to host “Share Dream Share Happiness Project” to donate sport equipment and toys to schools in poor suburban areas. Such project aimed to create education opportunity to teenage and child. In 2013, CNS donated to 3 schools as
13 July 2013 Schools in Lopburi Province
1 September 2013 Schools in Nakornnayok Province
10 December 2013 Schools in Phra Nakhon Si Ayutthaya Province
- To donate water cooler to SME Bank Lat Krabang Branch in order to serve clean water to people nearby the area.
- Sponsor the mini concert with Index fund of Index Interfurn Co., Ltd. in order to raise fund to support community service



8) Innovation from social and environment responsibility activity

CNS has provided internet trading system which will partially reduce traffic on the road and provide equitable channel to access information for customer nationwide and worldwide and to serve all investment needs by joining to develop several trading systems as

- i2Trade Plus
- Streaming
- SBL Real Time
- NOMURA iFUND
- NOMURA iGlobal

CNS still aimed to develop and improve our strength to be leading innovative securities to serve customers' investment need with good corporate good governance and high fidelity.

Internal Control and Risk Assessment

NOMURA

CNS realizes the importance of good corporate governance and encouraging all departments to process their operation as ‘Self-Regulatory Organization’ (SRO) to ensure that CNS complies with relevant laws and regulatory rules and able to manage internal control and risk management. In addition, CNS enforces the departments to assess ‘Self Risk Assessment’ annually to evaluate and to be confident that CNS has an adequate of operating control with acceptable risk level.

The internal control and risk management of CNS were proceeded in five components based on COSO (The Committee of Sponsoring Organization of the Treadway Commission) framework were as follows:

Control Environment

CNS encourages senior management and all employees to realize the importance of internal control and has established organizational standard which causes effective management and business operations such as segregation of duties on maker and checker processes. Compliance and Internal Audit Department is independent and directly reports to Audit Committee. The Risk Management Committee also supports the internal control and risk management. Furthermore, CNS has established “Code of Ethics” in writing which describes matters that executive management and employees should acknowledge and be aware not to do any breaches causing any conflict of interest.

CNS emphasizes on human resources, recruitment, hiring process as well as training and reconciliation process. The integrity and ethics values are communicated in new employee orientation. CNS will enhance as well as appropriately and sufficiently implements and monitor the strength and effectiveness of the internal control to align with the changeable environment.

Risk Assessment

The risk assessment is an important internal control tool of CNS to identify and assess risk possibility. All departments are requested to take part in this risk evaluation activity on annual basis. This supports CNS to be able to manage risks efficiently and timely manner and finally to achieve business objectives.

Control Activities

CNS establishes clear guideline, approval limit, authority of management and related officers, scope of operations including segregation of duties such as reconciliation and verification. Control activities are performed at entity level, business process, and over the information technology environment. CNS’s business contracts or agreements will be reviewed by Legal department to minimize legal risks. The Information technology policies are designated to provide right to access to authorized users commensurate with their responsibilities and adequate control. In addition, CNS also has “Business Contingency Plan” (BCP) policy and procedure that will be tested at least once a year to prepare for predetermined incident to ensure the continuous business operating.

Information and Communication

CNS's information system supports operating processes and management's decision makings. The Minutes of Board of Directors Meeting including all documents are recorded and kept for reference and further requests. CNS has Whistle Blower Hotline for any interest party from both inside and outside CNS to effectively share any suspicious incident or complaint leading to fraud or misconduct.

Monitoring Activities

The monitoring and reporting are carried out by the Compliance and Internal Audit Department which is structured to be independently to Audit Committee. Any deficiency of internal control will be reported, monitored, and managed in a timely manner by parties involved.

Summary of Internal Control Deficiencies

In the Board of Directors' meeting no. 3/2014, held on March 19, 2014, The Board of Directors reviewed CNS's internal control adequacy in five aspects: (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication and (5) Monitoring Activities. The Board of Directors concluded that CNS's internal control for connected transactions and other areas were proper and sufficient except the policy and procedure for anti-corruption which needed to study in further detail but in practice, each Department's guideline will have measure to control corruption and fraud in CNS and outside.

Audit Committee's opinion different from the Board of Directors' opinion

- None -

Report of Audit Committee

NOMURA

The Audit Committee of Capital Nomura Securities Public Company Limited (“CNS”) consisted of the 3 independent directors, namely Assistant Professor Wattanee Phanachet, Chairman of Audit Committee, Col. Ruangsub Kovindha and Mr. Prasert Virasathienpornkul, the Audit Committee Members. All the Audit Committee Members possess the qualification required by the SEC. Head of Compliance and Internal Audit Department was the secretary of Audit Committee.

During the fiscal year from January 1, 2013 to December 31, 2013, the Audit Committee held 4 meetings. All members of the Audit Committee attended all meetings. The Audit Committee performed the duties assigned by CNS as follows:

1. Reviewing CNS’s quarterly and year-ended financial statements before proposing to the Board of Directors that CNS’s financial statements were fairly presented in accordance with Thai Financial Reporting Standards and adequately disclosed, and independently considering audit results with the external auditors and Compliance and Internal Audit Department to acknowledge explanation, findings, recommendation and clarification of responsible parties.
2. Reviewing appropriateness of internal control system, of which the audit was conducted by the external auditors and Compliance and Internal Audit Department. The Audit Committee acknowledged the audit results from summarization and clarification of both parties, and expressing notices and recommendations as deemed appropriate.
3. Reviewing the operations of Compliance and Internal Audit Department, including audit planning, audit conduct, audit reporting and monitoring procedures. The Audit Committee also suggested recommendations to improve audit efficiency.
4. Reviewing risk assessment and risk management with CNS’s management and monitoring risk management process.
5. Reviewing CNS’s operations in compliance with securities and exchanges laws, SET regulations, and regulations relating to CNS’s business.
6. Considering CNS’s transactions with related parties or any transactions that may lead to conflict of interests to in compliance with SET and SEC regulations.
7. Preparing the Audit Committee Report to be disclosed in CNS’s annual report.
8. Selecting and proposing CNS’s external auditor and considering audit fee.

The Audit Committee considers that CNS’s financial statements are fairly presented in accordance with Thai Financial Reporting Standards and adequately disclosed as expressed in the report of the external auditor. CNS has appropriate internal control system and complies with related regulations. The Audit Committee is assured that CNS’s Board of Directors and managements adhere to business ethics, highly emphasize on good corporate governance, and attempt to administrate the business prudently in order to achieve CNS’s goals.

The Audit Committee selected an external auditor and proposed to the Board of Directors to further propose to the annual shareholders’ meeting to appoint EY Office Limited (Formerly known as Ernst & Young Office Limited) by anyone of Ms. Ratana Jala, and/or Mrs. Nonglak Pumnoi, and/or Ms. Rachada Yongsawadvanich to be CNS’s external auditor for the fiscal year ended December 31, 2014.

The Audit Committee is of the opinion that Ms. Penphun Palungvitvatana, Head of Compliance and Internal Audit Department, having suitable qualification and working experience can perform the duties independently and efficiently.



(Mrs. Wattanee Phanachet)

Chairman of the Audit Committee and Independent Director
Capital Nomura Securities Public Company Limited

Head of Compliance and Internal Audit Department

CNS has appointed Miss Penphun Palungvitvatana Department Head of Compliance and Internal Audit Department to be CNS's Head of Compliance and Internal Audit Department as the Audit Committee has considered that she has suitable qualification and working experience in order to independently and efficiently perform the duties in Compliance and Internal Audit Department.

The Audit Committee has authorities and duties to consider and approve appointment, promotion, rotation or termination of Head of Compliance and Internal Audit Department referring to detail stated in "Committees".

Profile of Head of Compliance and Internal Audit Department

Profile of Head of Compliance and Internal Audit Department as of December 31, 2013

Name / Current Position	Age (Yrs)	Education Background	Work Experiences			Training Program
			Period	Position	Name of the company / unit	
Miss Penphun Palungvitvatana, Department Head of Compliance and Internal Audit Department *	54	Bachelor Degree in BBA (Accounting) from Assumption University Master Degree MBA (Finance) from Thammasat University Diploma in English and Thai Translation from Thammasat University	2008 - Present	■ Compliance & Internal Audit Department	■ Capital Nomura Securities Plc	■ ASCO Compliance Training Program ■ Preparation for Bond Issuance
			1999 - 2008	■ Compliance Department	■ Capital Nomura Securities Plc	
			1992 - 1999	■ Compliance & Internal Audit Department	■ United Securities Plc	
			1985 - 1992	■ Bank Supervision and examination	■ Bank of Thailand	

Note

* Head of Compliance and Internal Audit Department's duties are as follows;

- 1) Regulations
 - Prepare Compliance Manual together with gathering and studying related rules and regulations, giving advices or suggestions to related staff, in order to comply with the rules specified by authorities.
 - Arrange knowledge training to staff, for better understanding of related rules specified by both authorities and CNS, as well as inform staff when related laws and rules are changed.
- 2) Regulations
 - Prepare Compliance Manual together with gathering and studying related rules and regulations, giving advices or suggestions to related staff, in order to comply with the rules specified by authorities.
 - Arrange knowledge training to staff, for better understanding of related rules specified by both authorities and CNS, as well as inform staff when related laws and rules are changed.
- 3) Reporting
 - Report the result of review and examination to Audit Committee for Internal Audit's issues, and to Board of Directors for Compliance's issues.
 - Prepare and propose annual compliance report to the Board of Directors, then send such report to the SEC, the SET and related regulators within specific period.
 - Coordinate with relevant departments and report to the Board of Directors on significant amendment of rules and regulations.
 - Report CNS's punishment to staff who does not comply with related rules and regulations to the SEC and the SET.

For the fiscal year ended December 31, 2013, CNS had business transactions with the related companies and/or connected persons as follows:

Ordinary or supporting an ordinary and usual course of business transactions which CNS provided services and received service fees

1. CNS entered into the agreements with Nomura Singapore Limited (“NSL”) to be an agent of securities trading and to appoint NSL as an Exclusive Partner. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS which was in accordance with the notifications of the SET and the SEC.

The commission fee for the fiscal year 2013 was Baht 4,596,731. The commission fee was based on trade volume at market rate as CNS charged to other clients and Exclusive Partners in accordance with the notifications of the SET and the SEC.

2. CNS entered into the agreement with Nomura International Plc (“NIP”) to be an agent of securities trading and to appoint NIP as an Exclusive Partner. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS which was in accordance with the notifications of the SET and the SEC.

The commission fee for the fiscal year 2013 was Baht 4,350,047. The commission fee was based on trade volume at market rate as CNS charged to other clients and Exclusive Partners in trade volume at market accordance with the notifications of the SET and the SEC.

3. CNS entered into the agreement with Instinet Pacific Limited (“Instinet”) to be an agent of securities trading and to appoint Instinet as an Exclusive Partner. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS which was in accordance with the notifications of the SET and the SEC.

The commission fee for the fiscal year 2013 was Baht 33,002,313. The commission fee was based on trade volume at market rate as CNS charged to clients and Exclusive Partners in accordance trade volume at market with the notifications of the SET and the SEC.

4. CNS entered into Investors Business Support Agreement with NSL to provide information of potential clients in Thailand as requested by NSL.

The service fee for fiscal year 2013 was Baht 14,410,701. The service fee was based on actual costs plus 10% of margin.

5. CNS entered into Agreement for Provision of Research Services with Nomura Securities Co., Ltd. (“NSC”) to provide research services.

The service fee for the fiscal year 2013 was Baht 4,550,000. The service fee was based on actual costs plus 10% of margin.

6. CNS entered into Introducing Broker Agreement with NSL to introduce potential individual clients in Thailand who were interested in NSL’s products to NSL.

The service fee for the fiscal year 2013 was Baht 659,483. The service fee was based on actual executed transactions of CNS’s referred clients calculated by using the introducing credit rate as indicated in the agreement referred to the similar business.

7. CNS entered into Securities Lending Agreement with NIP for securities borrowing and lending.
The service fee for the fiscal year 2013 was Baht 3,368,752. The service fee was the same rate as CNS charged to other clients.
8. CNS entered into Securities Lending Agreement with Instinet for securities borrowing and lending.
The service fee for the fiscal year 2013 was Baht 127,451. The service fee was the same rate as CNS charged to other clients.
9. CNS entered into Service Agreement with NSC to provide NSC's advisory services to clients.
The service fee for the fiscal year 2013 was Baht 15,195,456 as service rendered within the scope and volume of work assigned.

Ordinary or supporting an ordinary and usual course of business transactions which CNS received services and paid service fees

1. CNS entered into the Hi-Speed Circuit Service with United Information Highway Company Limited ("UIH") of which CNS's director was also the managing director of UIH. CNS received the same hi-speed circuit service in the same quality and service fee.
The service fee paid for the fiscal year 2013 was Baht 1,130,870. The service fee was the same rate as what other customers that did not have a connected relation paid.
2. CNS paid brokerage fee to NSL for execution of securities trading orders that listed in foreign securities markets for CNS's clients.
The commission paid for the fiscal year 2013 was Baht 1,358,525. The commission was calculated based on trade volume and a referential rate charged to other partners.

Other transactions

1. CNS paid interest on borrowings of USD 50,000,000 to Nomura Mauritius Limited for supporting CNS's liquidity.
The interest expense paid for the fiscal year 2013 was Baht 19,571,193. The interest was 1.29-1.35% per annum.
2. CNS entered into Employee Loan Agreement (Housing Loan) with Mrs.Chrisana Sae-Leiw, CNS's executive director. The approval process, loan amount and terms and conditions in such agreement were in accordance with CNS's staff loan provided to other Company's staffs.
The interest Income for the fiscal year 2013 was Baht 35,096. The interest income was calculated by using the loan outstanding balance and determined interest rate that was the same rate charged to other Company's staffs.

Connected Transactions

For the year ended December 31, 2013 and December 31, 2012, Capital Nomura Securities Public Company Limited entered into connected transactions with the related companies and connected persons as follow:

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2013	For the year ended December 31, 2012	
1. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Agency Agreement which appointed Nomura Singapore Limited to be an Exclusive Partner. The Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	4,596,731	23,984,666	The commission fee was based on trade volume at market rate as the Company charged to other customers and Exclusive Partner, in accordance with the notifications of the SET and the SEC
2. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International Plc.	Agency Agreement which appointed Nomura International Plc. to be an Exclusive Partner. The Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	4,350,047	881,345	The commission fee was based on trade volume at market rate as the Company charged to other customers and Exclusive Partner, in accordance with the notifications of the SET and the SEC
3. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Instinet Pacific Limited	Agency Agreement which appointed Instinet Pacific Limited to be an Exclusive Partner. The Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	33,002,313	-	The commission fee was based on trade volume at market rate as the Company charged to other customers and Exclusive Partner, in accordance with the notifications of the SET and the SEC
4. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Investors Business Support Agreement which the Company provided services and received fee in return	1 year	14,410,701	10,860,296	The service fee was calculated by reference to the actual cost plus 10% margin

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2013	For the year ended December 31, 2012	
5. Capital Nomura Securities Public Company Limited and Nomura Securities Co., Ltd.	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Securities Co., Ltd.	Agreement for Provision of Research Services which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	4,550,000	6,500,000	The service fee was calculated by reference to the actual cost plus 10% margin
6. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Introducing Broker Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	659,483	1,453,002	The service fee was based on actual executed transactions of our referred customers calculated by using the introducing credit rate as indicated in the agreement referred to the similar business
7. Capital Nomura Securities Public Company Limited and Nomura Securities Co., Ltd.	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Securities Co., Ltd.	The Company provided services as required by Nomura Securities Co., Ltd. in support of Nomura Securities Co., Ltd.'s financial advisory services to client. The Company provided services and received fee in return	Depend on the pre-determined of each assignment	15,195,456	39,507,122	The service fee was the rate based on scope and quantity of required transactions
8. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International Plc.	Service Agreement	No expiry date, however, the Agreement can be terminated by giving written advanced notice to other party	-	13,436,782	The service fee was indicated from fee received from securities' offering

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2013	For the year ended December 31, 2012	
9. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura International Plc.	Global Master Securities Lending Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 15 days written notice to other party	3,368,752	2,618,905	At normal rate charged to other clients
10. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Instinet Pacific Limited	Global Master Securities Lending Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 15 days written notice to other party	127,451	-	At normal rate charged to other clients
11. Capital Nomura Securities Public Company Limited and United Information Highway Company Limited	The Company's director is the managing director of United Information Highway Company Limited	Hi-Speed Circuit Service Agreement. The Company received the hi-speed circuit service and paid fee for service	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	1,130,870	1,385,885	The service fee was the same rate as what other customers that did not have a connected relationship paid
12. Capital Nomura Securities Public Company Limited and Mr.Pisit Tesabamroong	Mr.Pisit Tesabamroong is a Company's director	The Company received legal consultancy, recommendation, advisory services and the review of draft of the Company's agreement and paid fee for service	1 year	-	160,000	The fee was a reasonable fixed price compared to other professionals with similar service and quality

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2013	For the year ended December 31, 2012	
13. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Singapore Limited	Agreement for execution of securities trading orders that listed in foreign securities market which the Company received service and paid fee for service	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	1,358,525	761,031	The commission was calculated base on trade volume and a referential rate charged to other clients
14. Capital Nomura Securities Public Company Limited and Nomura Securities Co., Ltd.	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Securities Co., Ltd.	The Company paid for referral fee for introducing customers in Thailand. The Company received service and paid fee for service.	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	-	104,907	The fee was calculated at the rate of 20% of service fee charged to clients
15. Capital Nomura Securities Public Company Limited and Nomura Mauritius Limited	Nomura Holdings, Inc. is the major shareholder of the Company and Nomura Mauritius Limited	The Company paid for interest paid	1 year	19,571,193	-	At the rate 1.29-1.35 per annum
16. Capital Nomura Securities Public Company Limited and Mrs. Chrisana Sae-Leiw	Mrs. Chrisana Sae-Leiw is the executive director of the Company	Loan agreement (Housing Loan)	Not over than 100 months	35,096	47,346	The interest rate was the same rate as the Company charged to other Company's staffs

Outstanding balance of connected transactions as of December 31, 2013 and December 31, 2012

Transaction	Related companies / persons	Presented in Financial Statements as	Balance as of	
			31 Dec 2013	31 Dec 2012
Agency Agreement	Nomura Singapore Limited	Securities business receivable	327,324	9,320,866
Agency Agreement	Nomura Singapore Limited	Securities business payable	-	106,284,420
Agency Agreement	Instinet Pacific Limited	Securities business receivable	13,033,191	-
Agency Agreement	Instinet Pacific Limited	Securities business payable	35,421,274	-
Global Master Securities Lending Agreement	Nomura International Plc.	Securities business receivable	121,500	234,600,000
Global Master Securities Lending Agreement	Nomura International Plc.	Securities business payable	-	201,972,433
Investors Business Support Agreement	Nomura Singapore Limited	Other assets	4,787,075	1,172,390
Company's Services in support of Nomura Securities Co., Ltd.'s financial advisory services to client.	Nomura Securities Co., Ltd	Other assets	1,540,205	3,511,010
Agreement for email and internet software maintenance Services	Nomura International (Hong Kong) Limited	Other liabilities	46,459	46,459
Hi-speed Circuit Service	United Information Highway Company Limited	Other liabilities	88,644	-
Loans to Employee	Mrs. Chrisana Sac-Leiw	Other assets	1,327,003	1,603,766
Loan agreement	Nomura Mauritius Limited	Borrowings	1,647,470,000	-
Loan agreement	Nomura Mauritius Limited	Other liabilities	5,088,170	-
Others — Reimbursement	Nomura Investments (Singapore) Private Limited	Other assets	668,304	1,386,993
Others — Reimbursement	Nomura International (Hong Kong) Limited	Other assets	222,903	234,267
Others — Reimbursement	Nomura Singapore Limited	Other assets	16,121	37,020
Others — Reimbursement	Nomura Securities Co., Ltd	Other assets	424,875	4,000

Necessity and soundness of connected transactions

In case the Company enters into any connected transactions with related companies or related persons, the Company will consider the necessity and soundness to enter into such agreements for connected transactions based on the Company's best interest.

Approval procedures or measures of connected transactions

The Board of Directors requires the Company to comply with the Stock Exchange of Thailand's and the Securities and Exchange Commission's regulations.

Policy or outlook for future connected transactions

- None -

Key Financial Ratios

NOMURA

Key Financial Ratios

Financial Ratio	Fiscal Year 2013 (Jan 1, 2013 - Dec 31, 2013)	Fiscal Year 2012 (Jan 1, 2012 - Dec 31, 2012)	Sep 1, 2011 - Dec 31, 2011
<u>Profitability Ratio</u>			
Gross Profit Margin	84.87%	86.99%	87.12%
Net Profit Margin	24.66%	16.86%	11.76%
Return on Equity	8.70%	5.30%	3.19%
Return on Investment	11.76%	21.15%	(0.44%)
<u>Efficiency Ratio</u>			
Return on Assets	4.11%	2.61%	2.06%
Assets Turnover	0.17 Times	0.16 Times	0.18 Times
<u>Financial Ratio</u>			
Liquidity Assets on debt	0.66%	0.20%	0.53%
Asset Income on debt	3.66%	3.78%	10.08%
Liquidity Assets on Total Assets	16.93%	4.85%	4.67%
Asset Income on Total Assets	93.92%	89.86%	88.37%
Debt/Equity	0.84 Times	1.52 Times	0.50 Times
Dividend Pay-Out	N/A	61.00%	91.34%
<u>Other Ratios</u>			
Investment in Securities to Assets	10.63%	0.17%	4.93%
Net Capital Ratio (based on the SEC's regulation)	125.72%	60.97%	256.78%
<u>Data Per Share (Baht)</u>			
Book Value*	2.50	5.12	5.00
Profit for the period*	0.27	0.27	0.06
Dividend*	N/A	1.67	0.50
<u>Growth Rate</u>			
Total Assets	7.26%	80.21%	(10.79%)
Total Liabilities	(18.67%)	225.62%	(19.45%)
Income from Sales and Services	43.42%	22.49%	(8.98%)
Operating Expenses	19.81%	10.94%	2.82%
Profit for the period	109.61%	67.37%	(48.30%)

* On 26 April 2013, the Annual General Meeting of Shareholders No.1/2556 resolved to approve a share split by changing the par value of CNS's ordinary shares from Baht 10 each to Baht 1 each. The financial ratio presented above was calculated from the ordinary share at the par value of Baht 1 each.

Performance Analysis

For the fiscal year 2013, CNS's total revenues amounted to Baht 1,598.18 million, increasing Baht 483.36 million or 43.36% from the fiscal year 2012. The major reasons were the increase in brokerage fee income and interest on margin loan.

CNS's brokerage fee income for the fiscal year 2013 amounted to Baht 1,056.58 million, increasing Baht 331.38 million or 45.69% from the fiscal year 2012 which was mainly driven from the increase in Average Daily Turnover from Baht 28,106 million per day for the fiscal year 2012 to Baht 43,982 million per day for the fiscal year 2013 or 56.49% growth. The brokerage fee income accounted for 66.11% of total revenue in the fiscal year 2013, in line with 65.05% of total revenue in the fiscal year 2012.

CNS's interest income on margin loans and interest and dividend income for the fiscal year 2013 amounted to Baht 412.41 million, increasing Baht 131.51 million or 46.82% from the fiscal year 2012 which was mainly attributable to the increasing outstanding of margin loan as per the market sentiment. The total interest income accounted for 25.81% of total revenue in the fiscal year 2013, in line with 25.20% of total revenue in the fiscal year 2012.

CNS's fees and service income for the fiscal year 2013 amounted to Baht 118.61 million, increasing Baht 15.90 million or 15.48% from the fiscal year 2012, which was mainly earned from 1) the increase in underwriting service fees of Baht 29.54 million or 170.75% from the fiscal year 2012 from 26 new companies listed in the SET and MAI in the fiscal year 2013 comparing to 14 companies in the fiscal year 2012 and 2) the increase in securities borrowing and lending fee of Baht 7.36 million or 37.85% from the fiscal year 2012. The fees and service income accounted for 7.42% of total revenue in the fiscal year 2013, slightly decreasing from 9.21% of total revenue in the fiscal year 2012 due to the volatility of SET.

CNS's gain on securities for the fiscal year 2013 amounted to Baht 19.30 million, increasing Baht 17.16 million or 799.59% from the fiscal year 2012 which was mainly attributable to realized gain from investment - available for sale of unit trust from excess cash liquidity management and debt instruments. CNS has started the Fixed Income Sale and Trading business during the fiscal year 2013. The gain on securities accounted for 1.21% of total revenue in the fiscal year 2013, higher than 0.19% of total revenue in the fiscal year 2012.

CNS's loss from derivatives for the fiscal year 2013 amounted to Baht 13.60 million which was caused from an unrealized loss from the conversion of foreign exchange at the end of the fiscal year 2013 for the borrowings in foreign currency from a related party using as CNS's working capital while there was no such transaction in the fiscal year 2012.

CNS's total expenses for the fiscal year 2013 amounted to Baht 1,104.77 million, increasing Baht 239.81 million or 27.72% from the fiscal year 2012. The increasing rate of total expenses was in line with the increasing rate of total revenue but at the smaller proportion because of economy of scale from the fact that some of CNS's expenses were fixed cost, such as personnel expenses, premises and equipment expenses which were not varied by CNS's revenue or the market volatility.

CNS's personnel expenses for the fiscal year 2013 amounted to Baht 614.43 million, increasing Baht 126.72 million or 25.98% from the fiscal year 2012 which was in line with the increase in brokerage fee and fees and service income from the prior year. The personnel expenses accounted for 38.45% of total revenue in the fiscal year 2013, lower than 43.75% of total revenue in the fiscal year 2012 due to the economy of scale.

CNS's premises and equipment expenses for fiscal year 2013 amounted to 162.03 million, increasing Baht 12.47 million or 8.34% from the fiscal year 2012 and accounted for 10.14% of total revenue in the fiscal year 2013, lower than 13.41% of total revenue in the fiscal year 2012 due to the economy of scale.

CNS's financial costs for the fiscal year 2013 amounted to Baht 147.74 million, increasing 74.19 million or 100.88% from the fiscal year 2012 which was mainly driven from the increase in borrowings from domestic financial institutions and related company for supporting the working capital as well as CNS's business expansion. The financial costs accounted for 9.24% of total revenue in the fiscal year 2013, higher than 6.60% in the fiscal year 2012.

CNS's income tax for the fiscal year 2013 amounted to Baht 99.37 million, increasing Baht 37.5 million or 60.62% from the fiscal year 2012 as the result of the factors stated above. However, the applicable tax rate in the fiscal year 2013 was 20% of net profit comparing to 23% in the fiscal year 2012.

In summary, CNS's net profit for the fiscal year 2013 amounted to Baht 394.04 million, increasing Baht 206.05 million from the net profit of Baht 187.99 million for the fiscal year 2012. The earnings per share for the fiscal year 2013 was Baht 0.27, calculated from the weighted average number of shares at 1,478,815,668 shares at a par value of Baht 1 per share while the earnings per share for the fiscal year 2012 was Baht 0.27, calculated from the weighted average number of shares at 686,720,010 shares at a par value of Baht 1 per share or 109.61% growth from the prior year. CNS recorded a net profit margin for the fiscal year 2013 at 24.66%, return on asset (ROA) at 4.11% and return on equity (ROE) at 8.70% which were better than the figures for the fiscal year 2012 at 16.86%, 2.61% and 5.30%, respectively.

Financial Position Analysis

As of December 31, 2013, CNS's total assets amounted to Baht 9,921.68 million, increasing Baht 671.56 million or 7.26% from the record of Baht 9,250.11 million as of December 31, 2012. The improvement was mainly from an increase of cash and cash equivalent, investment in debt instrument and unit trust and derivative assets. The significant components of CNS's assets as of December 31, 2013 included the following: a) cash and cash equivalents (6.37% of total assets); b) securities and derivatives business receivables (77.55% of total assets); c) net investment (10.63% of total assets); d) derivative asset (1.20% of total assets); and e) other assets (4.25% of total assets).

As of December 31, 2013 CNS's cash and cash equivalents amounted to Baht 632.25 million, increasing Baht 191.98 million or 43.61% from the record as of December 31, 2012. This was largely attributable to the increase in promissory note at call from the increasing cash liquidity regarding the increasing turnover.

As of December 31, 2013, CNS's securities and derivatives business receivables amounted to Baht 7,694.70 million, decreasing Baht 274.79 million or 3.44% from the record as of December 31, 2012. The decrease was mainly attributed to the decrease in Average Daily Turnover in December 2013 at Baht 25,699 million comparing to Baht 34,054 million in the same month of the year 2012.

As of December 31, 2013, net investment totaled Baht 1,054.38 million, increasing Baht 1,038.73 million or 6,660.05% from the record as of December 31, 2012. The significant increase was mainly attributed to the increase in investment in debt instrument, the new business which started to operate in the fiscal year 2013, as well as the increase in investment in unit trust due to the cash liquidity management for a repayment of the borrowing due in January 2014.

As of December 31, 2013, CNS's derivative asset amounted to Baht 119.46 million, new item in this fiscal year 2013. This was due to the hedging of foreign exchange risk for the borrowing in foreign currency from related company.

Meanwhile, as of December 31, 2013, CNS's total liabilities amounted to Baht 4,538.29 million, decreasing Baht 1,041.57 million or 18.66%, comparing to the record of Baht 5,579.86 million as of December 31, 2012. The main reason was the decrease in borrowings from financial institutions and securities and derivatives business payables. The significant components of CNS's total liabilities as of December 31, 2013 included the following: a) borrowings from financial institutions (9.07% of total liabilities and shareholders' equity); b) securities and derivatives business payables (13.97% of total liabilities and shareholders' equity); c) other borrowing (16.61% of total liabilities and shareholders' equity); and d) other liabilities (6.09% of total liabilities and shareholders' equity).

As of December 31, 2013, CNS's borrowings from financial institutions amounted to Baht 900 million, decreasing Baht 1,300 million or 59.09% from the record as of December 31, 2012 due to the repayment of the promissory notes of Baht 1,300 million during the fiscal year 2013.

As of December 31, 2013, CNS's securities and derivatives business payables amounted to Baht 1,386.29 million, decreasing Baht 1,183.91 million or 46.06% from the record as of December 31, 2012. The decrease was mainly attributed to the lower trading turnover during the end of year 2013 than the end of year 2012 as previously stated.

As of December 31, 2013, CNS's other borrowing amounted to Baht 1,647.47 million, new item for the fiscal year 2013. CNS had the borrowing of USD 50 million from related company during the year 2013 for supporting CNS's working capital and business growth while there was no such transaction as of December 31, 2012.

As of December 31, 2013, CNS's shareholders' equity amounted to Baht 5,383.39 million, increasing Baht 1,713.14 million or 46.68% from the record of Baht 3,670.25 million as of December 31, 2012. The increase was due to the capital increase during the fiscal year 2013 and the net increase of retained earnings from the net profit of the fiscal year 2013.

As of December 31, 2013, CNS's debt to equity ratio was 0.84 times and CNS's book value per share was Baht 2.50, calculated from the number of shares of 2,150,469,000 shares at a par value of Baht 1 per share while CNS's debt to equity ratio as of December 31, 2012 was 1.52 times and CNS's book value per share was Baht 5.12, calculated from the number of shares of 716,823,000 shares at a par value of Baht 1 per share. The decrease of the debt to equity ratio and the book value per share was due to the capital increase during the fiscal year 2013.


In conclusion, CNS was one of the securities firms that had strong financial status and high financial liquidity. As of December 31, 2013, CNS's Net Capital Ratio (NCR) was Baht 4,628.31 million or 125.72% of total general debt and collateral asset, highly above the minimum ratio required by the SEC at the higher of Baht 25 million or 7% total general debt and collateral asset. CNS's liquid assets on total assets ratio stood at 16.93% better than the ratio of 4.85% as of December 31, 2012. CNS's unappropriated retained earnings as of December 31, 2013 stood at Baht 792.54 million.

Report of the Board of Directors' Responsibility for Financial Statements

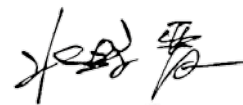
The Board of Directors of Capital Nomura Securities Public Company Limited (“the Company”) is responsible for the Company’s financial statements, including financial information appearing in the 2013 Annual Report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards with appropriate accounting policies applied on a conservative and consistency basis. Whenever required, judgment and estimation were made with careful and reasonable considerations, and adequate disclosures were made in the notes to the financial statements. These financial statements have been audited by Ernst & Young Office Limited, which is independent certified auditor who had given their unqualified opinions.

The Company’s Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems. In this regard, the Board of Directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing and meeting with Compliance and Internal Audit Department and external auditors on the financial report, internal control, internal audit, financial information disclosure, including compliance, as shown in the report of the Audit Committee in this Annual Report.

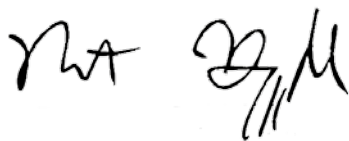
The Board of Directors believed that the Company has a satisfactory level of internal control and the financial report as of December 31, 2013 are presented fairly in accordance with Thai Financial Reporting Standards and complied with related rules and regulations.



Mr.Suthep Peetakanont
Chairman of the Board of Directors
Chairman of the Board of Executive
Directors



Mr.Shinichi Mizuno
President



Mr.Nimit Wongjariyakul
Executive Director



Mr.Naoki Sugaya
Executive Director



Mrs.Chrisana Sae-Leiw
Executive Director

Independent Auditor's Report

NOMURA

To the Shareholders of Capital Nomura Securities Public Company Limited

I have audited the accompanying financial statements of Capital Nomura Securities Public Company Limited, which comprise the statement of financial position as at 31 December 2013, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

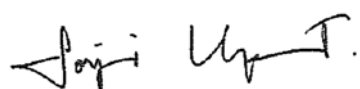
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Nomura Securities Public Company Limited as at 31 December 2013, and their financial performance and cash flows the year then ended in accordance with Thai Financial Reporting Standards.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

Ernst & Young Office Limited

Bangkok: 20 February 2014

Capital Nomura Securities Public Company Limited

As at 31 December 2013

		(Unit: Baht)	
	Note	2013	2012
Assets			
Cash and cash equivalents	6	632,251,180	440,270,969
Deposits at financial institutions	7	-	-
Receivables from Clearing House	8	64,995,414	490,606,208
Securities and derivatives business receivables - net	9	7,694,699,270	7,969,481,467
Derivatives assets	10	119,465,000	-
Investments - net	11	1,054,381,107	15,597,246
Premises and equipment - net	12	96,916,474	113,679,539
Intangible assets - net	13	15,751,429	11,835,537
Deferred tax assets	14	51,368,224	44,893,598
Other assets - net	15	191,851,108	163,747,053
Total assets		9,921,679,206	9,250,111,617

The accompanying notes are an integral part of the financial statements.

Statement of financial position (Continued)

NOMURA**Capital Nomura Securities Public Company Limited**

As at 31 December 2013

			(Unit: Baht)
	Note	2013	2012
Liabilities and equity			
Liabilities			
Borrowings from financial institutions	16	900,000,000	2,200,000,000
Payables to Clearing House	17	328,108,786	551,615,871
Securities and derivatives business payables	18	1,386,289,678	2,570,197,639
Borrowings	19	1,647,470,000	-
Provisions for long-term employee benefits	20	52,903,963	49,826,271
Deferred tax liabilities	14	86,298	129,080
Other liabilities	21	223,434,237	208,097,978
Total liabilities		4,538,292,962	5,579,866,839
Equity			
Share capital			
Registered, issued and paid-up			
2,150,469,000 ordinary shares of Baht 1 each			
(2012: 71,682,300 ordinary shares of Baht 10 each)	23	2,150,469,000	716,823,000
Premium on share capital		2,131,833,600	2,131,833,600
Premium on treasury stock		1,487,250	1,487,250
Other components of equity - revaluation			
surplus (deficit) on investments	11.3	56,989	(60,036)
Retained earnings			
Appropriated - statutory reserve	24	92,000,000	72,000,000
- general reserve		215,000,000	215,000,000
Unappropriated		792,539,405	533,160,964
Total equity		5,383,386,244	3,670,244,778
Total liabilities and equity		9,921,679,206	9,250,111,617

The accompanying notes are an integral part of the financial statements.

Capital Nomura Securities Public Company Limited

For the year ended 31 December 2013

		(Unit: Baht)	
	Note	2013	2012
Profit or loss:			
Revenue			
Brokerage fees	26	1,056,583,127	725,203,695
Fees and service income	27	118,612,936	102,715,070
Gain on securities	11.4	19,302,066	2,145,663
Loss on derivatives		(13,598,300)	(21,880)
Interest and dividend		84,363,373	64,752,475
Interest on margin loans		328,049,136	216,146,663
Other income		4,871,801	3,884,412
Total revenue		1,598,184,139	1,114,826,098
Expenses			
Financial costs		147,737,848	73,544,139
Fees and services expenses		93,381,953	71,012,750
Operating expenses			
Personnel expenses		614,431,513	487,715,173
Premises and equipment expenses		162,025,945	149,557,696
Directors' remuneration	28	3,721,000	2,412,667
Other expenses		83,474,750	81,141,139
Total operating expenses		863,653,208	720,826,675
Reversal of bad debt and doubtful account		-	(414,018)
Total expenses		1,104,773,009	864,969,546
Profit before income tax		493,411,130	249,856,552
Income tax	14	(99,367,409)	(61,866,100)
Profit for the year		394,043,721	187,990,452

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income (Continued) **NOMURA****Capital Nomura Securities Public Company Limited**

For the year ended 31 December 2013

			(Unit: Baht)
	Note	2013	2012
Other comprehensive income:			
Gain (loss) on re-measuring available-for-sale investments		146,281	(1,863,416)
Income tax relating to gain (loss) on re-measuring available-for-sale investments	14	(29,256)	426,334
Other comprehensive income (loss)		117,025	(1,437,082)
Total comprehensive income for the year		394,160,746	186,553,370
Basic earnings per share	30		
Profit for the year		0.27	0.27
Weighted average number of ordinary shares (Shares)		1,478,815,668	686,720,010

The accompanying notes are an integral part of the financial statements.

Statement of changes in equity

Capital Nomura Securities Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Other components of equity - revaluation surplus on investments	Retained earnings					Treasury stock	Total		
		Appropriated			Treasury stock reserve	Unappropriated				
		Statutory reserve	General reserve							
Balance - as at 1 January 2012	716,823,000	2,131,833,600	-	1,377,046	72,000,000	215,000,000	96,993,325	282,366,487	(96,993,325)	3,419,400,133
Dividend paid (Note 31)	-	-	-	-	-	-	-	(34,189,300)	-	(34,189,300)
Resale of treasury stock with premium (Note 22)	-	-	1,487,250	-	-	-	-	-	96,993,325	98,480,575
Reversal of treasury stock reserve (Note 22)	-	-	-	-	-	-	(96,993,325)	96,993,325	-	-
Total comprehensive income (loss) for the year	-	-	-	(1,437,082)	-	-	-	187,990,452	-	186,553,370
Balance - as at 31 December 2012	716,823,000	2,131,833,600	1,487,250	(60,036)	72,000,000	215,000,000	-	533,160,964	-	3,670,244,778
Balance - as at 1 January 2013	716,823,000	2,131,833,600	1,487,250	(60,036)	72,000,000	215,000,000	-	533,160,964	-	3,670,244,778
Increase share capital (Note 23)	1,433,646,000	-	-	-	-	-	-	-	-	1,433,646,000
Dividend paid (Note 31)	-	-	-	-	-	-	-	(114,665,280)	-	(114,665,280)
Statutory reserve (Note 24)	-	-	-	-	20,000,000	-	-	(20,000,000)	-	-
Total comprehensive income for the year	-	-	-	117,025	-	-	-	394,043,721	-	394,160,746
Balance - as at 31 December 2013	2,150,469,000	2,131,833,600	1,487,250	56,989	92,000,000	215,000,000	-	792,539,405	-	5,383,386,244

The accompanying notes are an integral part of the financial statements.

Statement of cash flows

NOMURA**Capital Nomura Securities Public Company Limited**

For the year ended 31 December 2013

	(Unit: Baht)	
	2013	2012
Cash flows from operating activities		
Profit before income tax	493,411,130	249,856,552
Adjustments to reconcile profit before income tax		
to net cash provided by (paid from) operating activities		
Depreciation and amortisation	55,714,867	53,989,050
Loss (gain) on disposal of securities	(18,984,567)	774,345
Loss on reclassification of investments	913,911	-
Gain on revaluation of investments	(1,349,870)	-
Reversal of bad debt and doubtful account	-	(414,018)
Reversal of loss on impairment of securities	-	(6,636,797)
Gain on disposal of equipment	(109,908)	(9,196)
Loss on derivatives/exchange rate	13,580,000	-
Interest and dividend income	(84,363,373)	(64,752,475)
Interest income from margin loans	(328,049,136)	(216,146,663)
Others interest income	(1,827,203)	(1,981,213)
Financial costs	147,737,848	73,544,139
Cash received from interest	37,788,927	39,182,793
Cash received from interest on margin loans	322,722,955	206,223,814
Cash received from other interest	1,827,737	1,995,378
Cash paid for interest expenses (included other financial costs)	(117,136,616)	(75,829,948)
Cash paid for income tax	(120,944,660)	(67,935,091)
Profit from operating activities before changes		
in operating assets and liabilities	400,932,042	191,860,670
Operating assets (increase) decrease		
Receivables from Clearing House	425,610,794	(339,176,184)
Securities and derivatives business receivables	280,522,347	(3,869,900,830)
Trading securities	(338,208,379)	-
Other assets	(26,411,841)	(15,836,410)

The accompanying notes are an integral part of the financial statements.

Capital Nomura Securities Public Company Limited

For the year ended 31 December 2013

	(Unit: Baht)	
	2013	2012
Operating liabilities increase (decrease)		
Borrowings from financial institutions	(1,300,000,000)	1,750,000,000
Payables to Clearing House	(223,507,085)	437,851,092
Securities and derivatives business payables	(1,183,860,260)	1,626,680,117
Borrowings	1,484,500,000	-
Provisions for long-term employee benefits	3,077,692	4,495,616
Other liabilities	29,133,662	46,553,542
Net cash used in operating activities	(448,211,028)	(167,472,387)
Cash flows from investing activities		
Cash paid for purchase of available-for-sale securities	(17,661,502,165)	-
Cash received from disposal of available-for-sale securities	16,980,488,274	310,237,875
Net cash received (net cash paid) for		
held-to maturity debt securities	144,714	(2,145,026)
Cash received from disposal of other investments	-	5,000
Cash received from interest and dividend	43,780,744	22,354,450
Cash paid for acquisition of equipment	(34,057,900)	(19,072,917)
Cash received from sales of equipment	118,455	9,346
Cash paid for acquisition of intangible assets	(7,761,603)	(3,822,257)
Net cash from (used in) investing activities	(678,789,481)	307,566,471
Cash flows from financing activities		
Proceed from increase in share capital	1,433,646,000	-
Cash received from resale of treasury stock	-	98,480,575
Cash paid for dividend	(114,665,280)	(34,189,300)
Net cash from financing activities	1,318,980,720	64,291,275
Net increase in cash and cash equivalents	191,980,211	204,385,359
Cash and cash equivalents at the beginning of the year	440,270,969	235,885,610
Cash and cash equivalents at the end of the year	632,251,180	440,270,969
Supplemental cash flows information		
Non-cash transactions		
Accounts payable for purchase of fixed assets and intangible assets	144,379	149,597

The accompanying notes are an integral part of the financial statements.

Notes of financial statements

NOMURA

Capital Nomura Securities Public Company Limited

For the year ended 31 December 2013

1. General information

Capital Nomura Securities Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the securities with business of securities brokerage, securities dealing, securities borrowing and lending services, investment advisory, securities underwriting, financial advisory services and the derivatives broking.

The registered office of the Company is at 25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Tungmahamak, Sathorn, Bangkok. As at 31 December 2013, the Company has 26 branches in Bangkok and up country (2012: 23 branches).

2. Basis of the preparation of the financial statements

These financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and they are presented in compliance with the requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor/Kor/Nor. 53/2553 dated 15 December 2010.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New accounting standards

Below is a summary of accounting standards that become effective in the current accounting year and those that will become effective in the future.

3.1 Accounting standards that become effective in the current accounting period

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
--------	--------------------

Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance are not relevant to the business of the Company, except for TFRS 8: Operating Segments for which the Company made additional disclosure in these notes to financial statements, and TAS 12: regarding Income Taxes, which does not have any impact to the Company's financial statement since the Company had early adopted before the effective date.

3.2 Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets — Web Site Costs	1 January 2014

		<u>Effective date</u>
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company believes that these accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations will not have significant impact to the Company's financial statements for the year when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction dates.

b) Fees and service income

Fees and service income are recognised as income when services have been rendered taking into account the stage of completion.

c) Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognised as income/expenses on the transaction dates.

d) Interest and dividend

Interest is recognised as income on an accrual basis. Dividend from investments is recognised when the right to receive the dividends is established.

e) Interest on credit balance loans

Interest is recognised as interest accrues based on a time proportion basis, but where there is uncertainty as to the collectability of loans and interest the Company ceases accrual.

NOMURA

In the following cases collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralised.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue for more than 3 months.
- 3) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

4.2 Expense recognition

- a) Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

- b) Fees and service expenses

Fees and service expenses are charged to expenses on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank deposit accounts maturing within 3 months or less from the date of acquisition, and including call notes receivable and term notes receivable issued by financial institutions with an ordinary maturing within 3 months or less and not subject to withdrawal restrictions.

4.4 Recognition and amortisation of customers' deposits assets

Assets which customers have placed with the Company for securities trading, both through cash accounts and credit balance accounts, including amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. As at the end of the reporting date, the Company excludes the amounts which are unsecured from both assets and liabilities and presents only those assets which belong to the Company.

4.5 Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal or an agent of the borrowers and lenders of securities who are the Company's customers. The Company's objective in lending securities to its customers is solely to allow them to short sell securities through the credit balance accounts they have with the Company. These types of transaction are limited to securities listed on the SET 100 Index and on the list of securities which the Company allows customers to purchase through margin accounts (Marginable Securities).

The Company records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. At the end of the year, the balance of securities borrowing payables and securities borrowing receivables are adjusted based on the close price quoted on the Stock Exchange of Thailand of the last working day of the year. Gains or losses arising from such adjustment are included in profit or loss. In addition, the Company records cash paid as collateral for securities borrowing as "Guaranteed deposit receivables" and cash received as collateral for securities lending as "Guarantee deposit payables". Fees for borrowing and lending are recognised on an accrual basis over the term of the period.

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of those securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as gain (loss) on remeasuring investments in other comprehensive income in the statements of comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investment in held-to-maturities debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/ accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities which are classified as other investments are valued at cost net of allowance of impairment (if any).
- e) The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- f) Losses on impairment of the investments (if any) are included in profit or loss when there is a factor indicating that such investments might be impaired.
- g) The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.
- h) In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of equity, depending on the type of investment that is reclassified.

4.7 Receivables from/payables to Clearing House

Receivables from/payables to Clearing House comprise the net balance receivables from/payables to Thailand Clearing House in respect of securities trades settled and derivative trading, and also include amounts pledged with Thailand Clearing House as security for derivatives trading and the net balance of receivables from/payables to overseas securities companies in respect of overseas securities trades settle through those companies.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful accounts, and also including related accrued interest receivables.

In addition, securities business receivables comprise the net receivables balances of cash accounts, credit balance accounts for which the securities purchased are used as collateral, securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for securities borrowing payables or Thailand Clearing House) as well as other receivables such as overdue cash customers accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

The Company has provided an allowance for doubtful accounts based on a review of debtor's ability to make repayment, taking into consideration recovery risk, and the value of the collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the following guidelines.

- a) Assets classified as doubtful loss are to satisfy the following criteria.
 - (1) Loans balance which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written-off in accordance with tax legislation.
 - (2) Loans balance which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria.
 - (1) General loans and other loans for which the collateral value is less than the loan balance.
 - (2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
 - (3) Installment loans with repayment scheduled no less frequently than every 3 months, unless there is clear evidence and high degree of certainty that full repayment will be received.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as doubtful loss will be written-off when identified. Allowance for doubtful account will be set aside for loans classified as doubtful at not less than 100 percent of the loan balance. The above guideline is in accordance with Notification No. Kor. Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission.

4.9 Premises and equipment/Depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of premises and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

Condominium units	20 years
Leasehold improvements	12 years
Office equipment	3, 5, 6 years
Furniture and fixtures	5, 6 years
Motor vehicles	5 years

No depreciation is provided on construction in progress.

Depreciation is included in determining income.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

4.10 Intangible assets and amortisation

Intangible assets acquired are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any)

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives is amortised for a period of 5 years.

4.11 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legalisation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences, to the extent it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.12 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value with reference to the latest appraisal value less estimated selling expenses.

4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss.

4.14 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.15 Related parties transaction

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with direct or indirect authority in the planning and direction of the Company's operations.

4.16 Long-term leases

Leases of assets that all the significant risk and rewards of ownership are retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

4.17 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting date.

Gains and losses on exchange are included in determining income.

4.18 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses, contribution to the social security fund, contribution under Employee Joint Investment Program and annual leave are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit is determined by a professionally qualified independent actuary, based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss (if any).

4.19 Derivatives - Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in profit or loss. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.20 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimation. The significant judgements and accounting estimates are as follows:

5.1 Allowances for loan losses for securities and derivative business receivables

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each outstanding receivable when there is any doubt about the receivable's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

5.2 Impairment of investments

The Company reviews and set up allowance for impairment of investment when indication of impairment exists. The determination of what is indication of impairment requires judgement of management to estimate the expected loss by considering the status of each investment item.

5.3 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is highly probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.4 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.5 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

5.6 Premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of the premises and equipment, and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.7 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate.

6. Cash and cash equivalents

	(Unit: Baht)	
	2013	2012
Cash	83,000	77,075
Current deposits and saving deposits	573,152,701	281,354,495
Time deposits with maturity date not more than 3 months from acquisition date	390,000,000	370,000,000
Promissory notes at call	552,000,000	320,000,000
Total cash and cash equivalents	1,515,235,701	971,431,570
Less: Deposits for customers' account	(882,984,521)	(531,160,601)
Cash and cash equivalents	632,251,180	440,270,969

7. Deposits at financial institutions

	(Unit: Baht)	
	2013	2012
Time deposits with maturity date more than 3 months from acquisition date	200,000,000	100,000,000
Less: Deposits for customers' account	(200,000,000)	(100,000,000)
Deposits at financial institutions	-	-

NOMURA

8. Receivables from Clearing House

		(Unit: Baht)
	2013	2012
Receivables from Thailand Clearing House		
Equity and debt securities	64,729,514	453,653,472
Derivatives	31,004,281	32,630,609
Receivables from foreign companies	-	35,249,039
Total receivables from Clearing House	95,733,795	521,533,120
Less: Receivables from Clearing House for customers' accounts	(30,738,381)	(30,926,912)
Receivables from Clearing House	64,995,414	490,606,208

9. Securities and derivatives business receivables

		(Unit: Baht)
	2013	2012
<u>Securities business receivables</u>		
Cash accounts	1,128,630,599	1,501,671,757
Credit balances receivables	5,785,335,306	5,264,562,046
Guaranteed deposit receivables	425,295,070	618,898,140
Receivables under securities borrowing and lending business	325,391,043	560,657,700
Other receivables	6,538,770	6,391,839
Total securities business receivables	7,671,190,788	7,952,181,482
Add: Accrued interest receivables	29,198,843	23,458,693
Less: Allowance for doubtful accounts	(6,335,398)	(6,335,398)
Net securities business receivables	7,694,054,233	7,969,304,777
<u>Derivatives business receivables</u>		
Derivatives business receivables	645,037	176,690
Total derivatives business receivables	645,037	176,690
Net securities and derivatives business receivables	7,694,699,270	7,969,481,467

- 9.1 As at 31 December 2013, the Company has securities business receivables of approximately Baht 6.5 million on which the recognition of income on an accrual basis has been suspended (2012: Baht 6.4 million).

- 9.2 As at 31 December 2013 and 2012, the Company has classified its securities business receivables including related interest receivable as follows, in accordance with the relevant guidelines issued by the Office of the Securities and Exchange Commission governing accounting for the doubtful debts of securities companies.

(Unit: Thousand Baht)

	2013		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	7,694,699	-	7,694,699
Doubtful	6,335	6,335	-
Total	7,701,034	6,335	7,694,699

(Unit: Thousand Baht)

	2012		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	7,969,481	-	7,969,481
Doubtful	6,335	6,335	-
Total	7,975,816	6,335	7,969,481

- 9.3 As at 31 December 2013, guaranteed deposit receivables of approximately Baht 425.3 million represent cash paid to secure the borrowing of securities for securities borrowing and lending transactions, and the fair value of the securities borrowed is approximately Baht 325.4 million (2012: Baht 618.9 million and Baht 560.7 million, respectively).

9.4 Allowance for doubtful accounts

(Unit: Baht)

	For the year ended 31 December	
	2013	2012
Balance - beginning of the year	6,335,398	6,749,416
Change during the year	-	(414,018)
Balance - end of the year	6,335,398	6,335,398

10. Derivatives assets

(Unit: Baht)

	2013	
	Fair value	Notional amount
Forward exchange contract	119,465,000	1,514,425,000
Total derivatives assets	119,465,000	1,514,425,000

NOMURA

As at 31 December 2013, derivatives assets relate to the differences between the fair values and the original values of the forward foreign exchange contracts, amounting to USD 50 million.

Investments

Classify by type of investments

	2013		2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Trading securities</u>				
Investments in debt securities	337,294,468	338,644,338	-	-
Total	337,294,468	338,644,338	-	-
Add: Allowance for revaluation	1,349,870		-	
Net trading securities	338,644,338		-	
<u>Available-for-sale securities</u>				
Listed equity securities	30,210	-	30,210	-
Unit trusts	700,629,565	700,700,801	631,108	556,063
Total	700,659,775	700,700,801	661,318	556,063
Add (less): Allowance for revaluation	71,236		(75,045)	
Less: Allowance for impairment	(30,210)		(30,210)	
Net available-for-sale securities	700,700,801		556,063	
<u>Held-to-maturity debt securities</u>				
Treasury bill	1,151,571,872		1,313,374,618	
Less: Investments for customer's accounts	(1,143,007,772)		(1,304,805,303)	
Net held-to-maturity debt securities	8,564,100		8,569,315	
<u>Other investments</u>				
Non-marketable equity securities	15,665,250		15,665,250	
Less: Allowance for impairment	(9,193,382)		(9,193,382)	
Net other investments	6,471,868		6,471,868	
Net investments	1,054,381,107		15,597,246	

11.2 Debt securities classified by remaining periods to maturity

As at 31 December 2013 and 2012, the Company classified investments in held-to-maturity debt securities by remaining periods to maturity as follows:

(Unit: Baht)

	2013			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Treasury bill	1,151,571,872	-	-	1,151,571,872
Less: Investments for customer's accounts	(1,143,007,772)	-	-	(1,143,007,772)
Total investments in held-to-maturity debt securities	8,564,100	-	-	8,564,100

(Unit: Baht)

	2012			
	Due within			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Treasury bill	1,313,374,618	-	-	1,313,374,618
Less: Investments for customer's accounts	(1,304,805,303)	-	-	(1,304,805,303)
Total investments in held-to-maturity debt securities	8,569,315	-	-	8,569,315

11.3 Other components of equity - revaluation surplus (deficit) on investments

(Unit: Baht)

	For the year ended 31 December	
	2013	2012
Balance - beginning of the year	(60,036)	1,377,046
Changes during the year from		
Revaluation	18,050,095	(2,632,761)
Disposal	(18,984,567)	769,345
Reclassification from available-for-sale to trading	1,080,753	-
Deferred income tax	(29,256)	426,334
Balance - end of the year	56,989	(60,036)

11.4 Gain (loss) on securities

(Unit: Baht)

	For the year ended 31 December	
	2013	2012
Realised gain (loss) on trading in securities		
Trading securities	48,382	(3,716,789)
Available-for-sale securities	18,984,567	(769,345)
Other investments	-	(5,000)
Loss on reclassification of available-for-sale securities to trading securities	(1,080,753)	-
Unrealised gain on trading securities	1,349,870	-
Reversal of loss on impairment	-	6,636,797
Total gain on securities	19,302,066	2,145,663

11.5 Interest and dividend income

(Unit: Baht)

	For the year ended 31 December	
	2013	2012
Interest income from debt securities	43,926,823	28,251,625
Dividend income from equity securities	685,911	527,113
Total interest and dividend income	44,612,734	28,778,738

12. Premises and equipment

(Unit: Baht)

For the year ended 31 December 2013						
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	Total
Cost						
1 January 2013	22,704,701	187,151,181	131,286,546	27,954,034	2,694,024	371,790,486
Additions	-	26,629,880	325,792	-	7,093,284	34,048,956
Disposals	-	(701,280)	(2,516,852)	-	-	(3,218,132)
Transfer in/out	-	3,717,423	3,210,569	-	(6,927,992)	-
31 December 2013	22,704,701	216,797,204	132,306,055	27,954,034	2,859,316	402,621,310
Accumulated depreciation						
1 January 2013	18,441,571	149,927,219	75,392,425	14,349,732	-	258,110,947
Depreciation for the year	-	26,952,461	18,976,208	4,874,805	-	50,803,474
Depreciation on disposals	-	(693,197)	(2,516,388)	-	-	(3,209,585)
31 December 2013	18,441,571	176,186,483	91,852,245	19,224,537	-	305,704,836
Accumulated depreciation						
31 December 2013	4,263,130	40,610,721	40,453,810	8,729,497	2,859,316	96,916,474
Depreciation for the year ended 31 December 2013						50,803,474

(Unit: Baht)

For the year ended 31 December 2012						
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	Total
Cost						
1 January 2012	22,704,701	183,696,167	119,844,186	27,954,034	4,110,268	358,309,356
Additions	-	5,723,262	1,410,896	-	9,801,314	16,935,472
Disposals	-	(3,234,861)	(219,481)	-	-	(3,454,342)
Transfer in/out	-	966,613	10,250,945	-	(11,217,558)	-
31 December 2012	22,704,701	187,151,181	131,286,546	27,954,034	2,694,024	371,790,486
Accumulated depreciation						
1 January 2012	18,441,571	128,495,132	56,813,658	8,850,334	-	212,600,695
Depreciation for the year	-	24,666,836	18,798,210	5,499,398	-	48,964,444
Depreciation on disposals	-	(3,234,749)	(219,443)	-	-	(3,454,192)
31 December 2012	18,441,571	149,927,219	75,392,425	14,349,732	-	258,110,947
Net book value						
31 December 2012	4,263,130	37,223,962	55,894,121	13,604,302	2,694,024	113,679,539
Depreciation for the year ended 31 December 2012						48,964,444

NOMURA

As at 31 December 2013, condominium units for a total of Baht 4.3 million are not in use and currently in the process of selling. In addition, certain office equipment, furniture and fixtures and motor vehicles have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 149.8 million (2012: Baht 4.3 million and Baht 110.0 million, respectively).

13. Intangible assets

(Unit: Baht)

		For the year ended 31 December 2013				
	Remaining amortisation period	Balance beginning of the year	Increase/ transfer in	Amortised	Disposals/ transfer out	Balance end of the year
Computer software	0 - 4.92 years	76,367,663	4,674,717	-	-	81,042,380
Software in progress		1,670,588	4,650,005	-	(1,559,393)	4,761,200
Total intangible assets		78,038,251	9,324,722	-	(1,559,393)	85,803,580
Less: Accumulated amortisation		(66,202,714)	-	(3,849,437)	-	(70,052,151)
Net intangible assets		11,835,537	9,324,722	(3,849,437)	(1,559,393)	15,751,429
Amortisation expenses for the year ended 31 December 2013						3,849,437

(Unit: Baht)

		For the year ended 31 December 2012				
	Remaining amortisation period	Balance beginning of the year	Increase/ transfer in	Amortised	Disposals/ transfer out	Balance end of the year
Computer software	0 - 4.95 years	71,814,645	4,553,018	-	-	76,367,663
Software in progress		2,542,449	3,208,929	-	(4,080,790)	1,670,588
Total intangible assets		74,357,094	7,761,947	-	(4,080,790)	78,038,251
Less: Accumulated amortisation		(61,942,682)	-	(4,260,032)	-	(66,202,714)
Net intangible assets		12,414,412	7,761,947	(4,260,032)	(4,080,790)	11,835,537
Amortisation expenses for the year ended 31 December 2012						4,260,032

As at 31 December 2013, certain computer software have been fully amortised but are still in use. The original cost, before deducting accumulated amortisation, of those assets amounted to Baht 60.6 million (2012: Baht 57.6 million).

14. Deferred tax assets/liabilities and income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Current income tax:		
Current income tax charge for the year	105,862,918	73,427,815
Deferred tax:		
Relating to origination and reversal of temporary differences	(6,421,374)	(14,494,366)
Effects of changes in the applicable tax rates/prior period's adjustments	(74,135)	2,932,651
Income tax expense reported in the statement of comprehensive income	99,367,409	61,866,100

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Deferred tax relating to gain (loss) on re-measuring available-for-sale investments	(29,256)	428,586
Effects of changes in the applicable tax rates	-	(2,252)
	(29,256)	426,334

NOMURA

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Accounting profit before tax	493,411,130	249,856,552
Applicable tax rates	20 percent	23 percent
Accounting profit before tax multiplied by applicable tax rates	98,682,226	57,467,007
Effects of changes in the applicable tax rates / prior period's adjustment	(74,135)	2,932,651
Effects of:		
Non-deductible expense	1,118,541	1,702,296
Non-taxable income	(280,886)	(232,334)
Additional expense deductions allowed	(78,337)	(3,520)
Total	759,318	1,466,442
Income tax expenses reported in the statement of comprehensive income	99,367,409	61,866,100

As of 31 December 2013 and 2012, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	2013	2012
Deferred tax assets		
Allowance for impairment of investments	1,844,719	1,844,719
Allowance for impairment of property foreclosed	5,570,240	5,570,240
Allowance for doubtful accounts/allowance for other receivables	1,281,959	1,281,959
Provisions for long-term employee benefits	10,580,793	9,965,254
Accrued employee expenses	27,883,162	21,869,544
Revaluation deficit on investments	-	15,009
Others	4,207,351	4,346,873
Total deferred tax assets	51,368,224	44,893,598
Deferred tax liabilities		
Others	(86,298)	(129,080)
Total deferred tax liabilities	(86,298)	(129,080)
Net deferred tax assets	51,281,926	44,764,518

15. Other assets

	(Unit: Baht)	
	2013	2012
Loans to employees	69,859,939	66,684,608
Contribution for Securities Clearing Fund	40,810,173	35,737,458
Prepaid expenses	17,988,702	11,087,794
Deposits	16,936,186	16,749,276
Deferred premium on forward exchange contract	514,470	-
Property foreclosed (net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Accrued interest receivables	3,793,219	1,553,519
Deposit for derivative business	5,000,000	5,000,000
Fees and service income receivables	13,200,299	4,809,401
Others	8,748,120	7,124,997
Total other assets	191,851,108	163,747,053

16. Borrowings from financial institutions

As at 31 December 2013 and 2012, borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

(Unit: Thousand Baht)				
2013				
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Less than 1 year	1 - 5 years Total
Borrowings	3.85 - 4.33	-	500,000	400,000 900,000
Total borrowings from financial institutions		-	500,000	400,000 900,000

(Unit: Thousand Baht)				
2012				
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Less than 1 year	1 - 5 years Total
Promissory notes	3.15 - 3.40	900,000	400,000	- 1,300,000
Borrowings	3.85 - 4.33	-	-	900,000 900,000
Total borrowings from financial institutions		900,000	400,000	900,000 2,200,000

NOMURA

As at 31 December 2013 and 2012, the above borrowings of Baht 900 million are borrowings from the branch of an overseas bank, with maturities of next 2-3 years counting from contract date. The interest is carried at fixed rates per annum, payable monthly. The loan agreements contain conditions whereby the Company is obliged to pay unwinding fees or compensation for losses arising as a result of the Company terminating the agreements or prepaying the borrowings before the maturity date, which is calculated based on the conditions as specified in the loan agreements. Moreover, the Company has to comply with certain terms and conditions such as the maintenance of an interest bearing debt to equity ratio of not exceeding 1.5:1 and dividend payout ratio.

17. Payables to Clearing House

	(Unit: Baht)	
	2013	2012
Payables to Clearing House		
Equity and debt securities	324,740,034	551,398,156
Derivatives	620,188	217,715
Payables to foreign companies	2,748,564	-
Total payables to Clearing House	328,108,786	551,615,871

18. Securities and derivatives business payables

	(Unit: Baht)	
	2013	2012
<u>Securities business payables</u>		
Cash accounts	692,133,009	1,487,045,188
Guarantee deposit payables	365,286,850	517,520,177
Payable under securities borrowing and lending business	325,391,042	560,657,700
Total securities business payables	1,382,810,901	2,565,223,065
Accrued interest payables	3,469,177	3,516,877
Total securities business payables	1,386,280,078	2,568,739,942
<u>Derivatives business payables</u>		
Derivatives business payables	9,600	1,457,697
Total derivatives business payables	9,600	1,457,697
Total securities and derivatives business payables	1,386,289,678	2,570,197,639

19. Borrowings

As at 31 December 2013, borrowings of Baht 1,647.5 million are US dollar borrowing from a related party, maturing in January 2014, and carrying interest at LIBOR+1.05 percent per annum, payable quarterly. However, the Company has purchased a forward exchange contract to mitigate the related foreign exchange risk.

20. Provisions for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement, are as follows:

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Provisions for long-term employee benefits at beginning of year	49,826,271	45,330,655
Current service cost	4,236,840	3,939,591
Interest cost	1,986,755	1,826,120
Benefits paid during the year	(3,145,903)	(1,270,095)
Provisions for long-term employee benefits at end of year	52,903,963	49,826,271

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2013 and 2012 are as follows:

	(Unit: Baht)	
	2013	2012
Current service cost	4,236,840	3,939,591
Interest cost	1,986,755	1,826,120
Total expenses recognised in profit or loss	6,223,595	5,765,711

Principal actuarial assumptions at the valuation date were as follows:

Discount rate	4.1 percent per annum
Average future salary increase	5 - 8 percent per annum
Average turnover rate	5 - 35 percent per annum based on employees' age

NOMURA

21. Other liabilities

		(Unit: Baht)
	2013	2012
Accrued employee expenses	141,913,105	111,937,267
Accrued interest expenses	6,176,170	4,937,767
Accrued expenses	22,179,758	20,811,400
Corporate income tax payable	30,478,043	45,508,630
Others	22,687,161	24,902,914
Total other liabilities	223,434,237	208,097,978

22. Treasury stock

22.1 Changes in treasury stock

	31 December 2011	Resale	31 December 2012
Shares	3,287,200	3,287,200	-
Amount (Baht)	96,993,325	96,993,325	-

22.2 Changes in premium on treasury stock

			(Unit: Baht)
	31 December 2011	Increase	31 December 2012
Premium on treasury stock	-	1,487,250	1,487,250

On 25 February 2011, the Company's board of directors approved the resale of 3,287,200 treasury shares, or equal to 4.59 percent of the total paid-up share capital. The resale period was from 1 April 2011 - 30 September 2013, and the selling price was to be not less than the average closing price for the preceding 5 business days, less 15 percent of such price. During the year ended 31 December 2012, the Company gradually resold all treasury stock, in compliance with the guideline as approved by the board of directors, with gains totaling Baht 1.5 million from the sales recognised in equity as premium on treasury stock and reversal all provision treasury stock.

23. Share capital

On 26 April 2013, the Annual General Meeting of the Company's shareholders No.1/2556 passed the following resolutions.

- Approved a share split by changing the par value of the Company's ordinary shares from Baht 10 per share (71,682,300 shares) to Baht 1 per share (716,823,000 shares).
- Approved an increase of Baht 1,433,646,000 in the Company's registered share capital, from Baht 716,823,000 to Baht 2,150,469,000, through the issuance of 1,433,646,000 new ordinary shares with a par value of Baht 1 each. All new ordinary shares are to be allotted to the existing shareholders in proportion to their existing shareholding (Rights Offering) at a rate of 2 new shares for each existing share, and an offer price of Baht 1 per share. The Company registered the increase in its registered share capital with the Ministry of Commerce on 24 June 2013 and share capital has been fully paid up.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2013, the Company allotted profit of Baht 20 million to the statutory reserve.

25. Capital Management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

26. Brokerage fee income

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Brokerage fee from securities business	991,506,405	664,412,041
Brokerage fee from derivatives business	65,076,722	60,791,654
Total brokerage fees income	1,056,583,127	725,203,695

27. Fees and service income

	(Unit: Baht)	
	For the year ended 31 December	
	2013	2012
Underwriting fee	46,843,736	17,301,164
Financial advisory	9,892,575	7,430,000
Securities borrowing and lending	26,815,334	19,453,130
Business support	29,606,157	50,367,418
Others	5,455,134	8,163,358
Total fees and service income	118,612,936	102,715,070

28. Directors' remuneration

Directors' remuneration represents the benefits paid to directors of the Company in accordance with Section 90 of the Public Limited Companies Act., exclusive of salaries, bonuses and related benefits paid to directors who hold executive positions.

29. Provident fund

The Company and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E 2530. The Fund is contributed to by both the employees and the Company at the rate of 5 - 10 percent of the employee's salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon termination in accordance with the rules of the Fund.

For the year ended 31 December 2013, Baht 21.1 million has been contributed to the Fund by the Company (2012: Baht 17.9 million).

In addition to the contributory registered provident fund, the Company has established a provision for an additional plan for employees who work with the Company for over 5 years and over 10 years. The plan is unfunded and is provided only for employees who joined the Company prior to 15 July 1986. Liabilities under this plan have been presented as part of "Other liabilities".

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares outstanding during the year, net of treasury stock held by the Company. The number of ordinary shares has been adjusted to reflect the proportionate change in the number of ordinary shares as a result of the share split mentioned in Note 23 to financial statements, with the calculation assuming that the share split took place at the beginning of the reporting period.

	For the year ended 31 December	
	2013	2012
Profit for the year (Baht)	394,043,721	187,990,452
Weighted average number of ordinary shares (shares)	1,478,815,668	686,720,010
Earnings per share (Baht/share)	0.27	0.27

31. Dividends

During the years, the Company declared the following dividends for payment to shareholders:

	Approved by	Total dividend declaration (Million Baht)	Dividend declaration per share (Baht)
Dividends from the operating results for the year ended 31 December 2012	The annual ordinary meeting of the Company's shareholders No.1/2556 on 26 April 2013	115	1.60 (from 71,682,300 ordinary shares at par value of Baht 10 each)
Dividends from the operating results for the period as from 1 September 2011 to 31 December 2011	The annual ordinary meeting of the Company's shareholders No.1/2555 on 27 June 2012	34	0.50 (from 68,395,100 ordinary shares at par value of Baht 10 each)

32. Related party transactions

During the years, the Company had significant business transactions with the following related parties.

Related parties	Relationship
Nomura Singapore Limited	Having common major shareholders
Nomura Securities Co., Ltd.	Having common major shareholders
Nomura International (Hong Kong) Limited	Having common major shareholders
Nomura International Plc.	Having common major shareholders
Nomura Investments (Singapore) Private Limited	Having common major shareholders
Nomura Mauritius Limited	Having common major shareholders
Instinet Pacific Limited	Having common major shareholders
United Information Highway Co., Ltd.	Having common director

NOMURA

Such transactions with its related companies were concluded on the commercial terms and based agree upon by the Company and those companies in the ordinary course of business. The significant transactions are summarised below.

	For the year ended 31 December		(Unit: Baht)
	2013	2012	Pricing policies (for the year 2013)
<u>Transactions occurred during the year</u>			
Brokerage fees income			
- Nomura Singapore Limited	4,596,731	23,984,666	At normal rate charged to other clients and Exclusive Partner, in accordance with the SET's and SEC's notification
- Nomura International Plc.	4,350,047	881,345	At normal rate charged to other clients and Exclusive Partner, in accordance with the SET's and SEC's notification
- Instinet Pacific Limited	33,002,313	-	At normal rate charged to other clients and Exclusive Partner, in accordance with the SET's and SEC's notification
Fees income from business support services			
- Nomura Singapore Limited	14,410,701	10,860,296	At actual costs plus a margin of 10 percent
Fees income from research services			
- Nomura Securities Co., Ltd.	4,550,000	6,500,000	At actual costs plus a margin of 10 percent
Fees income from introducing broker			
- Nomura Singapore Limited	659,483	1,453,002	Based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to similar business
Fees income from underwriting			
- Nomura International Plc.	-	13,436,782	

	For the year ended 31 December		Pricing policies
	2013	2012	(for the year 2013)
<u>Transactions occurred during the year (continued)</u>			
Fee income from securities borrowing and lending			
- Nomura International Plc.	3,368,752	2,618,905	At normal rate charged to other clients
- Instinet Pacific Limited	127,451	-	At normal rate charged to other clients
Fees income from other services			
- Nomura Securities Co., Ltd.	15,195,456	39,507,122	At the rate determined by extend and amount of work assigned
Fee expenses from Hi-speed circuit service			
- United Information Highway Co., Ltd.	1,130,870	1,385,885	At the same rate charged to other clients without dependent interest
Brokerage fees expense from foreign securities trading			
- Nomura Singapore Limited	1,358,525	761,031	Calculated base on trade volume and at the referential rate charged to other clients without dependent interest
Fee expenses from referral			
- Nomura Securities Co., Ltd.	-	104,907	
Interest on borrowings			
- Nomura Mauritius Limited	19,571,193	-	At the rate 1.29 - 1.35 per annum
Interest income from loans to employees			
- Director	35,096	47,346	At the same rate charged to other Company's staffs
Legal advisory Fees			
- Director	-	160,000	

NOMURA

As at 31 December 2013 and 2012, the outstanding balances of the related party transactions are as follows:

		(Unit: Baht)
	2013	2012
Securities business receivables		
- Nomura Singapore Limited	327,324	9,320,866
- Nomura International Plc.	121,500	234,600,000
- Instinet Pacific Limited	13,033,191	-
Other assets - accrued income receivables		
- Nomura Singapore Limited	4,787,075	1,172,390
- Nomura Securities Co., Ltd.	1,540,205	3,511,010
Other assets - loan to employees		
- Director	1,327,003	1,603,766
Other assets - others		
- Nomura Investments (Singapore) Private Limited	668,304	1,386,993
- Nomura International (Hong Kong) Limited	222,903	234,267
- Nomura Singapore Limited	16,121	37,020
- Nomura Securities Co., Ltd.	424,875	4,000
Securities business payables		
- Nomura Singapore Limited	-	106,284,420
- Nomura International Plc.	-	201,972,433
- Instinet Pacific Limited	35,421,274	-
Borrowings		
- Nomura Mauritius Limited	1,647,470,000	-
Other liabilities		
- Nomura International (Hong Kong) Limited	46,459	46,459
- Nomura Mauritius Limited	5,088,170	-
- United Information Highway Co., Ltd.	88,644	-

The movements of the balance of borrowings between the Company and those related companies for the year ended 31 December 2013 are as follows:

(Unit: Baht)

Borrowings	For the year ended 31 December 2013		
	Balance as at 1 January 2013	Increase during the year	Balance as at 31 December 2013
Nomura Mauritius Limited	-	1,647,470,000	1,647,470,000

Management's remuneration

Benefits paid to directors and management of the Company both monetary and non-monetary were as follows:

(Unit: Baht)

	For the year ended 31 December	
	2013	2012
Short-term employee benefits	107,165,349	85,537,178
Post-employment benefits	1,979,926	1,845,903
	109,145,275	87,383,081

33. Operating information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker (the Board of Executive Directors) in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services and have four reportable segments as follows:

- Securities business segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Fixed Income segment, which provide service according to trading debt securities.
- Other segments, which provide support services and operating management.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

NOMURA

Below is the financial information as at 31 December 2013 and 2012, and for the years ended 31 December 2013 and 2012 of the Company by segment.

(Unit: Million Baht)

	For the years ended 31 December									
	Securities and derivatives brokerage segment		Investments banking segment		Fixed income segment		Other segments		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Total revenue		744	70	63	16	-	23	21	1,191	828
Segment operating profit		275	31	40	2	-	8	7	532	322
Unallocated income(expenses)										
Gain (loss) on investments/ Derivatives/exchange rate									(3)	2
Interest and dividend income									80	65
Interest on margin loans									328	216
Other income									5	4
Financial costs									(148)	(74)
Operating expenses									(301)	(285)
Income tax									(99)	(62)
Profit for the year									394	188

(Unit: Million Baht)

	As at 31 December									
	Securities and derivatives brokerage segment		Investments banking segment		Fixed income segment		Other segments		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Premises and equipment - net									97	114
Unallocated assets									9,825	9,136
Total assets									9,922	9,250

Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the years 2013 and 2012, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

34. Commitments and contingent liabilities

As at 31 December 2013 and 2012, the Company has the following outstanding commitments and contingent liabilities.

- 34.1** The Company has the following outstanding commitments under the lease agreements for its office building and motor vehicles, under which the Company is to pay rental and service fees in the future, counting from the period end date, as follows.

	(Unit: Million Baht)	
	2013	2012
Within 1 year	45.7	45.2
In 1-2 years	26.1	40.8
Over 2 years	10.6	28.1

- 34.2** The Company has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 34.3** The Company has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.
- 34.4** The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage at the rate of 0.0007 - 0.0018 percent of its trading volume. For commission received from securities trading, underwriting and others which the Company has licenses, the fee is charged at the rate of 1 percent per annum of income from the aforesaid activities. The minimum total fee is Baht 500,000 per annum.

34.5 Employee Joint Investment Program

The Company has the Employee Joint Investment Program (“the EJIP”), one of the Company’s staff welfare benefits, which support the Company’s staff who voluntary apply to be the EJIP members to build their wealth by possessing the Company’s shares. The EJIP member must contribute a certain amount or a certain portion but not less than Baht 500 and not greater than 10 percent of their salary and average incentive on a monthly basis. The Company shall contribute to the EJIP members at 10 percent of their contributions.

During the year, the amount contributed to the EJIP members by the Company as mentioned portion was presented under the caption of “Personnel expenses”.

35. Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

As at 31 December 2013 and 2012, the Company has no policy to speculate in or engaged in the trading of any financial derivative instruments.

The Company’s financial instruments principally comprise cash and cash equivalents, receivables/payables from clearing house, securities and derivatives business receivables/payables, derivatives assets, investments, loans to employees, borrowings from financial institutions and other borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

35.1 Credit risk

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivable from Clearing House, securities and derivatives business receivables and loans to employees as stated in the statements of financial position.

35.2 Interest rate risk

Interest rate risk refers to the risk that the value of financial asset and financial liabilities may change from the market interest rate. Significant financial assets and liabilities as at 31 December 2013 and 2012 classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

2013

Outstanding balances of financial instruments

	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Average interest rate	
		Within 1 year	1 - 5 years			Floating interest rate	Fixed interest rate
						% p.a.	% p.a.
<u>Financial assets</u>							
Cash and cash equivalents	621	-	-	11	632	1.90	-
Receivable from Clearing House	-	-	-	65	65	-	-
Securities and derivatives business receivables	5,785	326	-	1,561	7,672	5.42	3.51
Derivatives assets	-	-	-	119	119	-	-
Investments	-	347	-	707	1,054	-	3.51
Loans to employees	70	-	-	-	70	2.25	-
<u>Financial liabilities</u>							
Borrowings from financial institutions	-	500	400	-	900	-	4.06
Payables to Clearing House	-	-	-	328	328	-	-
Securities and derivatives business payables	-	325	-	1,061	1,386	-	3.50
Borrowings	1,648	-	-	-	1,648	1.29	-

(Unit: Million Baht)

2012

Outstanding balances of financial instruments

	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Average interest rate	
		Within 1 year	1 - 5 years			Floating interest rate	Fixed interest rate
						% p.a.	% p.a.
<u>Financial assets</u>							
Cash and cash equivalents	417	-	-	23	440	2.27	-
Receivable from Clearing House	-	-	-	491	491	-	-
Securities and derivatives business receivables	5,265	561	-	2,127	7,953	5.42	4.00
Investments	-	9	-	7	16	-	2.80
Loans to employees	67	-	-	-	67	2.50	-
<u>Financial liabilities</u>							
Borrowings from financial institutions	900	400	900	-	2,200	3.15	3.84
Payables to Clearing House	-	-	-	552	552	-	-
Securities and derivatives business payables	-	561	-	2,009	2,570	-	3.00

35.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

Counting from the reporting date, as at 31 December 2013 and 2012, the periods to the maturity dates of financial instruments are as follows.

(Unit: Million Baht)

	2013					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash and cash equivalents	632	-	-	-	-	632
Receivable from Clearing House	-	65	-	-	-	65
Securities and derivatives business						
receivables - net	751	1,159	-	-	5,785	7,695
Derivatives assets	-	119	-	-	-	119
Investments - net	701	347	-	-	6	1,054
Loans to employees	-	1	7	62	-	70
<u>Financial liabilities</u>						
Borrowings from financial						
institutions	-	500	400	-	-	900
Payables to Clearing House	-	328	-	-	-	328
Securities and derivatives business						
payables	691	695	-	-	-	1,386
Borrowings	-	1,648	-	-	-	1,648

(Unit: Million Baht)

	2012					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash and cash equivalents	440	-	-	-	-	440
Receivable from Clearing House	-	491	-	-	-	491
Securities and derivatives business receivables - net	1,180	1,525	-	-	5,265	7,970
Investments - net	1	9	-	-	6	16
Loans to employees	-	1	8	58	-	67
<u>Financial liabilities</u>						
Borrowings from financial institutions	900	400	900	-	-	2,200
Payables to Clearing House	-	552	-	-	-	552
Securities and derivatives business payables	1,078	1,492	-	-	-	2,570

35.4 Foreign exchange risk

As at 31 December 2013, the Company has liabilities in foreign currency by Baht 1,647.5 million, and has entered into forward exchange contract to mitigate the foreign currency risk (2012: the Company had no significant net assets or liabilities denominated in foreign currencies).

35.5 Equity position risk

The Company is exposed to equity position risk, due to the Company has investment in listed securities which will result in fluctuations in revenue or the value of financial assets.

35.6 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company has estimated the fair value of financial instruments as follows.

a) Financial assets

The method used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets, including cash and cash equivalents are considered to approximate their respective carrying value since the financial instruments are predominantly subject to market interest rates. Fair value of receivables from Clearing House and derivatives asset are presented at their book value since they mature in the short-term. The fair values of financial instruments that have standard terms and conditions and are traded on an active market, such as investments, are determined by the quoted market price. In addition, the fair values of securities and derivative business receivables and loans to employees are determined based on their book value less allowance for doubtful accounts.

b) Financial liabilities

Borrowings from financial institutions, payables to Clearing House, securities and derivatives business payables and borrowings are presented at their book values, since they mature in the short-term or are subject to interest at the rates that approximate market interest rates.

As at 31 December 2013 and 2012, there were no material differences between the book value of financial instruments and their fair value.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 20 February 2014.

NOMURA

Investors can further study the information of Capital Nomura Securities Public Company Limited from the Annual Information (Form 56-1) posted in www.sec.or.th or www.cns.co.th

Contact us

Head Office :

25 Bangkok Insurance Building,
15th-17th Floor, South Sathorn Road,
Sathorn, Bangkok 10120
Telephone: +66(0) 2638 5000
+66(0) 2287 6000
Facsimile: +66(0) 2287 6001

Phra-Pinklao Branch :

7/129 Central Plaza Pinklao Office
Building, 9th Floor, Room 902,
Baromrajchonnee Road,
Arun-Amarin, Bangkok Noi,
Bangkok 10700
Telephone: +66(0) 2638 5950
+66(0) 2287 6950
Facsimile: +66(0) 2884 9064
+66(0) 2884 9067

Bangna Branch :

589/111 Central City Tower 1
Office, 19th Floor, Bangna-Trad Road,
Bangna, Bangkok 10260
Telephone: +66(0) 2725 8600
Facsimile: +66(0) 2745 6220
+66(0) 2745 6221

Vibhavadi-Rangsit Branch :

123 Suntowers
Building B, 23rd Floor, Unit B-2304,
Vibhavadi-Rangsit Road, Chomphon,
Chatuchak, Bangkok 10900
Telephone: +66(0) 2638 5920
+66(0) 2287 6920
Facsimile: +66(0) 2617 7800,

NOMURA
Margin Loan

NOMURA
Global

NOMURA
SBL Real Time

NOMURA
FIXED INCOME

NOMURA
iFUND

A BETTER WAY TO TRADE
NOMURA
DIRECT

NOMURA
TFEX

Investor Services Network

Phaholyothin

Branch 310 SME Bank Tower,
1st Floor, Phaholyothin Road,
Samsen Nai, Phayathai,
Bangkok 10400
Telephone: +66(0) 2638 5051
+66(0) 2287 6051
Facsimile: +66(0) 2357 1255

Esplanade Branch :

9 Esplanade Building, 2nd Floor,
Room 202-1, Ratchadaphisek Road,
Din Daeng, Bangkok 10400
Telephone: +66(0) 2354 0760
+66(0) 2641 3250
Facsimile: +66(0) 2641 3249

Rangsit Branch

132/15-17 Moo 9,
Lumlookka Road, Kookot,
Lumlookka, Pathumthani 12130
Telephone: +66(0) 2287 6281
+66(0) 2638 5281
Facsimile: +66(0) 2531 2915

Ladkrabang Branch

497 Luang Phaeng Road,
Tub Yao, Ladkrabang,
Bangkok 10520
Telephone: +66(0) 2287 6282
+66(0) 2638 5282
Facsimile: +66(0) 2172 9959

Omnoi Branch

219/1277-78 Moo 12, Petchkasem Road,
Omnoi, Krathumbuen, Samutsakorn 74130
Telephone: +66(0) 2287 6280
+66(0) 2638 5280
Facsimile: +66(0) 2420 1953

Nonthaburi Branch

5/74-75 Moo 5, Piboonsongkram
Road, Suanyai, Muang,
Nonthaburi 11000
Telephone: +66(0) 2525 3070
+66(0) 2525 3071
Facsimile: +66(0) 2525 3072

Singburi Branch

155/59-60 Moo 7, Nai Taen Road,
Bangman, Muang, Singburi 16000
Telephone: +66(0) 3651 2996
+66(0) 3651 2997
Facsimile: +66(0) 3651 2986

Ayudhaya Branch

58/9-10 Moo 1, Rojana Road,
Thanu, Uthai, Phranakorn
Sri Ayudhaya 13000
Telephone: +66(0) 3533 5414
+66(0) 3533 5415
Facsimile: +66(0) 3533 5416

Singburi Branch

155/59-60 Moo 7, Nai Taen Road,
Bangman, Muang, Singburi 16000
Telephone: +66(0) 3651 2996
+66(0) 3651 2997
Facsimile: +66(0) 3651 2986

Chonburi Branch

51/15-16 Moo 2, Sukhumvit Road,
Samed, Muang, Chonburi 20000
Telephone: +66(0) 3814 4157
+66(0) 3814 4158
Facsimile: +66(0) 3814 4159

Rayong Branch

51/32 Moo 3, Sai 36 Road,
Tubma, Muang, Rayong 21000
Telephone: +66(0) 3861 4283
+66(0) 3861 4284
Facsimile: +66(0) 3861 4285

Nakorn Ratchasima Branch

751/10-11, Mitrapab Road, Nai Muang,
Muang, Nakorn Ratchasima 30000
Telephone: +66(0) 4435 3634
+66(0) 4435 3635
Facsimile: +66(0) 4435 3011

Khon Khaen Branch

497/1-3 Moo 2, Mitrapab Road,
Sila, Muang, Khon Khaen 40000
Telephone: +66(0) 4346 5416
+66(0) 4346 5430
Facsimile: +66(0) 4346 5209

Ubon Ratchathani Branch

756/4 Chayangkul Road,
Nai-Muang, Muang,
Ubon Ratchathani 34000
Telephone: +66(0) 4531 5326
+66(0) 4531 5327
Facsimile: +66(0) 4531 5328

Udonthani Branch

499/3-5 Moo 7, Soi Ban Nonpiboon,
Mak Khaeng, Muang, Udonthani 41000
Telephone: +66(0) 4221 2004
+66(0) 4221 2005
Facsimile: +66(0) 4221 2006

Nakornsawan Branch

919/28, 919/111 Moo 10,
Phaholyothin Road, Nakornsawantok,
Muang, Nakornsawan 60000
Telephone: +66(0) 5622 0094
+66(0) 5622 0095
Facsimile: +66(0) 5622 0096

Lampang Branch

292-294
Highway Lampang-Ngaw Road,
Phrabat, Muang, Lampang 52000
Telephone: +66(0) 5482 1977
+66(0) 5482 1978
Facsimile: +66(0) 5482 1979

Chiangmai Branch

7/1-4 Moo 2, Superhighway
Chiangmai-Lampang Road, Changpuak,
Muang, Chiangmai 50300
Telephone: +66(0) 5321 0834
+66(0) 5321 0835
Facsimile: +66(0) 5321 0841

Chiangrai Branch

450/29-32 Moo 13,
Phaholyothin Road, Rob Wiang,
Muang, Chiangrai 57000
Telephone: +66(0) 5377 4823
+66(0) 5377 4873
Facsimile: +66(0) 5377 4821

Phetburi Branch

45, 47 Shesraintr Road,
Klong Krasaeng, Muang,
Phetchburi 76000
Telephone: +66(0) 3240 0582-3
Facsimile: +66(0) 3240 0580

Phuket Branch

32/175-176 Poonpol Road,
Talad Nua, Muang, Phuket 83000
Telephone: +66(0) 7621 4422
+66(0) 7621 4423
Facsimile: +66(0) 7621 4424

Had Yai Branch

434 Supasarn Rangsan Road,
Had Yai, Songkla 90110
Telephone: +66(0) 7422 1542
+66(0) 7422 1543
Facsimile: +66(0) 7422 1544

Representative Office at Lao PDR.

ANZ Building, Hatsady Village,
Chanthabouly District, Vientiane
Capital, Lao P.D.R.
Telephone: +66(0) 2638 5000
+66(0) 2287 6000
Facsimile: +66(0) 2287 6001

NOMURA DIRECT : 0-2638-5500

www.nomuradirect.com
www.facebook.com/nomuradirect
www.twitter.com/nomuradirect

NOMURA

Capital Nomura Securities Public Company Limited

25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Sathorn, Bangkok 10120

Telephone : +66 (0) 2638 5000, +66 (0) 2287 6000 Fax : +66 (0) 2287 6001

NOMURA DIRECT +66 (0) 2638 5500

Website : www.cns.co.th, www.nomuradirect.com