

NOMURA

Connecting Markets East & West

Capital Nomura Securities Public Company Limited

Annual Report 2015





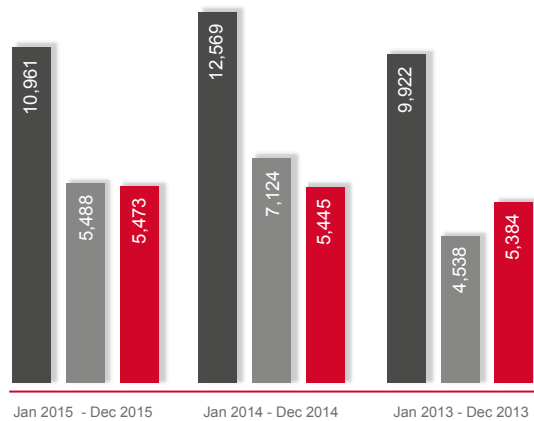
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Financial Highlight

Financial Position

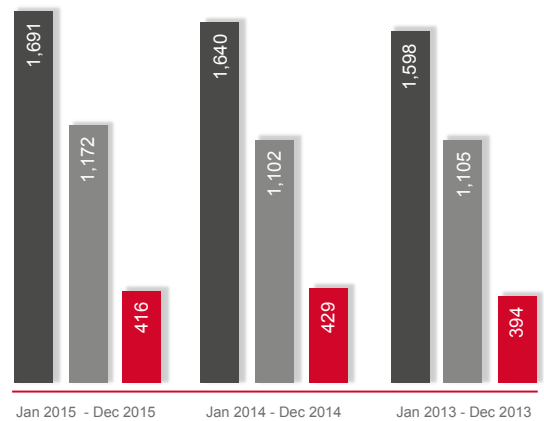
(Million Baht)



■ Assets
■ Liabilities
■ Equity

Performance

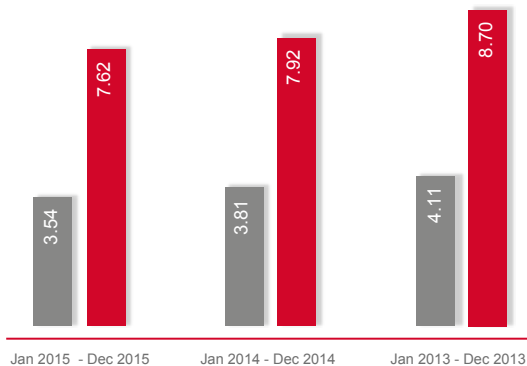
(Million Baht)



■ Total Revenues
■ Total Expenses
■ Net Income

Return on Assets & Equity

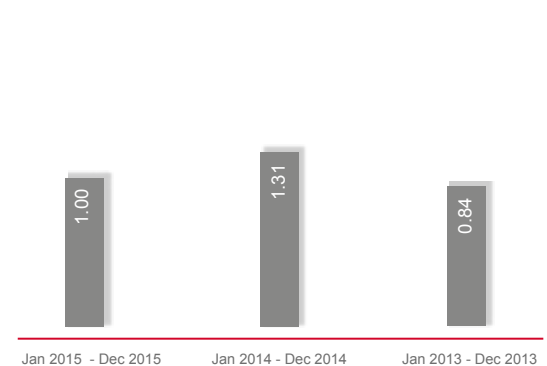
(%)



■ Return on Assets (ROA) ■ Return on Equity (ROE)

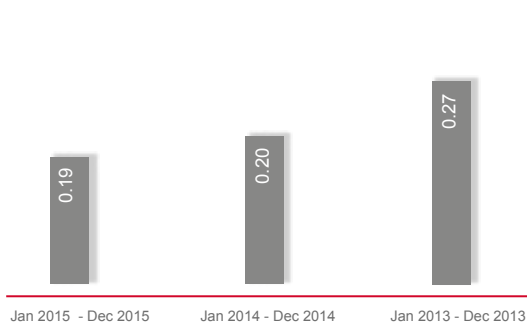
Debt to Equity Ratio

(Time)



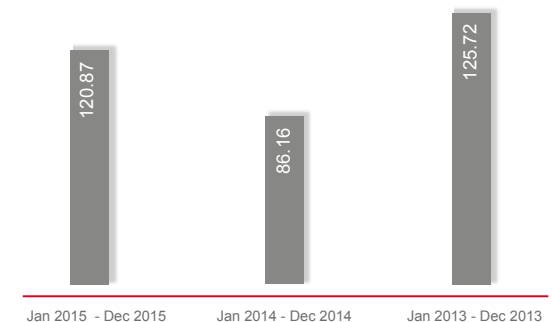
Earnings per share

(Baht)



Net Capital Ratio

(%)



Message from the Chairman



Dear Shareholders,

2015 was a volatile year for Thailand's stock market. The domestic economy and turnover in the Stock Exchange of Thailand (the SET) showed positive signs in the first two months of the year, given the expectation that robust government spending would lead to a significant economic recovery. The SET index hit its peak of the year at 1,619.77 points in the mid-February 2015 (up from 1,497.67 points at the end of 2014). However, the economic recovery in 2015 was slower than expected, due to a multitude of internal and external factors: slower than expected growth of infrastructure spending, the deceleration of exports despite the Thai Baht depreciation, higher than expected auction prices of 4G licenses in the 4th quarter of the year, the announcement of the Chinese Yuan depreciation (amidst concerns over slowing growth of Chinese economy), the sharp fall of crude oil prices caused by global oversupply, and finally, concerns over the increase in the policy interest rate by the US Federal Reserve (FED). Indeed, these factors resulted in downward revisions of economic forecasts throughout 2015, and higher turnover volatility in the SET, and consequently around Baht 0.156 billion in fund outflows from Thai Stock Market throughout the year. By the end of 2015, the SET index fell 14%, closing at 1,288.02 points. The average daily turnover in 2015 was at Baht 44.3 trillion, a drop by 2.56% from the prior year.

During the past year, CNS continued to carefully expand our business together with the diversification of revenue sources, in order to create long-term sustainable growth - by providing a broad range of investment services and financial products for investors' asset allocation towards their investment objectives. For the securities brokerage business, CNS was able to develop a total of 30 new Financial Advisors (FAs) through the “Young Talent Financial Advisor” program No. 12. CNS also made a strategic change in the branch model and a number of branches throughout the country under the concept of “Nomura Learning Center (NLC)” and “Nomura Service Center (NSC)”. The NLC has a larger space (than NSC), allowing staff to conduct seminars and training courses. At the end of 2015, CNS had a total of 19 branches - including the head office, 5 branches in Bangkok, 12 branches in upcountry and 1 representative office in Laos P.D.R. In addition, CNS set up the “CNS Corporate Access” program where clients, investors, analysts and FAs are able to meet management of listed companies in the SET, listen to management's outlook and ask questions. This high-quality program promotes and provides investment knowledge, which is one of the drivers to develop sustainable growth of the Thai capital market.

Another key strategic development for CNS is to expand the margin loan business. This is part of the plan to cater towards an expanding capital market, increase and diversify our revenue sources, as well as enhance our client base. In 2015, outstanding margin loans rose sharply and hit Baht 10 billion by mid-year, but dropped to Baht 6.622 billion by the end of 2015 (falling 27% from Baht 9.037 billion at the end of 2014), given deteriorating market sentiment.

The fixed income business continued to see an impressive record in FY2015. Regarding the fixed income underwriting business, CNS had underwritten 15 corporate bond mandates. Regarding the fixed income trading business, CNS market share among securities companies ranked 2nd in corporate bond trading, with market share of 11.57%, followed by the 1st rank of trading commercial paper (Bill of Exchange) with market share of 20.78%.

The mutual fund selling agent business, under the “Nomura iFUND” brand, has also continued to see strong growth. The number of client accounts using this service rose by 7,122 accounts or 30% from 23,850 accounts at the end of 2014 to 30,972 accounts at the end of 2015. The total investment value also rose by Baht 6.659 billion or 122% from Baht 5.461 billion at the end of 2014 to Baht 12.120 billion at the end of 2015.

For the investment banking business of 2015, CNS acted as financial advisors and lead underwriters for Initial Public As for Offerings (IPOs) of including Pioneer Motor Public Company Limited (PIMO) and ATP 30 Public Company Limited (ATP30). CNS was also a co-underwriter of a further 12 IPOs. This made a total of 14 IPOs that CNS was involved in during 2015, out of a total of 41 IPOs for the market. Meanwhile, CNS also completed 2 merger and acquisition (M&A) transactions during 2015.

Furthermore, during 2015, CNS received certification by Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) Council, to be a full member of the CAC, with a strong intention against all forms of corruption. In Addition, CNS merged its two corporate websites; www.nomuradirect.com and www.cns.co.th, to one corporate website at www.nomuradirect.com, to facilitate a simplified interface for all stakeholders.

Given 2015 was a year where economic growth was much slower than forecasted, while turnover in the SET was volatile and negatively impacted from several factors both from domestic and overseas markets, yet, CNS saw only a small decline in the yearly profit from the previous year. This was achieved through the diversification of revenue sources (the securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business and selling agent business) as well as the service development for sustainable growth. For the fiscal year 2015, earnings per share was Baht 0.19 and net profit was Baht 416 million, a drop by Baht 13 million or 3% from the fiscal year 2014 where earnings per share was Baht 0.20 and net profit was Baht 429 million.

For 2016, the strategy of CNS still emphasizes on expanding and improving our broad investment services and financial products, while continuing to focus on strategies and key initiatives that will enhance service quality. Staff development remains an ongoing key focus – CNS will support all FAs to attain the Investment Planner License, in order to provide a more effective service for investors. Meanwhile, CNS also continues to develop new talent through the YFTA program by targeting the addition of 60 YFTA per year. Furthermore, CNS has a plan to develop IT systems for a range of investment transactions and services, e.g. investment in Thai securities, foreign securities, derivatives, debt securities, mutual funds, margin loan business and securities borrowing and lending for short selling. CNS also has a plan to improve the quality of research papers to meet clients’ needs as well as to upgrade communication systems between the head office and branches in both Bangkok and throughout the country. This will facilitate the sharing of investment knowledge and information between staff, and both current and prospective clients, all across the country. This plan aims to create parity for investors outside Bangkok in gaining news and information from CNS’s seminars and also help investors save time and resources by not needing to physically attend CNS’s seminars in Bangkok. The “CNS Corporate Access” program has had a warm reception from clients, investors and FAs. Accordingly, CNS plans to arrange this program more frequently throughout the year. CNS also plans to set up the “CNS Startup & SME Access” program with the objectives to provide investment knowledge and information; (e.g. investment in equity securities, debt securities, mutual funds, investment planning, funding and business operation in listed companies), to Startup Entrepreneurs and SMEs, both in Bangkok and upcountry. Last (but not least), CNS will perform business operations, adhering to the principles of corporate social responsibility, transparency and good governance, anti-corruption, and disciplined financial and risk management - all of which will be key factors in creating long-term shareholder value and sustainable growth.

Finally, on behalf of the Board of Directors, I would like to express our sincerest gratitude to our 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 our 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 Investment Partner”.



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

Board of Directors



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



Mr. Takahito Nakamura
President



Mr. Nimit Wongjariyakul
Executive Director



Mr. Naoki Sugaya
Executive Director



Mrs. Chrisana Sae-Leiw
Executive Director



Mr. Philip Wing Lun Chow
Director



Mr. Jiro Yamaguchi
Director



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



Col. Ruangsub Kovindha
Audit Committee
and Independent Director



Mr. Prasert Virasathienpornkul
Audit Committee
and Independent Director



Dr. Prasit Kanchanasakdichai
Independent Director

Policy and Business Overview

Capital Nomura Securities Public Company Limited (“CNS” or “the Company”) is a broker member No. 14 of the Stock Exchange of Thailand (“the SET”) which engages in securities business, mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business, and selling agent business.

Background

CNS was originally registered as a Limited Company on May 26, 1970 under its name of “Bangkok Nomura International Securities Company Limited” (Company Registration No.317/2513). In 1975, CNS was one of the founding members of the SET. CNS changed its name to “Bangkok Nomura Finance and Securities Company Limited” on November 1, 1979 and subsequently changed its name to “Capital Finance and Securities Company Limited” on September 23, 1985.

CNS was listed on the SET on April 26, 1988. Afterwards, CNS returned the finance license to the Ministry of Finance and engaged only in securities business and registered the change in its name to “Capital Nomura Securities Company Limited” on June 28, 1991.

CNS was converted into a “Public Company Limited” on February 24, 1994 under the name of “Capital Nomura Securities Public Company Limited” with a Public Company Registration No. 0107537000653. CNS subsequently changed the Thai name to “บริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)” on December 29, 2010.

Regarding the result of the voluntary tender offer from Nomura Group to purchase CNS’s shares on April 25, 2014, CNS became a subsidiary of Nomura Group on June 12, 2014.

Vision

CNS aims to be a client-centric financial services firm contributing to the development of capital markets in Thailand and GMS (Greater Mekong Subregion: GMS).

Long-term Objectives

- To deliver proper return to all stakeholders
- To establish sustainable profitability with governance
- To expand our business to GMS

Core Values

- Customer Focus
- Competent
- Excellent Communication
- Collaboration and Teamwork
- Committed to comply with law & regulation and company policy

Mission

CNS has similar missions as Nomura Group as the followings;

- CNS is committed to enriching society by delivering superior investment services.
- CNS is not afraid to continually challenge conventional wisdom and actively encourage change in order to pursue growth.
- CNS is committed to putting our clients at the heart of our business, developing and maintaining long-standing relationships based on trust.
- CNS is one firm, committed to delivering the full range of our capabilities, knowledge and resources to meet the needs of our clients.
- CNS respect diversity and value differences of opinion.

Major changes and developments

The major changes and developments regarding the changes in the shareholding structure and business profile in the previous 3 fiscal years were as the followings;

Fiscal Year 2013 (Jan 1, 2013 – Dec 31, 2013)

- Increased a number of financial advisors, focusing on new generations by launching the “Young Talent Financial Advisor” Program to serve future business expansions. This program has been continued since 2010.
- Established Fixed Income Sales and Trading Department to provide over the counter (OTC) fixed income trading services in both primary and secondary market to retail clients and domestic institutional clients, aiming to add investment choices to clients.
- Granted permission by the Ministry of Planning and Investment of Lao People's Democratic Republic (“Lao P.D.R.”) in February 2013 and the Securities and Exchange Commission (“the SEC”) in March 2013 to open a Representative Office at Lao P.D.R. with the registered capital of KIP 1 billion. The Representative Office locates at ANZ Building, Hatsady Village, Chanthabouly District, Vientiane Capital, Lao P.D.R. and has been officially operated since April 12, 2013 with the following scope of activities;
 - 1) Coordinating with the head office and undertaking a marketing study for CNS’s offshore head office.
 - 2) Promoting technical cooperation regarding the development of the securities market in Lao P.D.R.
- Changed a par value and increased the registered capital as the following details;
 - ➡ The Annual General Meeting of Shareholders No.1/2556 on 26 April 2013, resolved to change a par value and increase the registered capital as the followings;
 - 1) Approved a share split by changing a par value of the ordinary shares from Baht 10 per share with a total number of 71,682,300 shares to Baht 1 per share with a total number of 716,823,000 shares.
 - 2) Approved an increase of Baht 1,433,646,000 in the 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 sale to the existing shareholders in proportion to their existing shareholding ratio at the rate of 1 existing ordinary share to 2 newly issued ordinary shares at a price of Baht 1 each.
 - ➡ The change in a par value was registered with the Ministry of Commerce on May 2, 2013.
 - ➡ The increase in the capital was registered with the Ministry of Commerce on May 3, 2013.
 - ➡ The ordinary shares which a par value was changed to Baht 1 each were traded on the SET on May 10, 2013.

- ➡ The newly issued share subscription period was June 17-21, 2013. After the subscription period ended, 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 traded on the SET on June 27, 2013.
- Developed online trading applications through various investment channels on Personal Computer, iOS and Android as well as Window Phone platforms to serve diverse investors' needs as the followings;
 - ➡ Added Technical Chart, Research Paper, SBL services (iOS platform only) on i2Trade Plus application on Personal Computer, 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 clients on an instant order placing on Personal Computer.
- Set up NOMURA Margin Loan Trading Simulation for an online investing in margin accounts in order to share knowledge and virtual experience to potential investors.
- Opened 2 additional branches, located in the branch areas of SME Banks; Phetburi Branch and Saraburi Branch

Fiscal Year 2014 (Jan 1, 2014 – Dec 31, 2014)

- Changed the major shareholding structure. Nomura Group increased their shareholding in CNS's shares from 38.02% of CNS's registered and paid-up capital in 2013 to 85.78% in 2014, making CNS the consolidated subsidiary of Nomura Group as the following details;

On March 19, 2014, Nomura Holdings, Inc. intended to make a voluntary tender offer through its designated entity to acquire all CNS's shares subject to and upon fulfillment of the precedent conditions which the 2014 annual general meeting of shareholder had resolved to approve the amendment to the Article 10 of CNS's Articles of Association to cancel the limitation on shareholding of foreigners to be in line with the amendment to Foreign Business Law.

The Annual General Meeting of Shareholders No. 1/2557 on April 25, 2014 approved the amendment to the Article 10 of CNS's Articles of Association to cancel the limitation on shareholding of foreigners which was the condition of the voluntary tender offer from Nomura Group as well as to make the limitation on shareholding of foreigners be in line with the amendment to Foreign Business Law by revoking the previous term and use the following term;

Previous term

“Article 10. The Company’s shares can be transferred without restriction, except where:

- (1) The transfer would cause the Company to lose rights and benefits to which it should receive under the laws, or
- (2) The transfer would result in an alien or aliens holding shares in the Company in excess of 49 percent.”

New term

“Article 10. The Company’s shares can be transferred without restriction, except where the transfer would cause the Company to lose rights and benefits to which it should receive under the laws.”

On April 25, 2014, CNS received a copy of the tender offer from Nomura Asia Investment (Singapore) Pte. Ltd., a designated entity of Nomura Holdings, Inc. as a tender offeror, to purchase all CNS’s shares totaling 2,150,469,000 shares or 100% of CNS’s total issued shares and voting rights. Nomura Holdings, Inc., an existing shareholder of CNS’s share totaling 540,000,000 shares, gave its notice dated April 11, 2014 to Nomura Asia Investment (Singapore) Pte. Ltd. to show its intention not to sell its shares in this tender offer. As a result, total CNS’s shares in the tender offer were 1,610,469,000 shares, representing 74.89% of CNS’s total issued shares and voting rights. The tender offer period was 25 business days starting from April 30, 2014 and ending on June 6, 2014.

On June 12, 2014, CNS received a copy of the result of the tender offer from Nomura Asia Investment (Singapore) Pte. Ltd., the tender offeror. The total tendered shares were 1,304,659,931 shares or 60.67% of CNS’s total issued shares and voting rights. When considering with existing shares held by Nomura Holdings, Inc. totaling 540,000,000 shares or 25.11% of CNS’s total issued shares and voting rights, Nomura Group became CNS’s major shareholder holding 85.78% of CNS’s total issued shares and voting rights, making CNS the consolidated subsidiary of Nomura Group, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd. and Nomura Holdings, Inc.

- Increased a number of financial advisors, focusing on new generations by launching the “Young Talent Financial Advisor” Program to serve future business expansions. This program has been continued since 2010.
- Developed online trading applications through various investment channels on Personal Computer, iOS and Android as well as Window Phone platforms to serve diverse investors' needs as the followings;
 - Added NOMURA DIRECT services on both i2Trade Plus and Streaming applications to facilitate clients on deposit-withdrawal services, research papers and announcements from CNS through familiar applications.
 - Added Scan and Trade services on eFinanceThai application to facilitate clients on stock searching upon their criteria and an instant order placing.
 - Added Auto Trade services on i2Trade Plus application on Personal Computer to facilitate clients to set automatic trading orders as well as cut loss or lock profit that would trigger upon their criteria.

- Added NOMURA DIRECT channel on YouTube, another communication channel to create the awareness of CNS's products and services and to share investment knowledge and introducing research papers by Investment Research and Investor Service Division (IRIS).
- Arranged several activities to share investment knowledge to clients and investors through seminars, online contents and online applications; IRIS Blog and Nomura Margin Loan, as well as video clips.
- Closed 3 branches, located in the branch areas of SME Banks for more efficiency; Nonthaburi Branch, Singburi Branch and Rangsit Branch.
- Relocated Khon Kaen Branch from the branch area of SME Bank to a higher potential area.
- On October 9, 2014, Fitch Ratings (Thailand) Limited assigned CNS with National Long-Term Rating at AA-(tha), with a Stable Outlook and the National Short-Term Rating at F1+(tha). Fitch deemed CNS to be a strategically important subsidiary of the Nomura Group.
- Participated in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) with a strong intention against all forms of corruption in order to set the standard of practices on transparency and formulated the written "Anti-Corruption Policy" as an apparent guideline in conducting business for sustainable development with a plan to be certified as a full member of the CAC in 2015.

Fiscal Year 2015 (Jan 1, 2015 – Dec 31, 2015)

- Changed the major shareholding structure under Nomura Group according to the latest book closing date on April 3, 2015 while the total shareholding ratio by Nomura Group remained at 85.78% of CNS's total issued shares and voting rights, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd.
- Changed a number of members of the Board of Directors from 10 members to 11 members according to the change in CNS's major shareholders from the result of the voluntary tender offer to purchase all CNS's shares by Nomura Group in 2014. The Annual General Meeting of Shareholders No.1/2558 on April 29, 2015 resolved to appoint Mr. Philip Wing Lun Chow to be Director (Non-Executive Director), effective from April 29, 2015. CNS registered the change in director to the Ministry of Commerce on April 29, 2015. Accordingly, the Board of Directors has 11 members consisting of 5 Executive Directors, 4 Independent Directors and 2 Non-Executive Directors.
- Became a CAC-Certified Company, a full member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), on July 10, 2015.
- Changed the structure of Compliance and Internal Audit Department by splitting into 2 departments; Compliance Department and Internal Audit Department, for more efficiency and to align with the international standards according to the segregation of duties from Nomura Group.
- Changed the main corporate website by merging www.nomuradirect.com and www.cns.co.th to one corporate website; www.nomuradirect.com, to facilitate a simplified interface for all stakeholders.

- Set up the “CNS Corporate Access” program that analysts, financial advisors as well as clients are able to meet management of listed companies in the SET to gain information and query from management of listed companies. This program promotes and supports as well as shares investment knowledge with high-quality by considering the fundamental information of listed companies. Meanwhile, listed companies are able to share their key information to investors. This program is one of the drivers to develop the sustainable growth of listed companies and the SET. In 2015, there were 26 listed companies participated in this program.
- On October 27, 2015, Fitch Ratings (Thailand) Limited assigned CNS with National Long-Term Rating at AA-(tha), with a Stable Outlook and the National Short-Term Rating at F1+(tha). Fitch deemed CNS to be a strategically important subsidiary of the Nomura Group. Such credit ratings were similar to the ratings released at the prior year.
- Increased a number of financial advisors, focusing on new generations by launching the “Young Talent Financial Advisor” Program to serve future business expansions. This program has been continued since 2010.
- Developed up-to-date online trading applications and tools to share sufficient information for decision making through various investment channels on Personal Computer, iOS and Android as well as Window Phone platforms to serve various investors' needs and lifestyles as the followings;
 - ➡ Launched mobile site service: m.nomuradirect.com, to facilitate and serve investors' lifestyles in accessing CNS's website (www.nomuradirect.com) on mobile devices.
 - ➡ Connected NOMURA iFund under NOMURA DIRECT function on eFin Trade Plus and Streaming applications to facilitate clients on an instant order placing of mutual fund.
 - ➡ Developed Auto Trade function on Personal Computer and mobile devices to facilitate clients on stock searching upon their criteria and an instant order placing.
 - ➡ Developed Stock DCA through Auto Trade function on eFin Trade Plus to facilitate clients on buying stock recurrently to manage their cost and investment disciplines.
- Enhanced online social media contents to serve investors' needs and also formed seminars to share investment knowledge to investors e.g. news, research papers, online registration for account opening and online seminar registration.
- Launched IVR system to support clients' calls that investors are able to self-select services upon their needs.
- Relocated 11 branches from the branch area of SME Bank to a higher potential area; Ubon Ratchathani Branch, Udonthani Branch, Nakorn Ratchasima Branch, Chiangrai Branch, Chiangmai Branch, Ayudhya Branch, Saraburi Branch, Nakornsawan Branch, Phuket Branch, Had Yai Branch and Rayong Branch. These branches were promoted as NOMURA Learning Center and NOMURA Service Center to serve clients' needs. CNS has provided live broadcasts of seminars from the head office or branches in Bangkok to branches in upcountry to facilitate the sharing of investment knowledge and information with the aims to create parity for investors outside Bangkok in gaining news and information from CNS's seminars, to help investors save time and resources by not needing to physically attend CNS's seminars in Bangkok and also to help the country save energy and resources.

- Closed 6 branches, located in the branch areas of SME Banks for more efficiency; Phaholyothin Branch, Chonburi Branch, Lampang Branch, Ladkrabang Branch, Omnoi Branch and Phetburi Branch.
- Opened 1 additional branch to serve the growth of population in the West area of Bangkok; Bangkae Branch.

Shareholding structure of the Group

CNS had neither subsidiaries nor affiliated companies.

Relationship with the Group of major shareholders

Regarding the latest book closing on April 3, 2015, Nomura Group has been a major shareholder, holding 85.78% of CNS's registered and paid-up capital, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd.

Nomura Group is one of the leading financial services groups in Japan and has worldwide operations. Nomura Group operates offices in over 30 countries. Clients of Nomura Group include individuals, corporations, financial institutions, governments and governmental agencies. Business of Nomura Group consists of the following three divisions;

- 1) Retail - investment consultation services
- 2) Asset Management - development and management of investment trusts
- 3) Investment advisory services to Wholesale - serving corporations and institutional investors with a broad range of products and services

Source: Based on the information disclosed in Tender Offer for Securities (Form 247-4) dated April 25, 2014 prepared by Advisory Plus Company Limited as a tender offer preparer.

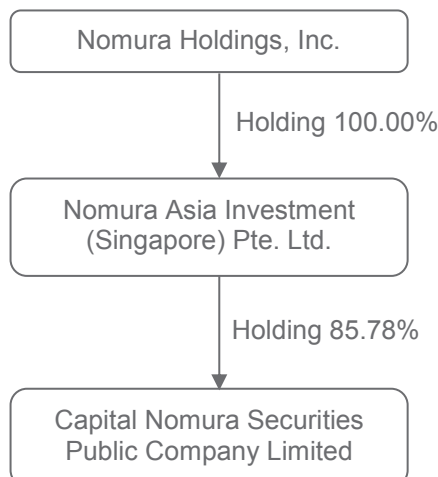
CNS engages in securities business, mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business, selling agent business, serving retail clients, domestic and foreign institutional clients.

CNS independently operates its business, without materially relying on client introduction or funding from Nomura Group.

Regarding the connected transactions in brokerage, financial advisory, securities borrowing and lending as well as other services, transactions between CNS and Nomura Group were agreed as arm's length transactions. All connected transactions were approved by the Board of Directors in accordance with the SET's rules.

Regarding the borrowings from Nomura Group for business supports, the interest rate was also at arm's length transactions.

Relationship with Nomura Group



Business Profile

CNS's main businesses in 2015 were securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business and selling agent business.

CNS's revenue structures over the previous 3 fiscal years were as the followings;

Type of Revenue	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)		Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)		Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	
	Million Baht	%	Million Baht	%	Million Baht	%
Brokerage fees	877.21	51.87	929.53	56.66	1,056.59	66.11
Fees and service income	168.71	9.98	178.84	10.90	118.61	7.42
Gain on securities	60.67	3.59	40.80	2.49	19.30	1.21
Gain (loss) on derivatives	2.96	0.17	10.56	0.64	(13.60)	(0.85)
Interest and dividend	88.45	5.23	85.32	5.20	84.36	5.28
Interest on margin loans	487.76	28.84	390.76	23.82	328.05	20.53
Other income	5.38	0.32	4.69	0.29	4.87	0.30
Total Revenue	1,691.14	100.00	1,640.50	100.00	1,598.18	100.00

Business Profiles

CNS's business profiles of 2015 were as the followings;

1. Securities Brokerage Business

CNS is a broker member No. 14 of the SET, providing securities brokerage services to retail clients, domestic and foreign institutional clients.

CNS provides securities brokerage services of the listed securities in the overseas stock exchanges and/or the securities that the SEC allows Thai investors to invest.

CNS provides high-quality services and research papers as well as highly experienced financial advisors. Clients can place orders through financial advisors or place orders by themselves through online applications.

CNS has 3 types of securities trading accounts as the followings;

(1.1) Securities Trading Account – Cash Account

Securities trading account – cash account has to settle on T+3 (3 days after the trading date) through an automatic fund transfer only.

Clients can place orders through financial advisors or place orders by themselves through online applications. Clients can trade up to the approved limit.

Clients can place cash with CNS prior to placing orders then they are not requested to settle order by order. Interest on client's cash balance will be calculated on daily basis and will be deposited to their cash balance every month. Such cash balance can be used as a tool of CNS's risk management. Clients whose financial status is not so strong are required to settle with cash balance. Clients are required to place cash with CNS prior to placing orders and the orders cannot exceed the clients' cash balance at CNS. Clients' assets are segregated from CNS's assets in accordance with the SEC's rule and regulations.

(1.2) Margin Loan under Credit Balance Account

Credit balance system is to finance the equity investment. Clients' investment status is considered as a portfolio regardless of the cost of each securities. Clients can place orders through financial advisors or place orders by themselves through online applications.

CNS encourages clients to use credit balance accounts as it will increase clients' purchasing power for investment which will affect the market liquidity. To place the first order, clients have to place either cash or securities at the amount not less than initial margin of the purchased amount as determined by the Marginable Securities List.

The initial margin required for each securities in the marginable securities list is designated from its liquidity, risk and fundamental factor. If the balance is cash balance, clients will get interest from CNS on the net of cash balance and loan balance every month and if the balance is credit balance, clients will be charged for interest on margin loans every month.

(1.3) Oversea Investment Trading Account

CNS provides securities brokerage services of the listed securities in the overseas stock exchanges to expand investment opportunity to clients. The guideline and condition of the account opening is similar to the domestic investment. The SEC requires clients to place cash with CNS prior to placing order.

Clients have to follow the rules, conditions and regulation of the exchanges where they invest.

2. Derivatives Brokerage Business

CNS started derivative business since 28 April 2006, the same date as the opening date of Thailand Futures Exchange (TFEX) to offer another investment alternative to clients and to support clients to have an opportunity to get returns on investment at all market situation.

CNS provides all derivative products in Thailand Futures Exchange (TFEX) which consist of SET50 Index Futures, SET50 Index Options, Gold Futures, Mini Gold Futures, Single Stock Futures, Interest Rate Futures, Oil Futures and USD Futures. CNS has highly experienced and highly potential team as well as an effective supporting system which can enhance CNS's competitive advantages in the long run.

Regarding the high risk characteristic of derivative products, CNS considers appropriate credit limits to match clients' financial status and also allocates credit limits to each investment product to serve clients' needs and help clients manage their risks. Clients can place orders through financial advisors or place orders by themselves through online applications.

3. Financial Advisory Business

CNS was granted an approval by the SEC to provide financial advisory services within the scope set by the SEC including the financial advisory in underwriting business, listing in the SET and the Market for Alternative Investment (“the mai”), tender offer and merger and acquisition (M&A) as well as the financial advisory services for shareholders in entering into various transactions of the listed companies.

In addition, CNS also provides various types of financial advisory services as the followings;

- Business Restructuring and Financial Restructuring Services
- Mediator Services to establish Joint Ventures
- Feasibility Study Services
- Business Valuation Services
- Other Services such as Information report regarding a capital market, a money market, overall economic and industry condition including rules and regulation of the SEC, the SET and other relevant regulators.

4. Underwriting Business

CNS provides issuers underwriting and firm underwriting services on both equities and fixed income securities such as common shares, debentures, warrants, unit trusts and etc.

5. Fixed Income Trading Business

CNS has operated Fixed Income Trading Business since 2013 to serve clients' needs. CNS provides over the counter (OTC) fixed income trading services in both primary and secondary market to retail clients and domestic institutional clients. CNS sets up guidelines for account opening as well as allocates credit limit to each product according to clients' needs. Settlement method and settlement date are agreed upon each transaction. CNS also does trading on fixed income securities.

CNS's Board of Directors defines the investment policy, types of invested debt securities and also internal controls for the risk management of investment in debt securities to ensure the alignment with the investment policy.

6. Securities Borrowing and Lending Business

Securities Borrowing and Lending Business (SBL) is an alternative investment tool or a risk management tool for investment in the SET. When the stock market is volatile or when the stock market is declining, investors (i.e. “borrowers”) can borrow shares from CNS for short selling, as well as buying the shares back when the price declines as expected. This will support price stability and liquidity in the SET.

CNS provides SBL service to all types of clients including retail clients and institutional clients. CNS acts as a principal to clients who are the “borrowers” or “lenders” in order to ensure them that all terms and conditions as stated in the SBL agreement will be followed accordingly. The details of services are as the followings;

- CNS lends securities to borrowers to short selling securities through their credit balance accounts under CNS. Borrowers shall place collateral to CNS prior to borrowing shares and maintain the collateral level according to CNS's rules. In addition, CNS also lends shares to institutional clients who have intention to re-lend the shares to their own clients or to manage the risk of their portfolios.
- CNS borrows securities from lenders who have securities in cash accounts under CNS. CNS shall place cash collateral to lenders and also maintain cash collateral to lenders at 100% of daily market value of securities.
- Borrowers are charged the borrowing fees whereas the lenders earn lending fees.
- Lenders are still entitled to the benefits of lent securities.

Clients can place SBL orders through financial advisors or place orders by themselves through online applications.

7. Selling Agent Business

CNS engages in selling agent services to all 22 asset management companies in Thailand, providing both omnibus account service and selling agent account service. The main objectives of this business are to support CNS's core business and to become a full-service provider which can help increase CNS's revenues in the long run.

Clients can place mutual fund orders through financial advisors or place orders by themselves through online applications.

CNS has developed NOMURA iFUND application, a one stop service online application, to facilitate clients in an asset allocation. This application provides the following benefits and advantages to clients.

- Mutual fund Trading Service Fees are free of additional charge.
- Mutual Fund One Stop Trading Service; Clients can buy, sell and switch mutual funds from all 22 asset management companies in Thailand.
- Mutual Fund Weekly Research Service; Weekly investment situation and recommendation for each type of mutual fund are summarized regarding the reference ratings from Morningstar.
- Performance Comparison Service; Clients can compare mutual fund performance among each asset management companies to select the funds that match their investment strategies.
- Automatic Constant Mutual Fund Investment Services (NOMURA Dollar Cost Average); Clients can create an investment discipline and manage their investment by using Dollar Cost Average Strategy.

- Automatic Stock to Fund Service (NOMURA Automatic Stock to Fund); Clients can seamlessly link their investment in stocks and mutual funds together to gain most benefits.
- Summary Investment Portfolio Service; Clients can monitor their investment portfolios with all asset management companies in one account.
- New Initial Public Offering (IPO); Clients can search for new IPO through this application on daily basis.

Market and Competitive Conditions

CNS's marketing policy and competitive conditions of 2015 were as the followings;

Securities and derivatives brokerage business

CNS aims to be one of the country's leading securities firms providing fully-integrated, high-quality and state-of-the-art services with up-to-date information technology system. CNS has continuously developed the quality of financial advisors and research papers as well as the information technology system, as one of the competitive tools for tapping higher market shares on the continuing basis.

Industry condition

Overall securities trading on the SET of 2015 slightly dropped from 2014. Average daily turnover of the SET and the mai dropped 3% from Baht 45.47 billion in 2014 to Baht 44.30 billion in 2014 due to the trend to increase the policy interest rate of the US Federal Reserve (FED) and the slower of the growth domestic economy than expected.

The SET index at the end of 2015 downed 14% from 1,497.67 points (as of December 30, 2014) to 1,288.02 points (as of December 30, 2015).

Factors having influenced on securities brokerage business in 2015 are as the followings;

1. Thailand's economy of 2015 and economic outlook of 2016

The Gross Domestic Product (GDP) expanded by 2.8% in 2015 which was much stronger than the 0.8% growth in 2014. The stronger growth was broad-based except the private investment and the export of goods. On domestic front, the investment became the key growth driver in 2015. Total investment turned around from the 2.4% contraction in 2014 to the expansion of 4.7% in 2015, led by the 29.8% growth of the public investment. Meanwhile, the private investment continued to fall by 2.0%. The private consumption grew at a faster pace of 2.1% in the light of declining energy prices.

On the external front, the export of goods in U.S. Dollar decreased by 5.6% in 2015 but the import of goods contracted more at 11.3%. As a result, Thailand still reported a larger surplus in trade account. Current account also registered a larger surplus in 2015 due to the tourism sector which enjoyed the 20.4% growth in the number of inbound tourists.

The economic stability in 2015 continued to be positive regarding the inflation rate and current account balance. Headline inflation dropped 0.9% in 2015, compared to the rise of 1.9% in 2014. However, core inflation rate continued to increase 1.1%, compared to the rise of 1.6% in 2014. Current account was in a surplus at 8.9% of GDP, larger than the surplus of 3.8% of GDP in 2014.

2016 Economic outlook is forecasted to grow at 2.5% from 2015. The growth will be supported by the domestic demand and the tourism sector. Total investment is expected to increase by 3.8%, led by public investment through both budgetary and non-budgetary channels. Public consumption will accelerate in 2016 per the increasing current expenditure budget. Private consumption is expected to grow but at a slower rate given strong headwinds. Household debt has been high. Drought tends to negatively affect farmers' income. Meanwhile, supporting factors are lower energy prices and positive contributions from higher government spending. On external front, export of goods will likely further decline in 2016 due to poor external demand and declining export value in petroleum sector following to lower crude oil prices. Meanwhile, tourism sector will continue to support the growth. On stability front, Thailand's economic stability is forecasted to be positive in 2016 from the forecasted growth of the inflation rate at 0.8% and the surplus in current accounts for 3 consecutive years.

2. Earnings of listed companies outlook of 2016

Government Stimulus Package is forecasted to be a main driver towards the domestic economic recovery in 2016 regarding the Baht 3.4 Trillion infrastructure development project along with SMEs and low-income earners stimulus measures. The slow consumption recovery will gradually be supported by the low crude oil prices.

Moreover, CNS expects that Monetary Policy Committee (MPC) to consider applying loosened monetary policy to stimulate Thailand's economy in consumptions and investments in the second half of 2016. The policy interest rate is expected to be cut from the current rate at 1.50% to 1.00% (forecasted to reduce twice totaling 0.50% within the first half of 2016). Such measure will primarily help the economic recovery which will be the main factors to drive 2016 earnings per share (EPS) of the listed companies to be Baht 101 per share or 14.8% growth as same as the growth in 2014 at 14.8%.

3. Competition of securities brokerage business

According to the liberalization of securities business licenses and the liberalization of brokerage fee announced by the SET and the SEC which was effective since 2012, new members increasingly entered into the industry. As a result, the brokerage business encountered an intense competition in 2015 and led to the distribution of the turnover in the SET among members and the drop of total market shares of the top five members, compared to 2014.

Brokers used several strategies to compete with others by enhancing the quality of information technology services, research papers and providing credit limits of margin accounts as well as online trading applications. Some brokers used a low-price strategy to attract investors.

SET Data

	Fiscal Year 2015 Jan 1, 2015 – Dec 31, 2015	Fiscal Year 2014 Jan 1, 2014 – Dec 31, 2014	Change	
			Amount	%
SET Information				
Total Turnover				
Value (billion Baht)	9,997.37	10,193.18	(195.81)	(1.92)
Average Daily Turnover (billion Baht)	41.14	41.60	(0.46)	(1.11)
SET Index (Point)				
High (Close)	1,615.89	1,600.16	15.73	0.98
Low (Close)	1,261.66	1,224.62	37.04	3.02
Close at the end of the year	1,288.02	1,497.67	(209.65)	(14.00)
Average Dividend Yield	3.36	2.94	0.42	14.29
P/E Ratio (Time)	22.57	17.81	4.76	26.73
Market Capitalization (billion Baht)	12,282.75	13,856.28	(1,573.53)	(11.36)
Listed Securities				
No. of listed securities	1,665	1,592	73	4.59
No. of listed companies	517	502	15	2.99
No. of newly listed companies	23	17	6	35.29
mai Information				
Total Turnover				
Value (billion Baht)	768.10	946.11	(178.01)	(18.81)
Average Daily Turnover (billion Baht)	3.16	3.86	(0.70)	(18.13)
mai Index (Point)				
High (Close)	801.35	761.89	39.46	5.18
Low (Close)	504.56	332.85	171.71	51.59
Close at the end of the year	522.62	700.05	(177.43)	(25.35)
Average Dividend Yield	1.00	0.87	0.13	14.94
P/E Ratio (Time)	52.94	69.63	(16.69)	(23.97)
Market Capitalization (billion Baht)	323.48	383.08	(59.60)	(15.56)
Listed Securities				
No. of listed securities	167	150	17	11.33
No. of listed companies	122	111	11	9.91
No. of newly listed companies	13	20	(7)	(35.00)

Source: the SET's figure as of December 30, 2015

Top five securities firms in term of market share

Total market shares of the top five members of securities firms in the SET and the mai in 2015 were 30.02%, ranked by turnover, slightly decreased from 32.44% in 2014. This reflected the distribution of turnover among the members.

Market share and types of clients of securities brokerage business

CNS's turnover in 2015 slightly increased from 2014. CNS's market share of securities brokerage business was 2.98% with the 13th rank out of total 36 securities firms in 2015, increasing from 2.84% with the 14th rank out of total 34 securities firms in 2014.

Turnover* (million Baht)	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)	Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)
- SET**	9,774,699	10,172,620	10,775,616
- CNS**	582,227	578,083	580,094
CNS's market share**	2.98%	2.84%	2.69%

Source: the SET

* inclusive of the SET and the mai

** exclusive of Proprietary Trading

Considering turnover classified by types of clients in 2015, CNS's main client group was retail clients with the proportion of 71.29%, slightly increasing from 69.55% in 2014, followed by foreign clients at 19.32%, slightly decreasing from 19.61% in 2014, and domestic institutional clients at 9.39%, slightly decreasing from 10.84% in 2014.

Turnover classified by types of clients* (million Baht)	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)		Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)		Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	
	Amount	%	Amount	%	Amount	%
- Retail clients	415,095	71.29	402,041	69.55	454,947	78.53
- Domestic institutional clients	54,600	9.39	62,653	10.84	59,000	10.18
- Foreign clients	112,532	19.32	113,389	19.61	65,413	11.29
Total**	582,227	100.00	578,083	100.00	579,360	100.00

* inclusive of the SET and the mai

** exclusive of Proprietary Trading

Considering turnover classified by categories in 2015, the proportion of the internet trading accounts was at 44.19%, slightly increasing from 43.55% in 2014. The remainder was the normal accounts (through financial advisors).

Turnover classified by categories* (million Baht)	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)		Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)		Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	
	Amount	%	Amount	%	Amount	%
Internet trading						
- Cash account	163,036	27.99	165,533	28.61	193,710	33.39
- Margin account	94,348	16.20	86,460	14.94	75,817	13.07
Total	257,384	44.19	251,993	43.55	269,527	46.46
Normal - through financial advisors						
- Cash account	303,414	52.09	290,254	50.17	276,161	47.61
- Margin account	21,686	3.72	36,302	6.28	34,406	5.93
Total	325,100	55.81	326,556	56.45	310,567	53.54
Grand Total**	582,484	100.00	578,549	100.00	580,094	100.00

* inclusive of the SET and the mai

** exclusive of Proprietary Trading

Considering turnover classified by type of accounts in 2015, the proportion of trading of the cash accounts was at 80.08%, slightly increasing from 78.78% in 2014. The remainder was the margin accounts at 19.92%, slightly decreasing from 21.22% in 2014.

Turnover classified by type of accounts* (million Baht)	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)		Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)		Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)	
	Amount	%	Amount	%	Amount	%
Cash account						
- Internet trading	163,036	27.99	165,533	28.61	193,710	33.39
- Normal - through financial advisor	303,414	52.09	290,254	50.17	276,161	47.61
Total	466,450	80.08	455,787	78.78	469,871	81.00
Margin account						
- Internet trading	94,348	16.20	86,460	14.94	75,817	13.07
- Normal - through financial advisor	21,686	3.72	36,302	6.28	34,406	5.93
Total	116,034	19.92	122,762	21.22	110,223	19.00
Grand Total**	582,484	100.00	578,549	100.00	580,094	100.00

* inclusive of the SET and the mai

** exclusive of Proprietary Trading

Market share of Derivatives Brokerage Business

CNS's volume of derivatives in 2015 increased from 2014. CNS's market share of derivatives brokerage business in 2015 was 1.42%, slightly decreasing from 1.21% in 2014.

Volume of derivatives (Contracts)	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)	Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)
- TFEX	48,538,899	36,021,150	16,664,126
- CNS	1,376,829	870,109	448,695
CNS's market share	1.42%	1.21%	1.35%

Source: TFEX

Financial Advisory Business and Underwriting Business

Industry condition

In 2015, there were 41 Initial Public Offering (IPO) of listed companies and securities totaling Baht 289,322 million, decreasing 5.08% from 2014 which might be caused from the volatility of turnover in the SET and the slow economic growth in 2015.

Market share of Underwriting Business

In 2015, CNS was lead underwriters for 2 Initial Public Offering (IPO) including Pioneer Motor Public Company Limited (PIMO) with a total value of Baht 156 million and ATP 30 Public Company Limited (ATP30) with a total value of Baht 152 million. CNS was also co-underwriters for other 12 Initial Public Offerings (IPOs) which made a total of 14 IPOs that CNS involved in 2015. In addition, CNS was underwriters for 15 corporate debentures and completed 2 merger and acquisition deals.

Fixed Income Trading Business

Fixed income trading business was firstly operated in 2013 and had grown consecutively. In 2015, CNS had more trading transactions both in primary and secondary markets compared to 2014. The main strategy was to provide debt securities according to clients' needs either clients who raise funds by debt securities or clients who switch from the investment in deposits to debt securities regarding the higher returns.

Industry Condition

Interest rate in the market was quite low since 2014, leading to the growth and the high competition in fixed income trading business in 2015 comparing to 2014. Private sectors increasingly funded from debt securities in the forms of corporate debentures and bill of exchanges regarding the low interest rate in domestic market. The announcement of the economic recovery roadmap and the fundamental investment by the National Council for Peace and Order (NCPO) in the second half of 2015 as well as the forecast of USA's economy by increasing the policy interest rate by the US Federal Reserve (FED) supported investors' confidence in Thailand's economy. These factors consequently caused fund flows to surge back to Thailand's fixed income market.

In 2016, though USA's interest rate may pressure the domestic interest rate to increase, private sector is forecasted to raise funds from corporate debentures continuously, supported by the positive sign of Thailand's economic recovery after the government roadmap is implemented.

Market share of Fixed Income Trading Business

In 2014, CNS became more well-known and trustworthy in fixed income trading business supported by product variety and highly-experience staff, resulting in a sharp increase in market share both in corporate debenture and bill of exchange trading markets consecutively in 2015. The market share of corporate debenture in 2015 remained at the 2nd rank among securities firms while the market share of bill of exchange in 2015 hit the 1st rank among securities firms comparing to the 3rd rank in 2014.

Corporate debenture

In 2015, CNS's trading volume of corporate debentures was Baht 11,842 million, decreasing 16% from Baht 14,030 million in 2014.

Comparing to the market shares among securities firms, CNS ranked 2nd similar to 2014. However, the market shares decreased from 15.19% in 2014 to 11.57% in 2015.

Corporate Debenture	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)	Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)
Trading Volume	Baht 11,842 million	Baht 14,030 million	Baht 3,307 million
Ranking	2 nd	2 nd	4 th
Market Share among securities firms	11.57%	15.19%	5.11%

Source: The Thai Bond Market Association

Bill of Exchange

In 2015, CNS's trading volume of bill of exchange was Baht 42,930 million, increasing 58% from Baht 27,192 million in 2014.

Comparing to the market shares among securities firms, CNS ranked 1st at 20.78%, increasing from 3rd at 20.27% in 2014.

Bill of Exchange	Fiscal Year 2015 (Jan 1, 2015- Dec 31, 2015)	Fiscal Year 2014 (Jan 1, 2014- Dec 31, 2014)	Fiscal Year 2013 (Jan 1, 2013- Dec 31, 2013)
Trading Volume	Baht 42,930 million	Baht 27,192 million	Baht 12,900 million
Ranking	1 st	3 rd	4 th
Market Share among securities firms	20.78%	20.27%	15.66%

Source: The Thai Bond Market Association

Securities Borrowing and Lending Business

In 2015, CNS modified the SBL system supporting the increase of new lendable list of securities. CNS has included the underlying stocks of the SET Energy & Utilities Section Index, of the SET Bank Section Index, of the SET Food and Beverage Sector Index, of the SET ICT Sector Index, and of the SET Commerce Sector Index in Thailand in its lendable list of securities, in addition to securities listed in the SET 100 Index and the unit trusts of Exchange Traded Fund (ETF). CNS's SBL service, therefore, offers a wide range of lendable securities covering all securities that the SET allows for short selling. This service is also available for both retail clients and institutional clients.

In addition, clients can access to the SBL service from various channels including online securities borrowing application on mobile devices. Such factors have driven the expansion of client bases both retail clients and institutional clients, and raised the borrowing and lending value up to 40% compared to the same period of the prior year.

For 2016, CNS will sustain the policy of competitive rate of SBL fee and has a plan to expand client bases who might be interested in SBL through seminars and trainings to clients to apply SBL as their investment strategies such as Arbitrage Trading and Pair Trading.

Funding, Risk Management and Capital Maintenance Policy

1. Funding and Risk Management Policy

CNS has a funding policy concerning the World's and domestic financial conditions, risks from interest rate, and foreign exchange, repayment period as well as business relationship, needs and uses of funds.

CNS has a policy to raise funds from both short-term and long-term borrowings to align with liquidity, financial conditions and financial costs by considering several sources of funds to create flexibility in funding and business relationship.

In case CNS has borrowings in foreign currency, CNS has a risk management policy to fully hedge the borrowings in foreign currency.

In 2014, CNS became a subsidiary of Nomura Group. Subsequently, Fitch Ratings (Thailand) Limited assigned CNS a National Long-Term Rating at AA-(tha) on October 9, 2014, with a Stable Outlook and the National Short-Term Rating at F1+(tha) which were advantageous to CNS in funding from several sources. This also resulted in the lower financial costs as well as the increasing trustworthiness and credit lines from both domestic and foreign financial institutions. In order to create the awareness of CNS's fixed income trading business, in the 4th quarter of 2014, CNS has started to raise funds from issuance and offer for sale of bill of exchanges to high net worth investors or institutional investors, from October 31, 2014 to October 30, 2015, with the total amount of not exceeding Baht 1,500 million and a maximum tenor of 270 days from the issued date.

Such issuance and offer for sale of bill of exchanges had a good response from investors until 2015, supported by the following factors; CNS's good financial positions, attractive return rates, lower deposit interest rate (In 2015, Monetary Policy Committee (MPC) cut the policy interest rate twice at 0.25% each, totaling 0.50%. The policy interest rate as of January 2015 was 2.00% while the rate as of December 2015 was 1.50%), as well as the bad market sentiment in the SET from the slower economic recovery than expected that caused the low economic growth. CNS, consequently, extended the period of raising funds from such issuance and offer for sale of bill of exchanges to another 1 year, from October 31, 2015 to October 30, 2016. Fitch Ratings (Thailand) Limited assigned CNS a National Long-Term Rating at AA-(tha) on October 27, 2015, with a Stable Outlook and the National Short-Term Rating at F1+(tha). Such credit ratings were similar to the ratings released at the prior year.

As of December 31, 2015, CNS had borrowings in the form of bill of exchanges with the face value of Baht 900 million (net of discount of Baht 896 million) with a maturity in 2016.

As of 31 December 2015, CNS had shareholders' equity of Baht 5,473 million and borrowings from financial institutions of Baht 2,300 million for supporting CNS's working capital and liquidity. CNS still has available credit limit from domestic and foreign financial institutions as well as related parties.

2. Creditor Policy

CNS's Board of Directors has a policy to fairly and equitably treat all types of creditors. CNS also commits to conduct its business to create trustworthiness from creditors with the following policy and guidelines.

- (1) Strictly comply with conditions or requirements as agreed in the contract, including provisions and contingencies. In case CNS is not able to comply with any conditions or CNS encounters default situations, CNS shall inform creditors to consider and find reasonable solutions together with creditors.
- (2) Properly manage a funding structure to support its business at appropriate risk level and cost to maintain creditors' confidence on CNS.
- (3) Timely provide accurate and complete financial reports to creditors.
- (4) Conduct its business to create sustainable growth in the long run and maintain good relationships with creditors.

3. Capital Maintenance Policy

CNS has a policy to maintain a minimum net liquid capital of Baht 25 million, together with the minimum net liquid capital ratio of 7% of general indebtedness regarding the SEC's requirements (Net Liquid Capital Rule: NCR).

As of December 31, 2015, CNS's net liquid capital was Baht 4,675.84 million while net liquid capital ratio of 120.87% of general indebtedness. As a result, CNS met the SEC's minimum requirements.

Risk Factors

Business Risk

1. Risk from the SET's volatility

The world and domestic economic volatility may have an impact on the investors' confidence which may consequently affect fund flows in the SET. In the situation that the SET becomes highly volatile and discourage investment, giving rise to a decline in average trading volume may tend to decline, therefore, CNS's brokerage fees as well as fee and service incomes from investment banking business, especially on the financial advisory and underwriting business, will be affected.

Nonetheless, CNS has a policy to restructure its business and service revenues by not depending heavily on any particular lines of businesses. In addition, CNS has an approach to diversify its business to several areas, apart from the brokerage business, to be suitable to various market circumstances such as financial advisory business, fixed income trading business or securities borrowing and lending business in order to offset the shortfall in securities brokerage revenues which are highly sensitive to the SET's volatility.

2. Risk from high competition in securities business

The announcement of the SET and the SEC on the liberalization of securities business licenses and the liberalization of brokerage fee which was effective since 2012, has directly impacted on the profitability of the entire securities industry as well as high competitions among securities firms.

CNS has been aware of such risk and has prepared to enhance competitive advantages both in terms of financial positions and business strategies such as diversifying the revenue structure to other businesses, apart from brokerage businesses, improving quality of research papers, restructuring the organization to improve the efficiency as well as developing financial advisors' competencies and services to cope with the changes in clients' needs.

3. Risk from financial advisory business

In providing this kind of service, CNS and its clients must be mutually responsible to disclose accurate, sufficient and detailed information to the public for the following activities; the issuance and offer for sale of securities, the filing of listing applications, the acquisition of securities for business takeovers, as well as opinions provided to shareholders to support their decision making as requested by the SEC or the SET such as connected transactions, the acquisition or sale of securities, tender offers and merger and acquisition and etc.

CNS is prudently selective with respect to its clients and studies clients' preliminary information before accepting the deal. 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 regarding service providers and supervisors in order to ensure that the services provided are effective and in line with the relevant rules and regulations.

4. Risk from underwriting and firm underwriting business

CNS may suffer losses from the investment in under-subscribed securities from the underwriting business. Such losses may arise from the firm underwriting as a result of an inappropriate quantity and share price or from the SET's volatility, as well as fluctuations in interest rate and foreign exchange rate; all of which could possibly undermine investors' interest in the newly listed companies.

To minimize such risk, CNS conducts preliminary studies to analyze and investigate the issuers' business profile, industry condition, company performance and future prospects.

CNS also evaluates clients' or investors' interests in the quantity of the offered securities in order to support the decision in accepting the underwriting and firm underwriting transactions.

5. Personnel Risk

Securities brokerage business is highly vulnerable of expertise turnover, especially financial advisors.

CNS sets up a clear policy to determine appropriate compensation and remuneration in accordance with the SET's requirements as well as a policy to continually educate its financial advisors on investment knowledge and services.

6. Risk from doubtful debt and bad debt

CNS has receivables from various businesses; brokerage business, securities trading business, servicing, margin loan business. CNS has guidelines to manage the risk from doubtful debt and bad debt as the followings;

- (1) Know customers and customers due diligence (KYC/CDD); CNS's staff has to perform KYC/CDD to support the consideration of service and limit justified to customer's suitability test and objective. This will support customers to manage investment risk.
- (2) Periodically review clients' status and collateral; especially securities traded in the credit balance accounts that are collateral for margin loan balances.
- (3) Provide excellence service by providing information of product being offered to clients.
- (4) Effective collection
- (5) Compliance; Employees strictly comply with the rules, regulations and related laws.

The above guidelines and the compliance can reduce the risk from doubtful debt and bad debt.

7. 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 performances. Many cases may significantly lead to the increase in cost of compliance. Some cases may lead to an intense competition and more competitors.

Financial Risk

1. Risk from funding

CNS provides margin loan services, which will increase clients' purchasing power for investment and the market liquidity, as well as fixed income trading business. Accordingly, CNS needs working capital for liquidity management and sufficient funds to serve the clients' needs in the margin loan business. The needs of funds depend on the overall market turnover.

CNS has a funding policy concerning the World's and domestic financial conditions, risks from interest rate, and foreign exchange, repayment period as well as business relationship, needs and uses of funds.

CNS has a policy to raise funds from both short-term and long-term borrowings to align with liquidity, financial conditions and financial costs by considering several sources of funds to create flexibility in funding and business relationship.

In case CNS has borrowings in foreign currency, CNS has a risk management policy to fully hedge the borrowings in foreign currency.

2. Risk from interest rate

CNS is aware of the risk from market interest rate and considers appropriate proportions of the funds to align with its business operation.

Risk over Shareholders' Right and Investment

1. Risk from majority shareholdings over than 75% of registered capital

As of the latest book closing date on April 3, 2015, Nomura Group was CNS's major shareholder, holding CNS's shares totaling 1,844,659,331 shares or 85.78% of CNS's registered and paid-up capital. Such shareholding proportion exceeded 3/4 of total shareholdings and made Nomura Group become a controlling person of CNS. Accordingly, Nomura Group may influence in decision making in every issue that requires the approval from shareholders' meetings and other shareholders may not be able to aggregate sufficient votes to balance and examine the issues which major shareholder proposes to the shareholders' meetings. In addition, in case other shareholders may see a takeover opportunity by other parties to add value to CNS, the takeover transaction may not incur without the consent of the major shareholder regarding such shareholding concentration.

Nonetheless, CNS's Board of Directors consists of internal management directors, representative directors from Nomura Group and independent directors. All directors are competent and could perform effectively. CNS has appointed 4 independent directors out of 11 directors which are not less than 1/3 of total directors and not less than 3 directors as required by the SEC. Independent directors could comment on the performance of the management independently so that CNS's Board of Directors could perform their duties efficiently.

3 independent directors are appointed as audit committees to consider CNS's connected transactions or any transactions that may lead to conflict of interests to ensure that such transactions are reasonable and most beneficial to CNS.

2. Risk and impact from low free float

Free float is beneficial to shareholders of listed companies and investors as to trading liquidity at proper prices. In addition, liquidity is important in maintaining a security's attractiveness and helping listed companies raise funds easily and successfully. Regarding to the SET's notification Re: Maintaining the Status of Listed Companies in the Exchange, a listed company shall maintain its qualification with respect to share distribution so that its ordinary shares shall be held by minority shareholders in a number not less than 150 and such shareholders shall hold shares in aggregate not less than 15% of the paid-up capital. The SET shall consider the share distribution report that a listed company shall submit to the SET from the shareholder list used for a company's annual general meeting of shareholders (AGM).

In case a listed company has the number of minority ordinary shareholders and the aggregate number of minority ordinary shares held by them less than those stipulated above, the SET shall notify of such event in writing and a listed company shall proceed with the distribution of shareholdings to meet the full numbers stipulated above within 1 year from the end of the period which a listed company shall submit the share distribution report. If a listed company does not meet the free float requirement for 2 consecutive years or more, the SET will publicly release their names and initiate action to collect additional fees, above from normal annual fees, until the requirement is met. Additional fees are calculated based on the length of time in breach and the size of the shortfall in free float.

As of the latest book closing date on April 3, 2015, Nomura Group was CNS's major shareholder, holding CNS's shares totaling 1,844,659,331 shares or 85.78% of CNS's registered and paid-up capital. Minority shareholders held the remaining shares of 14.22%. Accordingly, there was a free float of 14.22% traded in the market which may cause trading liquidity in the secondary market be diminished and may affect general investors' access into the normal trading. Therefore, minority shareholders may face with difficulty in selling the securities in the market at the amount, price and time required.

In addition, this may have an impact on being listed company in the SET and CNS also encounters a risk from being requested to pay additional fees of not satisfying the free float requirement by the SET. However, in 2015, CNS paid annual fees at normal rate to the SET.

Legal Disputes

As of December 31, 2015, CNS had no legal dispute cases which was higher than 5% of its shareholders' equity or significantly impacted its business operation.

General Information

Company name:	Capital Nomura Securities Public Company Limited	
Public Company Registration No.:	0107537000653	
Type of Business:	Securities business; mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business, selling agent business	
Head Office Location:	25 Bangkok Insurance Building, 15 th -17 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120	
Registered Capital:	Baht 2,150,469,000	
Paid-up Capital:	Baht 2,150,469,000	
Type of Paid-up Shares:	Ordinary shares	
Total Number of Paid-up Shares:	2,150,469,000 shares	
Telephone:	+66(0) 2638 5000	+66(0) 2287 6000
Facsimile:	+66(0) 2287 6001	
NOMURA DIRECT:	+66(0) 2638 5500	
Website:	www.nomuradirect.com	

Branch

* *NOMURA Learning Center*

** *NOMURA Service Center*

Bangkok Region

Bangna Branch:	589/111 Central City Tower 1 Office, 19 th Floor, Bangna-Trad Road, Bangna, Bangkok 10260 Telephone: +66(0) 2725 8600 Facsimile: +66(0) 2745 6220 +66(0) 2745 6221
Phra-Pinklao Branch:	7/129 Central Plaza Pinklao Office Building, 9 th 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
Vibhavadi-Rangsit Branch:	123 Sun Towers Building B, 23 rd 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
Esplanade Branch**:	99 Esplanade Building, 2 nd Floor, Room 202-1, Ratchadaphisek Road, Din Daeng, Bangkok 10400 Telephone: +66(0) 2354 0760 +66(0) 2641 3250 Facsimile: +66(0) 2641 3249
Bangkhae Branch**:	1871 Victoria Gardens, Floor 2, A205, Petchkasem Road, Laksong, Bangkhae, Bangkok 10160 Telephone: +66(0) 2638 5280 +66(0) 2287 6280 Facsimile: +66(0) 2421-6025

Overseas

Representative Office at Lao P.D.R.:	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
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Northeastern Region

Khon Kean Branch*:	999, Sri Chant Road, Nai Mueang, Muang, Khon Khaen 40000 Telephone: +66(0) 4322 6540 +66(0) 4322 6541 Facsimile: +66(0) 4322 6542
Udonthani Branch*:	UD Town, Room N203 The Next Zone, 2 nd Floor 88 Tongyai Road, Mak Khaeng, Muang Udonthani, Udonthani 41000 Telephone: +66(0) 4213 6174 +66(0) 4213 6175 Facsimile: +66(0) 4213 6176
Nakhonratchasima Branch*:	1184 Hip Park Community Mall, Room 26 Zone C, 2 nd Floor, Mittrapab Road, Nai Muang, Muang Nakhon Ratchasima, Nakhon Ratchasima 30000 Telephone: +66(0) 4424 8526 +66(0) 4424 8527 Facsimile: +66(0) 4424 8528
Ubon Ratchathani Branch**:	15/4 Ubonsquare, Room F101B/C, Thamma Withi 4 Road, Nai Mueang, Mueang, Ubonratchatani 34000 Telephone: +66(0) 4531 5326 +66(0) 4531 5327 Facsimile: +66(0) 4531 5328

Northern Region

Chiangrai Branch*:	353/19 Moo 4, Rim Kok, Muang Chiang Rai, Chiang Rai 57100 Telephone: +66(0) 5371 1972 +66(0) 5371 1973 Facsimile: +66(0) 5371 1974
Chiangmai Branch*:	30 Punna Place, Room 5, 1 st Floor, Nimmanhaemin Road, Soi 6, Suthep, Muang Chiangmai, Chiangmai 50200 Telephone: +66(0) 5321 0834 +66(0) 5321 0835 Facsimile: +66(0) 5321 0841

Central Region

Ayutthaya Branch*:	<p>Ayutthaya City Park, Room GC-11, 126 Moo 3, Asia Road, Klong Suan Plu, Sub-District, Ayutthaya 13000</p> <p>Telephone: +66(0) 3580 1920 +66(0) 3580 1921</p> <p>Facsimile: +66(0) 3580 1922</p>
Saraburi Branch*:	<p>179/5 Suk-Anan Park Shopping Mall, Room PZ12-031, Sudbantad Road, Pakpreaw, Muang Saraburi, Saraburi 18000</p> <p>Telephone: +66(0) 3671 1929 +66(0) 3671 1930</p> <p>Facsimile: +66(0) 3671 1931</p>
Nakornsawan Branch*:	<p>26/3-4, Withitthep Citywalk Room 2F003-004, 2nd Floor, Road, Pak Nam Pho, Muang Nakorn Sawan, Nakorn Sawan, 60000</p> <p>Telephone: +66(0) 5622 3947 +66(0) 5622 3948</p> <p>Facsimile: +66(0) 5622 3949</p>

Southern Region

Phuket Branch*:	<p>262/9 Yaowarat Road, Talat Yai, Muang Phuket, Phuket 83000</p> <p>Telephone: +66(0) 7621 4422 +66(0) 7621 4423</p> <p>Facsimile: +66(0) 7621 4424</p>
Had Yai Branch*:	<p>2 Soi 19, Phet Kasem Road, Hatyai, Hatyai, Songkhla 90110</p> <p>Telephone: +66(0) 7422 1542 +66(0) 7422 1543</p> <p>Facsimile: +66(0) 7422 1544</p>

Eastern Region

Rayong Branch**:	<p>TSK Park, 351-351/1 Sukhumvit Road, Neonpra, Muang, Rayong 21000</p> <p>Telephone: +66(0) 3802 0030 +66(0) 3802 0031</p> <p>Facsimile: +66(0) 3802 0032</p>
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Other References

Share Registrar

Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building,
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Telephone:	+66(0) 2009 9000
Facsimile:	+66(0) 2009 9991
SET Call Center:	+66(0) 2009 9999
E-Mail:	SETContactCenter@set.or.th
Website:	www.set.or.th/tsd

Auditors

EY Office Limited

By Miss Ratana Jala, Certified Public Accountant (Thailand) No. 3734

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

Telephone:	+66 (0) 2264 0777	+66 (0) 2264 9090
Facsimile:	+66 (0) 2264 0789	
E-Mail:	EY.Thailand@th.ey.com	
Website:	www.ey.com	

Other Significant Information over Investors' Decision Making

CNS had no other significant information over investors' decision making.

Securities and Shareholder Information

Number of Registered and Paid-up Capital

1. Registered and Paid-up Capital

CNS's registered capital was 2,150,469,000 ordinary shares listed in the SET at a par value of Baht 1, totaling Baht 2,150,469,000 which was fully paid up totaling Baht 2,150,469,000.

As of the latest book closing date on April 3, 2015, CNS's shares were held by foreigners in total of 86.09% of CNS's registered and paid-up capital.

2. Other shares with different rights and conditions from ordinary shares

As of December 30, 2015, 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 8,217,055 units or 0.38% of CNS's registered capital, increasing from 7,514,787 units or 0.35% of CNS's registered capital as of December 30, 2014.

The NVDR holders receive the same financial rights and benefits as investing in CNS's ordinary shares but cannot exercise their voting rights 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 it 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).

Shareholders

1. Major Shareholders

(A) Top Shareholders

Top Shareholders as of April 3, 2015 (The latest book closing date)

Major Shareholders' Name ¹	Shares Held (shares)	Holding Percentage (%)
1. Nomura Asia Investment (Singapore) Pte. Ltd. ²	1,844,659,931	85.78
2. Mr. Wachira Tayanaraporn	35,555,500	1.65
3. Mrs. Khuntong Udommahuntisuk	20,000,000	0.93
4. Mr. Mongkol Udompetcharaporn	16,352,600	0.76
5. Mr. Chatri Sophonpanich	14,193,000	0.66
6. Mr. Peera Patamavorakulchai	14,061,000	0.66
7. Mr. Rabil Sophonpanich	13,563,000	0.63
Total Major Shareholders	1,958,385,031	91.07

¹ Investors can check the latest top shareholders from CNS's website (www.nomuradirect.com) prior to the annual general meeting of shareholders.

² Nomura Asia Investment (Singapore) Pte. Ltd. was incorporated in Singapore on March 24, 2014 to invest in CNS's shares. Its registered and paid-up capital was USD 1, wholly owned by Nomura Holdings, Inc.³ (Based on the list of the shareholders of Nomura Asia Investment (Singapore) Pte. Ltd. as of April 11, 2014 which was the information disclosed in Tender Offer for Securities (Form 247-4) dated April 25, 2014 prepared by Advisory Plus Company Limited as a tender offer preparer.)

³ Shareholder information of Nomura Holdings, Inc. as of September 30, 2015 (The latest information disclosed in its website.) was as the followings;

Listing	The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Nagoya and the Singapore stock exchange. The shares are also listed on the NYSE in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs). Each ADS represents one share of Common Stock.
Issued Shares	Common Stock : 3,822,562,601 shares
Number of shareholders	397,437
Trading unit	100 shares

Source: www.nomuraholdings.com/investor/shareholders

10 Major Shareholders of Nomura Holdings, Inc. as of September 30, 2015¹ were as the followings;

Major Shareholders' Name	Shares Held (thousand shares)	Percentage to Issued Shares (%)
1. State Street Bank and Trust Company 505223	208,440	5.45
2. Japan Trustee Services Bank, Ltd. (Trust Account)	150,358	3.93
3. The Master Trust Bank of Japan, Ltd. (Trust Account)	146,841	3.84
4. The Bank of New York Mellon SA/NV 10	55,012	1.43
5. State Street Bank West Client-Treaty 505234	52,809	1.38
6. The Bank of New York Mellon as Depository Bank for Depository Receipt Holders	51,520	1.34
7. Japan Trustee Services Bank, Ltd. (Trust Account 9)	47,726	1.24
8. Japan Trustee Services Bank, Ltd. (Trust Account 7)	41,475	1.08
9. Japan Trustee Services Bank, Ltd. (Trust Account 1)	41,278	1.07
10. Japan Trustee Services Bank, Ltd. (Trust Account 5)	41,239	1.07
Total Major Shareholders	836,698	21.83

¹ As of September 30, 2015, Nomura Holdings, Inc. had 224,254 thousand shares of treasury stock which was not included in the major shareholders list above.

Source: www.nomuraholdings.com/investor/shareholders

(B) Major Shareholders' Influence over Management Policies or Significant Business Operation

As of the latest book closing date on April 3, 2015, Nomura Group was CNS's major shareholder, holding CNS's shares totaling 1,844,659,331 shares or 85.78% of CNS's registered and paid-up capital, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd. The following 4 management representatives were appointed as CNS's directors.

Director Name	Position	Type of Director
1. Mr. Takahito Nakamura	President	Executive Director
2. Mr. Naoki Sugaya	Executive Director	Executive Director
3. Mr. Philip Wing Lun Chow	Director	Non-Executive Director
4. Mr. Jiro Yamaguchi	Director	Non-Executive Director

2. Doing Business as a Holding Company

CNS is not a holding company.

3. Agreements between Major Shareholders

CNS had no agreements between major shareholders over the company's issuance and offer for sale of securities or management and significant impact to business operation.

Other Securities

1. Convertible Securities

CNS did not issue any convertible securities.

2. Debt Securities

In 2014, CNS became a subsidiary of Nomura Group. Subsequently, Fitch Ratings (Thailand) Limited assigned CNS a National Long-Term Rating at AA-(tha) on October 9, 2014, with a Stable Outlook and the National Short-Term Rating at F1+(tha) which were advantageous to CNS in funding from several sources. This also resulted in the lower financial costs as well as the increasing trustworthiness and credit lines from both domestic and foreign financial institutions. In order to create the awareness of CNS's fixed income trading business, in the 4th quarter of 2014, CNS has started to raise funds from issuance and offer for sale of bill of exchanges to high net worth investors or institutional investors, from October 31, 2014 to October 30, 2015, with the total amount of not exceeding Baht 1,500 million and a maximum tenor of 270 days from the issued date.

Such issuance and offer for sale of bill of exchanges had a good response from investors until 2015, supported by the following factors; CNS's good financial positions, attractive return rates, lower deposit interest rate (In 2015, Monetary Policy Committee (MPC) cut the policy interest rate twice at 0.25% each, totaling 0.50%. The policy interest rate as of January 2015 was 2.00% while the rate as of December 2015 was 1.50%)., as well as the bad market sentiment in the SET from the slower economic recovery than expected that caused the low economic growth. CNS, consequently, extended the period of raising funds from such issuance and offer for sale of bill of exchanges to another 1 year, from October 31, 2015 to October 30, 2016. Fitch Ratings (Thailand) Limited assigned CNS a National Long-Term Rating at AA-(tha) on October 27, 2015, with a Stable Outlook and the National Short-Term Rating at F1+(tha). Such credit ratings were similar to the ratings released at the prior year.

As of December 31, 2015, CNS had borrowings in the form of bill of exchanges with the face value of Baht 900 million (net of discount of Baht 896 million) with a maturity in 2016.

Dividend Policy

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

CNS has no subsidiaries; therefore, there is no dividend policy of subsidiaries.

Historical data of dividend payments over the previous 5 fiscal years

Dividend payment for Fiscal Year ¹	Fiscal Year 2014 (Jan 2014 - Dec 2014)	Fiscal Year 2013 (Jan 2013 - Dec 2013)	Fiscal Year 2012 ² (Jan 2012 - Dec 2012)	Four-month period ² (Sep 2011 - Dec 2011)	Fiscal Year 2011 ² (Sep 2010 - Aug 2011)
Dividend payment per share (Baht)	0.18	0.17	0.16	0.05	0.31
Dividend announcement (million Baht)	387.08	365.58	114.69	34.20	212.03
Net profit (million Baht)	428.75 ³	394.04	187.99	37.44	217.26
Dividend payout ratio (%)	90.28 ³	92.78	61.01	91.34	97.59

¹ CNS changed its fiscal year from "September 1 to August 31 of every year" to "January 1 to December 31 of every year" with the objective to match the normal fiscal year for most of the SET-listed and brokerage firms, which would make it easier for shareholders, investors and all stakeholders to compare CNS's earnings performance with its peers in the industry.

² On 26 April 2013, the Annual General Meeting of Shareholders No.1/2556 resolved to approve a share split by changing a par value of CNS's ordinary shares from Baht 10 each to Baht 1 each. The financial information presented above was calculated from the ordinary share at the par value of Baht 1 each.

³ Net profit and Dividend payout ratio for the fiscal year 2014 was changed from the disclosure published in last year due to changes in accounting policies as per the adoption of new financial reporting standards. Net income changed from Baht 425.21 million to Baht 428.75 million. Dividend payout ratio changed from 91.03% to 90.28% (Please refer more detail described in the Notes to financial statements No. 4.)

Management Structure

Board of Directors

As of December 31, 2015, for the effectiveness of the Board of Directors' performance, CNS had 11 board members consisting of; 5 Executive Directors, 2 Non-Executive Directors and 4 Independent Directors, as the followings;

Director Name	Position	Type of Director
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Executive Director
2. Mr. Takahito Nakamura	President	Executive Director
3. Mr. Nimit Wongjariyakul	Executive Director	Executive Director
4. Mr. Naoki Sugaya	Executive Director	Executive Director
5. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director
6. Mr. Philip Wing Lun Chow	Director	Non-Executive Director
7. Mr. Jiro Yamaguchi	Director	Non-Executive Director
8. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	Independent Director
9. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Independent Director
10. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Independent Director
11. Dr. Prasit Kanchanasakdichai	Independent Director	Independent Director

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

Shareholding by Directors and their spouses

Director Name	Position	Shares Held (shares)		
		As of December 31, 2014	As of December 31, 2015	Change
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	-	-	-
2. Mr. Takahito Nakamura	President	-	-	-
3. Mr. Nimit Wongjariyakul	Executive Director	-	-	-
4. Mr. Naoki Sugaya	Executive Director	-	-	-
5. Mrs. Chrisana Sae-Leiw	Executive Director	-	-	-
6. Mr. Philip Wing Lun Chow	Director	-	-	-
7. Mr. Jiro Yamaguchi	Director	-	-	-
8. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	-	-	-
9. Col. Ruangsub Kovindha	Audit Committee and Independent Director	-	-	-
10. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	-	-	-
11. Dr. Prasit Kanchanasakdichai	Independent Director	-	-	-
Total		-	-	-

A Number of the Board of Directors' Meetings and the Attendance by Individual Members in 2015

Director Name	Position	Number of Meetings	Number of Attendance
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	12	12
2. Mr. Shinichi Mizuno ¹	President	3	3
3. Mr. Takahito Nakamura ²	President	8	8
4. Mr. Nimit Wongjariyakul	Executive Director	12	12
5. Mr. Naoki Sugaya	Executive Director	12	12
6. Mrs. Chrisana Sae-Leiw	Executive Director	12	12
7. Mr. Philip Wing Lun Chow ^{3,8}	Director	8	7
8. Mr. Motoyuki Komabayashi ^{4,5}	Director	3	2
9. Mr. Jiro Yamaguchi ⁶	Director	8	8
10. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	12	12
11. Col. Ruangsub Kovindha	Audit Committee and Independent Director	12	12
12. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	12	12
13. Dr. Prasit Kanchanasakdichai ⁷	Independent Director	12	11

¹ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to approve the resignation of Mr. Shinichi Mizuno from CNS's Director, Executive Director, President and Authorized Director, effective from April 1, 2015. Accordingly, Mr. Shinichi Mizuno had not attended the Board of Directors' Meeting since No. 4/2559.

² The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to appoint Mr. Takahito Nakamura as CNS's Director, Executive Director and President, replacing Mr. Shinichi Mizuno. Mr. Takahito Nakamura was approved by the SEC on May 7, 2015 while CNS submitted the registration of the change in director with the Ministry of Commerce on May 8, 2015. Accordingly, Mr. Takahito Nakamura had attended the Board of Directors' Meeting since No. 5/2559.

³ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 and the Annual General Meeting of Shareholders No. 1/2558 held on April 29, 2015 resolved to appoint Mr. Philip Wing Lun Chow as CNS's Director, effective from April 29, 2015. CNS submitted the registration of the change in director with the Ministry of Commerce on April 29, 2015. Accordingly, Mr. Philip Wing Lun Chow had attended the Board of Directors' Meeting since No. 5/2558.

⁴ Mr. Motoyuki Komabayashi had other engagements so he could not attend the Board of Directors' Meeting No. 3/2558.

⁵ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to approve the resignation of Mr. Motoyuki Komabayashi from CNS's Director, effective from April 1, 2015. Accordingly, Mr. Motoyuki Komabayashi had not attended the Board of Directors' Meeting since No. 4/2558.

⁶ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to appoint Mr. Jiro Yamaguchi as CNS's Director, replacing Mr. Motoyuki Komabayashi. Mr. Jiro Yamaguchi was approved by the SEC on May 7, 2015 while CNS submitted the registration of the change in director with the Ministry of Commerce on May 8, 2015. Accordingly, Mr. Jiro Yamaguchi had attended the Board of Directors' Meeting since No. 5/2558.

⁷ Dr. Prasit Kanchanasakdichai had other engagements so he could not attend the Board of Directors' Meeting No. 1/2558.

⁸ Mr. Philip Wing Lun Chow had other engagements so he could not attend the Board of Directors' Meeting No. 12/2558.

Management

As of December 31, 2015, CNS had 8 members of Management according to the SEC's notification as the followings;

Director Name	Position	Type of Management
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Executive Director
2. Mr. Takahito Nakamura	President	Executive Director
3. Mr. Nimit Wongjariyakul	Executive Director	Executive Director
4. Mr. Naoki Sugaya	Executive Director	Executive Director
5. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director
6. Mrs. Krittika Tharamart	Director of Retail Sales Division 2	Executive
7. Miss Kridsana Kulpanyalert	Division Head of Finance Division	Executive
8. Mr. Yasuhiro Terasa	Division Head of Investment Banking Division	Executive

Shareholding by Management and their spouses

Management Name	Position	Shares Held (shares)		
		As of December 31, 2014	As of December 31, 2015	Change
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	-	-	-
2. Mr. Takahito Nakamura	President	-	-	-
3. Mr. Nimit Wongjariyakul	Executive Director	-	-	-
4. Mr. Naoki Sugaya	Executive Director	-	-	-
5. Mrs. Chrisana Sae-Leiw	Executive Director	-	-	-
6. Mrs. Krittika Tharamart	Director of Retail Sales Division 2	800,000	800,000	-
7. Miss Kridsana Kulpanyalert	Division Head of Finance Division	-	-	-
8. Mr. Yasuhiro Terasa	Division Head of Investment Banking Division	-	-	-
Total		800,000	800,000	-

Company Secretary

The Board of Directors resolved to appoint Miss Kridsana Kulpanyalert, Division Head of Finance Division, as CNS's company secretary since March 22, 2013.

Directors' and Management's Remuneration

1. Monetary Remuneration

(A) Directors' Remuneration

CNS's Board of Directors has a policy to define the appropriate and reasonable rate of Directors' and Audit Committee's remuneration in consideration of the following factors.

1. Duties and responsibilities of each director
2. Remuneration rate paid by other companies in the same industry
3. Remuneration rate paid by other listed companies in the SET
4. Other related factors

In 2015, CNS paid Directors' remuneration regarding the resolution of the Annual General Meeting of Shareholders No. 1/2558 held on April 29, 2015 in total amount of Baht 4,030,000 as the following details;

Director Name	Position	Directors' Remuneration (Baht)			
		Director's annual remuneration*	Meeting Allowance**	Audit Committee's annual remuneration***	Total
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	250,000	-	-	250,000
2. Mr. Shinichi Mizuno ¹	President	220,000	-	-	220,000
3. Mr. Takahito Nakamura ²	President	-	-	-	-
4. Mr. Nimit Wongjariyakul	Executive Director	220,000	-	-	220,000
5. Mr. Naoki Sugaya	Executive Director	220,000	-	-	220,000
6. Mrs. Chrisana Sae-Leiw	Executive Director	220,000	-	-	220,000
7. Mr. Philip Wing Lun Chow ³	Director	-	-	-	-
8. Mr. Motoyuki Komabayashi ⁴	Director	220,000	-	-	220,000
9. Mr. Jiro Yamaguchi ⁵	Director	-	-	-	-
10. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	240,000	240,000	300,000	780,000
11. Col. Ruangsub Kovindha	Audit Committee and Independent Director	240,000	240,000	240,000	720,000
12. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	240,000	240,000	240,000	720,000
13. Dr. Prasit Kanchanasakdichai ⁶	Independent Director	240,000	220,000	-	460,000
Total		2,310,000	940,000	780,000	4,030,000

* Director's annual remuneration for the operating result of the accounting period starting from 1 January 2014 to 31 December 2014 calculated proportionately to the term of annual remuneration was as below.

1) Chairman of the Board of Directors	250,000 Baht annually
2) Each Executive Director	220,000 Baht annually
3) Each Independent Director	240,000 Baht annually
4) Other Non-Executive Director	220,000 Baht annually

** Meeting Allowance for Independent Directors attending each board meeting for the fiscal year 2015 (1 January 2015 - 31 December 2015) shall be paid at the rate of Baht 20,000 per person while there would be no meeting allowance for other Non-Executive Director.

*** Audit Committee's annual remuneration for the fiscal year 2015 (1 January 2015 - 31 December 2015) was as below.

1) Chairperson of Audit Committee	300,000 Baht annually
2) Each of other members	240,000 Baht annually

¹ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to approve the resignation of Mr. Shinichi Mizuno from CNS's Director, Executive Director, President and Authorized Director, effective from April 1, 2015. Accordingly, Mr. Shinichi Mizuno had not attended the Board of Directors' Meeting since No. 4/2559.

² The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to appoint Mr. Takahito Nakamura as CNS's Director, Executive Director and President, replacing Mr. Shinichi Mizuno. Mr. Takahito Nakamura was approved by the SEC on May 7, 2015 while CNS submitted the registration of the change in director with the Ministry of Commerce on May 8, 2015. Accordingly, Mr. Takahito Nakamura had attended the Board of Directors' Meeting since No. 5/2559.

³ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 and the Annual General Meeting of Shareholders No. 1/2558 held on April 29, 2015 resolved to appoint Mr. Philip Wing Lun Chow as CNS's Director, effective from April 29, 2015. CNS submitted the registration of the change in director with the Ministry of Commerce on April 29, 2015. Accordingly, Mr. Philip Wing Lun Chow had attended the Board of Directors' Meeting since No. 5/2558.

⁴ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to approve the resignation of Mr. Motoyuki Komabayashi from CNS's Director, effective from April 1, 2015. Accordingly, Mr. Motoyuki Komabayashi had not attended the Board of Directors' Meeting since No. 4/2558.

⁵ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to appoint Mr. Jiro Yamaguchi as CNS's Director, replacing Mr. Motoyuki Komabayashi. Mr. Jiro Yamaguchi was approved by the SEC on May 7, 2015 while CNS submitted the registration of the change in director with the Ministry of Commerce on May 8, 2015. Accordingly, Mr. Jiro Yamaguchi had attended the Board of Directors' Meeting since No. 5/2558.

⁶ Dr. Prasit Kanchanasakdichai had other engagements so he could not attend the Board of Directors' Meeting No. 1/2558.

(B) Management's Remuneration

Management's remuneration consisted of Executive Directors' remuneration and executives' remuneration as the following details;

- Executive Directors' remuneration, excluding salary, bonus and other benefits, was paid as described in (A) Directors' Remuneration.
- Executive Directors' and executives' remuneration as salary, bonus and other benefits, was paid in comparison with peers in the same industry, based on their duties and responsibilities as well as their performance and CNS's performance during the previous year.

In 2015, CNS paid Management's Remuneration as salary, bonus and other benefits for 9 persons in total amount of Baht 103,676,499 as the following details;

Management's Remuneration (Baht)	Fiscal Year 2015 (Jan 1, 2015 – Dec 31, 2015)
Salary and Bonus	79,943,868
Social security fund contributions, provident fund contributions and other benefits	23,732,631
Total	103,676,499

Remark: The above remuneration was paid to 6 Executive Directors and 3 executives, including 1 resigned Executive Director and 1 newly appointed Executive Director during the year.

2. Other remuneration

Provident fund

CNS provides the provident fund (“the fund”) scheme under the Provident Fund Act B.E 2530. The fund has been contributed by both employees and CNS at the rate of 5% - 10% of employees’ salary and shall be paid to employees upon their termination in accordance with the rules of the fund. Executive Directors are able to voluntarily join while this program while foreign Executive Directors are prohibited.

In 2015, the fund has been managed by TISCO Asset Management Limited. CNS paid the fund contribution for Management in total amount of Baht 3,297,250.

Personnel

1. Headcount

As of December 31, 2015, CNS had 555 employees as the following details;

Line	Headcount	Total Headcount
Executive Directors		5
Business Lines		399
Retail Division	294	
Retail Division – Direct Department	16	
Retail Division – Investor Services Network	43	
Wholesales Division	13	
Investment Banking Division	16	
Fixed Income Sales and Trading Department	8	
Wealth Management Department	1	
Product Planning Department	8	
Back Offices		151
Total		555

2. Labor disputes for the previous 3 years

CNS had no significant labor disputes during the previous 3 years.

3. Employees' Remuneration

CNS has a policy to wages, compensation and fringe benefits to staffs in compliance with labor law with fairness and accuracy based on their duties and responsibilities as well as their performance and CNS's performance during the previous year.

In 2015, CNS paid the provident fund contribution for employees in total amount of Baht 22,270,041 and the following employees' remuneration in the forms of salary, bonus, provident fund contributions and other benefits.

Employees' Remuneration (Baht)	Fiscal Year 2015 (Jan 1, 2015 – Dec 31, 2015)
Salary and Bonus	541,162,614
Social security fund contributions, provident fund contributions and other benefits	117,036,432
Total	658,199,046

4. Employee Development Policy

CNS allocates a budget of continual staff developments both in professional and general knowledge. CNS develops employees of all business lines to be competent and expertise under their areas. CNS also provides overseas trainings from the experts.

In 2015, CNS encouraged employees to attend trainings for their development both in professional and general knowledge in total of 134 courses, 1,367 hours, with the average employee training hour at approximately 2 hours per head per year. The total employee development costs were Baht 1,255,082. Detail of employee development was as the followings;

Type of training	Numbers of courses	Numbers of training hours
Internal training	82	591
External training	52	776
Total	134	1,367

Information as of December 31, 2015



Profile of Directors, Management, Controllers and Company Secretary

As of December 31, 2015

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mr. Suthep Peetakanont Chairman of the Board of Directors and Chairman of the Board of Executive Directors	54	<p>Master of Business Administration, University of Missouri, Kansas City, U.S.A</p> <ul style="list-style-type: none"> Case study of complaint and provide guidance, 2014, Securities Analysts Association Trading TFEX SET 50 Index Futures and Gold Futures with strategies, 2014, Securities Analysts Association. Technical Fundamentals Analysis in industry group, 2014, Securities Analysts Association. Asset Allocation strategies (Bank Deposit, Gold, Mutual Funds, Stock Bond), 2014, Securities Analysts Association. Capital Market Academy, 2007, Leader Program (CMA) 4 Director Certification Program (DCP), 2000 / Thai Institute of Directors Association (IOD) Chairman 2000, 2002 / Thai Institute of Directors Association (IOD) 	-	-	Sep 2011 - Present	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Capital Nomura Securities Plc.
					Jun 2010 - Aug 2011	Chairman of the Board of Directors and Acting Chairman of the Board of Executive Directors	Capital Nomura Securities Plc.
					Dec 2009 - May 2010	Chairman of the Board of Directors and Executive Directors	Capital Nomura Securities Plc.
					Jun 2009 - Dec 2009	Honorary Chairman	Capital Nomura Securities Plc.
					Sep 1997 - May 2009	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Capital Nomura Securities Plc.
Mr. Takahito Nakamura President	48	<p>The degree of Bachelor of Arts in Economics , KEIO University, Japan</p> <ul style="list-style-type: none"> Assessing Company Performance Enhancing Good Corporate Governance, 2015/ Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University 	-	-	May 2015 - Present Apr 2013 - Apr 2015	President Managing Director, Branch Manager, Tennouji branch	Capital Nomura Securities Plc. Nomura Securities Co., Ltd.

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mr. Nimit Wongjariyakul Executive Director	51	Master of Engineering, Pennsylvania State University, U.S.A. <ul style="list-style-type: none"> Assessing Company Performance Enhancing Good Corporate Governance, 2015/ Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University Internal control for IPO, 2015, Association of Thai Securities Companies - Investment Banking Club Leader Program 16, 2013, Capital Market Academy DCP Refresher Course, 2009, Thai Institute of Directors Association (IOD) 	-	-	Dec 2007 - Present	Executive Director	Capital Nomura Securities Plc.
					1998 - Dec 2007	Head of Investment Banking Division	Capital Nomura Securities Plc.
Mr. Naoki Sugaya Executive Director	50	Bachelor of Agriculture, Meiji University, Japan <ul style="list-style-type: none"> Assessing Company Performance Enhancing Good Corporate Governance, 2015/ Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University 	-	-	Jun 2009 - Present	Executive Director	Capital Nomura Securities Plc.
					2003 - 2009	Business Manager of Fixed Income Division - Asia Pacific	Nomura International (Hong Kong) Limited
					2001 - 2003	Head of Administration	Nomura Italia SIM P.A., Milano, Italia

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mrs. Chrisana Sae-Leiw Executive Director	55	<ul style="list-style-type: none"> Bachelor of Science, Southern Adventist University, U.S.A. Assessing Company Performance Enhancing Good Corporate Governance, 2015/Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University Transformative Engagement Workshop, 2014, Prana Consulting Case study of complaint and provide guidance, 2014, Securities Analysts Association Trading TFEX SET 50 Index Futures and Gold Futures with strategies, 2014, Securities Analysts Association. Technical Fundamentals Analysis in industry group, 2014, Securities Analysts Association. Asset Allocation strategies (Bank Deposit, Gold, Mutual Funds, Stock Bond), 2014, Securities Analysts Association 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 	-	-	Jun 2009 - Present	Executive Director	Capital Nomura Securities Plc.
					1996 - May 2008	Director	Capital Nomura Securities Plc.
Mr. Philip Wing Lun Chow Director	53	<ul style="list-style-type: none"> Master of Business Administration, Hong Kong University of Science and Technology Master of Science, Imperial College London, University of London Assessing Company Performance Enhancing Good Corporate Governance, 2015/Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University 	-	-	Apr 2015 - Present	Director	Capital Nomura Securities Plc.
					Nov 2006 - Present	Managing Director and Chief Administrative Office, SE Asia	Nomura Singapore Ltd. (Lehman Brothers Singapore Pte. Ltd.)
					Sep 1996 - Nov 2006	Director of Counterparty Risk	ING Bank, N.V., Singapore Branch
					Apr 1996 - Sep 1996	Management - Asia	Morgan Guaranty LLC
					Feb 1992 - Apr 1996	Internal Audit, General Auditing	Chase Manhattan Bank, N.A.

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mr. Jiro Yamaguchi Director	47	Bachelor of Law, Doshisha University • Assessing Company Performance Enhancing Good Corporate Governance, 2015/Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University	-	-	May 2015 - Present	Director	Capital Nomura Securities Plc.
					Apr 2013 - Present	Branch Manager (Managing Director)	Nomura Securities Co., Ltd, Uehonmachi Branch
					Jun 2009 - Mar 2013	Branch Manager (Managing Director)	Nomura Securities Co., Ltd, Private Banking Kyoto Office
					Jan 2008 - Jun 2009	Executive Director	Nomura Securities Co., Ltd, Private Banking Department
					Dec 2005 - Dec 2007	Chief Officer of Business Development Department	Nomura Funds Research & Technologies America (Nomura International New York)
					Jun 2003 - Nov 2005	Director	Nomura Securities Co., Ltd, Kyoto Branch
					Dec 2000 - May 2003	Director	Nomura Securities Co., Ltd, Toranomon Branch
					Apr 1999 - Nov 2000	Assistant Director	Nomura Securities Co., Ltd, Corporate Finance Department
					Dec 1996 - Mar 1999	Vice President	Nomura Securities Co., Ltd, Yonago Branch
					Jul 1996 - Nov 1996	Vice President	Nomura Securities Co., Ltd, Personnel Department (Recruitment)
					Apr 1991 - Jun 1996	Sales	Nomura Securities Co., Ltd, Nagoyaakimae Branch

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mrs. Wattanee Phanachet Chairman of the Audit Committee and Independent Director	78	<ul style="list-style-type: none"> M.A.(Accounting), University of Alabama, U.S.A. Assessing Company Performance Enhancing Good Corporate Governance, 2015/Asst. Prof. Mr. J. Thomas Connelly, 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) 	-	-	Oct 1998 - Present	Chairman of the Audit Committee and Independent Director	Capital Nomura Securities Plc.
					2007 - Present	Audit Committee and Independent Director	Esso (Thailand) Plc.
					1999 - 2013	Audit Committee and Independent Director	Thai Poly Acrylic Plc.
					2006 - Apr 2009	Audit Committee and Independent Director	Electricity Generating Plc.
					1999 - 2006	Audit Committee and Independent Director	Delta Electronics (Thailand) Plc.
Col. Ruangsub Kovindha Audit Committee Member and Independent Director	63	<ul style="list-style-type: none"> Bachelor of Science in Engineering, University of Alabama, U.S.A. Assessing Company Performance Enhancing Good Corporate Governance, 2015/ Asst. Prof. Mr. J. Thomas Connelly, Chulalongkorn University Director Accreditation Program (DAP), 2007, Thai Institute of Directors Association (IOD) Capital Market Academy Leader Program (CMA 14) 	-	-	2002 - Present	Audit Committee and Independent Director	Capital Nomura Securities Plc.
					2000 - Present	Managing Director	United Information Highway Co., Ltd.
					2013 - Present	Director	Shinasub Co., Ltd.
					2009 - Present	Director	Top Up For You Co., Ltd.
					2015 - Present	Director	Telecom Solutions Provider Co., Ltd.
					2015 - Present	Director	BB Connect Co., Ltd.
					2007 - Present	Director	BB Technology Co., Ltd.
					2010 - Present	Director	BB Broadband Co., Ltd.
					2015 - Present	Director	Virtual Data Center Co., Ltd.
					2011 - Present	Director	Wide Access Co., Ltd.
					2007 - Present	Director	I Secure Co., Ltd.
					2014 - Present	Director	Cloud HM Co., Ltd.
					2015 - Present	Director	UIH International Co., Ltd.

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mr. Prasert Virasathienpornkul Audit Committee and Independent Director	55	Master of Business Administration, University of Wisconsin Madison, U.S.A. <ul style="list-style-type: none"> Assessing Company Performance Enhancing Good Corporate Governance, 2015/ Asst. Prof. Mr. J. Thomas Connelly, Chulalongkorn University Director Certification Program (DCP), 2002, Thai Institute of Directors Association (IOD) 	-	-	1999 - Present	Audit Committee and Independent Director	Capital Nomura Securities Plc.
					Present	Chairman of the Audit Committee and Independent Director	Master Ad Plc.
					Present	Chairman of the Audit Committee and Independent Director	Daii Group Plc.
Dr. Prasit Kanchanasakdichai Independent Director	51	DBA in Finance with highest score in the class as well as Beta, Gamma, Sigma Honor, Boston University, U.S.A. <ul style="list-style-type: none"> Assessing Company Performance Enhancing Good Corporate Governance, 2015/ Asst. Prof. Mr. J. Thomas Connelly, Chulalongkorn University Director Certification Program (DCP), 2004, Thai Institute of Directors Association (IOD) 	-	-	Dec 2010 - Present	Independent Director	Capital Nomura Securities Plc.
					Nov 2015 - Present	President	Thailand Iron works Plc.
					Mar 2012 - Present	Managing Director	TCB Daikure Co., Ltd.
					Apr 2011 - Present	Director	Daikure (Thailand) Co., Ltd.
					Oct 2007 - Present	Managing Director	T.C.B. Home Center Co., Ltd.
					Oct 2004 - Present	President	Thai Const & Building Manufacturing Plc.
					Sep 2003 - Present	Managing Director	C.M. Manufacturing Co., Ltd.
					2004 - 2008	President	Hory Engineering Corporation (Japan)
					2005 - 2008	President	MK Industry Co., Ltd (Korea) or Hory Engineering Korea
					2004 - 2008	President	Peri-Hory Asia Formwork Pte. Ltd. (Singapore)

Name-Surname / Current Position	Age (Yrs)	Education Background	Shareholding in CNS (%)	Family Relationship Among Executives	Work Experiences		
					Period	Position	Name of the company / unit
Mrs.Krittika Tharamart Director of Retail Sales Division 2	55	Bachelor of Education, Phranakhon Rajabhat University <ul style="list-style-type: none"> • Certified Financial Planner (CFP) Module 1- Foundation of Financial & Tax Planning, 2014, ThaiPFA Training Center Co., Ltd. • Certified Financial Planner (CFP) Module 1- Foundation of Financial & Tax Planning, Module 2- Investment Planning, 2015, ASCO Training Institute • Know Your Customers' Asset Allocation Currency Futures, Financial Reports and Measurement), Sell Net Asset Value (NAV), 2013, ASCO Training Institute • EIC Project : Refresher Course for Derivative License, 2012, ASCO Training Institute 	0.037% (800,000 shares)	-	Feb 2014 - Present	Director of Retail Sales Division 2	Capital Nomura Securities Plc.
					Nov 2010 - Jan 2014	Director - Retail Sales Division 2, Direct Department, Overseas Investment Sales Department, Esplanade Branch	Capital Nomura Securities Plc.
					Jun 2009 - Nov 2010	Head of Retail Division 2	Capital Nomura Securities Plc.
					May 2007 - May 2009	Manager, Individual Services Department 3	Capital Nomura Securities Plc.
					Feb 1998 - Apr 2007	Deputy Manager : Individual Services Department 2, Corporate Services Department	Capital Nomura Securities Plc.
Ms.Krudsana Kulpanyalert Division Head of Finance Division and Company Secretary*	53	Master of Business Administration, Thammasat University Bachelor of Accounting, Thammasat University <ul style="list-style-type: none"> • Bond Market Analysis I, 2015, Thai Bond Market Association • Company Reporting Program, 2015, Thai Institute of Directors Association (IOD) • Effective minute taking and Board Reporting Program, 2015, Thai Institute of Directors Association (IOD) • TFRS Update (revised 2014 and 2012), Federation of Accounting Professions 	-	-	Mar 2013 - Present	Division Head of Finance Division	Capital Nomura Securities Plc.
					2012 2000 - 2011	Chief Operation Officer Department Head of Credit Management Department	Alphametrics Co., Ltd Capital Nomura Securities Plc.
Mr. Yasuhiro Terase Division Head of Investment Banking Division	42	The degree of Bachelor of Commerce ,Waseda University, Japan	-	-	Jul 2014 - Present 2011 - Jun 2014 2009 - 2011	Division Head of Investment Banking Division Sales Representative - Kobe Branch Sales Promotion and Marketing Department	Capital Nomura Securities Plc. Nomura Securities Co., Ltd. Nomura Asset Management U.S.A Inc.

*Company Secretary has to perform his/her duties under the Section 89/15 and 89/16 of the Securities Exchange Act (no.4) B.E.2551 (2008), effective from August 31, 2008, with responsibility, carefulness and integrity. He/She has to comply with related rule, regulation, law and the Company's objectives and Article of Association as well as the resolutions of the Board of Directors and the Shareholders' Meeting. The Company Secretary's duties are as follows;

1. Preparing and keeping important document as the followings;
 - 1.1 Directors Register
 - 1.2 Invitation Letter for the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and Annual Report
 - 1.3 Notification Letter for the Shareholders' Meeting and Minutes of the Shareholders' Meeting.
2. Keeping the report of the conflict of interests reported by Directors or Management and submitting the copy of the report of the conflict of interests under the Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the receiving date of such report.
3. Performing any duties as required by the Capital Market Supervisory Board
4. Performing any duties as required by the Company;
 - 3.1 Arranging meetings for the Board of Directors and the Annual General Meeting of Shareholders
 - 3.2 Coordinating with regulators e.g. the Stock Exchange of Thailand and Monitoring the information disclosure and document reports to regulators and public as required by the rule, regulation and law.
 - 3.3 Providing Director briefing to newly appointed Directors
 - 3.4 Performing any duties as assigned by the Company

Good Corporate Governance

CNS recognizes the importance of the Principles of Good Corporate Governance which shall boost CNS's competitiveness, growth and long-term shareholder value, taking into account the interest of all stakeholders. These principles shall create an image of CNS viewed by all stakeholders.

Hence, CNS's Board of Directors defines the written Good Corporate Governance Policy both in Thai and English, covering Principles of Good Corporate Governance for listed companies defined by the SET, covering 5 categories, namely;

- Section 1 Right of Shareholders
- Section 2 Equitable Treatment of Shareholders
- Section 3 Role of Stakeholders
- Section 4 Disclosure and Transparency
- Section 5 Responsibility of the Board

CNS has disclosed the Good Corporate Governance Policy for employees on its intranet and for stakeholders on its website (www.nomuradirect.com) under the topic "About us > Company Profile > Investor Relations > About us".

Breach of the SEC's and the SET's rules and regulations

CNS's policy is to comply with all applicable laws, rules and regulations. In 2015, CNS had no breach of the SET's and the SEC's rules and regulations.

In addition, 2015 is the second year that the SET set up the project of Rewards and Punishment among related parties. The SET evaluated that CNS had the monitoring system and could conduct compliance reviews in the very good level, resulting CNS evaluation in "A" as the same grade as 2014 while the majority of the member got the evaluation in "B+" level¹.

¹ Source: the SET's letter no. Kor Sor. 53/2558 Re: Submit the evaluation result of compliance monitoring reviews in the Rewards & Punishment Project for the year 2014, dated July 27, 2015

Disclosure of the implementation of Good Corporate Governance Policy

Section 1 Right of Shareholders

1. Shareholders' meeting

CNS realizes that all shareholders, including institutional ones, should be treated in an equal way and fair treatment basis by arranging shareholders' meeting in the manner that could support the equitable treatment to all shareholders and allowing any shareholders who could not attend the shareholders' meeting in appointing their proxies to attend the shareholders' meeting and cast their votes.

In 2015, CNS arranged the Annual General Meeting of Shareholders No. 1/2558 ("the AGM") held on April 29, 2015 at Sukhothai Hotel, located next to CNS's head office on Sathorn Road, Bangkok, to facilitate shareholders in participating and exercising their rights in the AGM. CNS also provided shareholders the notice of the AGM which included the date, time, venue, all agenda items, fact and reason with CNS's Board of Directors' opinion for each agenda item and criteria and procedure for attending the AGM, as well as sufficient information regarding issues to be discussed in each agenda item. CNS published the notice of the AGM on CNS's website (www.nomuradirect.com) on April 8, 2015. CNS did not do any actions that limit or violate shareholders' rights stated by law, the rights of late comers to attend the AGM. No document for additional key information was suddenly provided in the AGM. No additional issue was added to the agenda. No change of key information was made without prior notices to shareholders. Last but not least, CNS also provided shareholders the rights to ask and receive answers from CNS's Board of Directors in the AGM.

CNS provided the notice of summoning to attend the AGM with key documents as the followings;

- (1) A copy of the Minutes of the Annual General Meeting of Shareholders No.1/2557
- (2) Name lists and biographies of CNS's directors who were proposed to be re-elected for CNS's Directors for another term
- (3) Name list and biography of the new Company's director
- (4) Detail of required documents verifying eligibility to attend the AGM
- (5) Name lists and biographies of 3 Independent Directors, proposed by CNS to serve as proxy for shareholders
- (6) Qualification / definition of CNS's Independent Director
- (7) CNS's Articles of Association relating to Shareholders' Meeting
- (8) Map of the AGM location (Sukhothai Hotel)
- (9) 3 types of Proxy forms, including the forms which shareholders are able to specify their votes.
- (10) Annual Report 2014

2. Procedures on the shareholders' meeting date

In the AGM held on April 29, 2015, CNS used Smart ID Card Reader in recording the attendee registration and Barcode system in printing the ballots as well as processing the voting results in order to conduct the AGM fast, precise, and accurate. All 8 members of the Board of Director attended the AGM to clarify and answer questions from attended shareholders; including the Chairman of the Board of Directors, the Chairman of the Board of Executive Directors, the Chairperson of the Audit Committee, the Chairman of Risk Management Committee, the Chairman of Credit Review Committee and also the Top management in Finance, as well as the external auditors from EY Office Limited and the legal advisor from Baker & McKenzie Ltd.

Regarding CNS's Good Corporate Governance Policy, CNS appointed the independent legal advisor from Baker & McKenzie Ltd. to observe and review the appropriateness of the shareholders' vote counting procedures of the AGM together with the CNS's staff. CNS also recorded this appointment in the minutes.

The Chairman of the AGM informed the AGM of shareholders' voting and vote counting procedures for each agenda item by using voting cards distributed during the registration process. The resolutions and detailed voting results of each agenda item consisted of approving, dissenting, and abstaining votes were also reported to the AGM. Regarding the agenda of election of directors, shareholders were requested to vote on individual nominees and the voting result was also announced on individual nominees.

CNS provided shareholders an opportunity to ask questions relevant to a particular agenda item before casting their votes and also assigned responsible persons to provide answers completely and equally to shareholders, not concerning that the questions were from major or minor shareholders. The AGM took approximately 2 hours.

3. Writing and releasing of the minutes of shareholders' meetings

For the AGM held on April 29, 2015, CNS reported the resolution of the AGM on CNS's website (www.nomuradirect.com) on April 29, 2015 and published the minutes of the AGM on CNS's website (www.nomuradirect.com) on May 13, 2015 which included voting and counting procedures before the AGM started, the opportunity for shareholders to ask questions or raise issues, questions and answers, resolutions and detailed voting results of each agenda item consisted of approving, dissenting, and abstaining votes, and list of the directors who attended the AGM. No directors missed the AGM.

Section 2 Equitable Treatment of Shareholders

1. Release of information before the shareholders' meeting

In the AGM held on April 29, 2015, CNS provided shareholders the notice of the AGM both in Thai and English which included the date, time, venue, all agenda items, fact and reason with CNS's Board of Directors' opinion for each agenda item and criteria and procedure for attending the AGM, as well as sufficient information regarding issues to be discussed in each agenda item. CNS published the notice of the AGM on CNS's website (www.nomuradirect.com) on April 8, 2015, or 21 days before the AGM date, not in line with at least 28 days before the shareholders' meeting date according to CNS's Good Corporate Governance Policy, causing from the delay in the preparation of information and coordination with relevant persons. CNS informed the AGM of shareholders' voting and vote counting procedures for each agenda item.

2. Protection of minor shareholders

In the AGM held on April 29, 2015, CNS conducted by following the sequence of the agenda item as defined in the notice of the AGM. No additional issue was added to the agenda. No document for additional key information was suddenly provided in the AGM. Regarding the agenda of election of directors, shareholders were requested to vote on individual nominees and the voting result was also announced on individual nominees.

3. Protection against abuse of inside information

CNS defined a written policy and procedures on the use of inside information to prevent the use of insider information for abusive self-dealing. CNS's employees were informed to acknowledge and strictly comply with the policy. Please see further detail described in the section "Monitoring the use of and access to inside information".

In 2015, there was no trading transaction of CNS's Directors and Management by using insider information for abusive self-dealing.

4. Conflicts of interest by directors

CNS has a connected transactions policy to prevent abusive for self-dealing of connected persons by defining that connected transactions must be conducted based on its utmost benefit and must be complied with the relevant regulators' rules. Also, connected transactions must be approved by CNS's Board of Directors or reported to CNS's Board of Directors in case that such connected transaction are under the Management's authorization to be in compliance with the SET's and the SEC's rules and regulations.

In addition, CNS's Board of Directors has a policy requiring any directors or management to report their shareholding of CNS's shares in the monthly Board of Directors' meetings in order to immediately report their interests, to be in compliance with to SET's and the SEC's regulations, to CNS's Board of Directors before the consideration of the agenda of connected transactions. CNS also defines that interested directors are not allowed to attend and vote in the agenda of connected transactions. Please see further detail described in the section "Connected Transactions Policy".

For CNS's Board of Directors' meetings in 2015, no interested directors attended the board meetings in considering the agendas of connected transactions. CNS also recorded this non-attendance of interested directors in the minutes of meetings.

Section 3 Role of Stakeholders

1. Policies affecting stakeholders

CNS's Board of Directors respects the rights and benefit of all stakeholders as the followings:

- **Clients:** CNS emphasizes to provide its services with client centricity; therefore, CNS intentionally provides variety to serve clients' needs and high-quality services, continuously develops service quality, keeps clients' satisfaction and maintains good relationship with its clients. CNS intentionally treats all clients equitably and fairly and keeps confidentiality of its client's information.
- **Employees:** CNS realizes its employees as the most valuable resources bringing the great success to CNS. CNS emphasizes the equitable and fair treatment to its employees and provides suitable compensation. By providing a good and safe working environment and encouraging its employees to develop their skills and knowledge for their career progress. CNS encourages team spirit, respects human rights and equality in career opportunities.
- **Industry:** CNS emphasizes the equitable and fair treatment to other companies in the industry, conducting its business adhering to designated agreements and agreements by member companies and competing within the framework of relevant rules, laws and regulations. CNS shall kindly cooperate to the industry to improve the efficiency of the capital market of Thailand.
- **Society:** CNS realizes the importance of the environmental awareness, the help on social causes, the religion care, the policy or guidelines on anti-corruption, including activities encouraging its employees to comply with laws and regulations.
- **Business partners:** CNS has a policy to treat business partners fairly and maintain good relationship with its business partners.
- **Creditors:** CNS has a policy to treat its creditors equitably and fairly. CNS also engages its business to create trust from its creditors.
- **Authorities:** CNS emphasizes the strict compliance with relevant rules, regulations and laws and the cooperation with the authorities.
- **Shareholders:** CNS emphasizes to manage its business having profit and sustainable growth to create returns for shareholders. CNS has a dividend policy at least 60% of its net profit on an annual basis, except for cases when CNS needs more fund for business expansion or other significant activities. However, CNS's dividend payment is subject to the resolutions of shareholders' meeting. Please see further detail of shareholders' rights in the section "Section 1 Right of Shareholders".

CNS also sets up a guideline of the treatment to stakeholders in the Code of Ethics which is the same guideline as Nomura Group. The Code of Ethics covers several important issues; Social Responsibilities, Advancement of Customers' Interests, Compliance with Laws, Corporate Opportunity, Conflicts of Interest, Confidentiality, Fair Dealing, Protection and Proper Use of Corporate Assets, Retention of Documents, Environmental Issues, Corporate Citizenship Activities, Respect for Human Rights, International Harmonization, Media Policy, Personal Investments, Reporting of Illegal or Unethical Conduct, Protection against Retaliation, Code of Ethics for Financial Professionals. CNS publishes the Code of Ethics in CNS's website (www.nomuradirect.com). Please see further detail of the Code of Ethics in the section "Code of Ethics of Nomura Group".

CNS has a policy that all directors, management and employees must comply with the Code of Ethics of Nomura Group by reading, understanding and affirming that the compliance with the Code of Ethics of Nomura Group on annual basis.

CNS has a procedure to report stakeholders for important up-to-date information relevant to CNS by providing significant information of CNS both in Thai and English on CNS's website (www.nomuradirect.com) and the SET's website.

CNS defines the Anti-Corruption Policy as an apparent guideline in conducting business for sustainable development. Please see further detail as described in the section "Anti-Corruption Policy".

CNS has written procedures in handling client's complaint. Clients can submit their complaint to Compliance Department at Telephone No. 02-287-6860-5 or via postal mail or CNS's website (www.nomuradirect.com).

When there is any client complaint, the Compliance Department shall find the fact, solve the client's complaint, and resolve such complaint including contact and inform the progress to the client within 30 days after the receipt of the complaint. If that case has not been concluded within 30 days, the Compliance Department shall inform the progress every 30 days until the investigation of the complaint is concluded. After the resolution, the Compliance Department shall response to the client within 7 days from the date as of when the complaint is resolved, including measures of protection to avoid problems that may occur.

CNS provides Whistleblowing Policy, a channel that stakeholders can report their opinions, complaint or issues within the whistleblowing scopes to CNS. CNS also publishes Whistleblowing Policy on CNS's website (www.nomuradirect.com). Please see further detail described in the section "Whistleblowing Policy".

2. Disclosure of Policies

In 2015, CNS conducted the employee affirmation program of the Code of Ethics of Nomura Group in February 2015 as well as published the latest of Ethics of Nomura Group on CNS's website (www.nomuradirect.com) that employees and all stakeholders could access conveniently.

CNS publishes relevant significant information of CNS both in Thai and English on CNS's website (www.nomuradirect.com) under the menu "About us > Company Profile > Investor Relations" and discloses a report of Corporate social responsibilities for sustainable growth in the annual report. Please see further detail described in the section "Corporate social responsibilities for sustainable growth". In addition, CNS publishes relevant significant information in the compliance with the SET on the SET's website.

Section 4 Disclosure and Transparency

CNS realizes the importance of the disclosure of CNS's information, both financial and non-financial information, with accuracy, completeness, timeliness and transparency through easy-to-access and fairly accessible channels by all stakeholders.

In 2015, CNS publishes relevant significant information of CNS both in Thai and English on CNS's website (www.nomuradirect.com) under the menu "About us > Company Profile > Investor Relations", covering annual statements (Form 56-1), annual report, list of directors and management, shareholding structure, corporate background, business profile, Good Corporate Governance Policy, Anti-Corruption Policy, Whistleblowing Policy, Risk Management Policy, a report of Corporate social responsibilities for sustainable growth, CNS's Articles of Association, CNS's Memorandum, Audit Committee Charter, authorities and duties of directors, quarterly financial statements and management discussion and analysis, year-end financial statements and management discussion and analysis, notice of the shareholders' meeting, the resolutions of CNS's Board of Directors' meeting regarding important agenda items as well as the contact of investor relations providing significant information of CNS, answering questions and being a communication channel to communicate with all stakeholders as the followings;

Investor relations

Telephone:	0-2638-5840
Facsimile:	0-2285-0970
Email:	BKKInvestorRelations@th.nomura.com

In addition, CNS also discloses information that information that might impact shareholders' and investors' decisions as complied by the SET's and the SEC's guidelines rules and regulations in CNS's annual statements (Form 56-1) and annual report covering; Report of Audit Committee, Report of CNS's Board of Directors' responsibility for financial statements, independent auditors' report, audit fees and non-audit fees paid to external auditors, roles, duties and responsibilities of CNS's Board of Directors and other committees including a number of meetings and the attendance by individual members, directors' and management's remuneration both forms of payment and detail of remuneration as well as key financial ratios, yearly financial statements and management discussion and analysis.

In 2015, there was the no enforcement from the SET and the SEC on the non-alignment on CNS's disclosures.

Section 5 Responsibility of the Board

1. Board structure

As of December 31, 2015, CNS had 11 directors, 9 males and 2 females, being experienced in securities business for a long time; consisting of 2 directors from internal management, 4 directors as management representatives from Nomura Group and 4 Independent Directors. A number of directors were in line with the SET's requirement that Independent Directors must be at least 1/3 of a number of total directors. Please see further detail of each director's qualification, experience, training and development profile as described in the section "Profile of Directors, Management, Controllers and Company Secretary".

CNS's Board of Directors considered and agreed that a number, proportion and qualification of the Board as above are appropriate considering the size of the Company and balancing of management authority. The Chairman of CNS's Board of Directors has capability and experience in the CNS's business for a long time, although the Chairman of CNS's Board of Directors is not an Independent Director regarding CNS's Good Corporate Governance Policy. Moreover, CNS has continuously conducted its business in compliance with CNS's Good Corporate Governance Policy. Also, CNS's management decision is based on the resolution of CNS's Board of Executive Directors (comprising of 5 Executive Directors), not only one of Executive Directors. Based on those reasons, it is ensured that the Chairman of Board of Directors shall perform his/her job in transparent, fair, equitable and prudent manner for the utmost benefit to all stakeholders.

CNS's article of association states that "in each annual general meeting, one-third of the Directors shall retire. If their number is not a multiple of three, the number nearest to one-third numbers must retire from office. The Directors who have been longest in office shall retire. A director retiring by rotation is eligible for re-election."

In the AGM held on April 29, 2015, CNS's Board of Directors, exclusive of the nominated directors / interested directors resolved to propose the AGM to re-elect 3 directors retiring by rotation to be CNS's directors for another term. The AGM resolved to elect such 3 directors to be CNS's directors for another term.

CNS's Board of Directors considers the effectiveness in performing as CNS's directors as a key factor by carefully considering board positions holding in other firms of each director whether it would affect to their performance as CNS's directors and whether it would lead a conflict of interest or bias in decision making for the best interests of CNS.

In 2015, CNS disclosed details of board position in other firms of each director in the annual statements (Form 56-1) and the annual report for shareholders' consideration. According to the disclosure, a number and the nature of business that each director holds board positions would not affect their performance as CNS's directors. No directors exceed 5 board seats in listed companies and no Executive Directors exceed 2 board seats in different sectors of listed companies.

In addition, CNS assigns the company secretary to take care of CNS's Board of Directors' activities by preparing a director register, keeping a report of director's and management's interest, coordinating the compliance with Board of Directors' resolutions and performing other tasks as regulated by laws, rules and regulations of the SET, the SEC and other related authorities. Please see further detail of the company secretary's qualification, experience, training and development profile as described in the section "Profile of Directors, Management, Controllers and Company Secretary".

2. Committees

CNS provides committees for the effectiveness of its securities business; the Board of Directors, the Board of Executive Directors, Audit Committee, Credit Review Committee, Marginable Securities Committee and Risk Management Committee. Each committee has clear scopes of authorities and responsibilities as well as working procedures to perform their duties in good faith with ethics and in the best interests of CNS and shareholders. However, CNS has no Remuneration Committee and Nomination Committee. The Board of Executive Directors performs the function of Remuneration Committee and Nomination Committee as the followings;

The Board of Executive Directors is responsible for considering the criteria and the payment form of directors' remuneration and management's remuneration and presenting the results of directors' remuneration to the Board of Directors for their consideration and proposal to the shareholders' meeting for approval. The Board of Executive Directors approves management's remuneration. Please see further detail as described in the section "Directors' and Management's Remuneration".

The Board of Executive Directors is responsible for considering the criteria and process of nomination of directors and management, selecting qualified candidates according to the predetermined criteria and process, and presenting the results to CNS's Board of Directors for their consideration and proposal to the shareholders' meeting for approval. Please see further detail as described in the section "Nomination of Directors and the Management".

3. Roles and responsibilities of the Board

Please see further detail of authorities and responsibilities of each committee as described in the section "Committee".

CNS's Board of Directors is responsible to review and approve CNS's vision, objectives, core value and mission as proposed by the Board of Executive Directors. CNS also sets up communication system to convey CNS's visions, objectives, core value and mission to directors, managements and staff regularly through the monthly staff meetings and the internal communication system which is the mechanism to monitor and assess the performance of each operating unit to achieve its plan.

CNS realizes their roles, duties and responsibilities in encouraging Good Corporate Governance in CNS and the anti-corruption, to support the growth and sustaining of CNS's business by the management with efficiency and transparency that could bring about stakeholders' confidence and the best interests to CNS and shareholders. Accordingly, CNS sets up the written Good Corporate Governance Policy, the written Code of Ethics of Nomura Group and the written Anti-Corruption Policy, as practice guidelines in conducting and sustainably developing its business.

CNS's Board of Directors assigns the Compliance Department to strictly monitor the compliance with the regulators' rules, regulations and requirements.

CNS's Board of Directors sets up Connected Transaction Policy to prevent connected persons from exploiting their positions for personal interest. Connected transaction must be made based on the best interests of CNS and must be in compliance with the regulators as well as approved by rules and regulations of the SET and the SEC. In addition, all connected transactions must be approved by CNS's Board of Directors. Also, directors or management are required to report their shareholding of CNS's shares in the monthly Board of Directors' meetings in order to immediately report their interests, to be in compliance with the SET's and the SEC's regulations, to CNS's Board of Directors before the consideration of the agenda of connected transactions. CNS also defines that interested directors are not allowed to attend and vote in the agenda of connected transactions. Please see further detail described in the section "Connected Transactions Policy".

For CNS's Board of Directors' meetings in 2015, no interested directors attended the board meetings in considering the agendas of connected transactions. CNS also recorded this non-attendance of interested directors in the minutes of meetings.

CNS's Board of Directors realizes the importance of the internal control system, including operational and financial controls, and the compliance of regulators' rules and regulations by assigning the Internal Audit Department which is independent in the performing the internal audit to be in compliance with CNS's rules and policies as well as the principle of internal control. The Internal Audit Department shall perform risk assessment of each operating unit to determine a proper scope, time spending and resources in performing the audit as well as report the audit result to CNS's Audit Committee and Board of Directors. Please see further detail of the opinion the internal control and risk assessment described in the section "Internal Control and Risk Assessment".

In 2015, CNS's Board of Directors made the following actions regarding the compliance with CNS's Good Corporate Governance Policy.

- Reviewed and approved the latest vision, objectives, core value and mission to align with the change of social and economic situation on December 16, 2015.
- Revised and approved the latest Good Corporate Governance Policy to align with the SET's guideline and CNS's business operation on January 23, 2015.
- Approved to adopt the Code of Ethics of Nomura Group on January 23, 2015.
- Set up the employee affirmation program of the Code of Ethics of Nomura Group in February 2015.
- Approved the Anti-Corruption Policy on February 25, 2015.

CNS's Board of Directors also sets up the Whistleblowing Policy, a channel that stakeholders can report their opinions, complaint or issues within the whistleblowing scopes to CNS.

4. Board meetings

CNS schedules the Board of Directors on monthly basis. CNS's Board of Directors shall jointly set tentative board meeting date, time and venue in advance to ensure that all directors can attend the meetings. In addition, the Chairman of the Board of Directors can call for extraordinary meeting to consider urgent matter as necessary.

The Board of Executive Directors sets the Board of Directors' meeting agendas. Each director is free to propose an issue for a meeting agenda. The company secretary shall prepare an invitation letter attached by meeting agendas and meeting documents and send to all directors 7 days prior to the meeting date so that the directors shall have enough time for information study before the meeting. Directors can request additional information from the company secretary information under prearranged conditions.

Moreover, the Board of Directors shall invite relevant top management of units to attend the board meetings regarding relevant meeting agendas to present or clarify details on the issues that they are directly responsible for and give the Board of Directors a chance to know more about such top management.

If necessary, the Board of Directors may provide the opinions from a professional consultant for an independent advisor at CNS's expense.

Non-Executive Directors are able to meet, as necessary, among themselves without Executive Directors in order for them to debate their concerns. Their meeting outcomes shall be reported to the Board of Directors in the next board meeting and be recorded in the minutes of meetings.

In 2015, CNS arranged the Board of Directors' meetings 12 times. No directors attended the board meetings less than 75%. Please see further details of the meeting attendance of the Board of Directors as described in the section "Board of Directors". Non-Executive Directors held the meeting among themselves without time held 1 time on December 16, 2015 to debate their concerns. Their meeting outcomes were reported to the Board of Directors and also recorded in the minutes of meetings in January 2016.

The Chairman of the Board of Directors appropriately allocated the board meeting time for management to complete their presentation and for directors for their comprehensive discussion. The Chairman of the Board of Directors also encouraged creative discussion and careful consideration and decision in all agendas, especially in the agendas or issues concerning Good Corporate Governance for the best interests of CNS. The Company has a policy that Non-executive directors are able to meet, as necessary, among themselves without Executive directors in order for them to debate their concerns. The non-executive directors should notify the Board of Directors as to meeting outcomes.

5. Board self-assessment

CNS's Board of Directors concerns the effectiveness in performing as CNS's directors as a key factor by arranging the assessment of the Board of Directors and individual board members. The Board of Directors shall consider the assessment results of the previous year together and also determine measures to improve their performance in the next year.

In addition, CNS's Board of Directors also carefully considers the board positions holding in other firms of each director whether it would affect to their performance as CNS's directors and whether it would lead a conflict of interest or bias in decision making for the best interests of CNS.

For the assessment of the Board of Directors and individual board members of 2015, CNS defined 6 factors for the assessment as the followings.

- (1) Structure and characteristics of the board
- (2) Roles and responsibilities of the board
- (3) Board meetings
- (4) The board's performance of duties
- (5) Relationship with management
- (6) Self-development of directors and executive development

For the assessment of the Board of Directors for 2015, the average result was 94.06%, decreasing 1.02% from 95.08% in 2014. For the assessment of individual board members for 2015, the average result was 93.39%, decreasing 0.70% from 94.09% in 2014. The assessment results of the Board of Directors and individual board members for 2015 were lower than 2014. A number of board members participating in the assessment for 2015 were 11 persons while there were 3 new directors and 2 resigned directors in 2015.

6. Remuneration

CNS has a policy to define the appropriate and reasonable rate of Directors' and Audit Committee's remuneration in consideration of the following factors; duties and responsibilities of each director, remuneration rate paid by other companies in the same industry, remuneration rate paid by other listed companies in the SET and other related factors.

CNS has a policy to define management's remuneration in the forms of salary, bonus and other benefits in comparison with peers in the same industry, based on their duties and responsibilities as well as their performance and CNS's performance during the previous year.

Please see further detail as described in the section "Directors' and Management's Remuneration".

7. Board and management training

CNS encourages and facilitates training and development for directors and employees 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 also arranges in-house training sessions conducted by relevant resources and also invites special experts or professors to be guest speakers.

In 2015, CNS encouraged employees to attend trainings for their development both in professional and general knowledge in total of 134 courses, 1,367 hours, with the average employee training hour at approximately 2 hours per head per year. The total employee development costs were Baht 1,255,082.

CNS also requests the Human Resource Department to prepare "Director's Handbook" for newly appointed directors to use as a guideline and also provides a brief presentation related to CNS's business, service, policy and significant operating procedures which shall help fasten newly appointed directors to understand CNS's business. This director's handbook gathers information about roles, duties and responsibilities of directors and the Board of Directors, practice guideline of director, right and equitable treatment of shareholders and shareholders' meeting, a director's handbook of securities companies as well as duties and responsibilities of director and management according to the Securities and Exchange Act. and etc.

In 2015, there were 3 newly appointed directors; Mr. Philip Wing Lun Chow, Mr. Takahito Nakamura and Mr. Jiro Yamaguchi. CNS already provided a Director's Handbook to such 3 newly appointed directors after they were approved by the SEC for their understanding of relevant roles and rules before attending their first Board of Directors' meeting.

Good Corporate Governance Policy

Section 1 Right of shareholders

The Company recognizes basic shareholder rights include the right to buy/sell/transfer shares, share in the profit of the Company, obtain relevant and adequate information on the Company in timely manner and on a regular basis, participate and vote in shareholder meetings to elect or remove members of the Board of Directors, appoint the external auditor and manage decisions on any transactions that affects the Company, such as dividend payment, amendments to the Company's articles and association or bylaws, capital increases or decreases, or the approval of extraordinary transactions.

The Company recognizes and emphasizes on the right of shareholders, encourages shareholders to exercise their rights appropriately and also avoids any actions that violate those rights.

1. Shareholders' meeting

- 1.1. The Company has policies to encourage all shareholders, including institutional ones, to attend the Company's shareholders' meeting.
- 1.2. The Company provides shareholders, in advance of meetings, with the date, time, venue, and all agenda items with the rationale or explanation for each agenda item or resolution in the notice of the annual general meeting or extraordinary general meeting or circulars and/or the accompanying statement.
- 1.3. The Company facilitates shareholder participation and voting in meetings.
- 1.4. The Company provides proxy forms on which shareholders are able to specify their votes. The Company's shareholders can appoint at least one independent director as their proxy.

2. Procedures on the shareholders' meeting date

- 2.1. The Company uses secure, fast, precise, and accurate technology in the shareholders' meeting, including in recording attendee registration, printing ballots and processing voting results.
- 2.2. The Company requires all directors to attend shareholders' meetings, especially the Chairman of the Board of Directors, the Chairman of the Board of Executive Directors and the Chairperson of the Audit Committee. Shareholders can query the Chairman of each committee responsible for any specific issues.
- 2.3. In the meetings, Shareholders votes for each item in each agenda; especially an agenda of election of directors, shareholders vote on individual nominees.
- 2.4. The Company shall appoint an independent party of scrutineers / inspectors to count and/or validate votes at the annual general meeting or extraordinary general meeting. This scrutineer shall be disclosed at the meeting and recorded in the minute.

- 2.5. For the sake of transparency and future reference, the Company uses voting cards for important agenda items such as related party transactions or acquisitions or disposal of significant assets.
- 2.6. The Company provides adequate time for discussion and encourages shareholders to express their opinions and ask questions related to the Company's operations.

3. Writing and releasing of the minutes of shareholders' meetings

- 3.1. The Company provides the minutes of shareholders' meetings, including voting and counting procedures, an opportunity for shareholders to ask questions or raise issues, questions and answers, resolutions and detailed voting results of each agenda consisted of approving, dissenting, and abstaining votes, and list the Board of Directors members who attended or missed the meetings.
- 3.2. The Company publishes on the Company's website by the next working day the result of voting during the annual general meeting or extraordinary general meetings for all resolutions.
- 3.3. The Company publishes the minutes of shareholders' meetings on the Company's website within 1 month from the meeting date.
- 3.4. The Company assigns a company secretary to prepare the minutes of shareholders' meetings, as well as record important questions, answers and opinions in the minutes for further verification by the shareholders.

Section 2 Equitable treatment of shareholders

1. Release of information before the shareholders' meeting

- 1.1. The Company releases the notice of annual general meeting and extraordinary general meetings with detailed agenda and explanatory circulars, at least 28 (twenty eight) days before the meeting date.
- 1.2. The Company informs shareholders of the meeting procedures and voting criteria, including the voting right attached in each class of shares.
- 1.3. The notice of shareholders' meeting is fully translated into English and published at the same time as Thai version.

2. Protection of minor shareholders

- 2.1. The Company shall not add any agenda item without notifying all shareholders in advance.
- 2.2. In election process of directors, shareholders are allowed to vote on individual nominees.

3. Protection against abuse of inside information

- 3.1. The Company has established Insider Trading Rule and all employees are requested to acknowledge such rule.
- 3.2. Every director and management is requested to submit a report on their ownership of the Company's shares to the Board of Directors by monthly or when there are changes in their ownership. Such information is also disclosed in the Company's annual Report.

4. Conflicts of interest by directors

- 4.1. The Company requires directors to inform the Board of Directors of their and related persons' conflicts of interest related to the Company's management, for their first director term or when there are changes in their conflicts of interest, regarding each agenda item before consideration by the Board of Directors. Such conflicts are to be minuted.
- 4.2. The connected persons of each agenda are required to abstain from participating in the Board of Directors discussion on the agenda, he / she has a conflict of interest.
- 4.3. The Company has a policy to conduct the Company's business based on the utmost benefit and act with business partners an "arm's length basis" to comply with the notification of the SET and the Securities and Exchange Commission ("the SEC") including relevant regulations.

Section 3 Role of stakeholders

3. Policies affecting stakeholders

- 3.1. The Board of Directors identifies stakeholders as clients, employees, industry, public, counter parties, creditors, authorities and shareholders.
- 3.2. The Company recognizes that all stakeholders should be treated fairly in accordance with their legal rights as specified in relevant laws or commitments.
- 3.3. The Company sets a guideline of treatment to stakeholders in code of ethics.
- 3.4. The Company has the Anti-Corruption Policy, including the activities encouraging employees to comply with laws and the Company's rules.
- 3.5. The Company has a procedure and provides channels to receive clients' complaints and publishes them in the Company's website and annual report.
- 3.6. The Company has clear procedures on whistleblowing for related parties and stakeholders and publishes them in the Company's website and annual report.
- 3.7. The Company shall not take any action to violate the right of such stakeholders. The Board of Directors recognizes and respects their legal rights.

4. Disclosure of Policies

The Company has a policy to disclose the implementation of the policies and the reporting of the corporate social responsibilities (CSR), including activities and mechanism encouraging employees' participation and compliance with the policies.

Section 4 Disclosure and transparency

1. Disclosure of information

- 1.1. The Company has mechanism that ensures the accuracy, clarity and sufficiency of information disclosed to investors for their decision-making.
- 1.2. The Company publishes a summary of the Company's Good Corporate Governance Policy, code of ethics, risk management policy, and corporate social responsibility policy as approved by the Board of Directors through the Company's annual report.
- 1.3. The Company provides the Board of Directors' responsibility for financial statements and the auditors' report in the Company's annual report.
- 1.4. The Company makes a Management Discussion and Analysis (MD&A) for each quarterly financial statement, to help investors better understand the changes in the Company's financial position and performance each quarter, not just to be presented with the figures by themselves.
- 1.5. The Company discloses the audit and non-audit fee paid to audit firm.
- 1.6. The Company discloses the board's roles and responsibilities together with the number of meetings held, attendance record of each director.
- 1.7. The Company discloses the remuneration policies for directors and management that correspond to the contributions and responsibilities of each person and also discloses the forms and the amounts of payment to each person.
- 1.8. The Company has investor relations as a communication channel with all stakeholders to provide the Company's significant information and answer their questions.

2. The Company discloses the information on the Company's website

In addition to disclose information as specified in regulations through the SET, annual statements (Form 56-1) and annual report, the Company also periodically discloses up-to-date information, both in Thai and English, on the Company's website.

The information disclosed on the Company's website (www.nomuradirect.com) consists of the followings:

- (1) Vision and mission of the Company;
- (2) Business operations;
- (3) List of members of the Board of Directors and management team;
- (4) Financial statements or reports for the last 5 years
- (5) Downloadable annual statements (Form 56-1), and annual reports;
- (6) Direct and indirect shareholding structure;
- (7) Direct and indirect shareholding of beneficial owners holding 5% or more of paid-up shares with voting rights;
- (8) Direct and indirect (deemed) shareholdings of major and/or substantial shareholders, directors, and senior management;
- (9) Notice of annual general meeting of shareholders and extraordinary general meetings of shareholders;
- (10) The Company's articles of association and memorandum;
- (11) The Company's corporate governance policy;
- (12) The Company's risk management policy;
- (13) The Company's whistleblowing policy;
- (14) Board's roles and responsibilities, qualification, term, including the types of decisions requiring board approval;
- (15) The Company's code of ethics for directors, employees;
- (16) Contact details of investor relations

Section 5 Responsibilities of the Board

1. Board structure

- 1.1. The Board of Directors is comprised of directors who as a group provide an appropriate balance and diversity of skills, experience and gender in the securities business to perform their duties efficiently.
- 1.2. The Board of Directors, with approval from a shareholders' meeting, is to be composed of at least 5 and no more than 12 directors.
- 1.3. The Board of Directors has independent directors who comment on the performance of the management independently. The number of independent directors meets the SEC's requirements.

- 1.4. The Company's definition of "independent director" shall be the minimum qualification specified by the SEC and the SET is appropriate for the Company.
- 1.5. In every annual general meeting of shareholders, 1/3 of directors shall be retired by rotation. Such directors can be re-elected to be board members by the annual general meeting of the shareholders.
- 1.6. To ensure that directors have sufficient time to perform their duties which an individual director can hold simultaneously, the Company sets a limit of 5 board seats in listed companies. Also, the Board of Executive Directors member shall not exceed 2 board seats in different sectors of listed companies. The Company discloses information about board memberships of individual directors to the public.
- 1.7. The Company's Board of Executive Directors member can be appointed as board position in other firms up to the approval of the Board of Directors.
- 1.8. The Company assigns the company secretary to serve the Board of Directors by providing legal advice, taking care of the Board of Directors' activities, and monitoring compliance with board resolutions. Therefore, the company secretary will be approved by the Board of Directors to ensure his/her qualifications, experiences and roles. Such information is also disclosed in the annual report and the Company's website.
- 1.9. The company secretary is educated or trained in legal, accountancy, or company secretarial practices.

2. Committees

The Company has the Board of Directors, the Board of Executive Directors, Audit Committee, Credit Review Committee, Marginable Securities Committee and Risk Management Committee for effectiveness of the Company's securities business effective performance. Each committee has a clear scope of their work, roles and responsibilities as well as working procedures to perform their duties in good faith, with due diligence and care, in the best interests of the Company and all shareholders. However, the Company has no Remuneration Committee and Nomination Committee. The Board of Executive Directors performs the function of Remuneration Committee and Nomination Committee as the followings;

The Board of Executive Directors is responsible for considering the criteria and the payment form of directors' remuneration and management's remuneration and presenting the results of directors' remuneration to the Board of Directors for their consideration and proposal to the shareholders' meeting for approval. The Board of Executive Directors approves management's remuneration. The Company discloses the criteria and the payment form of directors' remuneration and management's remuneration in the annual report.

The Board of Executive Directors is responsible for considering the criteria and process of nomination of directors and management, selecting qualified candidates according to the predetermined criteria and process, and presenting the results to the Board of Directors for their consideration and proposal to the shareholders' meeting for approval. The Company discloses criteria and process of nominating board members and management in the annual report.

3. Roles and responsibilities of the Board

- 3.1 The Company clearly defines roles and responsibilities of Committees.

- 3.2 The Board of Directors reviews and approves the Company's vision, objectives, core value and mission.
- 3.3 The Board of Directors defines and approves the Company's corporate governance policy, as well as reviews such policy regularly, at least annually.
- 3.4 The Board of Directors encourages to have a written code of ethics so that all directors, management and employees understand the Company's business ethical standards. Compliance Department is assigned to monitor employees' acknowledgement and compliance of such code of ethics.
- 3.5 The Board of Directors considers any conflicts of interest thoroughly to ensure that the transactions are conducted for the best interests of the Company and all shareholders. Persons who have vested interests in a given transaction cannot participate in decision-making process.
- 3.6 The Board of Directors considers the internal control system, including operational and financial controls, and the compliance of rules and policies. The Board of Directors assigns the Internal Audit Department to independently audit and report on the system at least annually. The result is disclosed in the annual report.
- 3.7 The Company establishes a risk management policy to cover the following risks; strategic risk, liquidity risk, credit risk, information technology risk, operation risk, market risk and compliance risk. The risk assessment is carried out annually and the report of risk assessment is reviewed by the Board of Directors and disclosed in the annual report.
- 3.8 The Company's annual report contains a statement from the Board of Directors on the adequacy of the Company's internal controls and risk management systems.
- 3.9 The Company has clear procedures on whistleblowing for related parties or stakeholders and publishes them on the Company's website or annual report.

4. Board meetings

- 4.1 The Company sets tentative board meeting schedule for the whole year and notifies each director of the schedule to manage time to attend meetings.
- 4.2 The Company's meetings are scheduled on monthly and the Chairman may call for extraordinary meeting to consider urgent matter.
- 4.3 The Board of Executive Directors sets the Board of Directors' meeting agendas and ensures that all important issues are included. Each director is free to propose an issue for a meeting agenda.
- 4.4 The invitation letter, agenda and meeting documents are sent to each director at least 5 working days in advance of the meeting.
- 4.5 All directors should attend at least 75% of all the board meetings held during the year.
- 4.6 The Company appropriately allocates the meeting time for complete management presentation and comprehensive discussion by directors. The Company encourages careful consideration in the meeting. Each director pays attention to each issue presented in the meeting, including those concerning governance of the Company.

- 4.7 The Company encourages management to attend the board meetings to present details on the issues that they are directly responsible for, and give the board a chance to know more about management.
- 4.8 The Board of Directors is able to access to additional information, under prearranged conditions, via the company secretary or other management designated as a contact person. If necessary, the Board of Directors may provide the opinions from a professional consultant for an independent advisor at the Company's expense.
- 4.9 The Company has a policy that Non-executive directors are able to meet, as necessary, among themselves without Executive directors in order for them to debate their concerns. The non-executive directors should notify the Board of Directors as to meeting outcomes.

5. Board self-assessment

- 5.1 The Board of Directors' self-assessment is conducted regularly, at least once a year, to allow all members of the Board of Directors to consider the Board of Directors' performance and solve any problems they may have. A benchmark of the Board of Directors' performance is systematically set in advance.
- 5.2 Members of the Board of Directors assess the performance of the Board of Directors as a whole and on an individual basis. The Company discloses the process followed, the criteria used in conducting the Board of Directors assessment, and the summarized results thereof in the annual report.

6. Remuneration

- 6.1 The Company sets director's remuneration to be comparable to the securities industry and reflect the experience, obligations, scope of work, accountability and responsibilities and contributions of each director.
- 6.2 The Company sets management's remuneration correspond to the performance of each person to create shareholders' benefit.

7. Board and management training

- 7.1 The Board of Directors encourages and facilitates training either internal or external training for directors, management, company secretary and employees in all related levels for their continuous improvement on their performance.
- 7.2 New directors shall be provided with all documents and information useful to perform their duties, including an introduction to the nature of the business and the operations of the Company.

Code of Ethics of Nomura Group

The Board of Directors of Nomura Holdings, Inc. (the “Company”) has adopted this Code of Ethics (the “Code”) to guide all Directors, Executive Officers, Senior Managing Directors, Corporate Auditors and employees (“Nomura People”) of Nomura Group.

1. Social Responsibilities

Nomura Group aims to enrich society with due regard to the integrity of the securities business for the purpose of promoting efficient money flow in the financial markets.

2. Advancement of Customers’ Interests

Nomura People must act in the best interests of their customers.

3. Compliance with Laws

Nomura People must understand how confidence in Nomura Group could be undermined by any misconduct and how hard it could be to restore it. Therefore, Nomura People must promote proper understanding and compliance with the letter and spirit of all applicable laws, rules and regulations, including those concerning prevention of insider trading, money laundering, bribery and tax evasion.

4. Corporate Opportunity

Nomura People owe a duty to Nomura Group to advance its legitimate interests whenever the opportunity arises. Nomura People are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position.

5. Conflicts of Interest

Nomura People should not take any actions that could have their private interests interfere in any way (or even appear to interfere) with the interests of Nomura Group. Neither Nomura People nor their family members should receive improper personal benefits as a result of their positions in Nomura Group, including loans, or guarantees of obligations, from Nomura Group.

6. Confidentiality

Nomura People must maintain the confidentiality of information entrusted to them by Nomura Group or its customers in the conduct of its business, except when disclosure is authorized or legally mandated.

7. Fair Dealing

- (a) Nomura People must respect fair business practices in jurisdictions where they operate and endeavor to deal fairly with Nomura Group's customers, suppliers, competitors and Nomura People. Nomura People should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.
- (b) Nomura Group must reject all contacts with criminal or unethical organizations involved in activities in violation of applicable laws.
- (c) Nomura People may give or accept from non-government employees gifts or entertainment in accordance with specified guidelines of the relevant company of Nomura Group. In addition, Nomura People may not give gifts to or entertain government officials without specified approval by the relevant company of Nomura Group.

8. Protection and Proper Use of Corporate Assets

All Nomura Group assets should be used for legitimate purposes. Nomura People should protect Nomura Group's assets and ensure their efficient use.

9. Retention of Documents

Nomura People must prepare documents relating to the business or accounting of Nomura Group and retain such documents for specified periods in accordance with applicable laws and internal rules of the Company or the relevant company of Nomura Group. In connection with litigation or examinations by any regulatory body, Nomura People shall not make false statements or intentionally conceal or destroy any relevant documents.

10. Environmental Issues

Nomura Group is committed to acting in an environmentally responsible manner and should therefore approach environmental issues positively.

11. Corporate Citizenship Activities

Nomura Group as a good corporate citizen is committed to the pursuit of activities of social benefit.

12. Respect for Human Rights

- (a) Nomura Group respects human rights and diversity, and values differences. Nomura group is committed to ensuring that anyone who interacts with Nomura Group is treated with respect at all times and in all circumstances. No person shall be subject to discriminatory practices or harassment for reasons including, but not limited to, their national or ethnic origins, color, race, gender, age, religious belief, social status, sexual orientation or gender identity, or disability.
- (b) Nomura Group is committed to providing equal employment opportunities and a sound working environment where Nomura people can, and do, perform at their best.

13. International Harmonization

Nomura People must respect the culture and customs of all the countries where they operate and strive to manage their activities in such a way as to consider the societies and economies of such countries.

14. Media Policy

If Nomura People externally publish information relating to Nomura Group business in publications, lectures and interviews, they must follow the guidelines promulgated by the relevant company of Nomura Group.

15. Personal Investments

If Nomura People buy or sell securities (including the stock of the Company) for their personal accounts, they must comply with all applicable securities laws and follow specified procedures in accordance with the guidelines promulgated by the Company or the relevant company of Nomura Group.

16. Reporting of Illegal or Unethical Conduct

- (a) If Nomura People become aware of any conduct, including accounting, and auditing matters, that they believe is illegal or unethical, they must promptly notify an appropriate contact specified in the guidelines promulgated by each of Nomura Group.
- (b) The contact above of Nomura People must take appropriate steps to investigate whether and how such misconduct occurred and, when necessary, to correct it and prevent its recurrence.

17. Protection against Retaliation

Nomura People are prohibited from retaliating against any individual who reports in good faith illegal or unethical conduct.

18. Code of Ethics for Financial Professionals

- (a) All Financial Professionals must, in addition to the foregoing:
 - (1) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (2) make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company and each of Nomura Group files with, or submits to, any applicable regulatory body and in other public communications;
 - (3) comply with all applicable generally accepted accounting principles, government laws, rules and regulations;
 - (4) promptly report violations of this section to an appropriate contact specified in the guidelines promulgated by the Company or the relevant company of Nomura Group, in cases they believe that such violations have occurred; and
 - (5) be accountable for their adherence to this section.
- (b) Financial Professionals are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant in the performance of an audit of the financial statements of any of Nomura Group for the purpose of rendering such financial statements materially misleading.
- (c) “Financial Professional” means any professional employee of Nomura Group in the area of finance, controllers, tax, treasury, risk management or investor relations and also includes the Group CEO, the Chief Financial Officer, the Chief Risk Officer and a chairman of the Disclosure Committee of the Company and all Division CEOs, all Business Division CEOs, all Business Line Heads, all Business Infrastructure Division Heads and Regional CEOs of Nomura Group.

19. Amendments and Waivers

The Company shall disclose amendments to, and any waivers from, this Code of Ethics in accordance with applicable laws. For this reason, Nomura People shall promptly inform their senior management in the event they become aware of circumstances that may require an amendment or waiver under the Code so that the Company may comply in a timely fashion.

Whistleblowing Policy

Objective

To encourage all staff / clients / third party to comply with all applicable laws, rules, policies and regulations as well as enable them to report any activities they believe may be inconsistent with these requirements and standards information.

Scope of Whistleblowing

1. Questionable conduct of illegal activities including corruption and bribery.
2. Violation of the matters prescribed in the Company's Policies.
3. Business act in violation of the Company's internal rules or related rules and regulations of the regulators.
4. Questionable conduct regarding accounting or auditing matters.
5. Any other act deviating from social ethics or social justice.

Guidelines

- The staff or clients or third party ("Whistleblower") can raise the abovementioned matter, which is deemed reliable attached with specific and sufficient information given for further investigation, by showing his/her identity or anonymously in writing through one of the following persons:
 - Chairman of the Board of Directors and Chairman of the Board of Executive Directors
 - President
 - Chairman of Audit Committee
 - Head of Compliance Department
 - Head of Internal Audit Department
 - Head of Human Resources Department
 - Head of Legal Department

Capital Nomura Public Company Limited

25 Bangkok Insurance Building, 15th -17th Floor,
 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
 Telephone: 66 (0) 2287 6869
 Facsimile: 66 (0) 2287 6001

- The Company shall not perform any unfair treatment against any whistleblower. In case of staff, the Company will not change his/her position, job description or work place, suspending, threat, harassment, lay-off or any other matters of unfair treatment against such whistleblower. For the clients / third party, the Company will consider and investigate the matters with transparency by conducting fairly and equally to the stakeholders in order to be reliable and assured the fairness of investigation process.
- The whistleblower, who makes a report that is not done in good faith and/or which, at a later time is verified as being of malicious intent or made through wrong channels, the staff shall be liable to disciplinary action in accordance with the Rule of Employment. In the event of clients/ third party, who makes any damages to Company, shall be prosecuted under the laws.
- The Company shall maintain the confidentiality of all information regarding the reported matter such as the name of the whistleblower or the contents of the reported matters, except when needed for additional information or requested by laws. However, the Company will notify the whistleblower in prior to give such to any party.
- The abovementioned person, who receives the whistleblowing, shall consider, fairly, impartially and in good faith, whether or not it is necessary to investigate the reported matter, and in principle, shall notify the whistleblower whether or not the investigation shall be made. However, in case of anonymous submission which makes it difficult to notify the whistleblower, the foregoing shall not be applied.
- In case that the matter is needed to investigate, the recipient shall report such to the Board of Executive Directors for further consideration and/or assigning the investigation team (if necessary) on case-by-case basis to ensure not including the accused in such team. Nevertheless, in case the accused is one of the Board of Executive Directors, the matter shall be reported to Audit Committee instead.
- The assigned investigation team shall notify the result to the whistleblower. However, in case of anonymous submission which makes it difficult to notify the whistleblower, the foregoing shall not be applied.
- In case the reported matter is confirmed to be the fact as a result of the investigation, the Company shall promptly take corrective and preventive measures, and if necessary, shall carry out the punishment on the relevant person or carry out the report to the relevant authorities.
- All information received from all whistleblowers and all related evidences/findings/results shall be kept as confidential records at the Company's secretary.

Risk Management Policy

Article 1 (Purpose)

1. The Policy of the Risk Management Committee (the “Policy”) shall provide for necessary matters with respect to the operation of the Risk Management Committee (the “Committee”) of Capital Nomura Securities Public Co., Ltd. (the “Company”), proposed to the Board of Directors (BoD) for approval by the Board of Executive Directors (BoED). The Committee is appointed by the Board of Executive Directors.
2. The Committee shall be operated, upon delegation from the Board of Executive Directors, for the purpose of deliberating on or determining important matters concerning enterprise risk management of the Company, based on strategic risk allocation and risk appetite, and thereby assuring the sound and effective management of the businesses.
3. The purpose of the Policy is to define the fundamental policy and control processes for the risk management of the Company and contribute to the maintenance of financial soundness and the heightening of enterprise value through the appropriate management of risks arising in the course of day-to-day business operations.
4. Risks of the Company are defined as i) potential erosion of the Company’s capital base due to unexpected losses from business operations, ii) potential lack of access funds due to deterioration of the Company’s creditworthiness or deterioration in market conditions and iii) potential failure of revenues to cover expenses due to deterioration of earnings environment or deterioration of efficiency or effectiveness of business operations.

Article 2 (Constitution and Responsibility of the Committee)

1. The Committee shall consist of the following members (the “Members”):

Executive Director	Chief Risk Officer (“CRO”),
Executive Director in charge of IT/Operation Division	Deputy Chief Risk Officer
Finance Department/Division Head	Member
Compliance Department Head	Member
Legal Department Head	Member
Risk Management Department Head	Member and Secretary

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

2. The Chief Risk Officer (“CRO”) is responsible for supervising Risk Management Committee and maintaining the effectiveness of the risk management independently from business units within the Company.

3. Risk Management Committee shall be responsible for the following tasks concerning risk management.
 - (1) Establishing and enforcing risk management policies
 - (2) Establishing and Operating risk management processes
 - (3) Verifying the effectiveness of risk management methods
 - (4) Reporting to the Board of Executive Directors and Board of Directors
4. Any persons other than the Members may be present at a meeting of the Committee and deliver their opinions by the nomination of the Committee Chairman (as defined in Article 4).
5. Any members of the Audit Committee or Directors designated by the Board of Directors may be present at a meeting of the Committee and deliver their opinions.

Article 3 (Convocation of Meetings)

1. CRO shall convene a meeting of the Committee.
2. When CRO is unable so to act, one of the other Members shall convene a meeting in accordance with the predetermined order of priority.

Article 4 (Chairman of Meetings)

1. CRO shall act as a chairman of a meeting of the Committee (the "Committee Chairman").
2. When CRO is unable so to act, one of the other Members shall act as the Committee Chairman in accordance with the order set forth in paragraph 2 of the preceding article.

Article 5 (Holding of Meetings)

1. An ordinary meeting shall be held in principle twice annually; provided that an extraordinary meeting of the Committee may be held whenever necessary.
2. If necessary, a meeting of the Committee may be held in two or more places by means of a conference call or similar methods.

Article 6 (Agenda and Materials)

1. The agenda of a meeting of the Committee and materials necessary for discussion shall be notified in advance to all persons to be present at the meeting; provided, however, that the foregoing shall not apply when there is a compelling reason.

Article 7 (Resolutions)

1. The resolution of a meeting of the Committee shall be adopted by an affirmative vote of a majority of the Members present which Members present shall constitute a majority of all Members.
2. The resolution set forth in the preceding paragraph shall not be adopted without the approval of one or more Representative Board of Executive Directors.
3. No Member who has a special interest in any matter to be resolved shall be entitled to vote on such matter.
4. The resolution set forth in paragraph 1 of this article may be adopted in writing or electronically.

Article 8 (Reference Matters)

1. The following matters shall be referred to meetings of the Committee.
 - (1) Important matters concerning market, legal, credit, operation or reputation risk management of the Company, which require a new risk management framework;
 - (2) Matters concerning establishment, alteration and abolition of important Policy related to risk management;
 - (3) Any other matters concerning enterprise risk management item deemed necessary by the Committee Chairman
2. All employees shall regard themselves as a principal of risk management and appropriately manage risks arising in the course of day-to-day business operations.
3. The Company practices prudent risk management at and individual entity level and also identifies, evaluates and appropriately manages risks by each of the business departments and back office departments, respectively.

Article 9 (Classification and Definition of Risk)

The Company classifies and defines the risks to be managed into 7 types as follows.

- (1) Strategic Risk is risk arising from determining strategic plan, operational plan and implement improper or irrelevant with internal and external environment which impacts on earning, capital or continuing of operating business.
- (2) Liquidity Risk is risk arising from the company cannot settle debt on due date since it cannot provide a sufficient capital or provide capital which its cost is higher than the acceptable level and may impact on the company's earning and capital both at present and in the future.
- (3) Credit Risk is Opportunity or probability that partner of contract cannot perform as agreement which may affect on the company's earning and capital such as concentration in any securities, granting credit limit outside the policy, credit officer lacks of experience in analyzing credit limit, etc.

- (4) Information Technology Risk is probability of expected or unexpected event arising from using technology which affect on system and operation caused loss on the company's earning and capital such as unauthorized person can access, edit, delete or disclose information.
- (5) Operational Risk is risk arising from lack of good governance regarding to internal operating, personnel, system or external event and affect on the company's earning and capital such as staff fraud, risk which caused loss of assets such as fire, riot, etc.
- (6) Market Risk is risk from changing on interest rate, exchange rate and price of instrument in money / capital market which affect on the company's earning and capital such as Market turnover decrease which affect on Brokerage fee.
- (7) Compliance Risk is the risk of being sued or fine by regulators.

Article 10 (Report)

- 1. The Committee shall evaluate risks using both quantitative and qualitative methods, endeavoring to the extent possible to evaluate risks using quantitative methods.
- 2. The Committee shall regularly verify the effectiveness of risk evaluation and revise at least annually as necessary.
- 3. The Committee shall, at least annually, report and provide recommendation for improvement to acceptable risk to the Board of Executive Directors and Board of Directors the status of discussion at the meetings of the Committee and any other matters deemed necessary by the Committee Chairman.

Article 11 (Minutes of Meetings)

- 1. The secretary shall record the substance of proceedings at a meeting of the Committee and the results thereof in minutes of the meeting and the Members present shall sign such minutes.
- 2. The minutes of the meeting of the Committee shall be kept at Risk Management Department for five (5) years.

Article 12 (Alteration and Abolition)

- 1. Alteration and abolition of this Policy shall be subject to the resolution of Board of Executive Directors.

Anti-Corruption Policy

Introduction

Capital Nomura Public Company Limited (“CNS”) is committed to conduct the business with integrity and transparency to be in compliance with the principles of good corporate governance. CNS has participated “Thailand's Private Sector Collective Action Coalition Against Corruption” with a strong intention against all forms of corruption in order to set the standard of practices on transparency. In this regard, CNS has formulated the written “Anti-Corruption Policy” as an apparent guideline in conducting business and sustainable development.

CNS's Board of Directors and Board of Executive Directors unanimously approved this Anti-Corruption Policy, as a part of CNS's Code of Ethics.

Anti-Corruption Policy

CNS's directors, management and employees including agents acting on behalf of CNS are prohibited to claim, commit, accept or support any forms of corruption, either directly or indirectly, in all geographical areas where CNS operates business except the permission prescribed by laws, rules & regulations, local culture and commercial tradition.

CNS officially identifies Definition, Duties and Responsibilities and Guidelines to be strictly complied by CNS's directors, management and employees including agents acting on behalf of CNS. Any violations of the Anti-Corruption Policy or any actions considered as a breach of the Anti-Corruption Policy, the violators shall be subject to penalties as stipulated by Employee Regulations.

CNS shall annually review the Anti-Corruption Policy to ensure the alignment with the changes of business, rules, regulations and legal requirements.

Definition

Corruption refers to any forms of misuse of power for seeking undue benefits for business, themselves, families, friends, acquaintances as well as any persons or entities, for their actions or restraints or abstention of duties to obtain or retain undue business benefits, either improper giving or accepting cash, assets, gifts, entertainment, services, other benefits or bribe, to or from private entities, government authorities, public officials as well as any persons or entities.

Public Officials are “government authorities” including public servants, officials, state-owned enterprise employees, representatives or any other person acting on behalf of the following entities:

- Ministries, bureau, departments, government offices
- International organizations
- Political parties, persons holding political positions, candidates (either in government or in opposition) or local administration officers
- Regulatory or judicial bodies
- State-owned enterprises

Duties and Responsibilities

1. CNS's Board of Executive Directors and Board of Directors undertake their duties and responsibilities to approve the Anti-Corruption Policy as well as delegate clear authorities and responsibilities to directors, management and employees including agents acting on behalf of CNS to strictly follow the Anti-Corruption Policy.
2. CNS's Audit Committee undertakes its duties and responsibilities to review the Company's financial reporting whether it is accurate and adequate. The Audit Committee shall assist the Company to have an appropriate internal control, corporate good governance, and risk management related to the Anti-corruption.
3. The Internal Audit Department undertakes its duties and responsibilities to audit the operation in order to ensure the sufficiency of internal control and to be correctly complied with the Anti-Corruption Policy. The Internal Audit Department is also responsible for continuously gathering audit evidences, periodically reviewing the Procedures and Guidelines, as well as presenting the audit results to the Audit Committee. The Audit Committee shall consider the audit results and further report to the Board of Directors.
4. CNS's directors, management and employees including agents acting on behalf of CNS shall strictly comply with the Anti-Corruption Policy and all related CNS's policies. Any violations of the Anti-Corruption Policy or any actions considered as a breach of the Anti-Corruption Policy, the violators shall be subject to penalties as stipulated by Employee Regulations.
5. CNS's directors, management and employees including agents acting on behalf of CNS shall not neglect to notify CNS any likelihood or actions of corruption related to CNS through the communication channels as specified in Whistleblowing Policy.

Guidelines

1. Any actions taken under the Anti-Corruption Policy shall be complied in accordance with the guidelines specified in CNS's Compliance Manual, Code of Ethics of Nomura Group, Employee Regulations, Good Corporate Governance Policy, Gift, Entertainment and Expenses policies including any future regulations and guidelines formulated by CNS. CNS has communicated to directors, management and employees including agents acting on behalf of CNS to strictly comply with CNS's the Anti-Corruption Policy and related guidelines.
2. CNS has Gifts, Entertainment and Expenses policies to stakeholders for acknowledgement. Employees shall not build up any special relationship with clients which would affect such employee's impartiality and would lead to biased client services. Employees shall refrain from accepting gifts of great value or accept other compensation/benefits from clients or outside parties related to clients or third parties related the Company. Where such cannot be avoided, the employees must comply with the Compliance Manual¹ and Code of Ethics².
3. CNS has clearly defined Personnel Management to align with the Anti-Corruption which includes Recruitment, Training, Performance Appraisal, Remuneration as well as Employee Promotions.

¹ Compliance Manual: Employee Relations with Clients or Outside Parties Related to Clients or Third Parties Related to the Company

² Code of Ethics: No.7 : Fair Dealing

4. CNS shall not demote, penalize or cause any negative consequences to directors, management and employees including agents acting on behalf of CNS, who act against corruption, despite the fact that their actions may lead to CNS's loss of business opportunities. CNS shall give fair treatment and protect the person who acts against corruption.
5. Any person who finds any likelihood or actions of corruption related to CNS must directly inform their superior and notify CNS through the communication channels provided in CNS's Whistleblowing Policy. In case that the superior is the accused, the whistleblower must directly notify CNS through the communication channels provided in CNS's Whistleblowing Policy.
6. The Anti-Corruption Policy has been publicly disclosed and communicated to CNS's directors, management and employees including agents acting on behalf of CNS, customers and public through CNS's internal and external communication channels.

Committees

CNS provides committees for the effectiveness of its securities business; the Board of Directors, the Board of Executive Directors, Audit Committee, Credit Review Committee, Marginable Securities Committee and Risk Management Committee. Each committee has clear scopes of authorities and responsibilities as well as working procedures as the followings;

(A) Board of Directors

As of December 31, 2015, for the effectiveness of the Board of Directors' performance, CNS had 11 board members consisting of; 5 Executive Directors, 2 Non-Executive Directors and 4 Independent Directors, as the followings;

Director Name	Position	Type of Director
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Executive Director
2. Mr. Takahito Nakamura	President	Executive Director
3. Mr. Nimit Wongjariyakul	Executive Director	Executive Director
4. Mr. Naoki Sugaya	Executive Director	Executive Director
5. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director
6. Mr. Philip Wing Lun Chow	Director	Non-Executive Director
7. Mr. Jiro Yamaguchi	Director	Non-Executive Director
8. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	Independent Director
9. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Independent Director
10. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Independent Director
11. Dr. Prasit Kanchanasakdichai	Independent Director	Independent Director

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

A list of authorized directors signing on behalf of CNS regarding CNS's affidavit

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

Any 2 directors of the above list are authorized to sign and bind CNS 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 the Company in order to make juristic acts for and on behalf of the Company;
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 the Company 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 the Company's shares. Either an increase or a decrease in the amount of shares held during the accounting year (if any) must be specified.

Roles, Authorities and Duties of the Chairman of the Board of Directors

1. Call the meeting of CNS's Board of Directors' meeting and sufficiently and timely provide the invitation letter and relevant documents to CNS's Board of Directors.
2. Preside over CNS's Board of Directors' meeting and the shareholders' meeting. Monitor the meeting to be in compliance with CNS's rules.
3. Encourage the standard regarding good corporate governance of the Board of Directors.
4. Perform any duties specified for the Chairman of the Board of Directors as required by law.

Independent Directors

As of December 31, 2015, CNS had 4 Independent Directors according to the SEC's requirement that the Independent Directors must be at least 1/3 of a number of total directors and not less than 3 persons, as the followings;

Director Name	Position	Type of Director
1. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	Independent Director
2. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Independent Director
3. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Independent Director
4. Dr. Prasit Kanchanasakdichai	Independent Director	Independent Director

(B) Board of Executive Directors

CNS has the management structure in the form of “the Board of Executive Directors”. The Board of Executive Directors has ultimate authority in CNS’s management. (different from CEO structure which has only one person of Managing Director.) The Board of Executive Directors consists of 5 Executive Directors, having their authority and roles altogether. An individual Executive Director has no ultimate authority.

As of December 31, 2015, CNS had 5 members of the Board of Executive Directors as the followings;

Director Name	Position	Type of Management
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Chairman of the Board of Executive Directors
2. Mr. Takahito Nakamura	President	Executive Director
3. Mr. Nimit Wongjariyakul	Executive Director	Executive Director
4. Mr. Naoki Sugaya	Executive Director	Executive Director
5. Mrs. Chrisana Sae-Leiw	Executive Director	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 the Company’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 of Directors;
 - 1.2. To govern and ensure that the Company’s operations are in accordance with applicable laws, the objectives and article and association of the Company 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 the Company;
 - 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 the Company;
 - 1.5. To approve underwriting transactions and other transactions in relation to investment banking businesses under the approval authorities of the Company;
 - 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 the Company’s personnel from the Senior Vice President downwards;

- 1.7. To sell, transfer or dispose the Company'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 the Company's auditor;
 - 1.8. To report promptly to the Board of Directors when there occurs any corruption, suspicion of corruption, illegal acts and other unusual acts, which may significantly affect to the reputation and financial status of the company;
 - 1.9. To appoint or assign any person(s) to perform any duties on behalf of the Board of Directors as appropriate where the Board of 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 the fiscal year 2015, CNS had 3 members of the Audit Committee who were also the Independent Directors as the followings;

Director Name	Position	Type of Director
1. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	Chairperson of the Audit Committee
2. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Audit Committee
3. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Audit Committee

Mrs. Parichart Khantasima is the secretary of the Audit Committee.

Mrs. Wattanee Phanachet is the Audit Committee who has expertise and experience in reviewing CNS's financial statements and the following financial statements;

Year	Position	Company
1998 - Present	Chairperson of Audit Committee and Independent Director	Capital Nomura Securities Public Company Limited
2007 - Present	Audit Committee and Independent Director	Esso (Thailand) Public Company Limited
1999 - 2013	Audit Committee and Independent Director	Thai Poly Acrylic Public Company Limited
2006 - April 2009	Audit Committee 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 Company's internal control system and internal audit function to ensure that they are suitable and efficient. Also to consider an Internal Audit Department's independence, as well as to approve the appointment, transfer and dismissal of the Head of Internal Audit Department.
3. To review risk assessment and risk management with CNS's management and monitor risk management process.
4. To review the Company's compliance with the securities and exchange laws, the SET's regulations, and the laws relating to the Company's business.
5. To consider, select and propose for appointment or dismissal 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 conflicts of interest to comply with the SET's regulations and to ensure that such transactions are reasonable and are the most beneficial to CNS.
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, the SET's 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 interest
 - 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. To 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 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 conflicts of interest
- 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 SEC or the SET.

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

Audit Committee's Meeting

The Audit Committee's Meetings shall be held at least 4 times a year according to a quarterly report of financial statement. The Chairman of the Audit Committee may call the additional meeting as necessary.

(D) Credit Review Committee

As of December 31, 2015, Credit Review Committee consisted of the Board of Executive Directors. The Chairman of the Board of Executive Directors is the Chairman of the Credit Review Committee. Department Head of Risk Management Department 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, 2015, CNS had 3 members of the Marginable Securities Committee, consisting of;

Position	Type of Director
1. Department Head of Risk Management Department	Chairman and Secretary
2. Executive Director in charge of IT/Operation Division	Committee
3. Department Head of Stock Coverage Analysis Department – Investment Research and Investor Services Division	Committee

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, 2015, CNS had 6 members of the Risk Management Committee, consisting of;

Position	Type of Director
1. Executive Director	Chief Risk Officer (“CRO”)
2. Executive Director in charge of IT/Operation Division	Deputy Chief Risk Officer
3. Finance Department/Division Head	Committee
4. Compliance Department Head	Committee
5. Legal Department Head	Committee
6. Risk Management Department Head	Committee and Secretary

The Board of Executive Directors can appoint and change members as well as adjust a number of members as appropriate.

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

(1) 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. Each 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 2 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 3/4 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 1 month from the date of vacating the office, by sending a notice to inform shareholders of the meeting at least 14 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 1 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.
 1. 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.
 2. 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.
 3. 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.
 4. 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 3% of the net tangible assets of CNS or more than Baht 20 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.

5. 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.
6. 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.
7. 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.
8. 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.
9. not have any other characteristics by which his/her independent comment/opinion on CNS's operation may be restricted.

(2) Executive of Directors

The Board of Directors has a full authority to appoint directors to be Executive Directors.

(3) Audit Committee

The Board of Directors or shareholder's meeting shall appoint members of Audit Committee. The Audit Committee must be CNS's director.

CNS's Audit Committee shall consist of at least 3 Audit Committee members. CNS's criteria of the Audit Committee are similar to the requirements of the SEC and the SET as follows.

1. The Board of Directors or shareholder's meeting shall appoint members of Audit Committee.
2. An Audit Committee member must be an Independent Director and possess qualifications as prescribed by 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.
3. The Audit Committee shall perform duties as stated in the SET's Notification re; Qualifications and Scope of Work of the Audit Committee.
4. The members of Audit Committee shall be capable of performing Audit Committee duties. At least 1 member must have sufficient knowledge and experience to review the reliability of financial statements.

(4) Executives

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

(5) Number of directors from Major Shareholders

As of December 31, 2015, CNS had 4 management representatives represented the major shareholder as the followings;

Director Name	Position	Type of Director
1. Mr. Takahito Nakamura	President	Executive Director
2. Mr. Naoki Sugaya	Executive Director	Executive Director
3. Mr. Philip Wing Lun Chow	Director	Non-Executive Director
4. Mr. Jiro Yamaguchi	Director	Non-Executive Director

Supervision over Performance of Subsidiaries and Affiliated Companies

CNS had neither subsidiaries nor affiliated companies.

Monitoring the use of and access to inside information

In 2015, there was no trading transaction of CNS's Directors and Management by using insider information for abusive self-dealing.

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. All Staff is 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 all staff except the Board of Executive Directors and staff in the Compliance Department, for opening foreign securities trading account in Cash Balance - FI account.
2. All Staff is required to submit the trading transaction report of their related persons to the Compliance Department upon request.
3. All executives must prepare and disclose report of CNS securities holding to the Board of Directors.
4. All Staff is 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. All Staff is prohibited from trading the securities of the Nomura Holdings, Inc. ("NHI share") including the securities which are prohibited by Nomura Group.
6. Any selling share must be held for a minimum of 30 calendar day after purchase or acquisition.
7. In relation to the trading of securities of which the Company's research paper covers, it is required that:
 - (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.
 - (2) All Staff is 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.
 - (3) All staff in the related Division, all executive directors and all staff in the Compliance Department are prohibited from trading securities within 3 business days from the date the research paper is published and distributed including the securities which are prohibited by Nomura Group.
8. All Staff 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.
9. Monitoring of the access or use of inside information is under the responsibility of the Compliance 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.

"Staff" means all full-time staff, all temporary staff whose contract not less than 3 months, and full-time directors.

Auditor Remuneration

(1) Audit Fee

CNS paid the audit fee for the fiscal year 2015 to EY Office Limited, its external auditor, in total of Baht 1,250,000. (Remark: CNS had no subsidiaries.)

(2) Non-Audit Fee

During the fiscal year 2015, CNS paid no other service fees to EY Office Limited, its external auditor, apart from the audit fee. CNS also paid no service fee to any connected persons of EY Office Limited.

Other Good Governance Practices

The Number of the Audit Committee's Meetings and the Attendance by Individual Members in 2015

Director Name	Type of Director	Number of Meetings	Number of Attendance
1. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee	8	8
2. Col. Ruangsub Kovindha	Audit Committee	8	8
3. Mr. Prasert Virasathienpornkul	Audit Committee	8	8

In the Audit Committee Meeting No. 1/2559 held on February 15, 2016 for the consideration of the financial statements for the fiscal year 2015, the Audit Committee had the meeting with the external auditor independently without the presence of CNS's management.

The Number of issues considered by the Credit Review Committee and the Issues considered by Individual Members in 2014

Name	Position	Number of Meetings	Number of Attendance
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	214	213
2. Mr. Shinichi Mizuno ¹	President	214	51
3. Mr. Takahito Nakamura ²	President	214	126
4. Mr. Nimit Wongjariyakul	Executive Director	214	212
5. Mr. Naoki Sugaya	Executive Director	214	206
6. Mrs. Chrisana Sae-Leiw	Executive Director	214	173

¹ The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to approve the resignation of Mr. Shinichi Mizuno from CNS's Director, Executive Director, President and Authorized Director, effective from April 1, 2015.

² The Board of Directors' Meeting No. 3/2558 held on March 13, 2015 resolved to appoint Mr. Takahito Nakamura as CNS's Director, Executive Director and President, replacing Mr. Shinichi Mizuno. Mr. Takahito Nakamura was approved by the SEC on May 7, 2015 while CNS submitted the registration of the change in director with the Ministry of Commerce on May 8, 2015.

The Number of the Marginable Securities Committee's Meetings and the Attendance by Individual Members in 2015

Position	Type of Director	Number of Meetings	Number of Attendance
1. Department Head of Risk Management Department	Chairman and Secretary	4	4
2. Executive Director in charge of IT/Operation Division	Committee	4	4
3. Department Head of Stock Coverage Analysis Department – Investment Research and Investor Services Division	Committee	4	4

The Number of the Risk Management Committee's Meetings and the Attendance by Individual Members in 2015

Position	Type of Director	Number of Meetings	Number of Attendance
1. Executive Director	Chief Risk Officer ("CRO")	2	2
2. Executive Director in charge of IT/Operation Division	Deputy Chief Risk Officer	2	2
3. Finance Department/Division Head	Committee	2	2
4. Compliance Department Head	Committee	2	2
5. Legal Department Head	Committee	2	2
6. Risk Management Department Head	Committee and Secretary	2	2

Corporate Social Responsibility for Sustainability Development

CNS realizes the importance of conducting its business with the concern in social and environment responsibility and the achievement in its business growth which will truly lead to sustainable development.

CNS has a policy to run its business in compliance with Good Corporate Governance and Corporate Social Responsibility by following 8 principles regarding the guideline set by the SET. In addition, CNS also sets up a policy for stakeholders as the followings;

Guideline for stakeholders

Clients

CNS emphasizes to provide service with Customer Centricity. CNS shall provide variety high-quality financial products and services to serve clients' needs, keep client satisfaction and maintain good relationship with clients.

CNS intends to create clients' benefits. CNS shall continuously develop high-standard financial products and services under the principle of client satisfaction with the following guidelines;

- (1) Recognition and understanding of clients' needs
- (2) Human resources development
- (3) Financial product and service innovation
- (4) Business ethics awareness
- (5) Communication between CNS and clients

Employees

CNS realizes the employees as the most valuable resources to bring the great success to CNS. Therefore, CNS encourages all employees to develop their skill and knowledge for their highest competence. CNS also treats employees equally and justly for their career paths and provides suitable compensation for their skill. Employees' opinions and feedback are highly welcome.

CNS provides good welfare and safe working environment. CNS encourages team spirit, respect individual right. In addition, CNS fairly considers their employment, appointment and transfer and maximizes the resource utilization.

CNS develops norm and culture to drive employees' competence and to shape their attitudes to the same direction to achieve CNS's goal.

CNS has a human resource policy aiming to attract and retain employees for business continuity through the following processes; recruitment and selection, utilization, clear career, performance recognition, retention, best development and make the difference culture.

Counter parties

CNS intends to do business with counter parties to create mutual long-term sustainability and alliances. CNS sets clear policies to deal with counter parties such as procurement of materials and services, rental and all types of leasing. CNS strictly follows the rules with transparency and accountability in service and product quality, pricing and conditions to create mutual benefits.

Creditors

CNS has a policy to follow creditors' conditions as the followings;

CNS has a policy to fairly and equitably treat all types of creditors. CNS also commits to conduct its business to create trustworthiness from creditors with the following policy and guidelines.

- (1) Strictly comply with conditions or requirements as agreed in the contract, including provisions and contingencies. In case CNS is not able to comply with any conditions or CNS encounters default situations, CNS shall inform creditors to consider and find reasonable solutions together with creditors.
- (2) Properly manage a funding structure to support its business at appropriate risk level and cost to maintain creditors' confidence on CNS.
- (3) Timely provide accurate and complete financial reports to creditors.
- (4) Conduct its business to create sustainable growth in the long run and maintain good relationships with creditors.

Competitors

CNS shall compete on equally, fairly and justly basis within the framework of related rules.

CNS shall kindly cooperate to the industry to improve the efficiency of Thai capital market.

Authorities

CNS aims to strictly follow relevant laws, rules and regulations and kindly cooperates with relevant authorities. CNS also aims to conduct its business against all kinds of corruption to express its intention to support the anti-corruption which is the important issue of the country, by having clear policies and guidelines regarding international standards.

Shareholders

CNS shall conduct its business to make profit with long-term growth of return by maximizing its capabilities which shall add value to CNS both in the form of shareholder values and interesting dividend payment rate.

CNS shall disclose sufficient and accurate information to investors for their decision making on a timely basis regarding the SEC's and the SET's requirements. Therefore, shareholders and investors will have the clear picture of the performances as well as the future business operations.

8 Principles of Corporate Social Responsibility

1. Business ethics awareness

CNS has a commitment to conduct its business with ethics and transparency. CNS follows the principles of Good Corporate Governance as guidelines to be in compliance with relevant laws, rules and regulations and to conduct its business with ethics. CNS also fairly considers all stakeholders' benefits.

CNS realizes the importance of conducting its business with ethics as it shall create stakeholders' trust which will create long-term benefits to CNS and sustainable development. CNS shall encourage activities regarding the fair competition law as well as cooperate with authorities e.g. encourage employees to realize the importance of the compliance with the fair competition law.

CNS considers conducting its business fairly and justly with integrity and also concerns co-benefits with clients, shareholders and stakeholders throughout the business chain. CNS shall not conduct its business to acquire any unfair benefits to be in compliance with the principles of Good Corporate Governance and the international standard.

Practical Guidelines for Business ethics awareness in 2015

- Received Corporate Governance Score with "Good" level in Good Corporate Governance Practices conducted by Thai Institute of Directors Association (Thai IOD)
- Announced the Anti-Corruption Policy, identifying Definition, Duties and Responsibilities and Guidelines to be strictly complied by CNS's directors, management and employees including agents acting on behalf of CNS. Any violations of the Anti-Corruption Policy or any actions considered as a breach of the Anti-Corruption Policy, the violators shall be subject to penalties as stipulated by Employee Regulations.
- Became a CAC-Certified Company, a full member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), on July 10, 2015.
- Established "Nomura Founding Principles and Corporate Ethics Day" on August 3rd of every year to remind employees of Nomura Group's culture and founding principles regarding the principles since the establishment day and the past mistakes. This event aims to prevent any recurring mistakes similar to the past 90 years of Nomura Group's establishment. 100% of total number of employees as of August 3, 2015 participated in this event.

- Continuously communicated and provided directors, management and employees knowledges about the policy regarding the prevention of the use of insider information for abusive self-dealing.
- Provided communication channels, advices and information for the benefits of operation or complaints and misconduct regarding the Whistleblowing Policy including the protection measure of the whistleblowers.

2. Anti-Corruption

In the mid of 2014, CNS is committed to conduct the business with integrity and transparency to be in compliance with the principles of good corporate governance. CNS has participated in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) with a strong intention against all forms of corruption in order to set the standard of practices on transparency.

In February 2015, CNS formulated the written "Anti-Corruption Policy" as an apparent guideline in conducting business for sustainable development. The Anti-Corruption Policy was approved by CNS's Board of Directors on February 25, 2015, as a part of CNS's Code of Ethics and was announced to be effective since February 26, 2015. CNS's directors, management and employees including agents acting on behalf of CNS must strictly comply with the Anti-Corruption Policy. CNS shall annually review the Anti-Corruption Policy to ensure the alignment with the changes of business, rules, regulations and legal requirements.

CNS became a CAC-Certified Company, a full member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), on July 10, 2015.

Please see "Anti-Corruption Policy" described in the section "the Anti-Corruption Policy".

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 shall set up its policies and guidelines with regard to people's right.
- CNS has a guideline for investigating the fact in case the action of the violation in human rights is found. CNS shall perform to cease such action and find out the preventive action for the violation in human rights incurred in CNS.

4. Fairness and Labor Practices

CNS conducts its business with fairness and in compliance with Labor law by the following guidelines.

- (1) 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.
- (2) Compensation and fringe benefits: CNS shall pay wage, compensation and fringe benefits to staffs in compliance with labor law with fairness and accuracy.
- (3) Equal Treatment: CNS shall treat its employees equally and comply with labor law which is the minimum standard for the following areas; hiring, wages, training, promotion, termination of employment, and lay off.
- (4) Humanity: CNS respects employee's rights and prohibits any actions that cause harm to employees neither physically nor psychologically including threats of any kind.

5. Client Responsibility

CNS conducts its business with integrity and code of ethics, which are the most importance in conducting securities business, to create clients' and stakeholders' trust. For sustainable growth, CNS aims to provide services with Customer Centricity Principles. CNS aims to provide high-quality, innovative and full scope of financial products and services to all levels of clients in order to meet variety of client's needs. CNS also focuses on innovative product and services to enhance the operational effectiveness. CNS conducts promotion and marketing campaign to provide benefits adhering to clients' needs.

CNS aims to create mutual benefits to clients and continues to develop financial products and services regarding the international standards under the principles of clients' satisfaction.

(1) Recognition and understanding of clients' needs

With Customer Centricity Principles, CNS concerns clients' needs as priority by focusing on a result of Suitability Test to know its clients. This also leads to CNS's benefit in providing clients suitable investment advices for their decision making and risk appetite.

(2) Human resources development

- CNS has a policy in sustainable human resources management. CNS sets up the "Young Talent Financial Advisor" program since 2010 to 2015, in total of 12 recruitment cycles. This program is to educate and develop young talents to be qualified financial advisors.
- CNS has a policy to develop employees' knowledge and skill by providing financial advisors knowledge trainings of financial products and services for their services to clients.
- All CNS's employees possess high standard of knowledge and professional capability in order to provide competent service to clients for the best interests of clients, shareholders and stakeholders.

(3) Financial product and service innovation

- CNS set up the “CNS Corporate Access” program that analysts, financial advisors as well as clients are able to meet management of listed companies in the SET to gain information and query from management of listed companies. This program promotes and supports as well as shares investment knowledge with high-quality by considering the fundamental information of listed companies. In 2015, there were 26 listed companies participated in this program.
- CNS provides several service channels to facilitate clients’ needs. CNS has a plan to enhance service channel as appropriate. In 2015, CNS relocated its 13 branches from the branch area of SME Bank to a higher potential business area in order to facilitate clients’ transportation and use of service in wider space.
- CNS changed the model of the branches in upcountry to be NOMURA Learning Center and NOMURA Service Center to serve clients’ needs by providing live broadcasts of seminars from the head office or branches in Bangkok to branches in upcountry with the aims to create parity for investors outside Bangkok in gaining news and information from CNS’s seminars.
- CNS developed investment tools and services to facilitate clients in using its service. In 2015, CNS launched “Auto Trade” function for eFin Trade Plus application as an effective investment tool that helps clients manage their investment more effectively. All clients can equally use this function.
- CNS provides clients variety of investment tools by providing 2 online trading applications; Streaming and efin Trade Plus. When one of these 2 applications is out of service, clients can promptly swift to another one.

(4) Business ethics awareness

- CNS provides all clients only reliable, transparent and accurate information, both in written and verbally.
- CNS complies with the SEC’s and the SET’s requirements. CNS considerably examines products, services, and communication media launched by CNS to ensure that CNS provides service standard, for the best interests of clients, with the alignment of the principles of Good Corporate Governance and the international principles as well as relevant rules, regulations and law.
- CNS keeps clients’ information confidential. Access to clients’ information is restricted and limited to only the certain responsible department.
- CNS conducts its business with clients with fairness and integrity to be in compliance with the requirements and conditions stated in the agreement and relevant rules and regulations.

(5) Communication between CNS and clients

- CNS periodically communicates with clients to provide reliable and updated information relevant to them or CNS. CNS also creates several channels for their information access e.g. newsletter, leaflets, direct mail, and CNS' website (www.nomuradirect.com) and other media.
- CNS notifies clients their rights and benefits through direct mails about rewards from promotion and marketing campaigns, training and seminars or other special events.
- CNS records and monitors clients' suggestion and satisfaction e.g. CNS purchased "Customer Satisfaction" program to use in the significant events, such as SET in the City 2015. CNS also creates questionnaires in order to understand needs by types of client for a further analysis of product and service development.
- CNS provides clients a channel to seek more information and recommendation of CNS's products and services as well as a channel to submit their complaint about CNS's operation through CNS's website (www.nomuradirect.com) or Telephone No. 0-2638-5500.

6. Environmental Responsibility

CNS has a clear policy concerning environmental and social responsibility as the following guidelines;

- (1) Strictly follow rules and regulation about environment by developing operation standard to conform to environmental regulation.
- (2) Support green products and services that have less impact to environment and people health.
- (3) Develop management policy and create an organization culture concerning environmental care by saving resources and energy. In correspondent to the international environmental saving and global warming campaign, CNS participated in "Earth Hour Project 2015" by encouraging its employees to turn off electricity during 8.30 p.m. - 9.30 p.m. on March 28, 2015 in order to create environmental care. Employees were also encouraged to dress by recycle materials to create the awareness of global warming for employees in the office and other companies in the same building.
- (4) Focus on the appropriate and standard occupational safety, health and environment. CNS encouraged its employees to participate in the 2015 fire drill of Bangkok Insurance Building (CNS's head office location) held on December 18, 2015. 87% of total employees presented on that day participated in this event.
- (5) Focus on the importance of reducing paper usage to save the World's resources by using emails for internal communication and communication between CNS and clients. CNS encourages clients to use e-dividend and e-confirm services to reduce paper usage, which not only helps save resources but also facilitate delivering messages to clients. Clients can timely get dividend and their investment information as well as save their resources to go to banks. Such procedures not only help save the World's resources but also help save CNS's expenses. In 2015, CNS can reduce paper usage approximately 30%.

7. Corporate Social Responsibility

CNS aims to conduct its business with Corporate Social Responsibility (CSR), adhering to business ethics and the principles of Good Corporate Governance. CNS's employees of all levels are continuously encouraged to participate in CNS's activities concerning CSR as well as to have a caring mindset of social responsibility.

CNS takes a role in promoting social activities of several opportunities, aiming to be a part of society to sustainably promote and strengthen Thai society. CNS also aims to create supreme benefits to conduct creative activities for society, community as well as several organizations e.g. charity for disasters and activities promoting a quality of life for youth and Thai society.

CNS arranges 2 kinds of CSR activities; educational activities and social activities

Educational activities

CNS believes that the education is a foundation for the country's development and success and realizes the importance of the education quality support to create human development which will be another tool for success both in the career opportunity and self-dependence. In 2015, CNS supported the following educational activities.

- On 23 November 2015, CNS cooperated with Assumption College Primary Section, Sathorn, Bangkok, and engaged in an "Occupation Day" program. This program gave an overview and guidance about working in the future career in finance and investment sectors. The objective of this program was to provide students opportunities to learn more about working process. Over 300 students and teachers had joined the event. 4 CNS's staff participated in this program.

As CNS becomes a part of society, CNS realizes the importance of sharing appropriate knowledge about investment and savings to employees or organizations that are interested in the investment to be ready for the aging society. CNS then initiates the program to provide knowledge and understanding about investment tips to employees of several companies as CNS believes that employees are companies' important resources. Employees without financial happiness mostly have negative impacts to their working efficiency and responsibility. Accordingly, companies and employers should realize the importance of employee's finance and encourages them to have financial knowledges in an effective asset allocation, a practical investment by using financial tools, self-assessment to adjust their investment style. This program could help create sustainable financial development within organizations. Therefore, CNS initiates to arrange a seminar called "Nomura Classroom Roadshow" to share appropriate knowledge and understanding investment and savings to employees of several companies as requested, e.g. LTF/RMF funds. In 2015, there were 550 employees participated in this seminar as the followings.

- On August 17, 2015, 300 staffs and managers from Cerebos Ltd., Pin-Thong Branch, Chonburi, participated in this seminar.
- On August 24, 2015, 150 staffs and managers from Cerebos Ltd., Laem-Chabang Branch, Chonburi, participated in this seminar.
- On September 17, 2015, 100 participants from National Science and Technology Development Agency participated in this seminar.

Social activities

CNS holds charity programs called “Volunteer Heart” as CNS realizes the importance of promoting the employees’ roles in participation of social activities. CNS aims to encourage all employees to apparently realize CSR in public. Also, it can build relationship between employees for their unity and co-goal in the workplace. Employees and CNS can jointly participate in activities as employees’ donation and CNS’s donations. In 2015, employees and CNS jointly participated in the following activities;

- Donation to the Thai Red Cross Society in the project “Hands 4 for Nepal” in total of Baht 235,799 for disaster victims from the earthquakes in Kathmandu, Nepal on April 25, 2015 which caused massive damages in wide areas both in Nepal and neighborhood.

8. Innovation from social and environment responsibility activity

CNS has provided the following online trading applications to cover clients’ investment needs and to support investments which will partially help clients save their transportation time, energy consumptions as well as reduce global warming. This also provides equitable channels for clients to access information nationwide and worldwide.

- eFin Trade Plus
- Streaming
- SBL Real Time
- Nomura iFund
- Nomura iGlobal

CNS developed an additional channel for clients in completing their suitability test to facilitate clients by providing online suitability test through the Single Gateway Log-in to CNS’s website (www.nomuradirect.com). Clients can use the same password as the password log-in to the online trading applications. In the past, CNS’s financial advisors must visit clients by themselves to ask clients complete their suitability test. In this regard, CNS encourages clients to complete their online suitability test as it can help clients and also CNS’s employees save their meeting time.

Regarding that CNS has variety of financial products, CNS creates its innovative asset allocation. CNS then initiated to arrange a seminar called “Nomura Classroom; Investment for beginners” to share investors about the investment management and the asset allocation. In 2015, CNS arranged this seminar 2 times with approximately 200 participants.

CNS still aims to create, develop and enhance its strength and capabilities as well as promote the vision in being a leading innovative securities firm. CNS also has a policy to improve and develop its operations and information technology systems to provide high-quality services to meet clients’ needs.

Internal Control and Risk Assessment

CNS realizes the importance of good corporate governance by encouraging all departments to conduct their process in “Self-Regulatory Organization” (SRO), operational control, internal control as well as effective risk management to be in compliance with relevant laws and regulatory rules. CNS also enforces all departments to annually consider “Self Risk Assessment” to ensure the internal control adequacy of corruption risks and risk managements regarding five components of COSO framework (The Committee of Sponsoring Organization of the Treadway Commission) which consisted of the 5 areas as the followings;

Control Environment

CNS encourages management and all employees to realize the importance of internal control and has established organizational standard which causes effective management and business operations. 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 requires management and employees to strictly follow “*Code of Ethics*”.

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 also provides segregation of duties on maker and checker processes. CNS aims to enhance and develop the effectiveness of the internal control to be sufficiently and appropriately measured and implemented and also to align with the changeable environment.

Risk Assessment

In order to efficiently manage risks and recognize emerging risks, CNS requires all departments to annually implement the Risk and Control Self-Assessment to realize risk factors and the importance of internal controls. As one of CNS's culture, all employees have responsibility to efficiently and timely manage risks to achieve the business objectives. Each department has to identify risks which may occur during day-to-day activities and consider appropriate internal controls and action plans to manage those risks.

Control Activity

CNS establishes clear guideline, approval limit, authority of management and related officers, scope of operations including segregation of duties. There are independent departments which are separated from front office for verification and control processes. Moreover, CNS has clear measure and process for managing risks of margin loan business such as criteria for selecting marginable securities, initial margin requirement, collateral limit control, etc. In addition, CNS has measure for information technology activities to ensure that information security is maintained.

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 operations.

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 the Whistleblowing policy for both insiders and outsiders to inform any suspicious incidents or complaints related to fraud or misconduct.

Monitoring Activities

The auditing, monitoring and reporting are carried out by the 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.

Summary of Internal Control Assessment

In the Board of Directors' meeting no. 3/2016, held on March 9, 2016, The Board of Directors and the Audit Committee acknowledged the 2015 result of 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 commented that CNS's internal control was proper and sufficient. The Company provides sufficient personnel for supporting the efficient compliance. In addition, the internal control system for monitoring the operation is adequate to prevent the Company's assets from mismanagement of Directors or Management as well as connected transactions.

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

The Audit Committee had no opinion different from the Board of Directors' opinion.

Head of Internal Audit Department and Head of Compliance Department

(1) Head of Internal Audit Department

In 2015, CNS changed the structure of Compliance and Internal Audit Department by splitting into 2 departments; Compliance Department and Internal Audit Department, for more efficiency and to align with the international standards according to the segregation of duties from Nomura Group. CNS then appointed Mrs. Parichart Khantasima, Department Head of Internal Audit Department, to be CNS's Head of Internal Audit Department.

The Audit Committee Meeting No. 7/2015, held on November 9, 2015, considered that Mrs. Parichart Khantasima has suitable qualification and work experience in order to independently and efficiently perform the duties in Internal Audit Department. Accordingly, the Meeting agreed to appoint Mrs. Parichart Khantasima to be a secretary to the Audit Committee, in consecutive with Miss Penphun Palungvitvatana.

The Audit Committee has authorities and duties to consider and approve appointment, promotion, rotation or termination of Head of Internal Audit Department as described in the section "Committee".

(2) Head of Compliance Department

CNS appointed Miss Penphun Palungvitvatana, Department Head of Compliance Department, to be CNS's Head of Compliance Department.

Profile of Head of Compliance and Internal Audit Department

As of December 31, 2015

Name-Surname / Current Position	Age (Yrs)	Education Background / Training Program	Work Experiences		
			Period	Position	Name of the company / unit
Mrs. Parichart Khanthasima Department Head of Internal Audit Department*	50	Bachelor Degree in BBA (Accounting), Ramkhamhaeng University Master Degree in MPA Project Management and Public Policy, National Institute of Development Administration • ASCO Compliance Training Program • Preparation for Bond Issuance	2015 - Present	Internal Audit Department	Capital Nomura Securities Plc.
			2012 - 2015	Compliance and Internal Audit Department	RHB OSK Securities Plc
			2009 - 2012	Compliance and Risk Management	One Asset Management
			2006 - 2009	Compliance and Risk Management	Finansa Asset Management
			1989 - 2006	Internal Audit Department	Capital Nomura Securities
Miss Penphun Palungvitvatana Department Head of Compliance Department**	56	Bachelor Degree in BBA (Accounting) , Assumption University Master Degree in MBA (Finance) , Thammasat University Diploma in English and Thai Translation , Thammasat University • ASCO Compliance Training Program • Preparation for Bond Issuance	Nov 2015 – Present	Compliance Department	Capital Nomura Securities Plc.
			2008 - 2015	Compliance & Internal Audit Department	Capital Nomura Securities Plc.
			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

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

Internal Audit is responsible for the audit of the organization, report to the Audit Committee and management. The roles and responsibilities are as follows.

1. To evaluate the effectiveness and efficiency of risk management, control and governance and anti-corruption systems in the context of both current and potential future risks.
2. To review system that may have a significant impact on the operations and reporting, to ensure compliance with policies, procedures, and the related law and regulations.
3. Review the appropriateness of asset custody, including ensuring the existing of asset,
4. Review the adequacy and appropriateness of the company's internal controls in order to maintain the control process appropriately
5. Review and advocate for the development of a more effective system to continuously and consistently.
6. Perform other tasks related to the audit, as assigned by the Audit Committee or management.

**** Head of Compliance 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 the company, as well as inform staff when related laws and rules are changed.
- Issue rules / guidelines

2) Monitoring and Supervision

- Supervise the staff's operation, to comply with rules of both the authorities and the company.
- Inform result of examination or review to related staff and his/her department head, in case of his/her operation not complying the authorities' rules or the company's procedure, and ask the staff for clarification. Then, the report shall be summarized to the Board of Executive Directors and the Board of Directors for acknowledgment and consideration.
- Identify and assess factor and risk that may cause non-compliance by CNS as necessary and appropriate, as well as of when the company develops any new business activity. Then, any respective solution shall be proposed.
- Specify client's complaint procedure, associated with following up facts and reporting the result to the Board of Executive Directors for further consideration.

3) Reporting

- Report the result of compliance's issues to the Board of Directors.
- Prepare and propose annual compliance report to the Board of Directors, then send such report to related regulators.
- 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.

Report of Audit Committee

The Audit Committee of Capital Nomura Securities Public Company Limited (“CNS”) consisted of 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 Securities and Exchange Commission. Department Head of Internal Audit Department was the secretary to the Audit Committee.

During the fiscal year from January 1, 2015 to December 31, 2015, the Audit Committee held 8 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 considered audit results with the external auditors 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 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 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 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 for appointment or dismissal CNS’s external auditor and considering audit fee. In addition, the Audit Committee had a private meeting with the external auditor without the management team being present.
9. Reviewing the Whistleblowing Policy.

The Audit Committee considered that CNS’s financial statements were fairly presented in accordance with Thai Financial Reporting Standards and adequately disclosed as expressed in the report of the external auditor. CNS has had appropriate internal control system and complies with related regulations. The Audit Committee 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 by any one 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, 2016.

The Audit Committee had the opinion that Mrs. Parichart Khantasima, Department Head of Internal Audit Department, had possessed suitable qualification and working experience to perform her duties independently and efficiently.



(Mrs. Wattanee Phanachet)

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

Connected Transactions

For the fiscal year ended December 31, 2015, 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. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The commission fee for the fiscal year 2015 was Baht 631,121. The commission fee was based on trade volume and the normal commission rate as CNS charged to other clients.

2. CNS entered into the agreement with Nomura International Plc. (“NIP”) to be an agent of securities trading. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The commission fee for the fiscal year 2015 was Baht 1,277,434. The commission fee was based on trade volume and the normal commission rate as CNS charged to other clients.

3. CNS entered into the agreement with Instinet Pacific Limited (“Instinet”) to be an agent of securities trading. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The commission fee for the fiscal year 2015 was Baht 35,248,966. The commission fee was based on trade volume and the normal commission rate as CNS charged to other clients.

4. CNS entered into the agreement with Dr. Prasit Kanchanasakdichai to be an agent of the tender offeror. The commission fee was normal commission rate as CNS charged to other clients

The commission fee for the fiscal year 2015 was Baht 501,320. The commission fee was the normal commission rate as CNS charged to other clients.

5. 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 2015 was Baht 15,908,475. The service fee was based on actual costs plus 10% of margin.

6. CNS entered into *Service Agreement* with NSL to provide information to NSL relating to investment banking activities and development as required by NSL

The service fee for fiscal year 2015 was Baht 22,250,000. The service fee was based on actual costs plus 10% of margin.

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

8. The service fee for the fiscal year 2015 was Baht 865,586. 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.

CNS entered into *Securities Lending Agreement* with NIP for securities borrowing and lending. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The fee received for the fiscal year 2015 was Baht 4,377,859. The fee was the same rate as CNS charged to other clients.

9. CNS entered into *Securities Lending Agreement* with Instinet for securities borrowing and lending. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The fee received for the fiscal year 2015 was Baht 59,434. The fee was the same rate as CNS charged to other clients.

10. CNS entered into *Service Agreement* with Nomura Securities Co., Ltd. ("NSC") to provide NSC's financial advisory services to clients.

The fee received for the fiscal year 2015 was Baht 5,425,400 as service rendered within the scope and volume of work assigned.

11. CNS entered into *Service Agreement* with Nomura International (Hong Kong) Limited ("NIHK") to provide NIHK's financial advisory services to clients.

The fee received for the fiscal year 2015 was Baht 3,787,956 as service rendered within the scope and volume of work assigned.

12. CNS entered into *Service Agreement* with NSL and Nomura Securities Singapore Pte. Ltd. to provide securities trading and research services to them.

The service fee for fiscal year 2015 was Baht 40,495,097. The service fee was based on actual costs plus 10% of margin.

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 from other suppliers who were not related to CNS.

The service fee paid for the fiscal year 2015 was Baht 1,971,614. The service fee was the same rate as CNS paid to other suppliers who were not related to CNS.

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 2015 was Baht 72,520. The commission was calculated based on turnover and a referential rate charged from other foreign securities firms who were not related to CNS.

Other transactions

1. CNS paid funding cost from trading fixed income in foreign currency to Nomura Singapore Limited.

The funding cost paid for the fiscal year 2015 was Baht 86,837. The normal rate charged to other clients.

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 staff.

The interest Income for the fiscal year 2015 was Baht 14,044. 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 staff.

The Connected Transactions Policy¹

To comply with the Good Corporate Governance Policy, Capital Nomura Securities Public Company Limited (CNS) deemed that it is appropriate to set up the Connected Transactions Policy to ensure that the transactions entered into by CNS are accurate, appropriate and consistent with applicable laws, rules and regulations.

“Connected Transaction” means any transaction between a listed company or a subsidiary and the listed company’s connected persons; or any transaction between a subsidiary and its connected persons.

“Decision to enter into a transaction” means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets, leasing or renting asset, an offer or a receipt of service, an offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

“Connected person” means the following:

- (1) The management, major shareholders, controlling persons or persons to be nominated as the management or controlling persons of a listed company or a subsidiary including related persons and close relatives of such persons.
- (2) Any juristic person having a major shareholder or a controlling person as the following persons of a listed company or a subsidiary:
 - (a) the management
 - (b) major shareholder
 - (c) controlling person
 - (d) person to be nominated as the management or a controlling person
 - (e) related persons and close relatives of persons from (a) to (d)
- (3) Any person whose behavior can be indicated as a representative or under a major influence of persons from (1) to (2) when making decision, determining policy, handling management or operation; or other persons the SET deems as having the same manner.

Provided that, the connected person includes any related person under section 89/1 of the Securities and Exchange Act B. E. 2535, according to the Notification of the Capital Market Supervisory Board.²

¹ Notification of the Board of Governors of the Stock Exchange of Thailand, re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transaction, 2003 and the amended Notification of the Board of Governors of the Stock Exchange of Thailand, re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transaction (No.2), 2004.

² Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 re: Rules on Connected Transactions

“Management” means managers and the next four management level succeeding the manager position, including all individuals at the equivalent position to the fourth holding management level and all individuals in management positions of accounting and/or finance departments at the manager level upward or equal. This also includes directors under section 89/1 of the Securities and Exchange Act B. E. 2535.³

“Major Shareholder” means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 percent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons.

“Controlling persons” means persons having control over the company such as person holding of shares with voting right in a juristic person in amount exceeding fifty percent of the total number of voting rights of such juristic person, or having control of the majority voting rights in the shareholders’ meeting of any juristic person, whether directly or indirectly or by any other reasons, or having control over appointment or removal of at least half of all directors, whether directly or indirectly.

“Related person” means persons under Section 258 (1) to (7) of the Securities and Exchange Act, B.E. 2535, prior to the Act’s amendments.

“Close relatives” means persons related by blood or registration under law such as father, mother, spouses, sibling, and children including spouses of the children.

“General trading conditions” means trading conditions under which the price and the condition are fair and do not cause misappropriation of benefits, including the trading conditions under which the price and the conditions are as follows:

- (a) being the price and conditions which a listed company or a subsidiary receives from or offers to general persons;
- (b) being the price and conditions which a connected person offers to general persons;
- (c) being the price and conditions which a listed company can prove to be the price and conditions that an operator of similar business offers to general persons.

“Normal business transaction” means trading transaction normally undertaken by a listed company or a subsidiary for the purpose of operating business

“Supporting normal business transaction” means trading transaction undertaken by the general business of similar nature to a listed company or a subsidiary for the purpose of supporting normal business transaction of their own company.

“Interest” means the receipt or loss of interest whether directly or indirectly from a decision to enter into a transaction of a listed company or a subsidiary.

³ Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 re: Rules on Connected Transactions, as amended by Notification of the Capital Market Supervisory Board No. TorChor. 79/2558 re: Rules on Connected Transactions (No.4)

Characteristics of Connected Transactions can be divided as follows:

1. In case a listed company or a subsidiary decides to enter into a transaction with
 - (a) Management
 - (b) Major shareholder
 - (c) Related person or close relatives of management or major shareholders
2. In case a listed company or a subsidiary decides to enter into a transaction with the listed company's connected persons; or any transaction between a subsidiary and its connected persons.

Types of Connected Transactions

1. Normal business transaction;
2. Supporting normal business transaction;
3. Transaction regarding rental or lease of immovable property of not exceeding 3 years;
4. Transaction relating to assets or service;
5. Transaction regarding an offer or a receipt of financial assistance.

Summarized procedures upon connected transactions

1. Consider the types of transaction and conditions of each according to the table attached hereto.
2. CNS will assess a transaction value of an asset or a service based on a total return value paid or being paid or a book value or market price value of such asset or service, whichever is higher.
3. In case of information disclosure required, CNS shall disclose its decision to enter into a connected transaction pursuant to the table attached hereto for making a report disclosing such information to SET within the date of transaction, or at least before 9.00 a.m. on the following business day.
4. In case the transaction must seek for an approval of the board of directors or shareholders, CNS shall seek the board of directors' approval of entering into a connected transaction by doing as follows:
 - (1) Preclude directors having interests in making decision to enter into a connected transaction from attending the meeting and having voting rights at the meeting in such agenda.
 - (2) Disclose to the SET the resolutions of the board of directors concerning approval of entering into a connected transaction by having detailed information according to the Notification's requirement within the date the board adopts such resolution, or at least before 9.00 a.m. on the following business day.

In case the shareholders' meeting resolution for entering into a connected transaction is required according to the table attached, CNS shall arrange to have an independent financial advisor in providing their opinion concerning the connected transaction in support of the shareholders' consideration. A resolution of the shareholders' meeting to approve a decision to enter into a connected transaction must consist of at least three-fourths of total votes of shareholders attending the meeting and having voting right, excluding interested shareholders' equity.

5. CNS shall enter into a connected transaction from the date of approval thereof by the board of directors or the shareholders' meeting, as the case may be, onwards. The transaction must not be dated prior to the date of such approval.
6. CNS shall disclose a connected transaction in annual report of the company.

Table Attached to the Notification of the Board of Governors of the Stock Exchange of Thailand
Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions (No. 2), 2004

Types of Connected Transactions	Transaction Value	Listed Company's Action		
		Disclose to the Exchange	Seek the Board of Directors' Approval	Seek the Meeting of Shareholders' Approval
1. Normal business transaction or supporting normal business transaction	Unlimited transaction value			
1.1 Normal business transaction with general trading conditions		-	-	-
1.2 Supporting normal business transaction with general trading conditions whose value of consideration can be calculated from assets or underlying value				
1.3 Supporting normal business transaction with general trading conditions whose value of consideration cannot be calculated from assets or underlying value				
1.4 Normal business transaction or supporting normal business transaction without general trading conditions.	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	-	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	-
	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
2. Transaction regarding rental or lease of immovable property of not exceeding 3 years without any indication that it is based on general trading conditions	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	✓
	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	-	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	-

Types of Connected Transactions	Transaction Value	Listed Company's Action		
		Disclose to the Exchange	Seek the Board of Directors' Approval	Seek the Meeting of Shareholders' Approval
3. Transaction relating to assets or services.	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	✓
4. Grant or receipt of financial assistance 4.1 Listed company or subsidiary offering financial assistance to connected persons as follows: • Connected persons being natural person • Connected persons being juristic entity which listed company or subsidiary, holding shares at a lower ratio than the ratio of shares held by other connected persons not being the listed company or subsidiary, as the case may be, in such entity.	< 100 million Baht or < 3% of net asset tangible value, whichever is lower	✓	✓	-
	≥ 100 million Baht or ≥ 3 % of net tangible asset value, whichever is lower	✓	✓	✓ ✱
4.2 Grant or receipt of financial assistance other than those stated in 4.1	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	✓ ✱

✱ In case it is a transaction where a listed company or a subsidiary and connected persons jointly offer financial assistance to a juristic entity of which the shares are held by such listed company or subsidiary and connected persons based on the ratio they have an interest therein based on general trading conditions or even with better conditions, the listed company will be exempted from requesting for an approval from the Shareholders' Meeting for that transaction.

Note: ✓ means listed company having duty to act according to details in column marked with ✓
- means listed company not having any duty to act according to details in column marked with -

Details of Connected Transactions

For the year ended December 31, 2015 and 2014, Capital Nomura Securities Public Company Limited ("the Company") has connected transactions with the related companies and connected persons as follows;

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2015	For the year ended December 31, 2014	
1. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Agency 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	631,121	185,837	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.
2. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura International Plc.	Agency 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	1,277,434	2,142,081	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.
3. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Instinet Pacific Limited	Agency 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	35,248,966	33,895,467	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.
4. Capital Nomura Securities Public Company Limited and Nomura Asia Holding N.V.	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Asia Holding N.V.	The Company was acted as an agent of the tender offeror for the tender offer in the Company's shares. Nomura Asia Holding N.V. accepted the tender offer through the Company.	Tender offer period during April 30, 2014 to June 6, 2014	-	1,820,820	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2015	For the year ended December 31, 2014	
5. Capital Nomura Securities Public Company Limited and Dr.Prasit Kanchanasakdichai	Dr.Prasit Kanchanasakdichai is the director of the Company	The Company was acted as an agent of the tender offeror for the tender offer.	During from agreement date to submitting date to SEC.	501,320	-	The commission fee was the normal commission rate as the Company charged to other clients.
6. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Investors Business Support Agreement which the Company provided services and received fee in return	1 year	15,908,475	15,914,477	The service fee was calculated by reference to the actual cost plus 10% margin.
7. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Service agreement which the Company provided information of international investment banking	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	22,250,000	-	The service fee was calculated by reference to the actual cost plus 10% margin.
8. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company 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	865,586	1,024,919	The service fee was calculated based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to the similar business.
9. Capital Nomura Securities Public Company Limited and Nomura Securities Co., Ltd.	Nomura Holdings, Inc. is the ultimate parent company 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	5,425,400	19,361,184	The service fee was the contract rate determined by extent and amount of work assigned.

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2015	For the year ended December 31, 2014	
10. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited.	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura International (Hong Kong) Limited.	The Company provided services as required by Nomura International (Hong Kong) Limited in support of Nomura International (Hong Kong) Limited's financial advisory services to client. The Company provided services and received fee in return.	Depend on the pre-determined of each assignment	3,787,956	26,324,661	The service fee was the contract rate determined by extent and amount of work assigned.
11. Capital Nomura Securities Public Company Limited and Nomura Securities Singapore Pte. Limited and Nomura Singapore limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Securities Singapore Pte. Limited and Nomura Singapore limited	Agreement for Provision of Securities Trading and 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	40,495,097	32,006,414	The service fee was calculated by reference to the actual cost plus 10% margin.
12. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the ultimate parent company 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	4,377,859	2,321,758	At normal rate charged to other clients
13. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the ultimate parent company 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	59,434	19,324	At normal rate charged to other clients

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the year ended December 31, 2015	For the year ended December 31, 2014	
14. Capital Nomura Securities Public Company Limited and United Information Highway 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	1,971,614	1,078,928	The service fee was at the same rate charged to other clients without dependent interest.
15. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company 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	72,520	198,261	The service fee was calculated based on trade volume and the preferential rate charged to other clients without dependent interest.
16. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	The Company paid funding cost from trading fixed income in foreign currency	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	86,837	-	At normal rate charged to other clients
17. Capital Nomura Securities Public Company Limited and Nomura Mauritius Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Mauritius Limited	The Company paid interest on borrowings.	1 year	-	1,216,958	At the rate 1.11 per annum
18. 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	14,044	22,356	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, 2015 and 2014

Transaction	Related companies / persons	Presented in Financial Statements as	
		December 31, 2015	December 31, 2014
Agency Agreement	Instinet Pacific Limited	Securities business receivable	251,550
Agency Agreement	Instinet Pacific Limited	Securities business payable	77,765,896
Global Master Securities Lending Agreement	Nomura International Plc.	Securities business receivable	3,718,000
Global Master Securities Lending Agreement	Instinet Pacific Limited	Securities business receivable	9,058,100
Global Master Securities Lending Agreement	Nomura International Plc.	Securities business payable	4,200,299
Investors Business Support Agreement	Nomura Singapore Limited	Other assets	1,608,475
Introducing Broker Agreement	Nomura Singapore Limited	Other assets	-
Agreement for Provision of Securities Trading and Research Services	Nomura Securities Singapore Pte. Ltd and Nomura Singapore Limited	Other assets	4,314,400
Service Agreement	Nomura Singapore Limited	Other assets	2,100,000
Tender offer Agency Agreement	Dr. Prasit Kanchanasakdichai	Other assets	536,412
Agency Agreement	Nomura Singapore Limited	Other assets	847,167
Global Master Securities Lending Agreement	Nomura International Plc.	Other assets	382,196
Global Master Securities Lending Agreement	Instinet Pacific Limited	Other assets	6,976
Hi-speed Circuit Service	United Information Highway Company Limited	Other liabilities	215,222
Loans to Employee	Mrs. Chrisana Sae-Leiw	Other assets	739,599
Others – Reimbursement	Nomura Holdings, Inc.	Other assets	172,594
Others – Reimbursement	Instinet Pacific Limited	Other assets	49,648
Others – Reimbursement	Nomura International (Hong Kong) Limited	Other assets	-
Others – Reimbursement	Nomura Singapore Limited	Other assets	-
Others – Reimbursement	Nomura Securities Co., Ltd	Other assets	46,262
			370,133

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

Financial Ratio	Fiscal Year 2015 (Jan 1, 2015 – Dec 31, 2015)	Fiscal Year 2014 (Jan 1, 2014 – Dec 31, 2014)	Fiscal Year 2013 (Jan 1, 2013 – Dec 31, 2013)
<u>Profitability Ratio</u>			
Gross Profit Margin	85.04%	86.92%	84.87%
Net Profit Margin	24.60%	26.14% ²	24.66%
Return on Equity	7.62%	7.92% ²	8.70%
Return on Investment	15.87%	10.22%	11.76%
<u>Efficiency Ratio</u>			
Return on Assets	3.54%	3.81% ²	4.11%
Assets Turnover	0.14 times	0.15 times	0.17 times
<u>Financial Ratio</u>			
Liquidity Assets on debt	0.68%	0.22%	0.66%
Asset Income on debt	3.20%	2.50%	3.66%
Liquidity Assets on Total Assets	19.77%	8.39%	16.93%
Asset Income on Total Assets	93.43%	96.99%	93.93%
Debt/Equity	1.00 times	1.31 times	0.84 times
Dividend Pay-Out	N/A	90.28% ²	92.78%
<u>Other Ratios</u>			
Investment in Securities to Assets	6.48%	5.38%	10.63%
Net Capital Ratio (calculation was based on the SEC's requirement.)	120.87%	86.16%	125.72%
<u>Data Per Share (Baht)</u>			
Book Value	2.55	2.53	2.50 ¹
Profit for the period	0.19	0.20 ²	0.27 ¹
Dividend*	N/A	0.18	0.17 ¹
<u>Growth Rate</u>			
Total Assets	(12.80%)	26.69%	7.26%
Total Liabilities	(22.97%)	56.98%	(18.67%)
Income from Sales and Services	3.05%	2.67%	43.42%
Operating Expenses	3.50%	2.82% ²	19.81%
Profit for the period	(2.98%)	8.81% ²	109.61%

¹ On 26 April 2013, CNS's Annual General Meeting of Shareholders No.1/2556 resolved to approve a share split by changing a 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.

² The number was changed from the disclosure published in last year due to changes in accounting policies as per the adoption of new financial reporting standards. (Please refer more detail described in the Notes to financial statements No. 4.)

Management Discussion and Analysis

Overview of Business Operations and Significant Changes

In 2015, the overview of business operations was as the followings;

The brokerage business moderately declined from the prior year though the SET's average turnover slightly dropped from the prior year while the market share rose from 2.84% in 2014 to 2.98% in 2015. The SET was volatile and negatively impacted from the weak economy during the year driven by several both from internal and external factors. Internal factors were the slower than expected economic recovery, the net securities selling of foreign investors, the deceleration of exports despite the Thai Baht depreciation, the bombing at the Ratchaprasong intersection, the higher than expected auction prices of 4G licenses in the 4th quarter of the year. External factors were the financial crisis in Greece and its impact to the economy of the European union, the turmoil and the concerns over the increase in the US policy interest rate while the actual increase incurred in December 2015 which caused the uncertain economy, the announcement of the Chinese Yuan depreciation and the concerns over the slow growth of Chinese economy as well as the sharp fall of crude oil prices caused by the global oversupply. In addition, the increasing number of the SET's broker members since the mid-2014 also resulted in the increasing competition in the industry.

The margin loan business highly expanded from the prior year, driven by the expectation on Thai economic growth between the end of 2014 and the mid-2015, causing investors to expand their investment demand. With the convenient trading system through credit balance accounts, the outstanding balance of the margin loans had a strong growth in the first half of 2015. However, the slower than expected Thai economic recovery resulted in downward revisions of economic forecasts throughout the year and slow investment demand. These factors caused the decrease in the outstanding margin loan balance. In addition, after CNS became a subsidiary of Nomura Group in the mid-2014, CNS was granted better credit ratings, consequently resulted in lower financial costs in funding to support its operations in the margin loan business. CNS, consequently, was able to expand its margin loan business. The interest income on the margin loan business sharply increased from the prior year.

The investment banking business declined from the prior year, driven by the dull economy in the second half of 2015 and the SET's volatility. These factors caused the postponement and the delay in the listing demand of various companies, leading to the decrease in the underwriting fees. However, the overall income from the investment banking business slightly decreased from the prior year according to the increase in the income from financial advisory business.

The fixed income business grew from the prior year. Regarding the low interest rate in domestic market, private sectors increasingly funded from debt securities. Concerning the low deposit interest rate, investors increasingly invested in the debt securities with higher return than deposits. Also, CNS had been more well-known to investors and the high market share. Additionally, this business also facilitated CNS's funding by the issuance and offer for sale of bill of exchange to high net worth individuals and institutional investors.

The securities borrowing and lending business grew from the prior year as CNS developed a variety of service channels through online trading application to support the borrowing and lending transactions, resulting in the expansion in its client base and the increase in the income from this business.

The selling agent business under the "Nomura iFUND" brand rapidly grew from the prior year both in a number of clients and the total investment value as CNS pushed a lot of efforts in expanding its client base and providing investors seminars to share them financial knowledge. Investment in mutual funds became more interesting to investors as a variety of attractive products had been developed by several asset management companies to serve investors' needs. The total investment value hopped from Baht 5,461 million at the end of 2014 to Baht 12,120 million at the end of 2015.

During 2015, CNS became a CAC-Certified Company, a full member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) with a strong intention against all forms of corruption in order to set be a member of the society to drive the business with transparency. CNS also started to set up the "CNS Corporate Access" program that analysts, financial advisors as well as clients are able to meet management of listed companies in the SET to gain information and query from management of listed companies. This program has promoted and supported as well as provided investment knowledge with high-quality and has been one of the drivers for sustainable development for the investment in the SET. In addition, CNS also changed its branch concept throughout the country to be NOMURA Learning Center and NOMURA Service Center to facilitate the sharing of investment knowledge and news and information with the aims to create parity for investors both in and outside Bangkok.

In 2015, CNS changed its main corporate website by merging www.nomuradirect.com and www.cns.co.th to one corporate website; www.nomuradirect.com, to facilitate a simplified interface for all stakeholders.

Given 2015 was a year where economic growth was much slower than forecasted, while turnover in the SET was volatile and negatively impacted from several factors both from domestic and overseas markets, yet, CNS saw only a small decline in the yearly profit from the previous year. This was achieved through the diversification of revenue sources (the securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business and selling agent business) as well as the continuous service development for sustainable growth.

1. Overview of CNS's Performance

Overview of Performance and Significant Change for the Fiscal Year 2015

For the fiscal year 2015, CNS had earnings per share of Baht 0.19 and net profit of Baht 416 million, decreased Baht 13 million or 3% from the fiscal year 2014 with earnings per share of Baht 20 and net profit of Baht 429 million. Although the income of 2015 increased from 2014, the performance slightly decreased from 2014. The decrease in net profit was mainly because the increase in total income was lower than the increase in total expenses.

Total income increased Baht 51 million or 3%, from Baht 1,640 million in 2014 to Baht 1,691 million in 2015. Total expenses increased Baht 70 million or 6%, from Baht 1,102 million in 2014 to Baht 1,172 million in 2015, as a result of CNS's investment efforts in several business areas to enhance its service and to create sustainability development under the limitation of the economic growth caused by the weak recovery of Thai economy and the global economy.

The increase in total income was mainly driven by 1) the increase in the interest on margin loans as the margin loan business had continuously expanded since 2014 and 2) the increase in gain on investment driven by the growth of the fixed income trading business in 2015. Meanwhile, brokerage fees decreased from the SET's volatility, the slower recovery in Thai economy than expected, the expectation in the increase in the policy interest rate by the US Federal Reserve (FED) and the impact of the increasing competition from the increasing number of the SET's broker members since the mid-2014. The first three factors also caused capital outflows from the SET.

The increase in total expenses was mainly driven by 1) the increase in financial costs from the increasing borrowings to support the expansion of the margin loan business and 2) the increase in fee and service expenses from the fees paid on the corporate bond underwriting and 3) the increase in operating expenses to serve the business operations under the weak economic growth of Thai economy and the global economy.

As a result of the above factors, gross profit margin ratio for the fiscal year 2015 slightly dropped from 86.92% in 2014 to 85.04% in 2015. Net profit margin ratio for the fiscal year 2015 slightly dropped from 26.14% in 2014 to 24.60% in 2015. Return on equity ratio also slightly dropped from 7.92% in 2014 to 7.62% in 2015.

Return on asset ratio dropped from 3.81% in 2014 to 3.54% in 2015, driven by the decrease in the net profit for the fiscal year 2015 and the increase in the average assets at the end of 2015 as a result of the increase in the net securities and derivatives business receivables driven by the SET.

In conclusion, under the conditions that Thai economic recovery was slower than expected and the SET was quite volatile and dull during 2015, CNS continued to maintain its profitability and competitiveness at a certain level. This also reflected the success of the diversification of revenue sources, one of CNS's important strategies to create long-term growth for CNS.

Total revenues for the fiscal year 2015 increased when compared to the fiscal year 2014**Brokerage fees**

Brokerage fees for the fiscal year 2015 decreased Baht 52 million or 6%, from Baht 929 million in 2014 to Baht 877 million in 2015, mainly driven by a decline in the SET's average daily turnover (including the mai) by 3% from Baht 45.47 billion baht in 2014 to Baht 44.30 billion in 2015 and the impact of the increasing competition from the increase in the number of the SET's broker members.

The ratio for brokerage fees on total income sharply dropped from 56.66% in 2014 to 51.87% in 2015, reflecting CNS's success in its effort in the diversification of revenue sources other than brokerage business and investment banking business, one of CNS's important strategies to create long-term growth for CNS.

Fee and service incomes

Fee and services income for fiscal year 2015 decreased Baht 10 million or 6%, from Baht 179 million in 2014 to Baht 169 million in 2015, mainly driven by the decrease in underwriting fees approximately Baht 21 million or 35% from 2014. Although the underwriting fees from debt securities increased, the underwriting fees from equity securities decreased from the SET's volatility during 2015, causing the postponement and the delay in the listing demand of various companies. However, CNS was the underwriters of several big deals in 2014, therefore, the underwriting fees of 2014 was quite higher than 2015. Service income from the financial advisory business increased Baht 12 million or 202% from 2014 from the M&A deals. The securities borrowing and lending business grew approximately Baht 4 million or 24% from 2014, driven by a variety of and up-to-date service channels.

The ratio for fee and services income on total income slightly dropped from 10.90% in 2014 to 9.98% in 2015.

Interest on margin loans

Interest on margin loans for the fiscal year 2015 sharply increased Baht 97 million or 25%, from Baht 391 million in 2014 to Baht 488 million in 2015, mainly driven by the expansion in the margin loan business since 2014 to the mid-2015 that the outstanding margin loan balance rose to approximately Baht 10,000 million in June 2015. Nonetheless, the slower than expected Thai economic recovery as mentioned earlier resulted in downward revisions of economic forecasts throughout the year and slow investment demand. The outstanding margin loan balance dropped in the second half of 2015. The ending outstanding margin loan balance of 2015 remained at Baht 6,622 million.

The ratio for interest on margin loans on total income rose from 23.82% in 2014 to 28.84% in 2015, reflecting that the margin loan business received more clients' recognition and was likely to grow further.

Gain on securities

Gain on securities for the fiscal year 2015, sharply increased Baht 20 or 49%, from Baht 41 million in 2014 to Baht 61 million in 2015, mainly driven by the growth in the fixed income trading business which received more clients' recognition. The market share in the bill of exchange trading and the corporate debenture trading was in the 1st rank and the 2nd rank among securities firms, respectively.

Private sectors increasingly funded from debt securities in the forms of corporate debentures and bill of exchanges regarding the low interest rate in domestic market. Concerning the low deposit interest rate, debt securities became more interesting to investors since they tended to accept higher-risk levels.

The ratio for gain on securities on total income rose from 2.49% in 2014 to 3.59% in 2015, reflecting the growth of the fixed income trading business.

Gain on derivatives

Gain on derivatives for the fiscal year 2015 decreased Baht 8 million or 72%, from Baht 11 million in 2014 to Baht 3 million in 2015. CNS had derivatives to hedge risk from foreign exchange rate of the borrowings in foreign currency. The decrease in gain on derivatives in 2015 was mainly driven by the decrease in the realized gain from the settlement of forward contracts and the borrowings in foreign currency on maturity dates. In 2015, CNS downsized the borrowings in foreign currency and also shortened the borrowing tenors when compared to 2014.

Total expenses for the fiscal year 2015 increased when compared to the fiscal year 2014**Financial costs**

Financial costs for the fiscal year 2015 increased Baht 26 million or 20%, from Baht 131 million in 2014 to Baht 157 million in 2015, mainly driven by the increase in the interest paid for the borrowings from financial institutions and discounts on CNS's bill of exchanges to support the expansion of the margin loan business and the fixed income trading business during 2015.

As CNS became a subsidiary of Nomura Group in the mid-2014, CNS was granted better credit ratings, consequently resulted in lower financial costs in funding to support its operations.

Fee and service expenses

Fee and service expenses for the fiscal year 2015 increased Baht 12 million or 15%, from Baht 83 million in 2014 to Baht 95 million in 2015, mainly driven by the increase in the bond commission fees to agents, in line with the increase in the underwriting fees from debt securities.

In addition, fee expenses paid for the brokerages business slightly increased due to the growth in CNS's turnover, as a result of the growth in CNS's market share from 2.84% in 2014 to 2.98% in 2015 while the SET's average daily turnover (including the mai) slightly dropped from Baht 45.47 billion in 2014 to Baht 44.30 billion in 2015.

Operating expenses

Operating expenses for the fiscal year 2015 increased Baht 31 million or 4%, from Baht 888 million in 2014 to Baht 919 million in 2015 from the following factors.

Personnel expenses increased Baht 42 million or 7% from 2014. Although the decrease in incentive paid to financial advisors in 2015 was in line with the decrease in the brokerage fees, other personnel expenses increased to serve the expansion of several business areas.

Other expenses increased Baht 11 million or 13% from 2014, mainly driven by the increase in special business taxes paid for the interest on margin loans as this income increased from 2014.

Premises and equipment expenses decreased Baht 22 million or 12% from 2014 from the increase in the fully-depreciated computer hardware.

Bad debt and doubtful accounts

In 2015, an additional allowance for doubtful accounts of Baht 0.20 million was recognized for other receivables from the financial advisory business. Also, a bad debt of Baht 0.08 million was recognized for receivables from the brokerage business as the court judgment was rendered and final and the debtor has not been able to make any payments pursuant to the court judgment.

Income tax

Income tax for the fiscal year 2015 decreased Baht 6 million or 6%, from Baht 110 million to Baht 104 million from the decrease in the profit before income tax for 2015. The corporate income tax rate of 2015 was 20%, a similar rate as 2014.

2. Overview of CNS's Financial Position

Overview of Financial Position and Significant Changes in the fiscal year 2015

In 2015, CNS had emphasized on the diversification of revenue sources to drive the sustainable growth. After CNS became a subsidiary of Nomura Group in the mid-2014, CNS was granted better credit ratings, consequently resulted in lower financial costs in funding to support its expansion in the margin loan business and the fixed income trading business.

CNS has a policy to raise funds from both short-term and long-term borrowings from several domestic and foreign financial institutions with several payment terms and dates.

Nonetheless, CNS had excessive cash liquidity during the end of 2015 as the margin loan business was impacted from the economic situations and the SET. CNS, therefore, had managed such excessive cash liquidity by investing in a money market and treasury bills regarding their low risk and high liquidity.

Overview of CNS's Financial Position as of December 31, 2015 was as the followings:

Total assets decreased Baht 1,609 million or 13%, from Baht 12,570 Baht in 2014 to Baht 10,961 million in 2015 because the credit balances receivables (from the margin loan business) decreased Baht 2,414 million while cash and cash equivalents increased Baht 1,079 million. 74% of total assets were securities and derivatives business receivables.

Total liabilities decreased Baht 1,636 million or 23%, from Baht 7,124 million in 2014 to Baht 5,488 million because the borrowings decreased Baht 1,684 million. 58% of total liabilities were the borrowings.

Debt on equity ratio dropped from 1.31 times in 2014 to 1.00 times in 2015 from the decrease in the borrowings. The funding was monitored to be in compliance with the liquidity risk management with appropriate financial costs. Such debt on equity ratio was low and had no impact on the compliance with the creditor's agreement.

Net book value increased from Baht 2.53 per share in 2014 to Baht 2.55 per share in 2015 from the net performance for the fiscal year 2015 and the dividend payment during 2015 from the performance for the fiscal year 2014 regarding the approval from the Annual General Meeting of Shareholders.

CNS had high financial liquidity. Net liquid capital as of December 31, 2015 was Baht 4,676 million, while net liquid capital rule (NCR) ratio was 121% of general indebtedness which was much higher than the minimum net liquid capital of Baht 25 million and the minimum net liquid capital ratio of 7% of general indebtedness regarding the SEC's requirements.

In conclusion, CNS was a security firm with a strong financial position and a high financial stability.

Total assets as of December 31, 2015 decreased when compared to December 31, 2014

Cash and cash equivalents

Cash and cash equivalents increased Baht 1,079 million or 281% from Baht 384 million in 2014 to Baht 1,463 million in 2015, mainly driven by the increase in the lending in the money market for the management of excessive cash liquidity during the end of 2015.

Net securities and derivatives business receivables

Net securities and derivatives business receivables decreased Baht 2,955 million or 27%, from Baht 11,107 million in 2014 to Baht 8,152 million in 2015, mainly driven by the decrease in the margin loan business approximately Baht 2,414 million from the SET's volatility as mentioned earlier.

As of December 31, 2015, CNS classified its securities business receivables including related interest receivables. As of December 31, 2015, the total balance of Baht 8,158 million was classified as normal by Baht 8,152 million and as doubtful by Baht 6 million. As of December 31, 2014, the total balance of Baht 11,113 million; was classified as normal by Baht 11,107 million and as doubtful by Baht 6 million. As of December 31, 2015, CNS fully set the allowance for doubtful accounts which the balance remained the same as the ending balance as of 2015.

Derivative assets

CNS had no outstanding balance of the derivative assets since CNS had no outstanding balance of the borrowings in foreign currency as at the end of 2015. The derivative assets as at the end of 2014 was Baht 3 million from CNS's hedging policy for the risk from foreign exchange rate of the outstanding balance of the borrowings in foreign currency of USD 10 million in the 4th quarter of 2014.

Net investment

Net investment increased Baht 34 million or 5%, from Baht 676 million in 2014 to Baht 710 million in 2015 because the investment in trading debt securities decreased approximately Baht 504 million, from the Baht 560 million in 2014 to Baht 56 million in 2015, driven by the market sentiment. The investment in unit trusts increased approximately Baht 9 million, from Baht 103 million in 2014 to Baht 112 million in 2015. Meanwhile the investment in treasury bills increased approximately Baht 529 million, from Baht 6 million in 2014 to Baht 535 million in 2015, driven by the management of excessive cash liquidity during the end of 2015.

Net premises and equipment

Net premises and equipment increased Baht 29 million or 45%, from Baht 63 million in 2014 to Baht 92 million in 2015, driven by the increase in the vehicles approximately of Baht 24 million from the change in fully-depreciated vehicles regarding CNS's useful lives during the end of 2015.

Total liabilities as of December 31, 2015 decreased when compared to December 31, 2014

Borrowings from financial institutions

Borrowings from financial institutions decreased Baht 2,281 million or 50%, from Baht 4,581 million in 2014 to Baht 2,300 million in 2015, mainly driven by the decline in the margin loan business and the investment in trading debt securities. The ending balance of 2015 was the short-term borrowings of Baht 1,000 million and the long-term borrowings of Baht 1,300 million which was in line with the risk management policy in funding.

Other borrowings

Other borrowings was the borrowings in the form of short-term bill of exchanges issued by CNS which increased Baht 597 million or 199%, Baht 299 million in 2014 to Baht 896 million in 2015.

In the 4th quarter of 2014, CNS started to raise funds from issuance and offer for sale of bill of exchanges to high net worth investors or institutional investors, from October 31, 2014 to October 30, 2015, with the total amount of not exceeding Baht 1,500 million and a maximum tenor of 270 days from the issued date. CNS extended the period of raising funds from such issuance and offer for sale of bill of exchanges to another 1 year. As of December 31, 2015, CNS had borrowings in the form of bill of exchanges with the face value of Baht 900 million with a maturity in the first half of 2016.

Considering the sum of the balance of borrowings from financial institutions and other borrowings, total borrowings decreased Baht 1,684 million, from Baht 4,880 million in 2014 to Baht 3,196 million in 2015. Such decrease was aligned with the decline in the margin loan business and the fixed income trading business during the end of 2015.

Total equity as of December 31, 2015 increased when compared to December 31, 2014

Total equity increased Baht 28 million or 1%, from Baht 5,445 million in 2015 to Baht 5,473 million in 2015.

CNS's performance for the fiscal year 2015 was Baht 416 million, however, equity-revaluation surplus on available-for-sales investments decreased Baht 1 million and there was a dividend payment to shareholders of Baht 387 million during 2015 from the performance for the fiscal year 2014.

CNS's performance for the fiscal year 2015 was appropriated to be statutory reserves of Baht 21 million.

Factors or Influences on Future Financial Position and Performance

The economic and political situations; such as the change in domestic and foreign interest rate, the crude oil price fluctuation in the global market, the growth in Thai and foreign economy, the government policies and the political turmoil as well as the domestic and foreign unrest situations, may have an impact on the investment needs in the business expansion, direction and growth as well as the profitability of listed companies in the SET and may cause fund flows and investors' confidence both local investors and foreigners, consequently leading to the impact on CNS's performance both as the listed company in the SET and as the securities firm.

Regarding the industry situations, the regulator's policy on the liberalization of securities business licenses and the liberalization of brokerage effective since 2012 caused new broker members entering into the industry. As a result, the brokerage business encountered an intense competition both in brokerage fee rates and personnel scarcity. Securities firms must adjust their strategies to maintain their profitability and competitiveness as well as develop their service quality of financial advices and a broad range of technology in placing orders as these factors may have an impact on their decisions on business plans and their performance.

Nonetheless, in the previous few years, CNS adjusted its business strategies by the diversification of revenue sources, not depending on just only the brokerage business and the investment banking business. CNS expanded its business to the margin loan business, the fixed income trading business, the securities borrowing and lending business and the selling agent business. CNS has seen the continuous growth in the income from these businesses. CNS also continually develops its operations both trading through financial advisors and online trading applications to facilitate new-generation investors' lifestyles. Furthermore, CNS sets up the "CNS Corporate Access" program that analysts, financial advisors as well as clients are able to meet management of listed companies in the SET easily and conveniently to gain information directly from management of listed companies. This program is useful for investors as it supports investment knowledge and helps develop CNS's financial advisors as well as creates a networking for future business opportunities. Last but not least, CNS has expanded its upcountry branches by promoting NOMURA Learning Center and NOMURA Service Center to expand its client base and to support sustainable growth in its business operation.

For 2016, CNS still focuses on its business strategies by the diversification of revenue sources, emphasizing on the long-term growth of each business through the offering of the broad range of financial products and services. CNS intends to develop its business operation in all areas. This will include the ongoing development in 1) service quality, 2) new technologies to serve rapid changes in investors' and clients' needs, as well as 3) financial advisors' competencies with financial and investment skills to provide investors trustworthy services. CNS plans to support financial advisors to be investment planners to enhance their service quality and to serve the coming aging society. In addition, CNS shall support clients on their asset allocation regarding their liquidity and risk appetite.

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 2014 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 EY 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, 2015 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 and
Chairman of the Board of Executive Directors



Mr. Takahito Nakamura

President



Mr. Nimit Wongjariyakul

Executive Director



Mr. Naoki Sugaya

Executive Director



Mrs. Chrisana Sae-Leiw

Executive Director

Independent Auditor's Report

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 2015, 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 judgement, 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 2015, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 29 February 2016

Capital Nomura Securities Public Company Limited

Statement of financial position

As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Assets			
Cash and cash equivalents	7	1,463,362,886	384,254,287
Deposits at financial institutions	8	-	-
Receivables from Clearing House	9	252,230,696	30,633,964
Securities and derivatives business receivables - net	10	8,152,071,439	11,107,161,197
Derivatives assets	11	-	3,353,000
Investments - net	12	709,883,719	676,302,034
Premises and equipment - net	13	92,227,867	63,442,889
Intangible assets - net	14	14,084,361	7,605,541
Deferred tax assets	15	61,440,477	60,851,265
Other assets - net	16	215,543,631	235,789,418
Total assets		10,960,845,076	12,569,393,595

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

Capital Nomura Securities Public Company Limited
Statement of financial position (Continued)
As at 31 December 2015

		(Unit: Baht)	
	Note	2015	2014
Liabilities and equity			
Liabilities			
Borrowings from financial institutions	17	2,300,000,000	4,581,132,000
Payables to Clearing House	18	305,992,841	219,331,680
Securities and derivatives business payables - net	19	1,596,725,594	1,598,313,591
Borrowings	20	895,568,661	299,058,936
Provisions for long-term employee benefits	21	72,059,699	64,441,460
Other liabilities	22	317,492,846	361,988,202
Total liabilities		5,487,839,641	7,124,265,869
Equity			
Share capital			
Registered, issued and paid-up			
2,150,469,000 ordinary shares of Baht 1 each		2,150,469,000	2,150,469,000
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 on investments	12.3	1,134,327	2,136,045
Retained earnings			
Appropriated - statutory reserve	23	134,300,000	113,300,000
- general reserve		215,000,000	215,000,000
Unappropriated		838,781,258	830,901,831
Total equity		5,473,005,435	5,445,127,726
Total liabilities and equity		10,960,845,076	12,569,393,595

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

Capital Nomura Securities Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2015

			(Unit: Baht)
	Note	2015	2014
			(Restated)
Profit or loss:			
Revenue			
Brokerage fees	25	877,208,683	929,529,568
Fees and service income	26, 31	168,704,264	178,839,600
Gain on securities	12.4	60,670,373	40,799,092
Gain on derivatives/exchange rate		2,961,040	10,562,240
Interest and dividend		88,453,060	85,316,476
Interest on margin loans		487,759,988	390,757,909
Other income		5,381,416	4,694,097
Total revenue		1,691,138,824	1,640,498,982
Expenses			
Financial costs		156,839,644	130,654,978
Fees and services expenses		95,383,218	83,256,573
Operating expenses			
Personnel expenses		658,199,046	616,200,059
Premises and equipment expenses		157,686,428	179,468,584
Directors' remuneration	27	4,030,000	4,150,000
Other expenses		99,200,010	88,171,913
Total operating expenses		919,115,484	887,990,556
Doubtful accounts		284,326	-
Total expenses		1,171,622,672	1,101,902,107
Profit before income tax		519,516,152	538,596,875
Income tax	15	(103,552,305)	(109,851,228)
Profit for the year		415,963,847	428,745,647

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

Capital Nomura Securities Public Company Limited
Statement of comprehensive income (Continued)
For the year ended 31 December 2015

(Unit: Baht)

	Note	2015	2014 (Restated)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gain (loss) on change in value of available-for-sale investments		(1,252,147)	2,598,820
Income tax relating to gain (loss) on change in value of available-for-sale investments	15	250,429	(519,764)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(1,001,718)	2,079,056
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial Loss		-	(4,414,426)
Income tax relating to actuarial loss	15	-	882,885
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(3,531,541)
Total comprehensive income (loss) for the year		(1,001,718)	(1,452,485)
Total comprehensive income for the year		414,962,129	427,293,162
Basic earnings per share	29		
Profit for the year		0.19	0.20

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

Capital Nomura Securities Public Company Limited
Statement of changes in equity
For the year ended 31 December 2015

	Other components of equity -						(Unit: Baht)		
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Retained earnings		Total			
				Appropriated					
				Statutory reserve	General reserve				
				revaluation surplus (deficit) on investments					
Balance - as at 1 January 2014	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	
Profit for the year (restated)	-	-	-	-	-	-	428,745,647	428,745,647	
Other comprehensive income (loss) for the year (restated)	-	-	-	2,079,056	-	-	(3,531,541)	(1,452,485)	
Total comprehensive income for the year	-	-	-	2,079,056	-	-	425,214,106	427,293,162	
Dividend paid (Note 30)	-	-	-	-	-	-	(365,551,680)	(365,551,680)	
Statutory reserve (Note 23)	-	-	-	-	21,300,000	-	(21,300,000)	-	
Balance - as at 31 December 2014	2,150,469,000	2,131,833,600	1,487,250	2,136,045	113,300,000	215,000,000	830,901,831	5,445,127,726	
Balance - as at 1 January 2015	2,150,469,000	2,131,833,600	1,487,250	2,136,045	113,300,000	215,000,000	830,901,831	5,445,127,726	
Profit for the year	-	-	-	-	-	-	415,963,847	415,963,847	
Other comprehensive income (loss) for the year	-	-	-	(1,001,718)	-	-	-	(1,001,718)	
Total comprehensive income for the year	-	-	-	(1,001,718)	-	-	415,963,847	414,962,129	
Dividend paid (Note 30)	-	-	-	-	-	-	(387,084,420)	(387,084,420)	
Statutory reserve (Note 23)	-	-	-	-	21,000,000	-	(21,000,000)	-	
Balance - as at 31 December 2015	2,150,469,000	2,131,833,600	1,487,250	1,134,327	134,300,000	215,000,000	838,781,258	5,473,005,435	

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

Capital Nomura Securities Public Company Limited
Statement of cash flows
For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
		(Restated)
Cash flows from operating activities		
Profit before income tax	519,516,152	538,596,875
Adjustments to reconcile profit before income tax		
to net cash provided by (paid from) operating activities		
Depreciation and amortisation	37,869,324	51,497,652
Loss (gain) on disposal of securities	15,683	(1,055,679)
Doubtful accounts	284,326	-
Loss (gain) on revaluation of investments	429,739	736,002
Loss on written-off computer software	-	2,885,877
Loss on written-off equipment	1,078,738	3,694,018
Gain on disposal of equipment	-	(755,582)
Gain on derivatives/exchange rate	(2,961,040)	(10,562,240)
Long-term employee benefits	7,815,317	7,123,071
Interest and dividend income	(88,453,060)	(85,316,476)
Interest income from margin loans	(487,759,988)	(390,757,909)
Others interest income	(1,622,782)	(1,341,676)
Financial costs	156,839,644	130,654,978
Cash received from interest	41,997,925	32,408,040
Cash received from interest on margin loans	496,346,200	377,955,983
Cash received from other interest	1,603,114	1,343,908
Cash paid for interest expenses (included other financial costs)	(140,769,729)	(123,466,391)
Cash paid for long-term employee benefits	(197,078)	-
Cash paid for income tax	(133,979,459)	(59,971,307)
Profit from operating activities before changes		
in operating assets and liabilities	408,053,026	473,669,144
Operating assets (increase) decrease		
Receivables from Clearing House	(221,596,732)	34,361,450
Securities and derivatives business receivables	2,946,520,967	(3,399,612,782)
Trading securities	503,759,371	(222,339,963)
Other assets	3,297,268	(41,302,123)

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

Capital Nomura Securities Public Company Limited

Statement of cash flows (Continued)

For the year ended 31 December 2015

		(Unit: Baht)
	2015	2014
		(Restated)
Operating liabilities increase (decrease)		
Borrowings from financial institutions	(2,277,779,000)	3,681,132,000
Payables to Clearing House	86,661,161	(108,777,106)
Securities and derivatives business payables	(569,161)	211,023,984
Borrowings	599,470,766	(1,221,736,824)
Other liabilities	(31,773,953)	76,594,897
Net cash from (used in) operating activities	2,016,043,713	(516,987,323)
Cash flows from investing activities		
Cash paid for purchase of available-for-sale securities	(10,667,157)	(402,097,212)
Cash received from disposal of available-for-sale securities	555,092	1,003,157,583
Net cash received (paid) from held-to maturity debt securities	(529,880,694)	1,215,815
Cash received from interest and dividend	53,321,999	47,095,885
Cash paid for acquisition of equipment	(59,276,666)	(13,498,895)
Cash received from sales of equipment	-	755,607
Cash paid for acquisition of intangible assets	(3,903,268)	(2,086,673)
Net cash from (used in) investing activities	(549,850,694)	634,542,110
Cash flows from financing activities		
Cash paid for dividend	(387,084,420)	(365,551,680)
Net cash used in financing activities	(387,084,420)	(365,551,680)
Net increase (decrease) in cash and cash equivalents	1,079,108,599	(247,996,893)
Cash and cash equivalents at the beginning of the year	384,254,287	632,251,180
Cash and cash equivalents at the end of the year	1,463,362,886	384,254,287

Supplemental cash flows information

Non-cash transactions :

Purchases of equipment and intangible assets

that have not yet been paid

10,076,334

56,191

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

Capital Nomura Securities Public Company Limited**Note to financial statement****For the year ended 31 December 2015**

1. General information

Capital Nomura Securities Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Nomura Asia Investment (Singapore) Pte. Ltd., which was incorporated in Singapore. The ultimate parent company of the Group is Nomura Holdings, Inc. 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 2015, the Company has 19 branches including a headquarter, 17 branches in Bangkok and up country and a Representative Office in Laos.

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 financial reporting standards

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

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current year's transactions and restated the prior year's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Company has changed some of its accounting policies, as a result of the adoption of new and revised financial reporting standards.

The amounts of adjustments affecting the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

For the year ended

31 December 2014

Statements of comprehensive income

Profit or loss:

Decrease in personnel expenses	4,414
Increase in income tax	883
Increase in profit	3,531

Other comprehensive income:

Increase in actuarial losses	4,414
Decrease in income tax	883
Decrease in other comprehensive income	3,531

5. Significant accounting policies

5.1 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.

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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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 comprehensive income in the statements of comprehensive income, depending on the type of investment that is reclassified.

5.7 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.

5.8 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.

5.9 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.

5.10 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 year of 5 years.

5.11 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.

5.12 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.

5.13 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.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses, contribution to the social security fund 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 plan 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 other comprehensive income.

5.19 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.

5.20 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.

5.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. 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:

6.1 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.

6.2 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.

6.3 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.

6.4 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.

6.5 Fair value of financial instruments

In determining the fair value of financial instruments recognised in financial statements 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 credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and discloses of fair value hierarchy.

6.6 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.

6.7 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.

7. Cash and cash equivalents

	(Unit: Baht)	
	2015	2014
Cash	74,000	80,200
Current deposits and saving deposits	387,833,307	794,214,535
Time deposits with maturity date not more than 3 months		
from acquisition date	300,000,000	100,000,000
Promissory notes at call	1,115,000,000	372,000,000
Promissory notes with maturity date due no more than 3 months	250,000,000	-
Total cash and cash equivalents	2,052,907,307	1,266,294,735
Less: Deposits for customers' account	(589,544,421)	(882,040,448)
Cash and cash equivalents	1,463,362,886	384,254,287

8. Deposits at financial institutions

	(Unit: Baht)	
	2015	2014
Time deposits with maturity date more than 3 months		
from acquisition date	600,000,000	1,170,000,000
Less: Deposits for customers' account	(600,000,000)	(1,170,000,000)
Deposits at financial institutions	-	-

9. Receivables from Clearing House

	(Unit: Baht)	
	2015	2014
Receivables from Clearing House		
Equity and debt securities	247,804,828	-
Derivatives	24,959,046	31,813,004
Receivables from foreign companies	4,167,608	30,380,544
Total receivables from Clearing House	276,931,482	62,193,548
Less: Receivables from Clearing House for customers' accounts	(24,700,786)	(31,559,584)
Receivables from Clearing House	252,230,696	30,633,964

10. Securities and derivatives business receivables

	(Unit: Baht)	
	2015	2014
<u>Securities business receivables</u>		
Cash accounts	769,148,189	1,388,045,776
Credit balances receivables	6,622,207,301	9,036,650,829
Guaranteed deposit receivables	380,668,994	336,063,481
Receivables under securities borrowing and lending business	345,991,348	303,886,705
Other receivables	6,569,999	6,620,531
Total securities business receivables	8,124,585,831	11,071,267,322
Add: Accrued interest receivables	33,563,524	42,047,988
Less: Allowance for doubtful accounts	(6,335,398)	(6,335,398)
Net securities business receivables	8,151,813,957	11,106,979,912
<u>Derivatives business receivables</u>		
Derivatives business receivables	257,482	181,285
Total derivatives business receivables	257,482	181,285
Net securities and derivatives business receivables	8,152,071,439	11,107,161,197

10.1 As at 31 December 2015, the Company has securities business receivables of approximately Baht 6 million on which the recognition of income on an accrual basis has been suspended (31 December 2014: Baht 7 million).

10.2 As at 31 December 2015 and 2014, 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)

	2015		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	8,152,071	-	8,152,071
Doubtful	6,335	6,335	-
Total	8,158,406	6,335	8,152,071

(Unit: Thousand Baht)

	2014		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	11,107,161	-	11,107,161
Doubtful	6,335	6,335	-
Total	11,113,496	6,335	11,107,161

10.3 As at 31 December 2015, guaranteed deposit receivables of approximately Baht 381 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 346 million (31 December 2014: Baht 336 million and Baht 304 million, respectively).

10.4 Allowance for doubtful accounts

(Unit: Baht)

	For the years ended 31 December	
	2015	2014
Balance - beginning of the year	6,335,398	6,335,398
Change during the year	-	-
Balance - end of the year	6,335,398	6,335,398

11. Derivatives assets

(Unit: Baht)

	2015		2014	
	Fair value	Notional amount	Fair value	Notional amount
Forward exchange contract	-	-	3,353,000	324,775,000
Total derivatives assets	-	-	3,353,000	324,775,000

As at 31 December 2014, derivatives assets relate to the differences between the fair values and the original values of the forward foreign exchange contracts, amounting to USD 10 million.

12. Investments

12.1 Classify by type of investments

(Unit: Baht)

	2015		2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Trading securities</u>				
Debt securities	55,780,586	55,967,588	559,634,431	560,248,299
Listed equity securities	94,474	91,601	-	-
Total	55,875,060	56,059,189	559,634,431	560,248,299
Add: Allowance for revaluation	187,002		613,868	
Less: Allowance for impairment	(2,873)		-	
Net trading securities	56,059,189		560,248,299	
<u>Available-for-sale securities</u>				
Listed equity securities	30,210	-	30,210	-
Unit trusts	110,721,254	112,139,163	100,624,873	103,294,929
Total	110,751,464	112,139,163	100,655,083	103,294,929
Add: Allowance for revaluation	1,417,909		2,670,056	
Less: Allowance for impairment	(30,210)		(30,210)	
Net available-for-sale securities	112,139,163		103,294,929	
<u>Held-to-maturity debt securities</u>				
Treasury bill	2,394,470,600		1,328,606,101	
Less: Investments for customer's accounts	(1,859,257,101)		(1,322,319,163)	
Net held-to-maturity debt securities	535,213,499		6,286,938	
<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	<u>709,883,719</u>		<u>676,302,034</u>	

12.2 Debt securities classified by remaining periods to maturity

As at 31 December 2015 and 2014, the Company classified investments in held-to-maturity debt securities by remaining periods to maturity as follows:

(Unit: Baht)

	2015			
	Due within			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity debt securities				
Treasury bill	2,394,470,600	-	-	2,394,470,600
Less: Investments for customer's accounts	(1,859,257,101)	-	-	(1,859,257,101)
Total investments in held-to-maturity debt securities	535,213,499	-	-	535,213,499

(Unit: Baht)

	2014			
	Due within			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity debt securities				
Treasury bill	1,328,606,101	-	-	1,328,606,101
Less: Investments for customer's accounts	(1,322,319,163)	-	-	(1,322,319,163)
Total investments in held-to-maturity debt securities	6,286,938	-	-	6,286,938

12.3 Other components of equity - revaluation surplus on investments

(Unit: Baht)

	For the years ended 31 December	
	2015	2014
Balance - beginning of the year	2,136,045	56,989
Changes during the year from		
Revaluation	(1,267,830)	3,654,499
Disposal	15,683	(1,055,679)
Deferred income tax	250,429	(519,764)
Balance - end of the year	1,134,327	2,136,045

12.4 Gain on securities

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Realised gain (loss) on trading in securities		
Trading securities	61,115,795	40,479,415
Available-for-sale securities	(15,683)	1,055,679
Unrealised loss on trading securities	(429,739)	(736,002)
Total gain on securities	60,670,373	40,799,092

12.5 Interest and dividend income

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Interest income from debt securities	45,819,441	45,228,780
Dividend income from equity securities	4,591,295	3,168,725
Total interest and dividend income	50,410,736	48,397,505

13. Premises and equipment

(Unit: Baht)

For the year ended 31 December 2015						
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	Total
Cost						
1 January 2015	22,704,701	216,679,591	134,443,541	24,374,034	-	398,201,867
Additions	-	27,359,148	5,181,802	23,911,946	7,172,231	63,625,127
Write-off	-	-	(3,599,192)	-	-	(3,599,192)
Transfer in/out	-	-	6,436,380	-	(6,436,380)	-
31 December 2015	22,704,701	244,038,739	142,462,531	48,285,980	735,851	458,227,802
Accumulated depreciation						
1 January 2015	18,441,571	185,008,821	110,789,242	20,519,344	-	334,758,978
Depreciation for the year	-	18,372,448	11,451,008	3,937,955	-	33,761,411
Depreciation on disposals	-	-	(2,520,454)	-	-	(2,520,454)
31 December 2015	18,441,571	203,381,269	119,719,796	24,457,299	-	365,999,935
Net book value						
31 December 2015	4,263,130	40,657,470	22,742,735	23,828,681	735,851	92,227,867
Depreciation for the year ended 31 December 2015						33,761,411

(Unit: Baht)

For the year ended 31 December 2014						
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	Total
Cost						
1 January 2014	22,704,701	216,797,204	132,306,055	27,954,034	2,859,316	402,621,310
Additions	-	15,059,063	996,640	-	1,113,930	17,169,633
Disposals	-	(17,908,505)	(100,571)	(3,580,000)	-	(21,589,076)
Transfer in/out	-	2,731,829	1,241,417	-	(3,973,246)	-
31 December 2014	22,704,701	216,679,591	134,443,541	24,374,034	-	398,201,867
Accumulated depreciation						
1 January 2014	18,441,571	176,186,483	91,852,245	19,224,537	-	305,704,836
Depreciation for the year	-	23,049,957	19,024,413	4,874,805	-	46,949,175
Depreciation on disposals	-	(14,227,619)	(87,416)	(3,579,998)	-	(17,895,033)
31 December 2014	18,441,571	185,008,821	110,789,242	20,519,344	-	334,758,978
Net book value						
31 December 2014	4,263,130	31,670,770	23,654,299	3,854,690	-	63,442,889
Depreciation for the year ended 31 December 2014						46,949,175

As at 31 December 2015, condominium units for a total of Baht 4 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 295 million (31 December 2014: Baht 4 million and Baht 167 million, respectively).

14. Intangible assets

(Unit: Baht)

	Remaining amortisation period	For the year ended 31 December 2015				
		Balance beginning of the year	Increase/ transfer in	Amortised	Disposals/ transfer out	Balance end of the year
Computer software	0.4 - 4.92 years	12,775,962	6,970,750	-	-	19,746,712
Software in progress		40,734	3,139,183	-	(534,984)	2,644,933
Total intangible assets		12,816,696	10,109,933	-	(534,984)	22,391,645
Less: Accumulated amortisation		(5,211,155)	-	(3,096,129)	-	(8,307,284)
Net intangible assets		7,605,541	10,109,933	(3,096,129)	(534,984)	14,084,361
Amortisation expenses for the year ended 31 December 2015						3,096,129

(Unit: Baht)

	Remaining amortisation year	For the year ended 31 December 2014				
		Balance beginning of the year	Increase/ transfer in	Amortised	Disposals/ transfer out	Balance end of the year
Computer software	0 - 4.92 years	81,042,380	3,048,213	(71,314,631)	-	12,775,962
Software in progress		4,761,200	1,223,699	-	(5,944,165)	40,734
Total intangible assets		85,803,580	4,271,912	(71,314,631)	(5,944,165)	12,816,696
Less: Accumulated amortisation		(70,052,151)	-	(3,587,758)	68,428,754	(5,211,155)
Net intangible assets		15,751,429	4,271,912	(74,902,389)	62,484,589	7,605,541
Amortisation expenses for the year ended 31 December 2014						3,587,758

15. Deferred tax assets/liabilities and income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
		(Restated)
Current income tax:		
Current income tax charge for the year	104,182,641	119,014,923
Adjustment in respect of income tax of prior year	(291,554)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(338,782)	(9,163,695)
Income tax expense reported in the statement of comprehensive income	103,552,305	109,851,228

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
		(Restated)
Deferred tax relating to gain (loss) on re-measuring available-for-sale investments	250,429	(519,764)
Deferred tax relating to actuarial loss	-	882,885
	250,429	363,121

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
		(Restated)
Accounting profit before tax	519,516,152	538,596,875
Applicable tax rates	20 percent	20 percent
Accounting profit before tax multiplied by applicable tax rates	103,903,230	107,719,375
Adjustment in respect of income tax of prior year	(291,554)	-
Effects of:		
Non-deductible expense	1,107,186	2,943,603
Non-taxable income	(1,125,187)	(797,003)
Additional expense deductions allowed	(41,370)	(14,747)
Total	(59,371)	2,131,853
Income tax expenses reported in the statement of comprehensive income	103,552,305	109,851,228

As of 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	2015	2014
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	1,324,759	1,281,959
Provisions for long-term employee benefits	14,411,940	12,888,292
Accrued employee expenses	34,997,508	37,704,869
Others	3,666,113	2,176,033
Total deferred tax assets	61,815,279	61,466,112
Deferred tax liabilities		
Others	(374,802)	(614,847)
Total deferred tax liabilities	(374,802)	(614,847)
Net deferred tax assets	61,440,477	60,851,265

16. Other assets

	(Unit: Baht)	
	2015	2014
Loans to employees	77,222,198	65,902,689
Contribution for Securities Clearing Fund	50,131,252	44,924,583
Prepaid expenses	28,646,809	37,958,194
Deposits	18,014,629	17,308,752
Deferred premium on forward exchange contract	-	421,926
Property foreclosed		
(net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Accrued interest receivables	4,622,857	10,617,667
Deposit for derivative business	5,000,000	5,000,000
Fees and service income receivables	10,538,788	34,406,277
Others	6,367,098	4,249,330
Total other assets	215,543,631	235,789,418

17. Borrowings from financial institutions

As at 31 December 2015 and 2014, borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

	(Unit: Thousand Baht)				
	2015				
	Interest rate	Remaining period to maturity			
	per annum	Less than			
	(percent)	At call	1 year	1 - 5 years	Total
Promissory notes	1.93 - 2.23	-	1,000,000	-	1,000,000
Borrowings					
Borrowings (THB)	2.41 - 3.08	-	-	1,300,000	1,300,000
Total borrowings from financial institutions		-	1,000,000	1,300,000	2,300,000

(Unit: Thousand Baht)

	2014				
	Interest rate	Remaining period to maturity			
	per annum	Less than			
	(percent)	At call	1 year	1 - 5 years	Total
Promissory notes	2.35 - 2.65	2,800,000	1,050,000	-	3,850,000
Borrowings					
Borrowings (THB)	4.08 - 4.33	-	400,000	-	400,000
Borrowing (Foreign)	0.84	-	331,132	-	331,132
Total borrowings from financial institutions		2,800,000	1,781,132	-	4,581,132

As at 31 December 2015 and 2014, the above borrowings of Baht 1,300 million and Baht 400 million, respectively are borrowings from the Bangkok branch of the overseas banks, with maturities of 2-3 years counting from contract date. The interest is carried at fixed rates per annum, payable as specified in the loan agreements. 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.

As at 31 December 2014, the borrowings of Baht 331 million, was 10 million US dollar, borrowing from an overseas bank and carrying interest at 0.84 percent fixed rate per annum, payable at the maturity date. However, the Company has purchased a forward contract to mitigate the related foreign exchange risk.

18. Payables to Clearing House

	(Unit: Baht)	
	2015	2014
Payables to Clearing House		
Equity and debt securities	305,608,149	218,915,549
Derivatives	384,692	416,131
Total payables to Clearing House	305,992,841	219,331,680

19. Securities and derivatives business payables

	(Unit: Baht)	
	2015	2014
<u>Securities business payables</u>		
Cash accounts	896,755,323	978,030,917
Guarantee deposit payables	350,508,874	311,916,484
Payable under securities borrowing and lending business	345,991,348	303,886,705
Total securities business payables	1,593,255,545	1,593,834,106
Accrued interest payables	3,450,269	4,469,105
Total securities business payables	1,596,705,814	1,598,303,211
<u>Derivatives business payables</u>		
Derivatives business payables	19,780	10,380
Total derivatives business payables	19,780	10,380
Net securities and derivatives business payables	1,596,725,594	1,598,313,591

20. Borrowings

As at 31 December 2015 and 2014, net of discount for borrowing of Baht 896 million and 299 million, respectively are unsecured borrowing from bill of exchange and carrying interest at 1.85 percent fixed rate per annum, payable at the maturity date 6 month. (2014: 2.60 percent fixed rate per annum, payable at the maturity date 3 month)

21. Provisions for long-term employee benefits

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

(Unit: Baht)		
For the years ended		
31 December		
	2015	2014
Provisions for long-term employee benefits at beginning of year	64,441,460	52,903,963
Current service cost	5,306,102	4,875,946
Interest cost	2,509,215	2,247,125
Benefits paid during the year	(197,078)	-
Actuarial loss (gain) arising from		
Demographic assumptions changes	-	3,691,567
Financial assumptions changes	-	6,124,289
Experience adjustments	-	(5,401,430)
Provisions for long-term employee benefits at end of year	72,059,699	64,441,460

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Baht)		
	2015	2014
		(Restated)
Current service cost	5,306,102	4,875,946
Interest cost	2,509,215	2,247,125
Total expenses recognised in profit or loss	7,815,317	7,123,071

The Company has obligation relating to long-term employee benefits expected to be paid to its employees in the next one year amount of Baht 1.6 million.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employees benefit was 11 years.

Significant actuarial assumptions are summarised below:

	2015	2014
Discount rate	3.9 percent per annum	3.9 percent per annum
Salary increase rate	5 - 6 percent per annum	5 - 6 percent per annum
Average turnover rate	2.5 - 35 percent per annum based on employee's age	2.5 - 35 percent per annum based on employee's age

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Million Baht)	
	Change - Increase (% per annum)	Amount Increase (Decrease)
	Change - Decrease (% per annum)	Amount Increase (Decrease)
Discount rate	0.5	(3.1)
Salary increase rate	0.5	3.9
Average turnover rate	0 - 3.5	(2.8)

22. Other liabilities

	(Unit: Baht)	
	2015	2014
Accrued employee expenses	177,035,777	196,631,861
Accrued interest expenses	16,484,110	9,137,285
Accrued expenses	37,262,226	32,389,571
Corporate income tax payable	59,475,812	89,564,183
Others	27,234,921	34,265,302
Total other liabilities	317,492,846	361,988,202

23. 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 2015, the Company allotted profit of Baht 21 million to the statutory reserve.

24. 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.

25. Brokerage fee income

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Brokerage fee from securities business	823,163,920	885,176,552
Brokerage fee from derivatives business	54,044,763	44,353,016
Total brokerage fees income	877,208,683	929,529,568

26. Fees and service income

	(Unit: Baht)	
	For the years ended 31 December	
	2015	2014
Underwriting fee	39,432,783	60,897,233
Financial advisory	17,745,000	5,880,000
Securities borrowing and lending	21,032,723	16,959,088
Business support	87,866,927	93,606,736
Others	2,626,831	1,496,543
Total fees and service income	168,704,264	178,839,600

27. 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.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E 2530. Both the employees and the Company contribute to the fund monthly at the rate of 5 - 10 percent of basic salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon termination in accordance with the fund rules.

The contributions for the year 2015 amounting to approximately Baht 22 million were recognised as expenses. (2014: Baht 22 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".

29. 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.

	For the years ended 31 December	
	2015	2014
		(Restated)
Profit for the year (Baht)	415,963,847	428,745,647
Weighted average number of ordinary shares (shares)	2,150,469,000	2,150,469,000
Earnings per share (Baht/share)	0.19	0.20

30. Dividends

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

	Approved by	Total dividend declaration	Dividend declaration per share
		(Million Baht)	(Baht)
Dividends from the operating results for the year ended 31 December 2014	The annual ordinary meeting of the Company's shareholders No. 1/2558 on 29 April 2015	387	0.18 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)
Dividends from the operating results for the year ended 31 December 2013	The annual ordinary meeting of the Company's shareholders No. 1/2557 on 25 April 2014	366	0.17 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)

31. Related party transactions

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

Related parties	Relationship
Nomura Holdings., Inc.	Ultimate parent company
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 Asia Holding N.V.	Having common major shareholders
Instinet Pacific Limited	Having common major shareholders
Nomura Mauritius Limited	Having common major shareholders
United Information Highway Co., Ltd.	Having common director

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 years ended 31 December		(Unit: Baht)
	2015	2014	Pricing policies
			(for the year 2015)
<u>Transactions occurred during the years</u>			
Brokerage fees income			
- Nomura Singapore Limited	631,121	185,837	At normal rate charged to other clients
- Nomura International Plc.	1,277,434	2,142,081	At normal rate charged to other clients
- Instinet Pacific Limited	35,248,966	33,895,467	At normal rate charged to other clients
- Nomura Asia Holding N.V.	-	1,820,820	At normal rate charged to other clients
- Director	501,320	-	At normal rate charged to other clients
Fees income from business support services			
- Nomura Singapore Limited	15,908,475	15,914,477	At actual costs plus a margin of 10 percent
Fees income from international investment banking services			
- Nomura Singapore Limited	22,250,000	-	At actual costs plus a margin of 10 percent

(Unit: Baht)

	For the years ended 31 December		Pricing policies
	2015	2014	(for the year 2015)
<u>Transactions occurred during the year</u>			
<u>(continued)</u>			
Fees income from introducing broker			
- Nomura Singapore Limited	865,586	1,024,919	Based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to similar business
Fee income from securities borrowing and lending			
- Nomura International Plc.	4,377,859	2,321,758	At normal rate charged to other clients
- Instinet Pacific Limited	59,434	19,324	At normal rate charged to other clients
Fees income from other services			
- Nomura Securities Co., Ltd.	5,425,400	19,361,184	At the contract rate determined by extent and amount of work assigned
- Nomura International (Hong Kong) Limited	3,787,956	26,324,661	At the contract rate determined by extent and amount of work assigned
Fees income from securities trading and research			
- Nomura Singapore Limited	40,495,097	32,006,414	At actual costs plus a margin of 10 percent
Fee expenses from Hi-speed circuit service			
- United Information Highway Co., Ltd.	1,971,614	1,078,928	At the same rate charged to other clients without dependent interest
Brokerage fees expense from foreign securities trading			
- Nomura Singapore Limited	72,520	198,261	Calculated base on trade volume and at the referential rate charged to other clients without dependent interest
Funding cost from trading fixed income in foreign currency			
- Nomura Singapore Limited	86,837	-	At normal rate charged to other clients
Interest on borrowings			
- Nomura Mauritius Limited	-	1,216,958	
Interest income from loans to employees			
- Director	14,044	22,356	At the same rate charged to other Company's staffs

As at 31 December 2015 and 2014, the outstanding balances of the related party transactions are as follows:

	(Unit: Baht)	
	2015	2014
Securities business receivables		
- Nomura International Plc.	3,718,000	89,615,000
- Instinet Pacific Limited	9,309,650	265,290,783
Other assets - accrued income receivables		
- Nomura Singapore Limited	8,022,875	24,058,307
- Director	536,412	-
Other assets - others		
- Nomura Singapore Limited	847,167	837,090
Other assets - loan to employees		
- Director	739,599	1,037,469
Other assets - Securities borrowing and Lending receivables		
- Nomura International Plc.	382,196	204,594
- Instinet Pacific Limited	6,976	2,000
Other assets - others		
- Nomura Holdings, INC.	172,594	7,625
- Instinet Pacific Limited	49,648	-
- Nomura International (Hong Kong) Limited	-	26,749
- Nomura Singapore Limited	-	33,542
- Nomura Securities Co., Ltd.	46,262	370,133
Securities business payables		
- Instinet Pacific Limited	77,765,896	102,923,522
- Nomura International Plc.	4,200,299	89,615,000
Other liabilities		
- United Information Highway Co., Ltd.	215,222	104,260

Management's remuneration

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to their directors and management as below:

	For the years ended 31 December	
	2015	2014
Short-term employee benefits	98,220,543	110,862,537
Post-employment benefits	5,455,956	7,020,527
	103,676,499	117,883,064

(Unit: Baht)

32. 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 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 total assets on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Below is the financial information as at 31 December 2015 and 2014, and for the years ended 31 December 2015 and 2014 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
	2015	2014	2015	2014	2015	2014	2015	2014	2015 2014
Total revenue	937	975	90	113	85	56	19	21	1,131 1,165
Segment operating profit	315	381	23	63	47	29	7	9	392 482
Unallocated income(expenses)									
Gain on investments/ derivatives/exchange rate									13 22
Interest and dividend income									66 68
Interest on margin loans									488 391
Other income									5 5
Financial costs									(157) (131)
Operating expenses									(287) (299)
Income tax									(104) (109)
Profit for the year									416 429

(Unit: Million Baht)

As at 31 December									
	Securities and derivatives brokerage segment		Investments banking segment		Fixed income segment		Other segments		Total
	2015	2014	2015	2014	2015	2014	2015	2014	2015 2014
Premises and equipment - net									92 63
Unallocated assets									10,869 12,506
Total assets									10,961 12,569

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 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

33. Commitments and contingent liabilities

As at 31 December 2015 and 2014, the Company has the following outstanding commitments and contingent liabilities.

- 33.1** 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 year end date, as follows.

	(Unit: Million Baht)	
	2015	2014
Within 1 year	51	35
In 1-2 years	39	19
Over 2 years	14	11

- 33.2** 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.
- 33.3** 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.
- 33.4** 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. 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 2015 and 2014, the Company has no policy to speculate in or engaged in the trading of any financial derivative instruments.

34.1 Risk management policy

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.

34.2 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.

34.3 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. However, since most of the Company's financial assets and liabilities will mature in 1 year or has floating interest rate, the Company's interest rate risk is expected to be low.

As at 31 December 2015 and 2014 significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

2015								
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	
				Floating			Fixed	
				interest rate			interest rate	
		Within 1 year	1 - 5 years	% p.a.			% p.a.	
<u>Financial assets</u>								
Cash and cash equivalents	1,195	250	-	18	1,463	0.96	1.00	
Receivable from Clearing House	-	-	-	252	252	-	-	
Securities and derivatives								
business receivables	6,622	346	-	1,157	8,125	5.38	3.50	
Investments	-	591	-	119	710	-	1.75	
Loans to employees	77	-	-	-	77	1.50	-	
<u>Financial liabilities</u>								
Borrowings from financial								
institutions	-	1,000	1,300	-	2,300	-	2.29	
Payables to Clearing House	-	-	-	306	306	-	-	
Securities and derivatives								
business payables	-	346	-	1,247	1,593	-	2.50	
Borrowings	-	896	-	-	896	-	1.85	

(Unit: Million Baht)

2014							
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	Fixed
						interest rate	interest rate
						% p.a.	% p.a.
Financial assets							
Cash and cash equivalents	379	-	-	5	384	1.72	-
Receivable from Clearing House	-	-	-	31	31	-	-
Securities and derivatives							
business receivables	9,037	304	-	1,730	11,071	5.43	3.50
Derivatives assets	-	-	-	3	3	-	-
Investments	-	567	-	109	676	-	5.07
Loans to employees	66	-	-	-	66	1.75	-
Financial liabilities							
Borrowings from financial							
institutions	2,800	1,781	-	-	4,581	2.37	2.63
Payables to Clearing House	-	-	-	219	219	-	-
Securities and derivatives							
business payables	-	304	-	1,294	1,598	-	2.50
Borrowings	-	299	-	-	299	-	2.60

34.4 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 2015 and 2014, the periods to the maturity dates of financial instruments are as follows.

(Unit: Million Baht)

2015						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	1,463	-	-	-	-	1,463
Receivable from Clearing House	-	252	-	-	-	252
Securities and derivatives business						
receivables - net	727	803	-	-	6,622	8,152
Investments - net	112	591	-	-	7	710
Loans to employees	-	-	8	69	-	77
Financial liabilities						
Borrowings from financial institutions	-	1,000	1,300	-	-	2,300
Payables to Clearing House	-	306	-	-	-	306
Securities and derivatives business						
payables - net	697	900	-	-	-	1,597
Borrowings	-	896	-	-	-	896

(Unit: Million Baht)

	2014					
	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	384	-	-	-	-	384
Receivable from Clearing House	-	31	-	-	-	31
Securities and derivatives business						
receivables - net	640	1,430	-	-	9,037	11,107
Derivatives assets	-	3	-	-	-	3
Investments - net	103	567	-	-	6	676
Loans to employees	-	1	5	60	-	66
<u>Financial liabilities</u>						
Borrowings from financial institutions	2,800	1,781	-	-	-	4,581
Payables to Clearing House	-	219	-	-	-	219
Securities and derivatives business						
payables - net	616	982	-	-	-	1,598
Borrowings	-	299	-	-	-	299

34.5 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

As at 31 December 2015, the Company has no liabilities in foreign currency (2014: USD 10 million or equivalent to Baht 331 million and has entered into forward exchange contract to mitigate the foreign currency risk).

34.6 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. Fair value

As of 31 December 2015, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)							
2015						2014	
Book value	Fair value				Book value	Fair value	
	Total	Level 1	Level 2	Level 3			
Financial assets measured							
at fair value							
Held for trade investments							
Debt securities	56	56	-	56	-	560	560
Available-for-sale investments							
Unit trusts	112	112	-	112	-	103	103
Forward exchange contract	-	-	-	-	-	3	3

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follow:

For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, Receivable from Clearing House, Securities and derivatives business receivables - net, Payables to Clearing House and Securities and derivatives business payables - net, their carrying amounts in the statement of financial position approximate their fair value.

- a) For investments, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- b) For loans to employees under welfare program, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For Borrowings from financial institutions and Borrowings carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 29 February 2016.

**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.nomuradirect.com**

Branch

Bangkok Region

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Overseas

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Northeastern Region

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Southern Region

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