

August 9, 2017

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of First Quarter in Fiscal Year 2017

In accordance with the Financial Instruments and the Exchange Act Article 57-17, “Notification, etc. of Documents Describing Status of Soundness in Management”, Daiwa Securities Group Inc. reports situation of soundness in liquidity management as of first quarter in fiscal year 2017.

Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit :1 Million Yen,%)

Items		First Quarter in Fiscal Year 2017		Fourth Quarter in Fiscal Year 2016	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,499,543		2,365,828	
Cash Outflows (2)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,581,207	158,120	1,622,463	162,246
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,581,207	158,120	1,622,463	162,246
5	Unsecured wholesale funding	2,178,621	1,280,236	2,165,766	1,265,395
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,138,865	1,240,480	2,143,673	1,243,302
8	Unsecured debt	39,756	39,756	22,092	22,092
9	Secured funding	6,942,826	381,617	7,147,459	382,625
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	249,561	249,561	266,467	266,467
11	Outflows related to derivative exposures	239,020	239,020	255,943	255,943
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,541	10,541	10,524	10,524
14	Other contractual funding obligations	4,150,377	1,149,996	5,121,482	1,261,432
15	Other contingent funding obligations	150,844	150,077	159,840	159,005
16	Total cash outflows		3,369,610		3,497,172
Cash Inflows (3)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	5,298,722	142,692	5,516,121	140,248
18	Inflows from fully performing exposures	373,983	372,268	419,631	416,459
19	Other cash inflows	3,972,195	1,140,356	5,290,561	1,312,732
20	Total cash inflows		1,655,317		1,869,441
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets		2,499,543		2,365,828
22	Total net cash outflows		1,714,293		1,627,730
23	Consolidated liquidity coverage ratio		145.8%		145.3%
24	Number of data used for calculation of average value		62		61

End