

February 8, 2017

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of third Quarter in Fiscal Year 2016

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 third quarter in fiscal year 2016.

Quantitative disclosure of consolidated liquidity coverage ratio

(Unit :1 Million Yen,%)

Items		Third Quarter in Fiscal Year 2016		Second Quarter in Fiscal Year 2016	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,317,653		2,428,246	
Cash Outflows (2)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,600,131	160,013	1,576,006	157,600
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,600,131	160,013	1,576,006	157,600
5	Unsecured wholesale funding	2,020,292	1,151,350	1,954,067	1,139,279
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	1,982,432	1,113,490	1,945,034	1,130,247
8	Unsecured debt	37,860	37,860	9,032	9,032
9	Secured funding	6,763,254	369,781	6,182,534	349,466
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	298,109	298,109	276,549	276,549
11	Outflows related to derivative exposures	287,327	287,327	265,738	265,738
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,782	10,782	10,811	10,811
14	Other contractual funding obligations	5,493,492	1,120,950	6,274,587	1,393,599
15	Other contingent funding obligations	157,487	157,032	156,034	155,569
16	Total cash outflows	3,257,238		3,472,065	
Cash Inflows (3)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	5,395,501	143,993	5,259,586	133,265
18	Inflows from fully performing exposures	421,603	420,408	395,095	394,312
19	Other cash inflows	6,070,538	1,205,688	6,563,663	1,373,085
20	Total cash inflows	1,770,089		1,900,663	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets	2,317,653		2,428,246	
22	Total net cash outflows	1,487,148		1,571,402	
23	Consolidated liquidity coverage ratio	155.8 %		154.5 %	
24	Number of data used for calculation of average value	3		3	

End