

August 3, 2018

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of First Quarter in Fiscal Year 2018

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 2018.

Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit :1 Million Yen,%)

Items		First Quarter in Fiscal Year 2018		Fourth Quarter in Fiscal Year 2017	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,688,055		2,687,674	
Cash Outflows (2)					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,771,214	177,121	1,808,090	180,809
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,771,214	177,121	1,808,090	180,809
5	Unsecured wholesale funding	2,521,352	1,499,742	2,455,439	1,437,045
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,449,871	1,428,261	2,380,519	1,362,125
8	Unsecured debt	71,481	71,481	74,919	74,919
9	Secured funding	5,970,161	414,006	6,438,264	419,051
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	269,545	269,545	228,464	228,464
11	Outflows related to derivative exposures	259,047	259,047	217,954	217,954
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,498	10,498	10,510	10,510
14	Other contractual funding obligations	4,124,606	1,245,671	3,848,840	1,328,920
15	Other contingent funding obligations	156,465	156,056	150,725	150,307
16	Total cash outflows	3,762,144		3,744,602	
Cash Inflows (3)					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	5,105,562	170,922	6,037,256	170,172
18	Inflows from fully performing exposures	486,024	451,375	408,081	406,668
19	Other cash inflows	3,836,059	1,243,618	3,587,632	1,334,882
20	Total cash inflows	1,865,916		1,911,723	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets	2,688,055		2,687,674	
22	Total net cash outflows	1,896,228		1,832,879	
23	Consolidated liquidity coverage ratio	141.7%		146.6%	
24	Number of data used for calculation of average value	62		59	

(Unit :1 Million Yen,%)

		First Quarter in Fiscal Year 2018	Fourth Quarter in Fiscal Year 2017	Third Quarter in Fiscal Year 2017	Second Quarter in Fiscal Year 2017	First Quarter in Fiscal Year 2017
Consolidated liquidity coverage ratio						
15	Total high quality liquid assets	2,688,055	2,687,674	2,532,823	2,627,529	2,499,543
16	Total net cash outflows	1,896,228	1,832,879	1,700,070	1,808,991	1,714,293
17	Consolidated liquidity coverage ratio	141.7%	146.6%	148.9%	145.2%	145.8%

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