

February 7, 2019

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of Third 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 third quarter in fiscal year 2018.

Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit :1 Million Yen,%)

Items		Third Quarter in Fiscal Year 2018		Second Quarter in Fiscal Year 2018	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,501,861		2,675,608	
Cash Outflows (2)					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,791,902	179,190	1,785,663	178,566
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,791,902	179,190	1,785,663	178,566
5	Unsecured wholesale funding	2,393,304	1,276,488	2,700,096	1,627,673
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,328,102	1,211,285	2,624,593	1,552,169
8	Unsecured debt	65,202	65,202	75,503	75,503
9	Secured funding	7,327,300	416,314	6,281,435	374,821
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	265,317	265,317	258,943	258,943
11	Outflows related to derivative exposures	254,782	254,782	248,436	248,436
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,535	10,535	10,507	10,507
14	Other contractual funding obligations	4,357,483	1,202,602	3,853,985	1,118,592
15	Other contingent funding obligations	174,789	174,399	179,948	179,543
16	Total cash outflows	3,514,313		3,738,141	
Cash Inflows (3)					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	5,949,504	155,634	5,213,268	166,450
18	Inflows from fully performing exposures	376,708	353,289	621,845	518,503
19	Other cash inflows	3,980,981	1,197,075	3,603,673	1,170,069
20	Total cash inflows	1,705,999		1,855,024	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets	2,501,861		2,675,608	
22	Total net cash outflows	1,808,314		1,883,117	
23	Consolidated liquidity coverage ratio	138.3%		142.0%	
24	Number of data used for calculation of average value	62		62	

(Unit :1 Million Yen,%)

		Third Quarter in Fiscal Year 2018	Second Quarter in Fiscal Year 2018	First Quarter in Fiscal Year 2018	Fourth Quarter in Fiscal Year 2017	Third Quarter in Fiscal Year 2017
Consolidated liquidity coverage ratio						
15	Total high quality liquid assets	2,501,861	2,675,608	2,688,055	2,687,674	2,532,823
16	Total net cash outflows	1,808,314	1,883,117	1,896,228	1,832,879	1,700,070
17	Consolidated liquidity coverage ratio	138.3%	142.0%	141.7%	146.6%	148.9%

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