

August 10, 2016

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of First 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 first quarter in fiscal year 2016.

Quantitative disclosure of consolidated liquidity coverage ratio

(Unit :1 Million Yen,%)

Items		First Quarter in Fiscal Year 2016		Fourth Quarter in Fiscal Year 2015	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,230,981		2,034,543	
Cash Outflows (2)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,653,216	165,321	1,745,930	174,593
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,653,216	165,321	1,745,930	174,593
5	Unsecured wholesale funding	1,783,300	986,004	1,511,475	729,428
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	1,724,276	926,980	1,391,770	609,724
8	Unsecured debt	59,024	59,024	119,704	119,704
9	Secured funding	6,705,027	369,113	7,445,052	429,652
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	299,207	299,207	361,879	361,879
11	Outflows related to derivative exposures	288,396	288,396	351,055	351,055
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,811	10,811	10,823	10,823
14	Other contractual funding obligations	6,476,919	983,665	5,354,435	983,370
15	Other contingent funding obligations	152,492	152,022	164,856	164,363
16	Total cash outflows	2,955,335		2,843,287	
Cash Inflows (3)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	4,902,222	148,082	4,927,749	134,707
18	Inflows from fully performing exposures	408,871	408,342	352,963	351,658
19	Other cash inflows	5,593,306	1,053,117	5,594,446	1,054,471
20	Total cash inflows	1,609,542		1,540,838	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets	2,230,981		2,034,543	
22	Total net cash outflows	1,345,793		1,302,449	
23	Consolidated liquidity coverage ratio	165.7 %		156.2 %	
24	Number of data used for calculation of average value	3		3	

End