

February 7, 2018

Daiwa Securities Group Inc.

Report Regarding Consolidated Liquidity Coverage Ratio

Situation of Soundness in Liquidity Management as of Third 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 third quarter in fiscal year 2017.

Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit :1 Million Yen,%)

Items		Third Quarter in Fiscal Year 2017		Second Quarter in Fiscal Year 2017	
High Quality Liquid Assets (1)					
1	Total high quality liquid assets	2,532,823		2,627,529	
Cash Outflows (2)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,740,436	174,043	1,650,078	165,007
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,740,436	174,043	1,650,078	165,007
5	Unsecured wholesale funding	2,316,960	1,299,461	2,419,397	1,434,417
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,259,509	1,242,009	2,374,010	1,389,030
8	Unsecured debt	57,451	57,451	45,387	45,387
9	Secured funding	6,664,430	414,602	6,775,300	366,831
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	223,100	223,100	235,831	235,831
11	Outflows related to derivative exposures	212,854	212,854	225,156	225,156
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,246	10,246	10,675	10,675
14	Other contractual funding obligations	3,732,993	1,295,677	3,839,519	1,129,263
15	Other contingent funding obligations	146,440	145,826	155,776	155,017
16	Total cash outflows	3,552,712		3,486,369	
Cash Inflows (3)		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	5,586,882	156,558	5,439,234	136,276
18	Inflows from fully performing exposures	429,979	428,649	395,101	394,113
19	Other cash inflows	3,490,344	1,267,433	3,517,465	1,146,987
20	Total cash inflows	1,852,641		1,677,377	
Consolidated Liquidity Coverage Ratio (4)					
21	Total high quality liquid assets	2,532,823		2,627,529	
22	Total net cash outflows	1,700,070		1,808,991	
23	Consolidated liquidity coverage ratio	148.9%		145.2%	
24	Number of data used for calculation of average value	62		62	

End