

August 6, 2019

Daiwa Securities Group Inc.

**Report Regarding Consolidated Liquidity Coverage Ratio**

**Situation of Soundness in Liquidity Management as of First Quarter in Fiscal Year 2019**

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 2019.

## Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit :1 Million Yen,%)

Items		First Quarter in Fiscal Year 2019		Fourth Quarter in Fiscal Year 2018	
<b>High Quality Liquid Assets (1)</b>					
1	Total high quality liquid assets	2,674,229		2,528,417	
<b>Cash Outflows (2)</b>					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,817,535	181,753	1,757,279	175,727
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,817,535	181,753	1,757,279	175,727
5	Unsecured wholesale funding	2,700,391	1,567,008	2,646,411	1,545,852
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,614,324	1,480,941	2,581,951	1,481,392
8	Unsecured debt	86,066	86,066	64,460	64,460
9	Secured funding	6,744,272	361,627	6,799,261	433,523
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	212,763	212,763	226,236	226,236
11	Outflows related to derivative exposures	202,243	202,243	215,618	215,618
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	10,520	10,520	10,618	10,618
14	Other contractual funding obligations	4,388,012	1,132,269	4,095,100	1,072,910
15	Other contingent funding obligations	97,447	97,058	86,791	86,405
16	Total cash outflows	3,552,481		3,540,657	
<b>Cash Inflows (3)</b>					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	5,442,897	170,905	5,451,550	188,070
18	Inflows from fully performing exposures	398,661	357,321	502,341	408,594
19	Other cash inflows	4,023,773	1,188,847	3,828,179	1,157,918
20	Total cash inflows	1,717,074		1,754,582	
<b>Consolidated Liquidity Coverage Ratio (4)</b>					
21	Total high quality liquid assets	2,674,229		2,528,417	
22	Total net cash outflows	1,835,406		1,786,074	
23	Consolidated liquidity coverage ratio	145.7%		141.5%	
24	Number of data used for calculation of average value	59		58	

(Unit :1 Million Yen,%)

		First Quarter in Fiscal Year 2019	Fourth Quarter in Fiscal Year 2018	Third Quarter in Fiscal Year 2018	Second Quarter in Fiscal Year 2018	First Quarter in Fiscal Year 2018
<b>Consolidated liquidity coverage ratio</b>						
15	Total high quality liquid assets	2,674,229	2,528,417	2,501,861	2,675,608	2,688,055
16	Total net cash outflows	1,835,406	1,786,074	1,808,314	1,883,117	1,896,228
17	Consolidated liquidity coverage ratio	145.7%	141.5%	138.3%	142.0%	141.7%

End