

April 27, 2022

Daiwa Securities Group Inc.

**Report Regarding Consolidated Liquidity Coverage Ratio  
and Consolidated Net Stable Funding Ratio**

**Situation of Soundness in Liquidity Management as of Third Quarter in Fiscal Year 2021**

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 the situation of soundness in liquidity management as of third quarter in fiscal year 2021.

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## Key Metrics (at consolidated group level)

KM1: Key Metrics

(Unit :1 Million Yen,%)

		Third Quarter in Fiscal Year 2021	Second Quarter in Fiscal Year 2021	First Quarter in Fiscal Year 2021	Fourth Quarter in Fiscal Year 2020	Third Quarter in Fiscal Year 2020
<b>Consolidated liquidity coverage ratio</b>						
15	Total high quality liquid assets	2,615,330	2,666,490	2,673,653	2,760,821	2,832,922
16	Total net cash outflows	1,797,829	1,709,909	1,749,312	1,712,430	1,683,954
17	Consolidated liquidity coverage ratio	145.4%	155.9%	152.8%	161.2%	168.2%
<b>Consolidated net stable funding ratio</b>						
18	Total available stable funding	8,267,404	8,815,759			
19	Total required stable funding	5,457,139	5,490,069			
20	Consolidated net stable funding ratio	151.4%	160.5%			

## Quantitative Disclosure (Consolidated)

### 1. Quantitative disclosure of consolidated Liquidity Coverage Ratio

(Unit :1 Million Yen,%)

Items		Third Quarter in Fiscal Year 2021		Second Quarter in Fiscal Year 2021	
<b>High Quality Liquid Assets (1)</b>					
1	Total high quality liquid assets	2,615,330		2,666,490	
<b>Cash Outflows (2)</b>					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
2	Retail deposits and deposits from small business customers	1,974,079	203,908	2,070,002	207,000
3	Stable deposits	-	-	-	-
4	Less stable deposits	1,974,079	203,908	2,070,002	207,000
5	Unsecured wholesale funding	2,783,694	1,490,120	2,864,118	1,489,859
6	Operational deposits	-	-	-	-
7	Unsecured wholesale funding other than operational deposits and unsecured debt	2,678,388	1,382,535	2,737,248	1,362,989
8	Unsecured debt	105,306	107,584	126,869	126,869
9	Secured funding	8,159,139	249,511	8,509,734	251,378
10	Outflows related to derivative exposures, loss of funding on debt products, committed credit and liquidity facilities	253,067	260,754	230,215	230,215
11	Outflows related to derivative exposures	238,202	245,416	214,487	214,487
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Outflows related to credit and liquidity facilities	14,865	15,338	15,728	15,728
14	Other contractual funding obligations	4,995,738	1,143,922	4,690,418	1,002,118
15	Other contingent funding obligations	198,633	187,587	192,728	180,953
16	Total cash outflows	3,535,805		3,361,524	
<b>Cash Inflows (3)</b>					
		Unweighted Value	Weighted Value	Unweighted Value	Weighted Value
17	Secured lending	6,955,265	120,067	6,773,080	122,603
18	Inflows from fully performing exposures	559,606	516,332	575,069	501,669
19	Other cash inflows	4,356,250	1,101,575	4,304,214	1,027,341
20	Total cash inflows	1,737,976		1,651,614	
<b>Consolidated Liquidity Coverage Ratio (4)</b>					
21	Total high quality liquid assets	2,615,330		2,666,490	
22	Total net cash outflows	1,797,829		1,709,909	
23	Consolidated liquidity coverage ratio	145.4%		155.9%	
24	Number of data used for calculation of average value	63		61	

## 2. Quantitative disclosure of consolidated Net Stable Funding Ratio

(Unit:1 Million Yen, %)

Items	Third Quarter in Fiscal Year 2021					Second Quarter in Fiscal Year 2021					
	Unweighted Value				Weighted Value	Unweighted Value				Weighted Value	
	Indeterminate	< 6months	≥ 6months < 1year	≥ 1year		Indeterminate	< 6months	≥ 6months < 1year	≥ 1year		
<b>Available Stable Funding (ASF) (1)</b>											
1	Capital	-	-	-	1,550,859	1,550,859	-	-	-	1,538,266	1,538,266
2	Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (excluding the proportion of Tier 2 instruments with residual maturity of less than one year) before the application of capital deductions	-	-	-	1,550,859	1,550,859	-	-	-	1,538,266	1,538,266
3	Other capital instruments that are not included in the above category	-	-	-	-	-	-	-	-	-	-
4	Funding from retail and small business customers	2,072,336	-	-	-	1,865,103	2,052,538	-	-	-	1,847,284
5	Stable deposits	-	-	-	-	-	-	-	-	-	-
6	Less stable deposits	2,072,336	-	-	-	1,865,103	2,052,538	-	-	-	1,847,284
7	Wholesale funding	1,367,944	8,329,649	682,768	2,249,075	4,404,024	1,628,208	7,978,555	877,754	2,246,622	5,023,975
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	1,367,944	8,329,649	682,768	2,249,075	4,404,024	1,628,208	7,978,555	877,754	2,246,622	5,023,975
10	Liabilities with matching interdependent assets	-	-	-	-	-	-	-	-	-	-
11	Other liabilities	105,001	4,855,313	116,010	609,184	447,417	102,959	3,608,085	101,158	604,352	406,232
12	Derivative liabilities	-	-	-	-	-	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	105,001	4,855,313	116,010	609,184	447,417	102,959	3,608,085	101,158	604,352	406,232
14	Total available stable funding	-	-	-	-	8,267,404	-	-	-	-	8,815,759
<b>Required Stable Funding (RSF) (2)</b>											
15	High quality liquid assets	-	-	-	-	397,783	-	-	-	-	366,573
16	Deposits held at financial institutions for operational purposes	28,408	4,025	-	-	18,229	19,415	3,917	-	-	13,624
17	Loans, repo transactions-related assets, securities and other similar assets	443,322	6,327,739	531,093	1,812,899	2,710,493	449,101	6,300,539	617,130	1,860,179	2,806,974
18	Loans to and repo transactions with financial institutions (secured by level 1 assets)	-	3,698,190	11,861	1,381	69,293	-	3,807,022	10,313	3,403	57,181
19	Loans to and repo transactions with financial institutions (not included in item 18)	443,319	772,088	30,163	12,314	221,469	443,998	879,227	40,257	25,273	255,569
20	Loans to and repo transactions-related assets (not included in item 18, 19 and 22)	-	1,764,558	188,249	926,216	1,476,022	-	1,578,747	207,023	903,964	1,501,149
21	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	-	1,479,281	127,377	42	466,295	-	1,252,781	155,016	5	487,633
22	Residential mortgages	-	-	-	-	-	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA and other similar assets	3	92,903	300,820	872,988	943,709	5,103	35,543	359,537	927,539	993,075
25	Assets with matching interdependent liabilities	-	-	-	-	-	-	-	-	-	-
26	Other assets	36,317	416,771	-	2,258,117	2,223,319	35,763	474,370	-	2,229,489	2,196,173
27	Physical traded commodities including gold	-	-	-	-	-	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs (including those that are not recorded on consolidated balance sheet)	-	-	-	248,416	211,153	-	-	-	233,832	198,757
29	Derivative assets	-	-	-	250,217	250,217	-	-	-	282,669	282,669
30	Derivative liabilities (before deduction of variation margin posted)	-	-	-	16,646	16,646	-	-	-	16,233	16,233
31	All other assets not included in the above categories	36,317	416,771	-	1,742,838	1,745,303	35,763	474,370	-	1,696,755	1,698,514
32	Off-balance sheet items	-	-	-	134,286	107,311	-	-	-	132,239	106,722
33	Total required stable funding	-	-	-	-	5,457,139	-	-	-	-	5,490,069
34	Consolidated net stable funding ratio (NSFR)	-	-	-	-	151.4%	-	-	-	-	160.5%