

§165(d) Tailored Resolution Plan for 2014

Section 1: Public Section

Contents

(a)	Public Section	3
(1)	The names of material entities	3
(2)	A description of core business lines.....	3
(3)	Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources	4
(4)	A description of derivative activities and hedging activities	6
(5)	A list of memberships in material payment, clearing and settlement systems.....	6
(6)	A description of foreign operations	7
(7)	The identities of material supervisory authorities.....	7
(8)	The identities of the principal officers	7
(9)	A description of the corporate governance structure and processes related to resolution planning.....	8
(10)	A description of material management information systems.....	8
(11)	A description, at a high level, of the covered company’s resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines	8

(a) Public Section

Introduction

The Gunma Bank, Ltd. (the “Covered Company”) has developed a Tailored Resolution Plan (“TRP”) to address the requirements for a resolution under the joint Board of Governors of the Federal Reserve System (“FRB”) and Federal Deposit Insurance Corporation (“FDIC”) rule implementing Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“the SIFI Rule”).

The primary goal of the Resolution Plan is to ensure a rapid and orderly resolution in a manner that would not pose any serious adverse effects on U.S. financial stability while maximizing the value of the Core Business Lines (“CBLs”), providing the continuity of the Critical Operations (“COs”), and facilitating the orderly wind-down of the relevant Material Entities (“MEs”).

(1) The names of material entities

For resolution planning purposes, the Covered Company has identified The Gunma Bank, Ltd. New York Branch (the “New York Branch”) as the only ME operating in the U.S.

The New York Branch primarily provides loans to corporate customers that are customers of the Covered Company domestically in Japan and have their branches and/or subsidiaries in the U.S. As of March 31, 2014, the New York Branch had total assets of approximately \$910 million.

While the New York Branch does not conduct any significant activities of a CO or CBL, the Covered Company has identified the New York Branch as the sole ME in the U.S. for providing access to the U.S. financial markets.

(2) A description of core business lines

As part of its quantitative assessment, the Covered Company evaluated its business lines against the Covered Company totals in terms of revenue and asset size. If a business line represented greater than 10% of the global totals, the business line was designated as a “global business line”. Subsequently, if the global business line’s activities were performed in the U.S., the U.S. portion of that global business line was evaluated against the global business line total in terms of revenue and asset size.

Based on this assessment, the Covered Company identified its loan business and securities investment business as the only global business lines conducted in the U.S. As discussed, the New York Branch only engages in the corporate loan business and the securities investment business. The New York Branch’s loan business and securities investment business each represented less than 2% of the

global total of revenue and assets for the year ended March 31, 2014 and as of March 31, 2014, respectively.

	Metrics			
	Revenue (\$000)	% of global total	Assets (\$000)	% of global total
New York Branch Loans	3,949	1%	441,418	1%
Global Total	593,475	100%	44,232,447	100%
New York Branch Securities	4,359	2%	441,426	2%
Global Total	225,335	100%	21,629,392	100%

Therefore, for resolution planning purposes, the Covered Company does not believe that the New York Branch performs any CBL activities that are material due to its *de minimis* financial impact and because our business strategies relevant to the New York Branch's activities remain unchanged.

(3) Consolidated or segment financial information regarding assets, liabilities, capital and major funding sources

The below table presents the consolidated balance sheet of the Covered Company as of March 31, 2014:

The Gunma Bank, Ltd.	
Balance Sheet (March 31, 2014)	
(Expressed in Thousands of U.S. Dollars)	
Assets	
Cash and due from banks	1,215,497
Call loans	910,716
Commercial paper and other debt purchased	159,279
Trading account securities	26,715
Money held in trust	48,581
Securities	21,629,392
Loans and bills discounted	44,232,447
Foreign exchange	39,684
Lease receivables and investment assets	382,718
Other assets	269,627
Tangible fixed assets	649,704
Intangible fixed assets	90,584

The Gunma Bank, Ltd.	
Balance Sheet March 31, 2014	
(Expressed in Thousands of U.S. Dollars)	
Net defined benefit assets	66,123
Deferred income tax assets	19,571
Customers' liabilities for acceptances and guarantees	155,086
Reserve for possible loan losses	(505,217)
Total assets	69,390,507
Liabilities	
Deposits	59,191,891
Call money and bills sold	587,770
Payable under securities lending transactions	2,183,690
Borrowed money	1,750,081
Foreign exchange	2,469
Other liabilities	490,803
Reserve for bonuses for directors and corporate auditors	563
Net defined benefit liabilities	24,444
Reserve for retirement benefits for directors and corporate auditors	6,894
Reserve for losses on repayments of dormant bank accounts	10,011
Reserve for point loyalty programs	1,364
Reserve for contingent losses	11,629
Deferred income tax liability	336,656
Deferred income tax liability by land revaluation excess	91,891
Acceptances and guarantees	155,086
Total liabilities	64,845,242
Net Assets	
Common stock	472,719
Capital surplus	283,141
Retained earnings	2,809,004
Treasury stock	(51,618)
Total stockholders' equity	3,513,246
Net unrealized gain on securities available for sale	863,935
Net deferred losses on hedging instruments, net of taxes	(680)
Land revaluation excess	127,581
Foreign currency translation adjustment	(1,227)
Remeasurements of defined benefit plans	(39,463)
Total accumulated other comprehensive income	950,146
Subscription rights to shares	2,362
Minority interest	79,511
Total net assets	4,545,265
Total liabilities and net assets	69,390,507

The Covered Company’s financial reporting is prepared in accordance with accounting principles and practices generally accepted in Japan (“Japanese GAAP”).

(4) A description of derivative activities and hedging activities

The Covered Company conducts derivative transactions including interest rate swaps and currency swaps in an effort to accommodate clients’ financial needs, and as part of the Covered Company’s asset-liability management effort. The Covered Company also engages in proprietary derivative trading with the purpose to earn short-term spread, subject to risk management including the setting of certain position limits and maximum allowable losses, in an effort to prevent losses in excess of an internal threshold.

The Covered Company applies hedge accounting. The Covered Company confirms that for interest rate hedges, the conditions for exceptional treatment are met and that for hedges of foreign currency exchange risk, foreign currency position exceeds hedged instruments.

Assets and liabilities in the form of loans, bonds and deposits are exposed to interest rate risk, which is partially hedged by interest rate swap transactions. Likewise foreign currency denominated loans and bonds involve foreign currency exchange fluctuation risk, which is mitigated by making it a rule to match the currency of investment and financing or hedged by the use of currency swap transactions.

(5) A list of memberships in material payment, clearing and settlement systems

The below table highlights key memberships in material payment, clearing and settlements for the New York Branch:

Membership	Description of the Membership	Legal Entity Owner of the Membership	Membership Status
Federal Reserve Wire Network (Fedwire)	Payments to third parties	New York Branch	Through agent bank (JP Morgan Chase)
Deposit Trust Company (DTC)	Settlement of equities and corporate bonds	New York Branch	Through agent bank (JP Morgan Chase)
Clearing House Interbank Payments System (CHIPS)	Payments to third Parties	New York Branch	Through agent bank (JP Morgan Chase)
SWIFT	Financial messaging related to payment processing	New York Branch	Direct member

(6) A description of foreign operations

In addition to its 149 domestic branches, including 19 sub-branches in Japan, the Covered Company operates outside of Japan at a branch in New York, a subsidiary in Hong Kong, and a representative office in Shanghai, China.

(7) The identities of material supervisory authorities

The Covered Company is supervised by the Japanese Financial Services Agency and the Kanto Local Finance Bureau, Ministry of Finance, Japan.

The New York Branch is supervised by the Federal Reserve Bank and New York State Department of Financial Services.

(8) The identities of the principal officers

The principal officers for the Covered Company as of November 30, 2014 are as follows:

Name	Title
Hiroshi Yomo	Chairman (Member of Executive Committee and Board of Directors)
Kazuo Saito	President (Member of Executive Committee and Board of Directors)
Hisao Tsunoda	Senior Managing Director (Member of Executive Committee and Board of Directors) (Responsible for the operations of Corporate Planning Department)
Hiroshi Kurihara	Managing Director (Member of Executive Committee and Board of Directors) (Responsible for the operations of Financial Markets & International Department)
Yuji Kanai	Director and General Manager of Corporate Planning Department (Member of Board of Directors) (This department is in charge of the corporate planning of the bank including resolution plan)
Keita Muto	General Manager of Financial Markets & International Department (This department supervises the management of overseas branch, subsidiary and representatives)

The principal officers for the New York Branch are as follows:

Name	Title
Toru Sasaki	General Manager
Satoshi Teshigawara	Deputy General Manager

(9) A description of the corporate governance structure and processes related to resolution planning

The Covered Company recognizes that resolution planning will evolve over time based upon supervisory feedback and on-going enhancements. To ensure the effectiveness of the governance structure and processes, the Covered Company has embedded resolution planning into its existing governance structure.

The resolution plan will be reviewed and updated on an annual basis, based on year-end figures of the previous financial year (as of March 31, 2014 for this year's plan). Upon any event, occurrence, change in conditions or circumstances or other change that results in, or could reasonably be foreseen to have, a material effect on the resolution plan of the Covered Company (e.g. divestment of a significant business), the Covered Company will, as set forth in the SIFI rule, file a simple notice with the FRB and FDIC and address such material event in the next annual TRP or – if jointly determined by the FRB and FDIC – in a more frequently updated TRP as appropriate.

The resolution plan is prepared by the New York Branch, and then reviewed by the Covered Company's Financial Markets & International Department and the Corporate Planning Department. After the review in the departments, the resolution plan is submitted to the Executive Committee of the Covered Company to be discussed and finally to the Board of Directors to be approved.

At the time when the 2013 TRP was reviewed and approved by the Board of Directors on December 25, 2013, the Board of Directors delegated the authority for final approval of the TRPs for the next submission (the 2014 TRP) and the following submissions to the President in the absence of material changes after the deliberation at the Executive Committee, while the authority for final approval of the TRPs in the presence of material changes was retained in the Board of Directors. Based on this delegation, the 2014 TRP was approved by the President after it was reviewed by the Executive Committee on December 22, 2014 as it did not have material changes compared with the 2013 TRP.

(10) A description of material management information systems

The primary responsibility of the New York Branch's Management Information Systems ("MIS") is to provide comprehensive information to the New York Branch's Senior Management to manage the branch in effective and efficient manners.

The New York Branch's MIS consists of information systems and reports generated for Risk, Finance, Accounting, Management and Operation.

(11) A description, at a high level, of the covered company's resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines

Upon resolution, the NYBL would authorize the Superintendent of the New York State Department of Financial Services ("the Superintendent") to take possession of and liquidate the New York Branch. The



Superintendent may also take possession of the New York Branch if the Covered Company is in liquidation or there is reason to believe that the New York Branch will not be able to meet its creditor's needs or obligations.

The Covered Company believes that the resolution of the New York Branch would be orderly, given the nature of its activities, high quality liquid assets on its books, and limited impact to the broader U.S. financial system.