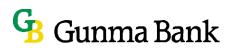


# The Gunma Bank, Ltd. Dodd-Frank Act Section 165(d)

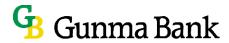
2016 Resolution Plan

Part 1: Public Section



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#### Introduction

The Gunma Bank, Ltd. (the "Covered Company") has developed this resolution plan ("Resolution Plan") 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").

In the preparation of submitting the 2016 Resolution Plan, the Covered Company can confirm that there have been no material changes since the submission of the 2015 Resolution Plan.

#### (1) The names of material entities

Established in 1932, the Covered Company is a major Japanese regional bank with its head office in Gunma Prefecture, which is about 60 miles north of Tokyo. As of March 31, 2016, it has 149 domestic branches (including 17 sub-branches), one subsidiary in Hong Kong, one representative office in Shanghai, China and one overseas branch in New York. Please refer to the following page for the financial position of the Covered Company.

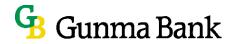
For resolution planning purposes, the Covered Company has identified the New York Branch (the "New York Branch") as the only ME operating in the United States.

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 United States. As of March 31, 2016, the New York Branch had total assets of approximately \$974 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 United States 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 United States, 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 United States. The New York Branch only engages in the corporate loan business and the securities investment business and each represented less than 2% of the global total of revenue for the year ended March 31, 2016 and assets as of March 31, 2016.

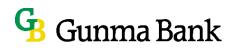
	Metrics			
	Revenue (\$000)	% of global total	Assets (\$000)	% of global total
New York Branch Loans	4,909	1%	472,844	1%
Global Total	521,711	100%	44,465,902	100%
New York Branch Securities	4,372	2%	399,316	2%
Global Total	230,811	100%	18,931,829	100%

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, 2016:

The Gunma Bank, Ltd.		
Balance Sheet March 31, 2016		
(Expressed in Thousands of U.S. Dollars)		
Assets		
Cash and due from banks	2,978,735	
Monetary claims bought	102,631	
Trading account securities	9,223	
Money held in trust	44,087	
Securities	18,931,829	
Loans and bills discounted	44,465,902	
Foreign exchanges	28,371	
Lease receivables and investment assets	389,586	
Other assets	291,559	
Property, plant and equipment	601,101	
Intangible assets	76,531	
Deferred tax assets	12,568	
Customers' liabilities for acceptances and guarantees	140,847	



The Gunma Bank, Ltd.	
Balance Sheet March 31, 2016	
(Expressed in Thousands of U.S. Dollars)	
Allowance for loan losses	(345,685)
Total assets	67,727,285
Liabilities	56.004.502
Deposits	56,984,783
Call money and bills sold	260,000
Payable under securities lending transactions	2,401,267
Borrowed money	2,287,578
Foreign exchanges	2,594
Bonds with subscription rights to shares	200,000
Other liabilities	399,382
Provision for directors' bonuses	550
Net defined benefit liability	158,770
Provision for directors' retirement benefits	5,076
Provision for reimbursement of deposits	9,496
Provision for point card certificates	1,344
Provision for contingent loss	8,953
Deferred tax liabilities	288,998
Deferred tax liabilities by land revaluation	71,721
Acceptances and guarantees	140,848
Total liabilities	63,221,360
Net Assets	
Capital stock	431,774
Capital surplus	258,616
Retained earnings	2,894,239
Treasury shares	(153,497)
Total shareholders' equity	3,431,132
Valuation difference on available-for-sale securities	1,000,580
Deferred gains or losses on hedges	(1,192)
Revaluation reserve for land	126,797
Foreign currency translation adjustment	4,117
Remeasurements of defined benefit plans	(108,241)
Total accumulated other comprehensive income	1,022,061
Subscription rights to shares	3,349
Non-controlling interests	49,383
Total net assets	4,505,925
Total liabilities and net assets	67,727,285



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 to certain derivative transactions as per applicable accounting standard. With respect to the derivatives to which hedge accounting is not applied, derivatives are stated at market value.

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 17 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

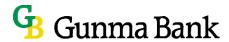
The Covered Company is supervised by the Japanese Financial Services Agency and the Kanto Local Finance Bureau, Ministry of Finance, Japan.

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, 2016 are as follows:

Name	Title
Kazuo Kibe	Chairman
Kazuo Kibe	(Member of Executive Committee and Board of Directors)
Kazuo Saito	President
Kazuo Salto	(Member of Executive Committee and Board of Directors)
	Managing Director
Akihiko Fukai	(Member of Executive Committee and Board of Directors)
	(Responsible for the operations of Corporate Planning Department)
	Managing Director
Hiroshi Kurihara	(Member of Executive Committee and Board of Directors)
Timosiii Kurmara	(Responsible for the operations of Financial Markets & International
	Department)
	Executive Officer and General Manager of Corporate Planning
Hiroyuki Irisawa	Department
Tinoyuki nisawa	(This department is in charge of the corporate planning of the bank
	including resolution plan)
	General Manager of Financial Markets & International Department
Keita Muto	(This department supervises the management of overseas branch,
	subsidiary and representatives)



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

Name	Title
Junya Kosaka	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, 2016 for this year's Resolution 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, if any, in the next annual Resolution Plan or – if jointly determined by the FRB and FDIC – in a more frequently updated Resolution Plan 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 Resolution Plan 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 Resolution Plans for the following submissions to the President in the absence of material changes after deliberation by the Executive Committee, while the authority for final approval of the Resolution Plans in the presence of material changes was retained by the Board of Directors. Based on this delegation, the 2016 Resolution Plan was approved by the President after it was reviewed by the Executive Committee on December 16, 2016 as it did not have material changes compared with the 2015 Resolution Plan.

#### (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 New York Banking Law 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 meets 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 on the broader U.S. financial system.