

The Chiba Bank, Ltd.

The 2018 Resolution Plan

Section 1: Public Section

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(a) Public Section

Introduction

The Chiba Bank, Ltd. (the “Covered Company”) has developed a resolution plan (“RP”) 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 RP 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”).

The Covered Company confirms there have been no material changes since the submission of its 2016 RP.

(1) The names of material entities

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

The Covered Company is one of the biggest Japanese regional banks that provides general banking services including deposits, loans, and securities investments through its branches and subsidiaries. The Covered Company was established in 1943 and is headquartered in Chiba Prefecture, Japan. As of March 31, 2018, and for the period then ended, the Covered Company had \$2.20 billion in revenue and \$135.4 billion in assets, providing services through 181 domestic offices in Japan as well as three branches outside of Japan in New York, Hong Kong, and London, and three representative offices in Shanghai, Singapore, and Bangkok.

On March 3rd, 1987, the Covered Company was granted permission by the Superintendent of the New York State Banking Department to establish the New York Branch. The New York Branch provides corporate loans, securities, and capital markets services. In addition, the New York Branch facilitates business activities for the Covered Company’s Japan-based clients in the Americas through research on U.S. economic and financial conditions. The New York Branch provides services to its clients, including: 1) gathering and analyzing information on the New York money market; 2) strengthening relationships with US financial institutions and corporations; and 3) acting as a liaison for Japanese clients involved in financial, trade, and investment activities with US entities. As of March 31, 2018 and for the year ended March 31, 2018, the New York Branch had \$3.5 billion in total assets and \$81.4 million in revenue.

Although the Covered Company does not have any CBLs or COs for the purposes of the RP, the Covered Company has identified the New York Branch as the sole ME in the U.S. as it provides access to the U.S. financial markets.

As the Covered Company's reporting is prepared in accordance with accounting principles and practices generally accepted in Japan ("Japanese GAAP"), all the financial information in this RP is presented under the Japanese GAAP.

(2) A description of core business lines

The Covered Company has determined that the activities of the New York Branch are not material to any global business line and, as defined by the SIFI Rule, that it has no CBLs for the purpose of the RP.

As part of its quantitative assessment, the Covered Company evaluated its business lines against the Covered Company global 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 a portion of the global business line's activities were performed in the U.S., that portion 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.

As shown below, the loan business as well as the securities investment business in the U.S. represented less than 10% of that of each global business line totals in terms of revenue and asset size. In addition, when total revenue and asset size of the U.S. operations as a whole are compared to the ones at global level, the U.S. operations' revenue and asset size are less than 5% compared to global total revenue and asset size.

Therefore, the Covered Company has determined that the activities of the New York Branch are not material to any global business line and, as defined by the SIFI Rule, that it has no CBLs for the purpose of the RP.

Product	Entity	Revenue (in \$000)	% of Global Total	Asset Size (in \$000)	% of Global Total
Loan	New York Branch	20,937	2.1%	1,058,623	1.2%
	Global Total	1,019,257	100.0%	92,007,839	100.0%
Securities	New York Branch	22,261	9.2%	1,058,890	5.2%
	Global Total	241,760	100.0%	20,421,147	100.0%
Total	New York Branch	81,427	3.7%	3,537,317	2.6%
	Global Total	2,204,129	100.0%	135,371,001	100.0%

Note: The total revenue and asset size of the Covered Company and the New York Branch includes the revenue and asset size of other business lines that are not considered CBLs. Therefore, the financial information for the above two business lines does not sum up to the total balance.

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

The below presents the consolidated balance sheet of the Covered Company as of March 31, 2018:

The Chiba Bank, LTD and Consolidated Subsidiaries
Balance Sheet
March 31, 2018
(Expressed in U.S. Thousand Dollars)
Assets

Cash and Due from Banks	\$ 17,368,207
Call Loans and Bills Bought	713,489
Receivables under Resale Agreements	141,189
Monetary Claims Bought	201,889
Trading Assets	1,148,996
Money Held in Trust	290,958
Securities	20,421,147
Loans and Bills Discounted	92,007,839
Foreign Exchanges	30,007
Other Assets	1,750,223
Tangible Fixed Assets	936,340
Intangible Fixed Assets	111,619
Net Defined Benefit Asset	10,100
Deferred Tax Assets	42,689
Customers' Liabilities for Acceptances and Guarantees	457,172
Allowance for Loan Losses	(260,863)
Total Assets	\$ 135,371,001

Liabilities and Equity
Liabilities:

Deposits	\$ 117,360,499
Call Money and Bills Sold	-
Payables under Repurchase Agreements	160,824
Payables under Securities Lending Transactions	2,450,937
Trading Liabilities	118,906
Borrowed Money	3,147,646
Foreign Exchanges	5,528
Bonds Payable	1,070,354
Borrowed Money from Trust Account	9,072
Other Liabilities	1,133,838
Net Defined Benefit Liability	140,231
Provision for Directors' Retirement Benefits	1,249
Provision for Reimbursement of Deposits	28,941
Provision for Point Loyalty Programs	4,541
Reserve under the Special Laws	206
Deferred Tax Liabilities	300,551
Deferred Tax Liabilities for Land Revaluation	102,155
Acceptances and Guarantees	457,172

Total Liabilities	\$ 126,492,648
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Net Assets:

The Chiba Bank, LTD and Consolidated Subsidiaries	
Balance Sheet	
March 31, 2018	
(Expressed in U.S. Thousand Dollars)	
Capital Stock	\$ 1,365,485
Capital Surplus	1,149,606
Retained Earnings	5,656,361
Treasury Stock	(557,758)
Total Shareholders' Equity	7,613,694
Valuation Difference on Available-for-sale Securities	1,147,878
Deferred Gains or Losses on Hedges	17,158
Revaluation Reserve for Land	101,682
Remeasurements of Defined Benefit Plans	(6,872)
Total Accumulated Other Comprehensive Income	1,259,846
Subscription Rights to Shares	4,813
Total Net Assets	\$ 8,878,353
Total Liabilities and Net Assets	\$ 135,371,001

“March 31, 2018” is the latest fiscal year end of the Covered Company.

For further information on the Covered Company's financial statements refer to Annual Report 2018, which is available at http://www.chibabank.co.jp/english/ir/library/annual_report/.

(4) A description of derivative activities and hedging activities

The Covered Company utilizes derivatives for purposes of addressing customers' various investment, financing, risk management for assets and liabilities, and trading needs. The Covered Company enters into derivatives transactions to hedge interest rate and exchange rate risks for its assets and liabilities as follows, whereas their New York Branch does not have derivative positions for trading purposes and enters into derivative transactions to hedge interest rate risks and exchange rate risks related to loans and securities:

Hedged Type	Hedged Item	Hedging Instrument
Interest Rate Risk Hedge	Loans and bills discounted	Interest rate swaps
Foreign Exchange Risk Hedge	Receivables and payables denominated in foreign currencies	Currency swaps Forward foreign exchange

The Covered Company applies hedge accounting to these transactions as per applicable accounting standards. Derivatives bear market risk and credit risk like other transactions in markets.

(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
Clearing House Interbank Payments System (CHIPS)	Payments to third parties	New York Branch	Through agent bank (JPMorgan Chase & Co.) (The Bank of New York Mellon)
Depository Trust Company (DTC)	Settlement of equities and corporate bonds	New York Branch	Through agent bank (The Bank of New York Mellon)
Federal Reserve Wire Network (Fedwire)	Payments to third parties	New York Branch	Through agent bank (JPMorgan Chase & Co.) (The Bank of New York Mellon)
SWIFT	Financial messaging related to payment processing	Head Office	Direct member

(6) A description of foreign operations

For purposes of the RP, as of March 31, 2018, the New York Branch is the only U.S. ME identified by the Covered Company and the New York Branch does not have any offices or operations outside of the U.S.

(7) The identities of material supervisory authorities

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

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(8) The identities of the principal officers

The principal officers for the Covered Company as of December 26, 2018 are as follows:

Name	Title
Hidetoshi Sakuma	President Group Chief Executive Officer
Osamu Kimura	Deputy President Group Chief Operating Officer
Tsutomu Yonemoto	Director and Managing Executive Officer Group Chief Business Officer
Shigenobu Sadachi	Managing Executive Officer In charge of Treasury Division and Treasury Operation Division
Nobukazu Odaka	General Manager of Treasury Division
Shuho Takahashi	General Manager of Treasury Operation Division

The principal officers for the New York Branch as of December 26, 2018 are as follows:

Name	Title
Atsushi Imai	General Manager
Osamu Ishiguro	Senior Deputy General Manager

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

The Covered Company is committed to holding itself to high standards of governance and management. The Covered Company has established a robust corporate governance structure that leverages existing roles and responsibilities for the development, maintenance, implementation, and filing of the RP.

The RP will be reviewed and updated on an annual basis, based on year-end figures of the previous financial / trading year. 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 RP 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 FRB/FDIC and address such material event in the next annual RP, or if so jointly determined by FRB/FDIC, in a more frequently updated RP as appropriate.

The RP has been prepared in accordance with the Covered Company's comprehensive list of policies, procedures, and internal controls.



The 2018 RP submitted to the FRB/FDIC has been formally reviewed and was approved by President on December 21, 2018 as a delegee acting under express authority of the Board of Directors which was resolved by the Board of Directors on December 19, 2016.

(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 can be broadly categorized into internal reports and external reports. Internal reports consist of risk reporting, operational reporting, financial reporting and management reporting, and the majority of external reports consist of regulatory reporting.

(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 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 creditors’ 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.

(End)