

THE SHIZUOKA BANK, LTD.

The 2016 Resolution Plan

Section 1: Public Section

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(a) Public Section

Introduction

The Shizuoka Bank, Ltd. (“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 (“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 Core Business Lines (“CBLs”), providing the continuity of the Critical Operations (“COs”), and facilitating the orderly wind-down of the relevant Material Legal Entities (“MEs”).

Please note, however, in the preparation of submitting the 2016 RP, it is confirmed that there has been no material change since the submission of the 2015 RP.

(1) The names of material entities

The Covered Company has identified the New York Branch as the only U.S. ME within the scope of the RP. The Covered Company has however determined that the New York Branch does not perform any material CBL activities. In addition, the Covered Company does not believe that the New York Branch performs any activities that would pose a threat to the financial stability of the U.S.

Although the Covered Company operates two branches in the U.S. (New York Branch and Los Angeles Branch), for purposes of the RP, the Covered Company has identified the New York Branch as the only U.S. ME in scope because the vast majority of its U.S. operations reside in the New York Branch.

As of March 31, 2016, the New York Branch has total assets of approximately \$2.31 billion which consists of corporate loans and securities investments. The corporate loans mostly comprise loans to the U.S. subsidiaries or affiliates of customers of the Headquarters or other local branches in Japan and the securities investments comprise Government National Mortgage Association floaters and corporate bonds.

(2) A description of core business lines

Pursuant to the analysis below, the Covered Company has determined that it does not have any operations or activities in the U.S. that would be a CBL as defined in the SIFI Rule.

As a part of its quantitative assessment, the Covered Company evaluated its business against the global totals in terms of revenue and asset size.

The New York Branch engages in corporate loan, securities and due from banks (interbank). The New York Branch's corporate loan business has a total revenue of approximately \$15.1 million for the year ended March 31, 2016 and total assets of approximately \$1.42 billion as of March 31, 2016. These figures represent 0.8% of the global revenue and 1.4% of the global assets for banking operations. For the securities business, the New York Branch reports \$1.6 million in revenue for the year ended March 31, 2016 and \$209 million in assets as of March 31, 2016. In addition, The New York Branch's due from banks business has \$5.4 million in revenue for the year ended March 31, 2016 and \$674 million in assets as of March 31, 2016.

The below table details the New York Branch's revenues and assets in comparison to those of global. This shows the proportion of the revenue and asset of the New York Branch to the global total is relatively small:

Therefore, the Covered Company has determined that the New York Branch does not perform any material CBL activities. In addition, the Covered Company does not believe that the New York Branch performs any activities that would pose threat to the financial stability of the U.S.

	Revenue (\$000)	% of Global Total	Assets Balance (\$000)	% of Global Total
NY Banking Operations	22,150	1.1%	2,305,903	2.3%
Global Total	1,985,382	100.0%	98,662,134	100.0%

(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, 2016:

The Shizuoka Bank, LTD.	
Balance Sheet	
31-Mar-16	
(Expressed in Thousands of U.S. Dollars)	
Assets:	
Cash and due from banks	5,132,478
Call loans and bills bought	3,276,491
Monetary claims bought	357,521
Trading assets	299,963
Money held in trust	28,399
Securities	19,356,379
Loans and bills discounted	67,832,460
Foreign exchanges	67,523
Lease receivables and investment assets	499,946
Other assets	661,658



The Shizuoka Bank, LTD.	
Balance Sheet	
31-Mar-16	
(Expressed in Thousands of U.S. Dollars)	
Tangible fixed assets	638,926
Intangible fixed assets	206,941
Asset for retirement benefits	97,720
Deferred tax assets	17,625
Customers' liabilities for acceptances and guarantees	619,507
Allowance for loan losses	(430,923)
Allowance for investment losses	(480)
Total Assets	98,662,134
Liabilities:	
Deposits	80,963,537
Call money and bills sold	1,982,554
Payables under repurchase agreements	429,686
Payables under securities lending transactions	2,759,893
Trading liabilities	206,066
Borrowed money	1,374,733
Foreign exchanges	1,245
Bonds with stock acquisition rights	500,000
Borrowed money from trust account	27
Other liabilities	1,020,777
Liability for retirement benefits	192,372
Provision for directors' retirement benefits	2,121
Provision for losses from reimbursement of inactive accounts	2,955
Provision for contingent losses	15,358
Provision for point program	2,713
Reserves under special laws	103
Deferred tax liabilities	402,826
Acceptances and guarantees	619,507
Total Liabilities	90,476,473
Equity:	
Capital stock	806,228
Capital surplus	487,079
Subscription rights to shares	3,265
Retained earnings	5,928,647
Treasury stock-at cost	(484,203)
Accumulated other comprehensive income	1,434,953
Noncontrolling Interests	9,692
Total Equity	8,185,661
Total Liabilities and Equity	98,662,134

The above financial information was prepared in conformity with Japanese generally accepted accounting principles (GAAP).

(4) A description of derivative activities and hedging activities

The Covered Company enters into derivative transactions to hedge exchange rates and interest rates for its customers, for asset and liability management (ALM) purposes and to hedge individual transactions to appropriately manage its market risks. The Covered Company also conducts trading transactions in the short term. Such derivatives mainly include interest-rate swaps, currency swaps and bond futures and are exposed to market risk that could cause losses in association with changes in interest rate market and foreign exchange market as well as credit risk (counterparty risk), that is, the risk of default on the initial contract due to the bankruptcy of the counterparty or other factors.

All derivative transactions, except those entered into for hedging purposes, are recognized as either assets or liabilities and measured at fair value with gains or losses on derivative transactions recognized in the statement of income. The Covered Company applies hedge accounting to certain derivative transactions as per applicable accounting standard.

(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
SWIFT	Confirmation correspondent only (not used for wire transfer)	New York Branch	Direct
DTC	Custody Settlement	New York Branch	Through agent bank (SMTB(U.S.A.) account)
Fedwire	Fed fund transfer	New York Branch	Through agent bank (JP Morgan account)
CHIPS	Payments to third Parties	New York Branch	Through agent bank (JP Morgan account)
ACH	ACH fund transfer (Expense payment)	New York Branch	Through agent bank (BTMU account)

(6) A description of foreign operations

The Covered Company is a Japanese regional bank headquartered in Shizuoka, Shizuoka Prefecture. The Covered Company was established on March 1, 1943 and it operates in the prefecture that is one of Japan's leading manufacturing areas. The Covered Company offers general banking services such as deposits, loans, and exchange transactions. Additionally, the Covered Company offers

corporate and financial management advisory services, leasing services, credit cards, and securities related services.

As of July 1, 2016, the Covered Company operates 175 branches, 24 sub-branches and 12 subsidiaries in Japan, 1 subsidiary in Belgium, 2 branches in New York and Los Angeles, 1 branch in Hong Kong and 2 representative offices in Shanghai and Singapore.

For resolution planning purposes, as of March 31, 2016, 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 Tokai Local Finance Bureau, Ministry of Finance Japan.

(8) The identities of the principal officers

The principal officers for the Covered Company are as follows:

Name	Title
Katsunori Nakanishi	President & CEO
Akihiro Nakamura	Deputy President & COO
Yuji Unno	General Manager of the International Department
Kazutoshi Saito	General Manager of the International Business Promotion Group

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

Name	Title
Ryo Omura	General Manager
Tatsuya Koike	Deputy General Manager

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

The Covered Company recognizes that resolution planning is a new process and 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 RP will be reviewed and updated on an annual basis, based on year-end figures of the previous financial 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 the FRB/FDIC and address such material event in the next annual RP or -- if jointly determined by the FRB/FDIC -- in the more frequently updated RP as appropriate.

The Covered Company's RP has been developed and approved pursuant to and in accordance with a comprehensive system of policies, procedures, and internal controls and will be approved by the Board of Directors of the Covered Company prior to submission to the FRB/FDIC.

The 2013 RP submitted to the FRB/FDIC was formally reviewed and was approved on December 25, 2013 by the Board of Directors. Also at the same Board meeting, the Board of Directors resolved that it would delegate the authority, under the express authority of the Board of Directors, for final approval of the 2014 RP and following RP submissions to the Executive Committee in the presence of material changes, or to the Senior Executive who is in charge of the International Department, in the absence of such changes. The Covered Company does not identify any material change in the 2016 RP compared to the 2015 RP. Therefore, the 2016 RP has been reviewed and approved by the Senior Executive who is in charge of the International Department.

(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 an effective and efficient manner.

The New York Branch's MIS can be broadly categorized into internal reports and external reports, which consist of risk reporting, accounting/finance reporting, management reporting and 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 and liquidate the New York Branch. The Superintendent may also take possession of the New York Branch if the Covered Company is in liquidation proceedings 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 its limited impact on the broader U.S. financial system.

(End)