

**Krung Thai Bank Public Company Limited
Resolution Plan**

Section 1: Public Section

December 31, 2014

Section 1: Public Section

Introduction

Krung Thai Bank Public Company Limited (here in, the “Bank” or “Krung Thai Bank”) is a foreign banking organization duly organized and existing under the laws of Thailand. In the United State, the bank maintains a California State licensed agency (the “Los Angeles Agency”) located at 707 Wilshire Blvd, Suite 3150, Los Angeles, CA 90017.

The Bank has developed a U.S. resolution plan (“U.S. Resolution Plan”) as required by Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and its implementing regulations (the “Regulation”). Section 165(d) and the Regulation specify that any foreign bank or company that is, or is treated as, a banking holding company under section 8(a) of the International Banking Act of 1978 (the “IBA”) and that has US\$50 billion or more in total global consolidated assets must submit annually to the Board of Governors of the Federal Reserve System (“FRB”) and the Federal Deposit Insurance Corporation (the “FDIC”) a plan for the rapid and orderly resolution of the Bank’s U.S. operations in the event of material financial distress or failure. The resolution plan must provide a strategic analysis of how the foreign bank’s U.S. operations can be resolved under the U.S. Bankruptcy Code or other applicable insolvency regime within a reasonable period of time and in a manner that would mitigate the risk of serious adverse effects to U.S. financial stability.

The Bank is a foreign-based “covered company” subject to the Regulation. In lieu of a standard resolution plan, the Bank is submitting a “tailored” resolution plan which is available for foreign-based covered companies that have less than US\$100 billion in total U.S. nonbank assets and whose assets with respect to U.S. depository institution operations, branches, and agencies comprise 85% or more of the company’s U.S. total consolidated assets. A “tailored” plan allows the Bank to limit certain information to the Bank’s U.S. nonbanking material entities and operations. The Bank provided written notice to the FRB and FDIC of its intent and eligibility to submit a tailored resolution plan on March 6, 2014, and received notice from the FRB and FDIC, dated June 24, 2014, confirming its eligibility to file a tailored plan.

The U.S. Resolution Plan includes information on the Bank’s operations that are domiciled in the U.S. or conducted in whole or in material part in the U.S. and on the interconnections and interdependencies between and among its U.S. operations and its non-U.S. operations. This Public Section of the U.S. Resolution Plan provides an executive summary of the Bank’s overall resolution strategy.

Overview of the Bank

Krung Thai Bank PCL. conducts commercial banking business under the license issued by the Ministry of Finance and other related agencies. The Bank operates business under the Commercial Banking Act of Thailand and other directives of the Bank of Thailand, Ministry of Finance and other related agencies.

The Bank was incorporated on March 14, 1966 through a merger between the Mondhon Bank Limited and the Agricultural Bank Limited with the Ministry of Finance as major shareholder. Later in August 1987 the Bank also accepted the transfer of assets and liabilities of Sayam Bank Limited for further management, so it became a large bank with financial position, the ability to render deposit protection as well as financial services of all types and was trusted by general public. The Bank was the first state enterprise that listed its shares in the Stock Exchange of Thailand in June 1989 and started trading from August 2, 1989 onwards. The Bank registered its transformation to public company limited on March 24, 1994 under "Krung Thai Bank PCL."

The Bank provides a wide range of financial services in Thailand and abroad, including corporate and consumer lending. Loan products are corporate loans, medium & small business loans, government and state enterprise loans, financial institution loans and retail loans. Non loan products and services are deposits and bill of exchange, cash management service, international trade services, international funds transfer service, treasury business products, foreign exchange business, investment banking business, wealth management service and KTB card service.

The Bank has an extensive domestic branch network, which as of June 30, 2014 consisted of 1,181 domestic branches, covering all 77 provinces in Thailand, and is among the most extensive networks among Thai banks. In addition, the Bank currently operates 9 locations internationally, consisting of those in United States, China, India, Cambodia, Singapore, Laos, Myanmar and Cayman Islands.

I. Summary of the Resolution Plan

A Overview of U.S. Resolution Plan

The Bank conducts limited operations in the United States. The Bank's U.S. Resolution Plan is intended to provide the FDIC and FRB with an explanation of the Bank's plan for the rapid and orderly resolution of its U.S. operation in the event of the material financial distress or failure of the Bank and its operations in the United States. The U.S. Resolution Plan includes the information required for a tailored plan, including a description of the Bank's banking operations and its critical operations and core business lines, if any, that are conducted in whole or in material part in the United States.

B Material Entities

Under the Regulation, a 'material entity' is a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line. "Critical operations" are those operations, including associated services, functions and support the failure or discontinuance of which, in the view of the covered company or as jointly directed by the FRB and the FDIC, would pose a threat to the financial stability of the United States. "Core business lines." are those business lines, including associated operations, services, function and support that, in the covered company's view, upon failure would result in material loss of revenue, profit, or franchise value.

The Bank has determined that it does not have any critical U.S. operations that, upon their failure or discontinuance, would pose a threat to the stability of the U.S. financial system. In addition, the FRB and FDIC have not designated any operations of the Bank's Los Angeles Agency as a critical operation or core business line of the Bank. As explained below, the Bank has determined that Los Angeles Agency is not a material entity. The Bank has identified accepting wholesale and retail deposits, making retail and commercial loans and supporting economic development in Thailand amongst its core business lines. Based on the criteria of the Regulation and as described more fully below, none of the activities of the Los Angeles Agency is a core business line and the activities of the Los Angeles Agency is not material to any core business lines of the Bank.

The Los Angeles Agency commenced operations in February 22, 1991, is licensed by the California Department of Business Oversight (the "CDBO") and is located at 707 Wilshire Blvd, Suite 3150 Los Angeles, CA 90017. The Agency is uninsured and engages primarily in the following activities:

- (a) Borrowing fund from Head Office and other banks in support of its lending and other activities and;
- (b) Lending activities that largely relate to Thai companies or businesses in USA, mainly through referrals from Head Office and also through participations in loan syndications;
- (c) Funds transfer activities, from USA to Thailand.

C Description of Core Business Lines

After careful consideration, the Bank and the Los Angeles Agency have concluded that none of the services and activities of the Los Angeles Agency is material to a core business line of the Bank. There is no activity of the Los Angeles Agency that, upon its failure, would result in a material loss of revenue, profit or franchise value for the Bank. For this purpose, the Bank and the Los Angeles Agency have decided to view as "material" any activity or service of the Los Angeles Agency that contribute less than one percent of the income attributed to a core business line of the Bank.

If all the activities of Los Angeles Agency were terminated suddenly and immediately (because of an idiosyncratic economic event affecting only the Bank and its U.S. operations), the effect of such sudden loss of Agency revenues on the Bank would be minimum. The Bank could readily replace services or activities now provided by or through the Los Angeles Agency through its other international offices or other banks. While the cost to the Bank or to its customers of such alternative services might be slightly higher (or less convenient) than is the case for services provided through the Los Angeles Agency, such higher costs would be inconsequential when considered in the context of the overall income and balance sheet of the Bank. For these reasons, a determination has been made that the Los Angeles Agency is not a "material entity"

In effect, this means that the Bank does not have any material entities in the United States.

D Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

1. Financial Information

The following table is consolidated balance sheet as of December 31, 2013

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

(Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	DECEMBER 31, 2013	DECEMBER 31, 2012 (RESTATED)	JANUARY 1, 2012 (BROUGHT FORWARD) (RESTATED)	DECEMBER 31, 2013	DECEMBER 31, 2012 (RESTATED)	JANUARY 1, 2012 (BROUGHT FORWARD) (RESTATED)
ASSETS						
CASH	50,689,508	43,706,259	37,331,456	50,687,465	43,703,573	37,329,976
INTERBANK AND MONEY MARKET ITEMS, NET	448,572,228	332,134,147	198,203,012	448,445,334	332,097,503	198,180,526
CLAIMS ON SECURITIES	-	-	17,539,000	-	-	17,539,000
DERIVATIVES ASSETS	21,310,251	10,759,205	13,868,168	21,335,305	10,759,205	13,868,168
INVESTMENTS, NET	230,573,088	290,585,928	217,784,743	230,398,733	290,520,989	217,754,751
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	11,209,982	10,453,797	8,715,246	5,369,563	5,219,543	6,386,640
LOANS TO CUSTOMERS AND ACCRUED INTEREST						
RECEIVABLES, NET						
LOANS TO CUSTOMERS	1,718,734,183	1,534,978,025	1,426,307,615	1,715,679,231	1,538,506,475	1,428,775,665
ACCRUED INTEREST RECEIVABLES	4,647,126	5,555,693	5,810,417	4,775,672	5,572,988	5,814,822
TOTAL LOANS TO CUSTOMERS AND ACCRUED						
INTEREST RECEIVABLES	1,723,381,309	1,540,533,718	1,432,118,032	1,720,454,903	1,544,479,463	1,434,590,487
LESS DEFERRED REVENUE	(7,643,919)	(4,880,745)	(1,886,072)	(175,334)	(220,583)	(183,615)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(61,676,632)	(55,138,237)	(44,218,324)	(60,847,080)	(54,792,252)	(43,938,817)
LESS REVALUATION ALLOWANCE FOR DEBT						
RESTRUCTURING	(130,221)	(49,864)	(52,206)	(130,221)	(49,864)	(52,206)
TOTAL LOANS TO CUSTOMERS AND ACCRUED						
INTEREST RECEIVABLES, NET	1,653,930,537	1,480,464,872	1,385,961,430	1,559,302,268	1,489,416,764	1,390,415,849
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES	3,121,789	3,437,029	3,120,975	3,121,789	3,437,029	3,120,975
PROPERTIES FOR SALE, NET	30,661,019	35,936,832	42,819,012	30,386,602	35,889,465	42,800,241
PREMISES AND EQUIPMENT, NET	26,798,824	26,124,986	24,223,454	21,350,942	21,640,327	20,280,546
OTHER INTANGIBLE ASSETS, NET	3,848,182	3,723,702	3,759,755	637,399	626,854	722,940
DEFERRED TAX ASSETS	3,876,024	2,727,930	3,189,416	3,719,681	2,616,278	3,088,776
ACCRUED INCOME	4,374,111	3,471,186	2,446,433	4,092,263	3,165,343	2,260,799
OTHER ASSETS, NET	25,805,007	12,964,848	9,226,309	23,383,397	11,791,130	8,460,822
TOTAL ASSETS	2,514,770,550	2,256,489,721	1,968,188,409	2,502,230,741	2,250,884,003	1,962,210,009

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2013

(Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	DECEMBER 31, 2013	DECEMBER 31, 2012 (RESTATED)	JANUARY 1, 2012 (BROUGHT FORWARD (RESTATED)	DECEMBER 31, 2013	DECEMBER 31, 2012 (RESTATED)	JANUARY 1, 2012 (BROUGHT FORWARD (RESTATED)
LIABILITIES AND EQUITY						
DEPOSITS	1,883,781,168	1,666,960,580	1,285,389,513	1,884,261,913	1,667,373,731	1,285,759,671
INTERBANK AND MONEY MARKET ITEMS, NET	200,989,265	192,011,519	161,502,641	199,372,480	191,091,318	161,523,203
LIABILITIES PAYABLE ON DEMAND	5,695,007	6,077,906	3,562,860	5,695,007	6,077,906	3,562,860
LIABILITIES TO DELIVER SECURITIES	-	-	17,539,000	-	-	17,539,000
DERIVATIVES LIABILITIES	24,544,712	9,151,590	15,584,898	24,544,712	9,151,590	15,584,898
DEBT ISSUED AND BORROWINGS	133,000,654	146,636,104	308,934,256	128,911,083	146,716,104	308,946,632
BANK'S LIABILITIES UNDER ACCEPTANCES	3,121,789	3,437,029	3,120,975	3,121,789	3,437,029	3,120,975
PROVISIONS	14,345,933	13,287,455	12,001,081	13,732,153	12,736,792	11,512,267
DEFERRED TAX LIABILITIES	182,682	143,791	78,534	-	-	-
OTHER LIABILITIES	43,019,051	35,936,007	27,539,163	40,416,804	34,044,572	26,017,107
TOTAL LIABILITIES	2,308,680,261	2,073,641,981	1,835,252,921	2,300,055,941	2,070,629,042	1,833,566,613
EQUITY						
SHARE CAPITAL						
AUTHORIZED SHARE CAPITAL						
5,600,000 PREFERRED SHARES						
OF BAHT 5.15 EACH	28,325	28,325		28,325	28,325	
13,976,061,250 ORDINARY SHARES						
OF BAHT 5.15 EACH	71,976,715	71,976,715		71,976,715	71,976,715	
5,500,000 PREFERRED SHARES						
OF BAHT 5.15 EACH			28,325			28,325
11,191,412,250 ORDINARY SHARES						
OF BAHT 5.15 EACH			57,635,773			57,635,773
ISSUED AND PAID-UP SHARE CAPITAL						
5,600,000 PREFERRED SHARES						
OF BAHT 5.15 EACH	28,325	28,325		28,325	28,325	
13,976,061,250 ORDINARY SHARES						
OF BAHT 5.15 EACH	71,976,715	71,976,715		71,976,715	71,976,715	
5,500,000 PREFERRED SHARES						
OF BAHT 5.15 EACH			28,325			28,325
11,179,749,000 ORDINARY SHARES						
OF BAHT 5.15 EACH			57,575,707			57,575,707

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2013

(Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			THE BANK'S FINANCIAL STATEMENTS		
	DECEMBER 31, 2013	DECEMBER 31, 2012 (RESTATED)	JANUARY 1, 2012 (BROUGHT FORWARD) (RESTATED)	DECEMBER 31, 2013	DECEMBER 31, 2012 (RESTATED)	JANUARY 1, 2012 (BROUGHT FORWARD) (RESTATED)
LIABILITIES AND EQUITY (CONTINUED)						
PREMIUM ON SHARE CAPITAL						
PREMIUM ON ORDINARY SHARE	20,833,734	20,833,734	1,208	20,833,734	20,833,734	1,208
OTHER COMPONENTS OF EQUITY	6,738,630	11,272,535	8,997,947	6,522,303	9,407,572	7,680,023
RETAINED EARNINGS						
APPROPRIATED						
LEGAL RESERVE	7,200,504	6,836,464	5,550,464	7,200,504	6,836,464	5,550,464
UNAPPROPRIATED	99,312,372	71,899,456	60,781,836	95,613,219	71,172,151	57,807,669
TOTAL EQUITY ATTRIBUTABLE TO						
EQUITY HOLDERS OF THE BANK	206,090,288	182,847,229	132,935,487	202,174,800	180,254,961	128,643,396
NON-CONTROLLING INTEREST	1	511	1			
TOTAL EQUITY	206,090,289	182,847,740	132,935,488	202,174,800	180,254,961	128,643,396
TOTAL LIABILITIES AND EQUITY	2,514,770,550	2,256,489,721	1,965,188,409	2,502,230,741	2,250,894,003	1,962,210,009

The Exchange rate of \$1 dollar = 32.72 Baht (As of December 31, 2013)

As set of the Los Angeles Agency's December 31, 2013 Call Report field on form FFIEC 002 (Report of assets and Liabilities of U.S. Branches and Agencies of Foreign Banks), the Los Angeles Agency's total assets as of December 31, 2013 were US\$212 million, the majority of which was comprised of commercial loans. The Los Angeles Agency's total liabilities as of December 31, 2013 were US\$212 million, the majority of which was comprised of borrowing from our head office. As noted above, the Los Angeles Agency conducts limited business operations and does not comprise a material part of the overall revenue, funding sources and credit exposures of the Bank.

The Los Angeles Agency does not hold standalone capital and is not subject to minimum regulatory capital requirements. However, the California Department of Business Oversight (the "CDBO") requires the Bank to maintain a deposit consisting of eligible assets with another depository institution in California to ensure that the Los Angeles Agency maintains a minimum amount of unencumbered assets in the United State that is available in the event of liquidation.

The Bank of Thailand requires that commercial banks registered in Thailand maintain the minimum capital adequacy ratios under Basel III guidelines: Common Equity Tier I (CET1) ratio, Tier I ratio and Total capital ratio of no less than 4.5%, 6.0%, and 8.5% respectively. The Bank's CET1 ratio, Tier 1 capital adequacy ratio and total capital adequacy ratio were 9.66 percent, 10.17 percent, and 14.79 percent, respectively, as at December 31, 2013

Please refer to the Bank's annual report for the year ending December 31, 2013 for financial information regarding the consolidated organization.

2. Major Funding Sources

As of December 31, 2013, the Bank core funding sources came from deposit 74.91%, Net interbank and money market borrowings 7.99%, debt issued and borrowings 5.29% Equity 8.20% and others 3.61%.

Deposits garnered from government sector and the state agency, government linked companies, institutional clients, large corporations and small medium enterprises are additional key funding sources for the Bank.

The major funding sources of Los Angeles Agency are borrowing through our Head Office and other financial institutions. It is the policy of Head Office to support the Los Angeles Agency with such amounts of funding as may be requested from time to time to satisfy the Agency's liquidity requirements. The Los Angeles Agency carefully monitors and manages liquidity risk to ensure that changes in funding requirement can be met without a material adverse impact on the financial condition and operations of the Agency or the Bank, as the case may be.

E Description of Derivative and Hedging Activities

At Head Office, the Bank occasionally enters into derivatives transactions for hedging purpose as necessary and appropriate and from time to time to manage exposures to interest rate, foreign currency and credit risks arising from its core banking activities of accepting deposits and making loans.

For Los Angeles Agency, we don't have Derivative and Hedging Activities.

F Membership in Material Payment, Clearing, and Settlement system

The following is the list of memberships in material payment, clearing and settlement systems

Entity Holding Membership	System
Los Angeles Agency	Society for Worldwide Interbank Financial Telecommunication (SWIFT)

G Description of Non-U.S. Operations

The Bank is owned by the government of Thailand through the Thailand Financial Institution Development Fund (the "TFIDF"). As of December 31, 2013, TFIDF owned number of the Bank's shares 55.04%

The Bank provides a wide range of financial services in Thailand and abroad, including corporate and consumer lending. Loan products are corporate loans, business-center loans, retail loans, government and state enterprise loans, overseas branches loans, financial institution loans and personal loans. Non loan products and services are deposits and bill of exchange, cash management service, international trade services, international funds transfer service, treasury business products, foreign exchange business, investment banking business, wealth management service and KTB card service.

Income by Non United States and United States (For the year ended December 31, 2013)

Geographic Area	Amount of revenue attributable to Geographic Area (USD Million)
Non United States	4,184
United States	12

Exchange rate \$1 dollar = 32.72 Baht (As of December 31, 2013)

H. Material Supervisory Authorities

The Bank, including its overseas offices and its subsidiaries are subject to supervision and regulation under various laws and regulations in the respective countries in which they operate.

In Thailand, the Bank's primary regulator is the Bank of Thailand (the "BOT"). BOT manages the country's money supply and foreign exchange and also provide banking facilities to the government as well as financial institutions. The BOT performs other responsibilities such as supervising and examining the financial institutions, supervising the issuance of bank notes, establishing or supporting the establishment of payment system as well as managing the country's foreign exchange rate and manage assets in the currency reserve according to the Currency Act B.E. 2501 as amended.

In addition to these traditional central banking roles, the BOT issues guidelines, notices and circulars on various matters, including capital adequacy and liquidity standard for commercial banks. The BOT requires commercial banks such as Krung Thai Bank to furnish information relating to their business activities on a regular basis.

As supervisor, the BOT has the authority to issue licenses to new banking entities, to determine minimum reserves, and to supervise all aspects of the banking business in Thailand. The BOT exercises its authority for supervision of the financial sector primary through examination and inspection. The examination process focuses on safety and soundness of bank operations, with an emphasis on risk management, internal control, credit management, branch operations, and regulatory compliance.

In the United State, the Bank is deem to be a bank holding company under section 8(a) of the International Banking Act of 1978 (the "IBA") as a result of maintaining the Los Angeles Agency. The Bank is subject to supervision by the FRB under various federal laws including among others, the Bank Holding Company Act of 1956, as amended (the "BHC Act"), the IBA, the Foreign Bank Supervision Enhancement Act of 1991, the Dodd-Frank Act, the Bank Secrecy Act ad the USA PATRIOT Act of 2001. The BHC Act generally limits the activities of bank holding companies to banking or managing or controlling banks, and activities that are closely related to banking.

As note above, the Los Angeles Agency is an uninsured agency licensed by the CDBO. It is subject to ongoing supervision, examination and regulation by the CDBO. In the event of its insolvency, the Los Angeles Agency would be resolved in accordance with applicable provisions of the California bank insolvency law.

I Principal Officers

The table below lists the key officers and directors of the Bank:

Name	Title
Mr. Areepong Bhoocha-oom	Chairman of the Board of Directors
Mr. Vorapak Tanyawong	President
Ms. Kittiya Todhanakasem	First Senior Executive Vice President Managing Director Financial Management Group

The table below lists the principal officers for the Los Angeles Agency:

Name	Title
Mr. Ittisoonthorn Nuangyindee	Acting General Manager
Ms. Monjan Boonliam	Division Manager – Operation & Accounting

J Resolution Planning Corporate Governance Structure and Processes

The Bank has integrated solution into its corporate governance structure and processes to ensure that the U.S. Resolution Plan receives appropriate oversight from designated senior management officials, committees and the Board of Directors.

The Board of Directors is ultimately responsible for approving the U.S. Resolution Plan. The Board of Directors of the Bank has appointed First Senior Executive Vice President Managing Director Financial Management Group to act as its delegee for purposes of approving the U.S. Resolution Plan.

First Senior Executive Vice President Managing Director Financial Management Group and Acting General Manager of Los Angeles Agency are primary responsible for overseeing the development, implementation and filing of the U.S. Resolution Plan and for ensuring that the plan complies with requirements of the Federal Reserve Board's Resolution Plan Regulation. The U.S. Resolution Plan has been developed with assistance from compliance and risk management personnel at Los Angeles Agency. Such personnel have consulted with officers in charge of the various business lines of the Los Angeles Agency, as appropriate.

In preparing the U.S. Resolution Plan, the compliance and risk management functions of the Los Angeles Agency were assigned primary responsibility for reviewing the Federal Reserve Board's Resolution Plan Regulation, understanding the requirements set forth therein for a tailored resolution plan, preparing the notice of intent to file a tailored plan, and working with U.S. outside counsel to identify the business information needed to prepare the plan.

Once the basic plan was prepared, it was reviewed by Acting General Manager of the Los Angeles Agency, revised by compliance and risk management personnel at the Los Angeles Agency and forwarded to Overseas Branch Strategy Department and the Compliance & Legal Management Group at Head Office for further comment and review; then submit to First Senior Executive Vice President Managing Director Financial Management Group for approval. The U.S. Resolution Plan was approved on October 27, 2014

K Material Management Information Systems

Los Angeles Agency used the "EQUATION" system, which was developed by Misys based in United Kingdom for the Agency accounting operation. For purposes of risk management, financial and regulatory reporting, the Agency used a combination of EQUATION and standard package program developed by Krung Thai Computer Services and Microsoft Office program.

The Agency has a business continuity plan for its critical U.S. operations, system and applications to minimize the interruption of business and facilitate recovery in an expeditious manner in the event there is a significant disruption. Annual testing of contingency plan is conducted to ensure the availability of timely reports for quick decision making.

L High-Level Description of Resolution on Strategy

This strategy addresses how the U.S. operation of the Bank may undergo an orderly resolution without recourse to assistance from U.S. taxpayers. The U.S. Resolution Plan assumes that the Los Angeles Agency would be seized by the California Commissioner of Business Oversight who would then directly commence or appoint a delegate to commence liquidation.

Because the Bank maintains a California state-licensed agency, the U.S. Resolution Plan contemplates that the Agency would be subject to state insolvency law as prescribed by the California Department of Business Oversight (CDBO) rather than the U.S. Bankruptcy Code, in the event of the insolvency of the Agency. The law generally includes a ring-fencing insolvency regime that effectively draws a fence around the Los Angeles Agency and treats it as a separate entity from the Bank. It should be noted, however, that assets of the Bank, if they are located anywhere in the State of California, may be seized and liquidated by the receiver to pay off the claims of creditors of the Los Angeles Agency. The Bank contemplates the orderly winding up of Agency operations in the event of insolvency.

In the United States, the Bank would expect the CDBO to follow its general procedures with respect to the liquidation of California state-licensed agencies. Such provisions would permit the California Commissioner of Business Oversight (or his designee), to take possession of the business and property of the Bank in California, namely the Los Angeles Agency. The Los Angeles Agency would then act to liquidate its property and business operations in an orderly manner.

