



National Bank of Kuwait S.A.K.

U.S. Tailored Resolution Plan

PUBLIC SECTION

Submitted on: December 29, 2014

Table of Contents

- (a) Public Section..... 3
 - (1) Introduction..... 3
 - (2) Overview of NBK 4
 - (3) Material entities 6
 - (4) Critical Operations and Core Business Lines 6
 - (5) Summary of financial information regarding assets, liabilities, capital and major funding sources 8
 - (6) Derivatives and hedging activities..... 8
 - (7) Membership in material payment, clearing and settlement systems 9
 - (8) Foreign operations..... 9
 - (9) Material supervisory authorities 9
 - (10) Principle Officers 11
 - (11) Corporate governance structure and resolution planning process 12
 - (12) Material management information systems 12
 - (13) Resolution strategy..... 13

(a) Public Section

(1) Introduction

This Public Section of the resolution plan is being filed by the National Bank of Kuwait S.A.K. ("NBK", the "Bank" or the "covered company") to fulfill the requirements of Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and its implementing regulations (the "Final Rule"). Section 165(d) of the Dodd-Frank Act and the Final Rule require any foreign bank or company that is a bank holding company or treated as a bank holding company under Section 8(a) of the International Banking Act of 1978 ("IBA") and that has \$50 billion or more in total consolidated assets (such company a "covered company") to periodically submit to the Board of Governors of the Federal Reserve System ("FRB") and the Federal Deposit Insurance Company ("FDIC") a plan for the rapid and orderly resolution of its U.S. operations in the event of material financial distress or failure. NBK is a foreign bank that is treated as a bank holding company pursuant to Section 8(a) of the IBA with total global consolidated assets of more than \$50 billion as of December 31, 2013. NBK is therefore a covered company and is required to submit periodically a resolution plan for its U.S. operations.

In lieu of a standard resolution plan, NBK is submitting a "tailored" resolution plan ("TRP" or "Plan") which is available to foreign banking organizations with less than \$100 billion in total U.S. non-bank assets, and with the assets of its U.S. banking operations comprising 85% or more of its U.S. total consolidated assets. NBK's TRP includes information on the Bank's U.S. operation that is domiciled in the U.S. and on the interconnections and interdependencies among the Bank's U.S. and non-U.S. operations.

On March 17, 2014, the Bank submitted written notice to the FDIC and FRB of its intent and eligibility to submit a tailored resolution plan and received confirmation by the FDIC/FRB on June 26, 2014 of its eligibility to file a TRP. This Public Section of NBK's TRP provides a summary of the Bank's Plan for the orderly resolution of its U.S. operations.

Consistent with the Final Rule, this Plan does not provide a full analysis of the actions that would be taken to resolve NBK's U.S. operations as it is subject to an insolvency regime other than the U.S. Bankruptcy Code, has less than \$50 billion in assets and does not conduct a critical operation. As a TRP filer, NBK is only required to provide a strategic analysis for material non-banking U.S. entities. Due to the fact that NBK has no U.S. non-banking entities, this requirement is not applicable. Based on reasons highlighted above, this Plan does not require a strategic analysis. However, a high level strategy for the NBK's New York branch including information regarding its operations, interconnections with its business lines and how the New York branch would support and maintain its business lines during resolution has been described in the sections below and in the Private Section.

(2) Overview of NBK

NBK was duly organized and incorporated in the State of Kuwait in 1952 and is registered as a bank with the Central Bank of Kuwait. The Bank's registered office is at Abdullah Al Ahmed Street, P.O. Box 95, Safat 13001, Kuwait. NBK maintains a single U.S. banking branch in New York ("NBKNY" or the "NY Branch") which has been federally licensed by the Office of the Comptroller of the Currency ("OCC").

NBK is a full-service bank that offers a broad range of financial products and services and is the largest conventional bank in Kuwait, operating in 16 countries on four continents. It has grown its franchise regionally through affiliates, branches and subsidiary banks in: Bahrain, Egypt, Iraq, Jordan, Lebanon, Qatar, Saudi Arabia, and the U.A.E. Besides its network in the Middle East and North Africa ("MENA") region, NBK has established a presence in: Beijing, Geneva, London, New York, Paris, Singapore, China and Vietnam providing its client base with global banking capabilities and services.

Throughout the years NBK has succeeded in building an advanced banking institution that offers a full spectrum of innovative financial and investment services and solutions to individuals, corporate and institutional clients. NBK's strength rests on its consistent profitability, high asset quality, strong management and strong capitalization. NBK enjoys a dominant market share in Kuwait with a large and ever expanding local and regional client base. It has been listed as one of the world's 50 safest banks (8 times running) by Global Finance and has consistently been awarded the highest ratings among regional banks by the major international rating agencies: Moody's (Aa3), Standard & Poor's (A+) and Fitch Ratings (AA-). The Bank's shares are listed publically and financial reports and other investor information can be found on its website (<http://www.nbk.com>).

The Bank's core operations consist of: Consumer Banking, Private Banking Group, Corporate Banking Group, Treasury, and NBK Capital (Investment Banking, Brokerage Services & Asset Management).

Consumer Banking

NBK offers an extensive range of retail banking services and products including online services and digital banking options (i.e. mobile banking). With a 40% share of the domestic market, NBK continues to be recognized as the leader in retail banking. NBK is also the leading credit card issuer with 50% of the local market. NBK's consumer businesses, including loans and deposits, have generated record results demonstrating innovation and leadership in the retail banking sector.

Private Banking Group

The Private Banking Group ("PB Group") is NBK's wealth management division responsible for high net worth individuals. The PB Group has continually strengthened its leading position through a wide portfolio of innovative private banking products and services tailored for its client base. NBK has remained the preferred wealth management provider for generations of Kuwaiti families. Over the years it has expanded advisory fixed income capabilities and assisted clients in their financing and

investments in real estate in the United Kingdom and the United States. It has continued to leverage NBK's international network extending its services to NBK clients in Beirut, Cairo, Dubai, Geneva, London, Manama, New York and Paris.

Corporate Banking Group

NBK's Corporate Banking Group ("CB Group") covers domestic and foreign markets by offering credit facilities, structured finance and corporate treasury financing. Corporate Banking outside Kuwait is covered by various units in branch/subsidiary network. The CB Group serves various sectors of the economy such as: trade, oil and petrochemical, industrial, automotive, financial institutions, telecom and construction. NBK's CB Group is able to make the most of the strengths of the Bank's long standing presence, in-depth knowledge of the market, and strong relationships with the public and private sectors, to provide comprehensive cross-border banking solutions for the region's top corporations dealing in financing and international trade.

Treasury

NBK Treasury covers local and global markets, advising on a wide spectrum of instruments and investments. These range from foreign exchange transactions and money market deposits to more complex multi-currency hedging solutions, yield enhancement swaps and investment strategies as well as consulting their clients on more exotic structured products on a multitude of asset classes.

NBK Capital

NBK Capital is the investment banking subsidiary of NBK and it is the leading investment management company in the region, focusing on offering a diversified range of innovative financial products and services to clients. It has four lines of businesses: investment banking, alternative investments, asset management and brokerage & research.

The Asset Management line includes MENA Equities, Investment Advisory and Brokerage & Research and is mainly focused on preserving capital and providing income producing funds to NBK clients. The MENA Equities team is responsible for taking several portfolios containing listed securities and restructuring them into regional discretionary portfolios. The Investment Advisory team provides regular updates to its clients on their investment portfolios through comprehensive performance reporting, incorporating NBK's views on global economic and financial developments.

National Bank of Kuwait- New York Branch

NBK's U.S. activities consist of one branch located in New York City (the "NY Branch" or "NBKNY"). NBKNY is a wholesale foreign banking organization ("FBO") established in 1984 and federally licensed by the Office of the Comptroller of the Currency ("OCC"). It is located at 299 Park Avenue New York, NY, 10171. NBKNY offers its customers a comprehensive range of wholesale commercial banking and treasury services as well as private banking to NBK private banking customers. As part of its trade finance activities, NBKNY provides expert advice and customized financing to major U.S. multinational companies and North American construction and engineering contractors working on large scale infrastructure, defense and oil-related projects in Kuwait and the other MENA countries in which NBK operates. As of December 31, 2013, NBKNY had 42 employees.

(3) Material entities

To determine the existence of a material entity, the covered company aligned to the definition set forth in the Final Rule where a "material entity" is defined as a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.

The NY Branch is the only entity of NBK in the U.S.. Based on the determination by the covered company that it has no critical operations or core business lines in the U.S., it thus has no material entities. Further, the covered company has no non-bank operations or other entities in the U.S.

(4) Critical Operations and Core Business Lines

Critical Operations

In considering the existence of a U.S. core operation, the covered company is aligned to the definition set forth in the Final Rule where a 'critical operation' is defined as an operation of the covered company, including associated services, functions and support, the failure or discontinuation of which, in the view of the covered company or as jointly directed by the Board and the Corporation, would pose a threat to the financial stability of the U.S. The FRB and the FDIC have not designated any of the covered company's U.S. operations to be critical operations. The covered company agrees and has further determined that it does not have any critical U.S. operations.

Core Business Lines

In considering the existence of a U.S. core business line, the covered company is aligned to the definition set forth in the Final Rule where a "core business line" is defined as a business line, including associated operations, services, functions and support that, in the firm's view, upon failure would result in a material loss of revenue, profit, or franchise value.

A review of the covered company's U.S. business lines was conducted and each business was evaluated against its contribution to the consolidated net income of the covered company. It has been determined that the loss of any single U.S. business line would not materially impact the consolidated results of NBK. Next, the NY Branch's consolidated contribution to the net income of NBK NY was considered. NBK NY represents an insignificant 1.47% of the covered company's net income. Additional consideration was given to whether or not the wind-down of NBK NY's business lines would pose any strategic or reputational diminution in value to the NBK franchise. Based on the relatively small business line operations in the U.S., it was concluded that the closure of the NY Branch would not materially impact the franchise value or other operations of NBK.

Based on the above considerations, the covered company has determined that it does not have any Core Business Lines in the U.S.

For purposes of this Plan, and for the avoidance of confusion with the definition of CBL's in the Final Rule, the NY Branch's business lines are referred to herein as Key Business Lines ("KBL's").

A summary of NBKNY's Key Business Lines follows:

Corporate Banking

Corporate Banking (CB) at NBKNY provides credit facilities and trade finance products to U.S. corporate entities, many of which engaged in business in the MENA region, as well as Kuwaiti companies transacting business in the U.S. Sectors include engineering & construction, oil and gas, general corporate and commercial real estate. Clients include U.S. and LATAM corporations and Financial Institutions.

Private Banking

Services to NBK's Private Banking clients include the handling of their banking transactions in the United States. The unit provides loans to NBK Private Banking clients seeking U.S. small commercial or residential real estate investment opportunities.

Financial Institutions

Financial Institutions extends trade finance and correspondent banking facilities to U.S., Kuwaiti and foreign banking groups. Additionally, direct lending to investment grade LATAM banks in widely syndicated deals or bilateral facilities. Financial Institutions also monitor and control bank limits accordingly.

Treasury

NBKNY Treasury unit is responsible for providing NBKNY customers with access to the foreign exchange, fixed income, and money markets. Treasury is also responsible for maintaining branch liquidity at levels that permit the branch to carry out its activities safely and effectively and provide dollar liquidity to the NBK network.

(5) Summary of financial information regarding assets, liabilities, capital and major funding sources

1. Financial Information

The following table illustrates the consolidated financial information for NBK as of the end of the Bank's most recent fiscal year, 2013.

Table I Consolidated Financial Information

National Bank of Kuwait		
Consolidated Financial Information as of December 31, 2013		
(USD 000's)		
	2013	2012
Total Assets	65,946,268	58,473,572
Total Liabilities	56,331,682	49,198,638
Total Equity	9,614,586	9,274,934
Tier 1 Capital Ratio	16.8%	17.7%
Total Capital Ratio	17.3%	18.3%

Note: Source is Annual Report, available through www.nbk.com

2. Major Funding Sources

Liquidity management remains a top priority for the Bank especially in light of prevailing market conditions. NBK Treasury has been actively working on improving the Bank's funding profile as well as diversifying and expanding funding sources by introducing new funding instruments.

As of December 31, 2013, deposits from banks and other financial institutions were \$17.5 billion, customer deposits \$37.2 billion and CDs issued \$854 million.

(6) Derivatives and hedging activities

At the NY Branch, derivatives activities are very conservative and limited, in-line with the covered company's risk tolerance. The NY Branch derivative products are only utilized for hedging purposes. NBKNY is not a market maker and does not engage in trading of derivatives or any other proprietary trading.

(7) Membership in material payment, clearing and settlement systems

NBKNY is a member of various payment, clearing and settlement systems known as Financial Market Utilities ("FMU's"). FMU's allow NBKNY to provide payment services to customers and clients. The following table lists NBKNY's memberships in payment, clearing and settlement systems:

Table II: Material Trading, Payment, and Clearing Systems

Services Provided	Payment, Clearing and Settlement System (FMU)	Description of Services
Payment	Federal Reserve Wire Network (FEDWIRE)	Electronic real-time settlement funds transfer system operated by the United States Federal Reserve Banks that enables financial institutions to electronically transfer funds.
Payment	The Society for Worldwide Interbank Financial Telecommunications (SWIFT)	Communications platform for the exchange of financial messages between financial institutions.
Settlement	Bank of America (BoA)	BoA performs USD clearing for NBKNY transactions

Note: Effective July 1, 2014, NBK NY exited US dollar clearing business for the NBK network

(8) Foreign operations

NBK is the leading financial institution in Kuwait and has successfully extended its well-established franchise throughout MENA. It currently operates through a large international network covering the world's leading financial and business centers across 16 countries. Further information on NBK's business, including foreign operations, is available in the Bank's Annual Report for the fiscal year ended December 31, 2013.

(9) Material supervisory authorities

NBK, including its branches and subsidiaries, is supervised and regulated under various laws and regulations in the countries in which it operates. NBK is regulated by the Central Bank of Kuwait

("CBK"). The CBK supervises and regulates Kuwait's banking system. Although Kuwait is not a member country of the Basel Committee on Banking Supervision, the CBK requires Kuwaiti banks to comply with the Basel III Accord.

NBKNY is primarily regulated by the OCC and is subject to supervision by the FRB as a Foreign Banking Organization under the Bank Holding Act of 1956. The table below lists NBK's principal branches and subsidiaries and their respective regulating authorities.

Table III: NBK Principal Branches & Subsidiaries and Regulatory Authorities

Name	Address	Key Regulators
National Bank of Kuwait SAK <i>Head Offices & Local Branches</i>	Abdulla Al Ahmad Street	Central Bank of Kuwait
National Bank of Kuwait Int'l PLC (London)	13 George Street, London, W1U 3QJ UK	Financial Services Authority (UK)
National Bank of Kuwait Int'l PLC (Paris)	90 Avenue des Champs-Elysees 75008 Paris, France	Banque de France
NBK Banque Privee (Suisse) S.A.	21 Quia du Mont-Blanc CH-1211 Geneva 1, Switzerland	Swiss Federal Banking Commission
National Bank of Kuwait SAL (Lebanon)	BAC Building, Justinien Street, Sanayeh, Beirut, Lebanon	Banque du Liban
National Bank of Kuwait SAK (Bahrain)	GBCorp Tower, Block 346, Road 4626, Building 1411, Manama, Kingdom of Bahrain	Central Bank of Bahrain
National Bank of Kuwait- Egypt (S.A.E)	13 El-Semar Street, Gameat El dewal Al-Arabia, Mohandessin, Giza, Egypt	Central Bank of Egypt
National Bank of Kuwait SAK (Singapore)	9 Raffles Place, # 24-02 Republic Plaza, Singapore 048619	Monetary Authority of Singapore
National Bank of Kuwait SAK (Jordan)	Al Hajj Mohd Abdul Rahim Street, Hijazi Plaza, Building #70, Amman, 11194, Jordan	Central Bank of Jordan
National Bank of Kuwait SAK (Saudi Arabia)	Al Khalidiah District, Al Mukmal Tower, Jeddah, Saudi Arabia	Saudi Arabian Monetary Agency
National Bank of Kuwait SAK (Dubai)	ACICO Business Park Building, Sheikh Rashid Road, Port Saeed Area, P.O Box 88867, Deira, Dubai, U.A.E.	Central Bank of the United Arab Emirates
Credit Bank of Iraq	Bldg 187 Sadoun Street, District 102, P.O Box 3420, Baghdad, Iraq	Central Bank of Iraq

Turkish Bank	Valikonagi Avenue No.1, P.O Box 34371 Nisantasi Istanbul	Banking Regulation and Supervision Agency
International Bank of Qatar QSC	Suhaim Bin Hamad Street, P.O Box 2001, Doha, Qatar	Qatar Central Bank

(10) Principle Officers

The table below lists the principle officers of NBK's New York Branch.

Table IV: Principle Officers of NBK's NY Branch

Name	Title	Department/Unit
Marwan Isbaih	General Manager	All Departments
Craig Kennedy	Executive Manager	IT/ Operations
Ava Coletta	Executive Manager	Financial Control/HR
Steve Allen	Executive Manager	Treasury
Wendy Wanninger	Executive Manager	Corporate Banking
Arlette Kittaneh	Executive Manager	Institutional Banking
Thomas Cahalane	Senior Manager	Risk Management

The table below lists the principle officers of National Bank of Kuwait, S.A.K.

Table V: Principle Officers of NBK

Name	Title	Department/Unit
Isam Al-Sager	Group CEO	NBK Group
Shaika Al-Bahar	Deputy Group CEO	NBK Group
Salah Al-Fulaij	CEO	NBK Capital
Georges Richani	CEO	International Banking Group

Jim Murphy	Group Chief Financial Officer	NBK Group
Parkson Cheong	Group Chief Risk Officer	NBK Group

(11) Corporate governance structure and resolution planning process

The NBK Board of Directors (the "Board") and the management of NBK are committed to the long-term success of NBK as a leading bank in the Middle East, including generating stable and sustainable returns for its shareholders. Fundamental to NBK's strategy are the standards of corporate governance, in particular those defined by the Central Bank of Kuwait. The Corporate Governance structure of the Bank is developed and approved by the Board. This structure is reviewed on an annual basis and updated to reflect emerging trends applicable to the Bank's business lines and operations.

Authority and responsibility for NBK's TRP rests with the Board and senior management at NBK as well as the management of the NY Branch.

This plan was developed by the executive management of NBK NY in coordination with an ad hoc U.S. Tailored Resolution Plan Steering Committee (the "TRP Committee"). The TRP Committee includes the General Manager of NBK NY, Risk Manager, Treasurer, Controller, and was assisted by an independent outside advisory group and regulatory counsel for oversight and direction in formulating the Plan. The information in this Plan was provided through the accounting and IT systems and the knowledge of various department heads and assimilated into the Plan by the TRP Committee. The integrity of its content has been jointly coordinated with each department head, including Risk, Compliance, Operations, Financial Control, Human Resources, and the Key Business Lines.

The Plan was reviewed and approved by the General Manager NY Branch and by the NY Branch Country Risk Committee, which oversees all matters pertaining to risk at the NY Branch. The Plan was forwarded to NBK's Head Office for review and final sign-off by NBK's Board of Directors, or its delegatee, prior to submission to the FRB and the FDIC.

(12) Material management information systems

NBK NY's management information systems ("MIS") are applications that analyze and report financial data necessary for prudent risk management, accounting and financial and regulatory reporting in connection with its KBL's in the U.S. MIS at the NY Branch generally take the form of platform technologies and user interfaces that enable business users to perform analytics and extract data to generate standard and ad hoc reporting. The MIS are used to collect comprehensive data for reports necessary to support the Key Business Lines of the NY Branch and to maintain its financial health. These reports are used by senior management, and regulators, to assess the financial condition and the

operational risks of the NY Branch, including reports in the areas of risk management, liquidity, accounting, operations, and compliance.

The NY Branch owns all MIS hardware and has largely licensed its application software from third party vendors. MIS are run independently from those of the Bank, and thus, no interconnections exist. NBKNY has a business continuity plan, and leases a disaster recovery site, to ensure that its operations will continue seamlessly in the event of disaster or corporate breakdown.

(13) Resolution strategy

NBK's Tailored Resolution Plan addresses the requirements for a resolution plan under the FRB and FDIC rule implementing Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

NBK's Plan provides a high level analysis of how the covered company's NY Branch could be resolved in a rapid and orderly manner that would not create significant adverse effects on U.S. financial stability. As an initial step of the strategic resolution analysis, starting facts and assumptions were developed to set the back-drop for further planning and analysis. As required by the Final Rule, NBK has assumed for the purposes of its TRP that:

- There is no financial support from the covered company and/or government available to the NY Branch.
- An idiosyncratic event causes material financial distress and failure of the covered company. As a result, the NY Branch is dissolved.

This Plan was developed to ensure that the covered company is well prepared to meet the challenges that may arise from a potential crisis that would cause it significant financial distress. In NBK's TRP, it is assumed once NBKNY is in resolution; the OCC will take possession of the NY Branch and appoint a Receiver, the FDIC, to take control and manage day to day affairs, including the wind-down of the NY Branch.

As more fully discussed in the Confidential Section, the U.S. Resolution Plan describes steps that the Receiver could take to unwind the NY Branch which includes strategies for monetizing loan and treasury assets and meeting operational funding requirements during NBKNY's resolution period. An orderly wind-down of the NY Branch would mainly involve the sale and run-off of assets contained within its Key Business Lines while the Receiver continues operations of the NY Branch to support the resolution process.