BMCE BANK INTERNATIONAL

Company registration No. 5321714 (England and Wales)

BMCE BANK INTERNATIONAL PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

Directors	D. Suratgar * (Chairman) M. Afrine (appointed 4 October 2013) C. Fisher * I. Plenderleith, CBE * B. Benjelloun-Toumi (appointed 15 February 2013) * M. Agoumi (appointed 15 February 2013) * M. Bircharef (resigned 14 June 2013)
Secretary	TMF Corporate Administration Services Limited
Company number	5321714
Registered office	26 Upper Brook Street London W1K 7QE
Registered auditors	Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD
Bankers	Barclays Bank Plc 1st Floor 99 Hatton Gardens London EC1N 8DN

* Non executive Directors

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The Directors present their Strategic Report for BMCE Bank International plc for the year ended 31 December 2013.

Results

The results for the year are set out on page 11. The profit after tax for the year ended 31 December 2013 amounted to £2,803,000 (2012: £1,274,000 profit). Profit before tax and discontinued activities increased by 59% to £1,540,000. This was the result of a 25% increase in operating income to 2013: £ 12,759,000, mainly from the corporate Banking business. The return on equity increased by 3.0% from 2.6 % to 5.6%

The results reflect the continuing growth of the Bank. This is the second year that the Bank has made a profit. Prior to 2012, the revenues had not grown sufficiently to off-set the costs of setting up the Bank. The plans for the Bank to grow its business in its target market of Africa remain. The global slow-down caused a delay rather than a change in strategy. The Bank is now developing more synergies with other parts of the BMCE group, in particular with the Bank of Africa which resulted in improving revenues for the year.

Review and analysis of business during the current year

The Bank continued, throughout the year, its principal activities of Corporate and Investment Banking, focusing on trade, structured and project finance and corporate lending for target customers based in Africa or with an interest in the region and Treasury and Capital Markets, focusing on currency and interest rate markets of the region.

The Bank has reassessed its risk profile and risk appetite during the past two years and has, as a result, reduced its largest direct lending exposures and targeted growth in off-balance sheet positions. This has seen off balance positions increasing by 98% from last year. This change in focus has seen a greater diversification of risk, removing any concentration on large unsecured exposures. There has also been a reduction in risk by the increase of credit mitigation techniques such as insurance, counter-guarantees and collateral.

The remittance transfer business in France, whereby the Bank transferred cash on behalf its ultimate parent Company's customers, was sold in December 2012 for a £1.2 million gain to a fellow subsidiary BMCE Euroservices SA. This was part of a rationalisation process of the business in Europe. During 2013 the Bank continued to operate this business on behalf of BMCE Euroservices whilst it established the infrastructure it required to take on this business line.

Total operating expenses increased marginally from £10.4 million in 2012 to £10.8 million in 2013. This was due to an increase in other general overheads, management actions in the second half of the year are expected to reverse this trend in 2014.

The Bank outsourced its Information Technology requirements and assets to a fellow subsidiary of BMCE Group, IT Information Services, with effect from 1st October 2013. This is a part of a rationalisation of the group's IT management strategy and is expected to produce significant cost savings for the Bank in 2014.

During 2013 the Bank earned some fees for Corporate Advisory Service, these initial fees were from fellow group companies but it is planned to offer such services to non-connected counterparties.

Expenses have remained under control. Actions have been taken which will further reduce overheads in 2014.

Key Performance Indicators

The following are key performance indicators for the Bank:

£'000	*2013*	*2012*	% change
Operating income	12,759	10,211	+ 25%
Profit before tax and discontinued activity	1,540	969	+ 59%
Profit for the year	2,803	1,274	+ 120%
Return on equity	5.6%	2.6%	+ 3 %
Capital Ratio (Capital as percentage of risk weighted assets)	24%	29%	- 5%
Off-balance Sheet- Guarantees and Letters of Credit	131,423	66,317	+ 98%

Development and Financial Performance during the year.

- The Bank continued to develop the business in its Paris office.
- A new loan synergy and syndications department was established which is now generating revenues and is planned to expand in 2014.
- The commodities finance business slowed during the first half of 2013 but recovered towards the end of the year and prospects are good for 2014.
- Overheads have been tightly controlled and there are further savings to be realised in 2014.
- The Bank outsourced its Information Technology and related assets to a fellow subsidiary of BMCE Group, IT Information Services, with effect from 01 October 2013. This is a part of a rationalisation of the group's IT management strategy and is expected to produce significant cost savings for the Bank in 2014.
- The remittance advice business which was sold during December 2012, continued to produce revenues during 2013 because the Bank carried out this service on behalf of its fellow subsidiary BMCE Euroservices SA which was still establishing its systems and procedures. This revenue has now ceased.

Financial Position at the Reporting Date

- The Bank's total assets as at 31 December 2013 were £214.8 million down from £241.2 million the previous year. The reduction was due to the level of loans and advances to customers and was part of a strategy to improve the risk profile. Longer term large scale loans have been reduced in favour of a more diversified portfolio including more short term off-balance sheet positions. It is planned to maintain a similar risk profile in 2014 but increase on and off balance sheet positions.
- The non-income generating assets, for example tangible and intangible assets have reduced from £24.7 million as at 31 December 2012 to £23.1 million as at £31 December 2013. There have been further reductions since the year end.

Strategy For 2014

During 2014 the consolidation and repositioning of the Bank will continue. The Bank will face the following key challenges:

1. Completion of the Investment Bank:

- Resolutely turned towards Africa, the Bank has not yet reached its end objectives as an Investment Bank. The business advisory, fund manager and brokerage of asset business streams are still not fully established. We aim to be the benchmark for investment in Africa with a complete portfolio of Banking products. The year 2014 will also see some new staff positions that will add solidity to the building of the new business.

2. Switch to a New Central Information Technology System

- A project to centralise the information technology systems commenced in 2013, the first phase will be completed in March 2014. There are important implications in the development of the new system that will allow a significant reduction of human intervention and thus operational risk. The availability of improved management information and the possibility of implementing Dashboards are expected to facilitate decision-making. The system is designed to be flexible and exploitable by the Management.

3. Organisation of Governing Bodies:

- The goal is to make the decision-making process more effective. Governance within the Bank will be achieved by the following bodies:
- The Board of Directors consisting of five non-executive Directors and the Chief Executive Officer, and others regularly invited including the Managing Director Head of Risk and the Chief Financial Officer. The Board approves the overall strategy and the broad guidelines of the Bank.
- The Board Risk Committee consists of two non-executive Directors and the Managing Director Head of Risk; other members of the Board and the Chief Financial Officer are invited. The Risk Committee monitors and assesses the adequacy and effectiveness of risk

management policies and processes. It monitors the full range of risks, financial and non-financial including credit, market, liquidity, funding, capital, operational and regulatory risks.

- The Audit Committee consists of two non-executive Directors and the Head of Internal Audit. Other members of the Board, the Chief Financial Officer and the Head of Risk are invited. The committee monitors the adequacy and effectiveness of controls, processes, governance, integrity of financial statements and objectivity of internal and external auditors.

- The Compensation Committee consists of the Chief Executive Officer and two other members of the Board of Directors and decides the remuneration policy.

- Other committees the decision-making process of the Bank are :

    - Executive Committee,
    - Asset and Liability management Committee,
    - Credit Committee

4 Achievement of business objectives:

- Achieving our goals will undoubtedly be as a result of continuing our marketing efforts with ongoing cost-control and further optimization of the return against risk.

- Commercial Effort:
    - Synergy: we expect strong benefits from the Group synergy for both of the components " Buy Side " and " Sell Side ".

- Commercial Conquest : Capitalising on the Brand "BMCE" for the acquisition of new customers while emphasizing the Geographic and sector diversification of our "Target Market" and maintaining the level of "Risk Appetite" defined by the Board.

- Orientation towards Fee Earning Business: It is important for our Bank to complete the product range by moving more and more towards the fee earning business.

- Control over overheads :
    - Rationalization of costs : Moving to new premises in Paris that are more appropriate
    - Outsourcing IT: This operation will produce substantial savings .

Mohammed Afrine
Director
23 April 2014

David Suratgar
Chairman

Report of the Directors
The Directors of BMCE Bank International PLC present their report and financial statements for the year ended 31 December 2013.

Principal activities
The Bank is authorised and regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

The Bank's principal activities are Corporate and Investment Banking, focusing on trade, structured and project finance and corporate lending for target customers based in Africa or with an interest in the region and Treasury and Capital Markets, focusing on currency and interest rate markets of the region. The Bank also maintains a branch in Paris.

Dividend
No dividend was paid during the year (2012: £Nil). The Directors do not recommend the payment of a final dividend for this financial year (2012: £ Nil).

Future Plans

- Banque Marocaine du Commerce Exterieur S.A. (BMCE) intends to continue to develop synergies between BMCE Bank International and its fellow subsidiary BMCE International Spain and with other group companies in Africa.
- The Paris office will relocate to more appropriately sized premises in May 2014.
- Further details about the Bank's strategy for the forthcoming financial year are provided in the Strategic Report.

Financial instruments
The Bank's risk management objectives and policies are discussed in Note 32.

Directors
The following Directors have held office since 1 January 2013:

D. Suratgar * (Chairman)

C. Fisher *

I. Plenderleith, CBE *

The following Directors have resigned:

M. Bircharef (14 June 2013)

The following Directors were appointed:

B. Benjelloun-Toumi (15 February 2013) *

M. Agoumi (15 February 2013) *

M. Afrine (4 October 2013)

* Non executive Directors

Directors' interests

None of the Directors has, or had during the year under review, any beneficial interest in the shares of the Company.

Going concern

As set out in the Review of the Business section, the Bank took significant actions during 2012 to improve its financial position mainly on its cost base, this resulted in 2012 being the first profitable year for the Bank. The benefits of these actions have continued with the result that profits increased in 2013. The three years business plan shows an ongoing growth of our profits to a forecasted £7.7 million profit in 2016.
Our parent Company provided additional capital of £8 million during October 2012, and has continued its robust support through 2013.
As a consequence, the Directors consider the Bank is well placed to manage its business risks despite the current uncertain economic outlook.

Having made due enquiries and in light of the matters outlined in the preceding paragraphs, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Change of auditors

Ernst and Young resigned as auditors of BMCE Bank International plc. The shareholders offered the audit for tender and following a selection process appointed Mazars LLP as auditors. It is the policy of the group to rotate auditors, and the decision to change auditors for the Bank is consistent with this approach.

Directors' statement of disclosure to auditors

Each of the Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Bank's auditors are unaware;
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Bank's auditors are aware of that information.

Signed on behalf of the Board

Mohammed Afrine Director 23 April 2014	David Suratgar Chairman

We have audited the financial statements of BMCE Bank International plc for the year ended 31 December 2013 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and the related notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditor

As explained more fully in page 7 to 8 in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.