

| ASSETS | 31.12.2016 EUR | 31.12.2015 EUR'000 |
|--|--------------------------|-----------------------|
| A. Current assets | | |
| Receivables and other assets | | |
| 1. Receivables from affiliated companies | | |
| a) From the investment of issue proceeds | | |
| - thereof due in more than one year: | 5,781,841,115.68 | 11,502,885 |
| EUR 2,984,971,658.76 (PY: EUR 4,685,641,548.90) | | |
| b) Other receivables | 409,688,536.62 | 2,529 |
| - thereof due in more than one year: | | |
| EUR 0.00 (PY: EUR 0.00) | | |
| 2. Other assets | 8,958,698,692.23 | 12,457,643 |
| - thereof due in more than one year: | | |
| EUR 7,384,369,309.49 (PY: EUR 8,486,037,792.87) | | |
| - thereof from affiliated companies | | |
| EUR 8,958,698,692.23 (PY: EUR 12,457,625,359.99) | | |
| | 15,150,228,344.53 | 23,963,057 |
| B. Deferred tax assets | 0.00 | 36 |
| | | 36 |
| C. Trust assets | | |
| Receivables | 3,451,586,678.60 | 5,004,706 |
| - thereof due in more than one year | | |
| EUR 1,115,451,404.93 (PY: EUR 3,398,643,272.25) | | |
| - thereof from affiliated companies | | |
| EUR 3,451,586,678.60 (PY: EUR 5,004,705,533.48) | | |
| | 3,451,586,678.60 | 5,004,706 |
| EQUITY AND LIABILITIES | EUR | EUR'000 |
| A. Equity | | |
| I. Subscribed capital | 25,564.59 | 26 |
| II. Profit carried forward | 1,137,724.99 | 1,008 |
| III. Fiscal year net income | 0.00 | 129 |
| | 1,163,289.58 | 1,163 |
| B. Provisions | | |
| I. Provisions for pensions and similar obligations | 261,894.00 | 241 |
| II. Tax provisions | 0.00 | 0 |
| III. Other provisions | 382,000.00 | 514 |
| | 643,894.00 | 755 |
| C. Liabilities | | |
| I. Liabilities from issued certificates | 5,781,841,115.68 | 11,502,885 |
| - thereof due in up to one year: | | |
| EUR 2,796,869,458.92 (PY: EUR 6,817,243,305.91) | | |
| - thereof from affiliated companies | | |
| EUR 5,781,841,115.67 (PY: EUR 11,502,884,854.81) | | |
| II. Trade payables | 132,454.60 | 245 |
| - thereof due in up to one year: | | |
| EUR 132,454.60 (PY: EUR 244,638.56) | | |
| III. Liabilities to affiliated companies | 407,736,263.27 | 417 |
| - thereof due in up to one year: | | |
| EUR 513,169.00 (PY: EUR 416,739.00) | | |
| IV. Other liabilities | 8,958,711,327.40 | 12,457,628 |
| - thereof due in up to one year: | | |
| EUR 1,574,342,017.91 (PY: EUR 3,971,590,652.48) | | |
| - thereof for taxes: | | |
| EUR 7,124.51 (PY: EUR 3,085.36) | | |
| - thereof to affiliated companies: | | |
| EUR 8,958,698,692.23 (PY: EUR 12,457,625,359.99) | | |
| | 15,148,421,160.95 | 23,961,175 |
| D. Trust liabilities | | |
| Certificates | 3,451,586,678.60 | 5,004,706 |
| - thereof due in up to one year: | | |
| EUR 2,336,135,273.67 (PY: EUR 1,606,062,261.23) | | |
| - thereof to affiliated companies: | | |
| EUR 3,451,586,678.60 (PY: EUR 5,004,705,533.48) | | |
| | 3,451,586,678.60 | 5,004,706 |
| | 18,601,815,023,13 | 28,967,799 |

**Société Générale Effekten GmbH
Frankfurt am Main**

**Income Statement
for the period from January 1, 2016 to December 31, 2016**

| | 2016 EUR | 2015 EUR'000 |
|---|---------------------|-------------------------|
| 1. Income from warrant activities | 10.811.200.456,83 | 15.997.223 |
| 2. Expenses from warrant activities | 10.811.200.456,83 | 15.997.223 |
| 3. Income from certificate activities | 14.477.559.269,29 | 9.129.718 |
| 4. Expenses for certificate activities | 14.477.559.269,29 | 9.129.718 |
| 5. Other revenues | 2.644.971,30 | 5.076 |
| thereof SG S.A. Paris EUR 1,338,909.10 (PY: EUR 5,075,875.36) | | |
| thereof SG S.A. Frankfurt Branch EUR 1,306,062.20 (PY: EUR 0) | | |
| 6. Revenues | 2.644.971,30 | 5.076,00 |
| 7. Personnel expenses | | |
| a) Wages and salaries | 239.924,29 | 172 |
| b) Social security, pension expenses and other benefit costs | 62.457,87 | 86 |
| - thereof for pensions: | | |
| EUR 14,903.00 (PY: EUR 59,777.87) | | |
| 8. Other operating expenses | 2.246.028,04 | 4.639 |
| 9. Other interest and similar income | 94,75 | 0 |
| - thereof from affiliated companies | | |
| EUR 94.75 (PY: EUR 369.96) | | |
| 10. Interest and similar expenses | 149.347,74 | 12 |
| - thereof to affiliated companies | | |
| EUR 149,271.96 (PY: EUR 12,508.35) | | |
| 11. Income taxes | 35.703,24 | 38 |
| - thereof on deferred tax assets: | | |
| EUR 35,703.24 (PY: EUR - 15,830.85) | | |
| 12. Income from loss absorption | 88.395,13 | 0 |
| 13. Fiscal year net income/loss | 0,00 | 129 |

**Société Générale Effekten GmbH
Frankfurt am Main**

**Notes to the Annual Financial Statements
for the 2016 financial year**

Comments on the annual financial statements at December 31, 2016, and other disclosures

The annual financial statements of Société Générale Effekten GmbH at December 31, 2016, have been prepared according to the accounting regulations of the German Commercial Code (HGB) and the supplementary regulations of the Limited Liability Companies Act (GmbHG) in compliance with generally accepted accounting principles.

The head office of the company is located in Frankfurt/Main. It is listed at the Frankfurt am Main Local Court under Commercial Register record no. HRB 32283.

1. Recognition and measurement principles

Accounts receivable are recognized at their nominal amount plus accrued interest. Liabilities not hedged are recognized at their settlement value.

The calculation of deferred taxes is based on temporary differences between items on the statement of financial position when considered under commercial law and tax law pursuant to Section 274 HGB. The tax rate used to calculate the deferred taxes was 31.93%. Since SG Effekten GmbH has been in an integrated company relationship since January 1, 2016, as a dependent company with Société Générale, Frankfurt Branch, the deferred taxes are carried at the level of the dominant enterprise.

The provisions for pensions were measured at the settlement value according to actuarial principles, taking the 2005 G life expectancy table into account, which is necessary according to reasonable business assessment (Section 253 (I)(2) HGB). They are discounted on a flat-rate basis using an average market interest rate corresponding to a remaining time to maturity of 15 years (Section 253 (II)(2) HGB). The period used to create an average of the discount rate for pension provisions was extended from 7 years to 10 years. The change in the average discount factor results in a difference within the meaning of Section 253 VI HGB of EUR 31 thousand.

The expectancy cash value method is used as an actuarial measurement method. The following parameters were assumed for the pension provisions: a discount rate of 4.01% (PY: 3.89%), a remuneration development of 2.58% (PY: 2.90%), and pension development of 1.58% (PY: 1.90%). The effects of interest rate changes are recognized in the operating profits. The other provisions with a remaining term of up to one year are not discounted and are presented on the liabilities side at their settlement value necessary according to reasonable business assessment.

Option premiums are recognized until exercise or lapse as Other assets or Other liabilities. At exercise or lapse, collection occurs, affecting net income.

They are presented within the items of Income from option trades or Expenses of option trades.

The issued certificates are recognized as Liabilities from issued certificates until due. The issued certificates are offset by offset by hedging transactions, which are recognized in Receivables from affiliated companies.

The liabilities from issued certificates and warrants and the hedging transactions recognized in Receivables and other assets were merged into measurement units and included on the liabilities side at cost of purchase or recognized as assets in the amount of the issue proceeds. These are perfect micro-hedges.

Remeasurement pursuant to Section 254 HGB does not occur due to their characteristic as measurement units, i.e., due to non-recognition of the offsetting changes in value, the net hedge presentation method is used in this context (Section 285 (19b) and (19c) HGB as well as Section 285 (23a) and (23b) HGB). It was not necessary to make any value adjustments on the Receivables and Other Assets.

The presented liabilities from issued certificates and warrants are generally hedged by maturity-matched financial instruments denominated in the same currency and bearing an identical price risk.

Liabilities not merged into measurement units are presented at the settlement amount. These liabilities are Trade accounts payable and liabilities to affiliated companies. The corresponding income statement item stating such liabilities is presented within Other operating expenses.

The portfolio of issued options and certificates at the reporting date is fully hedged against market price changes using hedging transactions with the shareholder.

In addition, the Company works in the context of a trust agreement with the sole shareholder, Société Générale S.A., Paris.

The corresponding financial instruments are presented within Trust assets on the assets side and within Trust liabilities on the equity and liabilities side of the statement of financial position.

The certificates from trust transactions are offset by hedging transactions that are recognized under trust assets. Recognition of these transactions occurs at cost of purchase.

2. Notes to the statement of financial position

The **Receivables from affiliated companies** amount to EUR 6,191,530 thousand (PY: EUR 11,504,834 thousand). They are comprised of receivables owed by Consumer Finance S.A. Paris in the amount of EUR 406,708 thousand, owed by SGSS Holding S.A. France in the amount of EUR 515 thousand, owed by Société Générale Frankfurt Branch from an account balance of EUR 1,377 thousand, a transfer of losses from an existing profit transfer agreement in the amount of EUR 88 thousand, a receivable for prepaid corporate income tax and trade tax of EUR 45 thousand, and owed by Société Générale S.A., Paris, in the amount of EUR 5,782,797 thousand.

Other assets comprise the OTC options acquired by the shareholder to hedge issued warrants. They amounted to EUR 8,958,699 thousand (PY: EUR 12,457,625 thousand).

The **Trust receivables** in the amount of EUR 3,451,587 thousand (PY: EUR 5,004,706 thousand) involve funds forwarded to the shareholder from multiple certificates issued for the shareholder.

The Company has **Equity capital** in the amount of EUR 1,163 thousand (PY: EUR 1,163 thousand). It is comprised of the subscribed capital of EUR 26 thousand and the retained earnings from the prior years (EUR 1,138 thousand). A profit transfer agreement was concluded between Société Générale, Frankfurt Branch, and the Company effective January 1, 2016.

The **Other Provisions** result primarily from provisions for issuing costs as well as audit and consulting costs. They amounted to EUR 382 thousand (PY: EUR 515 thousand).

The **Trust liabilities** in the amount of EUR 3,451,587 thousand (PY: EUR 5,004,706 thousand) include the issue of certificates issued in the Company's own name for the account of third parties.

Certificates (issued) in foreign currencies are recognized in the items “Liabilities from issued certificates” and “Trust liabilities – certificates” on the liabilities side of the statement of financial position in a total amount of EUR 43,448 thousand (EUR 9,279 thousand from CAD, EUR 30,888 thousand from USD, EUR 2,791 thousand from AUD, and EUR 490 thousand from CHF). The corresponding hedges are carried in the same amount in the item Receivables from investment of issue proceeds and Trust assets – receivables on the assets side of the statement of financial position. Currency translation is performed at the exchange rate applicable on the posting date as part of the formation of valuation units (net hedge presentation method), taking into account the terms and conditions of the issue specified in the respective prospectus. Because currency risks are hedged, exchange rate fluctuations have no effect on the Company’s income statement.

Warrants (issued) in foreign currencies are recognized in the item “Other liabilities” on the liabilities side of the statement of financial position in a total amount of EUR 1,532,896 thousand (EUR 121,128 thousand from GBP and EUR 1,411,768 thousand from SEK). The corresponding hedges are carried in the same amount under the item “Other assets” on the assets side of the statement of financial position. Currency translation is performed at the exchange rate applicable on the posting date as part of the formation of valuation units (net hedge presentation method), taking into account the terms and conditions of the issue specified in the respective prospectus. Because currency risks are hedged, exchange rate fluctuations have no effect on the Company’s income statement.

Liabilities/ trust liabilities in the amount of EUR 15,148,421 thousand/ EUR 3,451,587 thousand consist mainly of liabilities to affiliated companies (EUR 18,599,869 thousand).

| Breakdown of receivables and payables by maturity | | | | | |
|--|-----------|--------------|--------------|-------------------|--|
| | | | | | |
| EUR'000 | Total | Due in | Due in | Due in | |
| | | up to 1 year | 1 to 5 years | more than 5 years | |
| Receivables | | | | | |
| - From investment of issue proceeds | 5.781.841 | 2.796.869 | 1.250.824 | 1.734.148 | |
| - Other receivables | 409.689 | 409.689 | | | |
| - From trust accounts | 3.451.587 | 2.336.135 | 1.005.453 | 109.999 | |
| Other assets | 8.958.699 | 1.574.330 | 4.417.659 | 2.966.710 | |
| | | | | | |
| Liabilities | | | | | |
| - From issued certificates | 5.781.841 | 2.796.869 | 1.250.824 | 1.734.148 | |
| - Trade receivables | 132 | 132 | | | |
| - Due to affiliated companies | 407.736 | 513 | | 407.223 | |
| - From trust accounts | 3.451.587 | 2.336.135 | 1.005.453 | 109.999 | |
| Other liabilities | 8.958.711 | 1.574.342 | 4.417.659 | 2.966.710 | |
| - thereof taxes | 7 | 7 | | | |

3. Notes to the Income Statement

The income statement is prepared in accordance with the period accounting method.

The operating revenues in the amount of EUR 2,645 thousand (PY: EUR 5,076 thousand) were recognized in accordance with the new definition of Section 277 I HGB in the version of the Financial Statements Directive Implementation Act (BilRUG). They relate to cost transfers of services within the scope of a cost-plus procedure of 5% by the shareholder. The service covers administrative processing for the issuing business.

Other Operating Expenses consist primarily of issue costs, legal and consulting fees, and stock exchange costs.

The item **Interest and similar expense** primarily recognizes accrued interest in the amount of EUR 142 thousand for a loan from Société Générale S.A., Frankfurt Branch. No effects from negative interest were recorded.

Income taxes relate to the result of ordinary operations.

The result in financial year 2016 is negative.

The Company concluded a profit transfer agreement with Société Générale S.A., Paris, Frankfurt Branch, effective January 1, 2016, and has been in an integrated company relationship since that time. Therefore, all tax effects accrue at the level of the dominant enterprise. In this context, the deferred tax assets recognized in the prior year were reversed and recognized in profit or loss.

4. Information on the issuing activities

The total issue of financial year 2016 breaks down as follows: All issues are fully hedged by concluding identically equipped OTC options or by investing issue proceeds with Société Générale S.A., Paris.

| | | FISCAL YEAR 2016 | | | FISCAL YEAR 2015 | | |
|-----------------------------------|-----------------------------------|------------------|----------------------|------------------|------------------|-----------------------|------------------|
| CLASS - WARRANT / CERTIFICATES | TYPE | NUMBER | VOLUME (IN UNITS) | LONGEST MATURITY | NUMBER | VOLUME (IN UNITS) | LONGEST MATURITY |
| Warrants | | | | | | | |
| Stock warrants | Call | 25,105 | 577,697,078 | 21-Jan-33 | 299 | 435,526,000 | 18-Dec-20 |
| | Put | 19,724 | 332,313,300 | 1-Apr-19 | 30 | 55,750,000 | 23-Dec-16 |
| | Open End Turbo Long | 50,608 | 758,854,901 | Open End | 8,818 | 790,615,500 | 29-Mar-16 |
| | Open End Turbo Short | 19,482 | 287,280,295 | Open End | 68 | 43,400,000 | Open End |
| | Inline/ StayHigh/ StayLow warrant | 16,625 | 62,186,400 | 1-Apr-19 | 60,935 | 1,025,345,000 | 28-Nov-16 |
| | Leverage | - | - | | 30 | 7,500,000 | Open End |
| | Other warrants | 2 | 95,000 | 1-Apr-19 | 24,621 | 5,691,135,200 | 3-Feb-25 |
| | Closed End Turbo Long | 734 | 4,021,100 | 23-Jun-17 | | | |
| | Closed End Turbo Short | 644 | 3,943,000 | 23-Jun-17 | | | |
| | | 132,924 | 2,026,391,074 | | 94,801 | 8,049,271,700 | |
| Index warrants | Call | 1,845 | 192,967,942 | 23-Dec-22 | 27 | 52,020,000 | 25-Dec-15 |
| | Put | 1,865 | 151,027,725 | 28-Jun-19 | 16 | 37,000,000 | 25-Dec-15 |
| | Open End Turbo Short | 7,867 | 189,637,440 | Open End | | | |
| | Open End Turbo Long | 8,081 | 203,690,950 | Open End | 1,426 | 76,756,000 | 29-Mar-16 |
| | Inline/ StayHigh/ StayLow warrant | 13,088 | 152,395,060 | 1-Apr-19 | 34,148 | 684,270,000 | 23-Dec-16 |
| | Warrant | - | - | | | | |
| | Discount warrant | 199 | 11,780,000 | 19-Oct-16 | | | |
| | Leverage | 1 | 400,000,000 | 21-Dec-18 | 47 | 696,000,000 | 21-Jan-33 |
| | Other warrants | 222 | 1,512,080,000 | Open End | 15,593 | 3,640,995,500 | 27-Jul-49 |
| | Closed End Turbo Long | 7,839 | 44,679,209 | 1-Apr-19 | | | |
| | Closed End Turbo Short | 7,593 | 42,056,200 | 1-Apr-19 | | | |
| | Alpha | 2 | 6,000 | 23-Dec-16 | | | |
| | | 48,602 | 2,900,320,526 | | 51,257 | 5,187,041,500 | |
| Currency warrants | Open End Turbo Long | 3,943 | 71,901,230 | Open End | 312 | 11,533,000 | open end |
| | Open End Turbo Short | 3,914 | 71,905,600 | Open End | 205 | 8,464,000 | open end |
| | Call | 4,519 | 56,902,900 | 29-Dec-20 | - | - | - |
| | Put | 4,262 | 48,673,500 | 29-Dec-20 | - | - | - |
| | Inline/ StayHigh/ StayLow warrant | 4,384 | 37,965,000 | 26-Jun-17 | 142 | 2,995,000 | 29-Mar-16 |
| | Other warrants | - | - | | 286 | 142,153,000 | 20-Dec-19 |
| | | 21,022 | 287,348,230 | | 945 | 165,145,000 | |
| Commodities warrants | Call | 3,364 | 155,626,326 | 23-Nov-22 | 23 | 20,405,000 | 15-Dec-17 |
| | Put | 2,259 | 114,664,200 | 23-Nov-22 | 8 | 9,050,000 | 15-Dec-17 |
| | Open End Turbo Long | 12,816 | 321,301,618 | Open End | 1,654 | 100,540,000 | open end |
| | Open End Turbo Short | 14,275 | 348,339,235 | Open End | 1,927 | 124,496,000 | open end |
| | Inline/ StayHigh/ StayLow warrant | 6,211 | 45,532,113 | 1-Apr-19 | 3,914 | 78,630,000 | 14-Mar-41 |
| | Discount warrant | 1 | 10,000 | 26-Oct-16 | | | |
| | Other warrants | 30 | 1,032,000 | 3-Feb-25 | 9,900 | 2,334,113,030 | 18-Dec-20 |
| | | 38,956 | 986,505,492 | | 17,426 | 2,667,234,030 | |
| Fixed Income | Call | 7 | 70,000 | 20-Dec-19 | | | |
| | Put | - | - | | | | |
| | Open End Turbo Long | - | - | | 114 | 4,584,000 | open end |
| | Open End Turbo Short | 18 | 164,200 | Open End | 1 | 14,000 | open end |
| | | 25 | 234,200 | | 115 | 4,598,000 | |
| Volatility | Discount | 153 | 9,300,000 | 26-Apr-17 | | | |
| | | 153 | 9,300,000 | | | | |
| TOTAL warrants: | | 241,682 | 6,210,099,522 | | 164,544 | 16,073,290,230 | |

| | | FISCAL YEAR 2016 | | | FISCAL YEAR 2015 | | |
|---|----------------------------|------------------|----------------------|------------------|------------------|-----------------------|------------------|
| CLASS - WARRANT / CERTIFICATE | TYPE | NUMBER | VOLUME (IN UNITS) | LONGEST MATURITY | NUMBER | VOLUME (IN UNITS) | LONGEST MATURITY |
| Certificates | | | | | | | |
| Stock certificates | Bonus | 7,584 | 31,380,382 | 28-Jun-19 | 22,586 | 259,558,700 | 2-Jan-17 |
| | Discount | 4,958 | 20,445,224 | 1-Apr-19 | 17,520 | 154,811,800 | 24-Mar-17 |
| | Express | 306 | 791,800 | 25-Oct-22 | 613 | 1,768,050 | 21-Dec-20 |
| | Leverage | - | - | | | | |
| | Outperformance certificate | 1 | 3,600 | 23-Sep-16 | 36 | 460,800 | 23-Sep-16 |
| | Alpha | 2 | 33,000 | 7-Dec-17 | | | |
| | Sprint certificate | 1 | 2,000 | 7-Mar-17 | 95 | 601,600 | 23-Sep-16 |
| | Other | 1,444 | 300,400 | 11-Oct-21 | 59 | 162,100 | 27-Mar-20 |
| | | 14,296 | 52,956,406 | | 40,909 | 417,363,050 | |
| Bond | Equities | - | - | | 1,839 | 386,300 | 28-Sep-18 |
| | Index | - | - | | 274 | 69,400 | 10-Oct-16 |
| | Interest-bearing bond | - | - | | | | |
| | Inflation bond | - | - | | | | |
| | Reverse Convertible | 484 | 97,610 | 4-Apr-18 | | | |
| | Other | - | - | | 4 | 800 | 7-Aug-18 |
| | | 484 | 97,610 | | 2,117 | 456,500 | |
| Credit | Credit Linked Note | 1 | 4,900 | 11-Oct-21 | 2 | 3,200 | open end |
| | | 1 | 4,900 | | 2 | 3,200 | |
| Index Certificates | Bonus | 12,997 | 37,309,464 | 1-Apr-19 | 17,371 | 76,805,800 | 22-Dec-17 |
| | Discount | 3,635 | 29,542,877 | 4-Jan-19 | 4,142 | 23,011,100 | 22-Jun-18 |
| | Express | 185 | 4,553,000 | 8-Dec-23 | 294 | 3,631,000 | 8-Dec-23 |
| | Leverage | 9 | 2,077,750,000 | Open End | 17 | 569,750,000 | 23-Mar-20 |
| | Outperformance | - | - | | | | |
| | Other | 47 | 1,293,600,700 | Open End | 210 | 1,795,174,400 | 21-Feb-33 |
| | | 16,873 | 3,442,756,041 | | 22,034 | 2,468,372,300 | |
| Commodities certificates | Guarantee | - | - | | - | - | - |
| | Bonus | 15 | 95,200 | 28-Jul-17 | 20 | 98,600 | 17-Aug-16 |
| | Discount | 601 | 1,556,400 | 4-Nov-19 | 920 | 4,019,400 | 3-May-19 |
| | Express | 7 | 13,400 | 9-Jul-18 | - | - | - |
| | Leverage | - | - | | 1 | 20,000,000 | 24-Nov-17 |
| | Other | 3 | 44,000 | Open End | 21 | 5,845,000 | open end |
| | | 626 | 1,709,000 | | 962 | 29,963,000 | |
| TOTAL Certificates | | 32,280 | 3,497,523,957 | | 66,024 | 2,916,158,050 | |
| TOTAL Certificates and Warrants: | | 273,962 | 9,707,623,479 | | 230,568 | 18,989,448,280 | |

The fair value of the financial derivatives as well as bonds with embedded derivatives is measured in principle using market values; in case of illiquid markets, measurement uses internal models. These "in-house valuation models" are regularly tested by specialists in the Risk department of Société Générale S.A., Paris. Derivative financial instruments with option characteristics are measured by Société Générale S.A., Paris, using generally recognized option price models.

When an active market exists, prices quoted by stock exchanges, brokers, and pricing agencies are used.

The type, volume, and fair values of the derivative hedging transactions at the reporting date are shown below: The Company holds 67,529 OTC options with a market value of EUR 6,470 million to hedge the stock and index warrants, 6,762 OTC options with a market value of EUR 334 million to hedge the foreign currency warrants, 9,079 OTC options with a market value of EUR 3,423 million to hedge the commodities warrants, and 3,706 OTC warrants with a market value of EUR 377 million to hedge interest rate warrants.

In addition, the Company holds 25,740 certificates with a market value of EUR 7,149 million, including trust transactions.

The carrying amount of the warrants listed here at December 31, 2016, is EUR 8,959 million, which is presented within the Other Liabilities item in the statement of financial position. The carrying amount of the issued certificates at December 31, 2016, is EUR 9,234 million, which is divided between the item Liabilities from Issued Certificates and the item Trust Liabilities in the statement of financial position.

5. Statements on the fees recognized as expenses in the reporting year

The auditing fee for 2016, which was recognized as expense in financial year 2016, is EUR 50 thousand.

6. Statements on members of company bodies and employees

The following individuals were appointed as managing directors in financial year 2016:

Mr. Jean-Louis Jégou, banker, Frankfurt am Main (until September 1, 2016)

Dr. Joachim Totzke, general counsel, Frankfurt am Main (until February 16, 2016)

Mr. Helmut Höfer, general counsel, Frankfurt am Main (starting February 16, 2016)
Head of Legal SGCIB Germany & Austria

Ms. Françoise Esnouf, banker, Frankfurt am Main (starting September 1, 2016)
Chief Operational Officer SGCIB Germany

Mr. Rainer Welfens, business administrator, Frankfurt am Main
Chief Financial Officer SGCIB Germany

By way of a resolution adopted by the shareholder meeting on February 16, 2016, Mr. Helmut Höfer, lawyer, Frankfurt am Main, was appointed managing director with immediate effect.
Dr. Joachim Totzke's appointment was revoked with immediate effect.

By way of a resolution adopted by the shareholder meeting on August 30, 2016, Ms. Françoise Esnouf, business administrator, Frankfurt am Main, was appointed managing director effective September 1, 2016.
Mr. Jean-Louis Jégou's appointment was revoked effective September 1, 2016.

The current managing directors, Ms. Françoise Esnouf and Mr. Helmut Höfer along with Mr. Rainer Welfens, are employees of Société Générale S.A., Frankfurt am Main branch office.
Expenses of EUR 22 thousand as remuneration for the managing director work were passed on to Société Générale Effekten GmbH for financial year 2016.

The Company employed an average of 2.5 employees during the financial year.

As a capital market-oriented company, the Company has established an Audit Committee under Section 264d HGB consisting of the following members:

Mr. Peter Boesenberg (chair)
Mr. Dimitri Brunot
Mr. Marco Maibaum (starting August 30, 2016)
Mr. Achim Oswald
Mr. Rainer Welfens
Ms. Heike Stuebban

7. Group affiliation

At the reporting date of December 31, 2016, Société Générale S.A., Frankfurt branch holds a 100% equity interest in Société Générale Effekten GmbH (smallest scope of consolidation within the meaning of Section 285 No. 14a HGB).

The headquarters of Société Générale S.A., Frankfurt branch, is Société Générale S.A., Paris (largest scope of consolidation within the meaning of Section 285 No. 14 HGB). Notice of publication of the consolidated financial statements of Société Générale S.A., Paris, occurs in France in the "Bulletin des Annonces Légales et Obligatoires (BALO)" under the heading "Publications Périodiques" (R.C.S: 552 120 222).

The consolidated financial statements are available on the website www.socgen.com.

8. Significant events after the balance sheet date

Effective January 1, 2017, the shares in Société Générale Securities Services GmbH, Unterföhrung (Commercial Register No. HRB 169711 at Munich Local Court) held by Société Générale Securities Services Holding S.A., Paris, and the shares in ALD Lease Finanz GmbH, Hamburg (Commercial Register No. HRB 92469 at Hamburg Local Court) held by SG Consumer Finance S.A., France, were sold to the Company.

Otherwise, no further events with a significant effect on the Company's net assets, financial position and results of operations have occurred.

Frankfurt/Main, Wednesday, April 19, 2017

The Management

Société Générale Effekten GmbH

Françoise Esnouf

Helmut Höfer

Rainer Welfens

**Société Générale Effekten GmbH
Frankfurt am Main**

**Management Report
for the 2016 fiscal year**

A. Legal and Commercial Basis of the Company

Société Générale Effekten is a wholly-owned subsidiary of Société Générale Frankfurt. The purpose of the company is to issue warrants and certificates, all of which are sold to the parent company, Société Générale S.A., Paris, to Société Générale Option Europe S.A., Paris, to Société Générale, Madrid branch, and to inora LIFE Limited, Dublin. All counterparties are wholly-owned subsidiaries of Société Générale S.A. or the parent company itself.

An additional area of the Company's activity is the acquisition, holding, and administration of equity interests. In this regard, the Company will acquire shares in Société Générale Securities Services GmbH, Unterföhring, and ALD Lease Finanz GmbH, Hamburg, as of January 1, 2017.

Due to the implementation of the unified European permit ("European passport"), meaning that only a single approval of the prospectuses by the responsible supervisory authority (BaFin) is necessary, the Company can list its products on various stock exchanges in the European Union (stock exchanges in Madrid, Milan, Paris, Luxembourg, London, Stockholm, Helsinki, etc.). If the Company's products are listed on a stock exchange in a country that is not a member of the European Union, the required permit is issued by the supervisory authority of the respective country. Due to internal restructuring beginning in mid-2016, the Company terminated its issuing activities for new transactions on other European stock exchanges. Therefore, future issues will only occur in Germany.

After being purchased by the counterparties listed above, in a second step the issues are placed with end customers by Société Générale S.A., Paris, so that no influence on the economic circumstances of the issuer results from this action.

B. Financial Review

I. Operating Conditions for Fiscal Year 2016

Over the past year, it was necessary to continuously revise downward the growth forecasts for the global economy and also for Germany. Factors causing concern were the Brexit vote and the resulting political and economic risks.

In addition, the risk that the euro crisis will flare up again continues to exist.

The economy in the euro area received expansive impulses from the European Central Bank's fiscal policy (low financing costs).

What is problematic is that the growth is being carried in large part by the monetary policy. The monetary policy impulses are strong, particularly in the large industrialized nations. While the Federal Reserve in the United States delayed tightening monetary policy, the ECB decided on a negative interest rate policy and an expansion of its buy-up program for bonds.

The complexity of regulation and oversight (capital requirements, detailed requirements for risk management systems; information and frequency of disclosure obligations, new prospectus law) continues to be very high. The complexity results mainly from the European harmonization and applicability to internationally active companies. A uniform oversight mechanism was established for the purpose of ensuring uniform bank oversight standards. Most of the regulations and procedural requirements applicable in Germany are increasingly issued on the European level.

The changes in base factors (stock and currency prices, indices, etc.) accompanying the economic development are the foundation for investors' expectations and are thus crucial to the design of issued products in the area of warrants and certificates.

In consideration of all the above-mentioned factors, the Management considers the effects of economic developments on the Company to be positive, and therefore the increase in issuance activity that continued in 2016 can be further continued in 2017. The goal is to continue to improve the Company's competitive position in the market.

In launching new products in the past fiscal year 2016, the Company reacted quickly to market volatility and either launched new products or adapted existing products.

II. Business developments

In pursuit of the stated goal of further bolstering the Company's market position in Germany in fiscal year 2016, the number of issued warrants increased by 47% compared to the prior year. However, this focus on warrants had consequences for the issuance in the area of certificates (decline by 51% compared to the prior year). Warrants for a total of 241,682 products (PY: 164,544) were issued in fiscal year 2016. Along with 132,924 products for stocks, 48,602 products were created for various indices, 25 for interest, 21,022 for currencies, 153 for volatility, and 38,956 for commodities.

In addition, 32,280 certificate products were issued (PY: 66,024). These are primarily bonus and discount certificates, unchanged from the prior year.

III. Net assets, financial position and results of operations

a) Net assets

Total assets declined year-on-year by EUR 10,366 million to the current EUR 18,602 million. This is due to, first, lower nominal amounts per product and second, to delisting measures for unplaced products.

The statement of financial position mainly presents the position of issued securities and the related hedging transactions. It varies in proportion to the volume of issuance activity.

Changes in the net asset position resulted only from the refund of issue costs incurred in connection with a cost-plus arrangement with the parent company.

The Company's share capital remains unchanged at EUR 26 thousand. In addition, the company holds EUR 1,138 thousand (PY: EUR 1,008 thousand) in profit carried forward. The Company's equity remained unchanged year-on-year because the Company entered into a profit/loss transfer agreement with Société Générale S.A., Frankfurt Branch, as of January 1, 2016, and thus any profits earned or losses incurred will be transferred to or compensated for by the Frankfurt Branch.

Receivables are owed by the Frankfurt Branch and by Société Générale S.A., Paris. No credit risks exist outside the Société Générale group.

Liabilities are mainly related to the issuance of certificates and warrants, as well as to a loan received from Société Générale S.A., Frankfurt Branch, for the intended acquisition of other companies in the group of companies held by Société Générale as of January 1, 2017.

b) Financial performance

The proceeds from the sale of issued warrants and certificates are always offset by the expenses for the acquisition of the corresponding hedging transactions, so that the Company does not generate any profit from its new issue activities.

Because currency risks are hedged, exchange rate fluctuations have no effect on the Company's income statement.

Personnel expenses and other operating expenses are passed on to Société Générale S.A., Paris, based on a "cost plus arrangement."

Due to a profit/loss transfer agreement concluded with the Frankfurt Branch effective January 1, 2016, the Company shows no net income/ loss for the year as of December 31, 2016.

c) Financial position and liquidity

The nature and settlement of the Company's business activities aim at maintaining a balanced financial position at all times.

Liabilities from the issuance of certificates and warrants are generally hedged by maturity-matched financial instruments denominated in the same currency and bearing an identical price risk.

Business transactions affecting cash flow result from the issues and their hedging transactions, from settlement of personnel and other operating expenses, and their on-debiting to Société Générale S.A., Paris.

Due to the complete reimbursement of all costs accruing at issue by the parent company, the Company has sufficient liquidity and is in a position to satisfy all payment obligations.

At the reporting date of December 31, 2016, the Company held cash and cash equivalents of EUR 1,377 thousand. The Company held a receivable of EUR 580 thousand due from SG Frankfurt at the prior-year reporting date of December 31, 2015. In addition, a liability is owed to Société Générale Frankfurt Branch in the amount of EUR 407,223 thousand for a loan received in order to purchase shares.

IV. Financial/ non-financial performance indicators

Financial indicators are not relevant, given the fact that the Company is a pure issuing vehicle.

Internal controlling in the Company is carried out using the systems and control procedures of the parent company to a large extent. As part of the effort to increase operating efficiency, the parent company plans to permanently adapt and supplement existing systems and monitoring processes. Extensive improvements in the execution of the issuing process led to efficiency increases and cost savings of EUR 2,393 thousand compared to the prior year.

There are no other non-financial performance indicators.

C. Report on future development and opportunities and risks of the Company

I. Expected development of the Company (forecast report)

Société Générale's growth strategy centers on Germany in its position as the second-biggest warrant/certificate market in the world. Société Générale Effekten GmbH aims to further enhance its market position through a project to expand issuing activities.

The Management expects that the Company's issuing activity will increase further, particularly in the German market. This goal can be achieved with the aid of the measures initiated in 2015 to automate the issuance process, which will increase capacity and lead to greater efficiency in this process. Moreover, the volatile market environment will probably lead to a higher volume of follow-up issues of turbo warrants, as barriers are breached.

As in prior years, a broad range of warrants and certificates will be offered in 2017.

The Company expects an intensified competitive situation in 2017. The factors needed to succeed in that environment will be price, service, and product quality. Regulation will be a more important topic than in 2016. The European Parliament, the Council, and the Commission have agreed on new regulations to revise prospectus law.

Given the profit/loss transfer agreement with the Frankfurt Branch, the Company does not show any net income/ loss for the fiscal year 2016. No liquidity shortages will occur.

The Company acquired significant equity interests with legal and economic effect as of January 1, 2017. These equity interests are ALD Lease Finanz GmbH (100% directly), BDK Leasing und Service GmbH (100% indirectly by acquisition of the shares in ALD Lease Finanz GmbH), BDK GmbH (99.9% indirectly by acquisition of the shares in ALD Lease Finanz GmbH), and Société Générale Securities Services GmbH (100% directly). Due to the acquisition of these two companies, noncurrent financial assets will be recognized in the future. The Company's annual financial statements will recognize income from equity interests from the profit/loss transfer from ALD Lease Finanz

GmbH, as well as opposite effects from Société Générale Securities Services GmbH, which will significantly influence the Company's results of operations.

II. Risk report

The Company's risk situation is characterized by its well-organized transaction structure and its close integration into the Société Générale group. The Company does not need to maintain its own risk management system or internal control system because all risks incurred are transferred to the parent company under the terms of a "global guarantee."

Potentially occurring risks in fiscal year 2016 are as follows:

Borrower default risks

There no performance risks, since the payments from the sale of the securities issued and from the purchase of the hedge transactions, as well as those from any exercise of options, are always balanced. Receivables from offsetting transactions are only owed by the parent company, Société Générale S.A., Paris. The credit rating of Société Générale S.A., Paris, and its subsidiaries is the key factor for risk assessment.

Market price risks

All market price risks associated with issued warrants and certificates are fully hedged through hedging transactions with Société Générale S.A., Paris. This means there are no price change risks, currency risks or interest rate risks.

Liquidity risks

Daily monitoring of the payment flows and close coordination with the back-office departments in Paris ensure that the Company is always in a position to fulfill its payment obligations. No liquidity risks can be discerned at present due to the integration into the Société Générale group.

Operational risks

Société Générale S.A., Paris, has developed processes and systems for monitoring and controlling operational risks that are used by Société Générale Effekten GmbH. They are essentially based on the principle of permanent monitoring. Specially designed applications document processes and evaluate them according to prescribed criteria in order to prevent losses from operational risks.

There are also precautions in the context of the Business Continuity Plan (BCP) to maintain seamless business operations in the event of disruptions to the infrastructure. The same rules and principles apply to the outsourced processes in the service centers in Bangalore and Bucharest as apply to Société Générale Effekten GmbH.

Compliance with required processes is assured by means of standardized committees and key process indicators (KPIs).

The described measures and processes made it possible to ensure that no significant operational risks occurred in fiscal year 2016 in the following areas:

- Regulatory reports
- Information technology risks
- Outsourcing risks
- Fraud risks

There were no significant changes to the risk situation compared to the prior year. Based on currently available information, there are no discernible risks that could endanger the Company's continued operation as a going concern.

The new product process described in the opportunity report does not exacerbate existing risks or give rise to new risks.

The hedge relationships between issued certificates and warrants, on the one hand, and offsetting transactions, on the other hand, are always assured by means of complete symmetrical representation.

III. Opportunity report

The Company's strategy is designed to identify opportunities that arise in good time, to assess them using our risk management system or resource estimator, and to use them for successful development of the Company by means of suitable measures. A New Product Committee (NPC) is appointed in each case to design new products. All departments involved in the issuing process contribute their specific needs and resource allocations.

Consideration is given to all relevant factors for the Company, such as markets, competitive situation, strategic orientation, existing organization, personnel, back office, technical processing capacity, and volume factors.

The Management expects that the Company's business activity will increase further.

The opportunities described herein do not have a significant influence on the Company's risk situation.

D. Internal controlling and risk management system with regard to the financial accounting process

With regard to the financial accounting process, the Internal Controlling System (ICS) and Risk Management System (RMC) cover the principles, processes, and measures to ensure the effectiveness and efficiency of the financial accounting as well as to ensure compliance with the relevant legal regulations, and also risk hedging and

representation of measurement units. They ensure that the assets and liabilities are accurately recognized, disclosed, and measured in the financial statements.

The supervision of controls is ensured by means of the applications provided centrally by the Group.

The controls conducted periodically by the Internal Auditing Department and the rectification of identified deficiencies also contribute to more effective supervision.

Responsibilities in ICS and RMS related to financial accounting

The management runs the Company independently and cooperates with the other Company bodies for the good of the Company in a relationship of trust and cooperation. The management has overall responsibility for preparing the annual financial statements, among other things.

The management affirms to the best of its knowledge and belief that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the applicable principles of proper accounting.

The management independently determines the scope and alignment of the ICS and RMS specifically oriented to the Company and takes measures to enhance the systems and to adjust them to changing framework conditions.

The value systems that have applied for years in all countries of the Société Générale group and thus also in Société Générale Effekten GmbH, such as the Code of Conduct and the Compliance Rules, also constitute the basis for responsible action for the employees entrusted with the financial accounting process.

Company employees must complete a course every year on money laundering and compliance using a computer-based learning program.

Despite all risk mitigation measures established in the context of ICS and RMS, even adequate and functional systems and processes cannot provide an absolute guarantee that risks will be identified and managed.

The Accounting department is responsible for the financial accounting process and particularly for the process of creating the annual financial statements. The Accounting department is supported by the back-office departments of Société Générale S.A., Paris, particularly with regard to the measurement of financial instruments and receivables.

The IT systems necessary for the financial reporting process are made available by the parent company.

An Audit Committee was established to support the management in the financial accounting process, consisting at the reporting date of six persons (one employee of Société Générale Effekten GmbH and five employees of Société Générale, Frankfurt Branch). The Audit Committee deals with the development of net worth, financial position and operating results at least once annually—particularly with regard to the annual financial statements. Within the annual financial statements process, the shareholder is required to approve the annual financial statements. The Audit

Committee is supplied with the financial statement documents together with the preliminary auditor's report, in order to perform these tasks. In addition, the members of the Audit Committee receive a summary report on issuing activity and its financial accounting once per quarter.

Organization and components of IKS and risk management RMS related to financial accounting

The business transactions to be processed by Société Générale Effekten GmbH are centrally recorded by data entry into product-specific applications by a back-office department of the parent company in Paris. The concluded transactions (contracts) are recorded in the applications and released using the double verification principle.

The accounts payable accounting for vendor invoices is carried out in Bangalore by Société Générale Global Solution Centre Private Limited (a 99% subsidiary of Société Générale S.A., Paris).

The services to be provided are stipulated in the Service Agreement of November 29, 2011, between Société Générale S.A., Frankfurt Branch, and Société Générale Global Solution Centre Private Limited, Bangalore, for Société Générale Effekten GmbH.

The scanned documents are input and posted in Bangalore. Company employees issue approval and release for payment.

Head office reporting and the regulatory report to the Deutsche Bundesbank are produced in Bucharest by Société Générale European Business Services S.A. (a 99.95% subsidiary of Société Générale S.A., Paris).

The services to be provided are stipulated in the Client Services Agreement of June 28, 2012, between Société Générale S.A., Frankfurt Branch, and Société Générale European Business Services SA, Bucharest, for Société Générale Effekten GmbH.

The accounting of Société Générale Effekten GmbH continues to be maintained on the central server in Paris; all data of Société Générale Effekten GmbH relevant to accounting is processed and stored on this server.

Company employees in Frankfurt monitor the current cash accounts daily in order to ensure correct posting and the subsequent processing in the service centers. The intranet is used to access the information stored in the "Accounting" area for business operations in general and for financial accounting circumstances in particular. Technical system support for preparing the financial statements has been outsourced to the subsidiary responsible for IT in the SG group.

The parent company is responsible for monitoring. The technical support processes at the central support unit are regulated in procedural directives. The databases for the application systems are backed up and archived under the responsibility of the parent company. Statutory retention periods are complied with. Contingency plans are updated and monitored by Company employees. Data backup is based primarily on the centralized data backup systems for the mainframe computers and on the storage networks for the open systems area. The data are mirrored redundantly in Paris.

The necessary access protection to prevent unauthorized access and the maintenance of functional separation when using the Company's application systems relevant to financial accounting are particularly ensured by the concept of system profiles as well as processes to create system profiles. The system profiles issued to the individual back-office department in Paris as well as to the service center employees in Bangalore and Bucharest are issued and monitored by right holders in the Company using a specially developed system.

Documentation of the Processes

Documentation of the processes is prescribed as a subsidiary of Société Générale Paris, S.A. They are summarized in the "Accounting & Finance Handbook." Automatic monitoring ensuring the correctness of input data is the primary component of the documented processes.

The most important procedures in the financial accounting process are listed in the "Global Permanent Supervision (GPS)" application. This application contributes to completion of the documentation process, and provides a suitable instrument to ensure the financial accounting process in case of internal and external auditing.

Measures for ongoing updating of the ICS and RMS

In the context of enhancing the ICS and RMS, the Company carried out additional projects and measures that contributed to strengthening the ICS and RMS. These included a review of the process flows in connection with preparing the monthly results and their inclusion in process mapping.

Furthermore, additional relevant processes were included, starting from the basis of process documentation already achieved, and then transferred into the normal process of the ICS and RMS.

In case of amendments of legal requirements and regulations relating to financial accounting, such changes must be reviewed as to whether and what consequences they may have for the financial accounting process. The Company's local Accounting department is responsible for content processing. In case of amendments or new provisions that have considerable effects on the processing of financial accounting, analysis starts with the existing process mapping. All measures such as IT adjustments, process flows, posting instructions, etc., are analyzed and implemented accordingly in the back-office departments in Paris as well as in the outsourced service departments in Bangalore and Bucharest, and monitored and controlled by employees at the Company in Frankfurt.

Frankfurt/Main, April 19, 2017

The Management

Société Générale Effekten GmbH

Françoise Esnouf

Helmut Höfer

Rainer Welfens

**Société Générale Effekten GmbH
Frankfurt am Main**

**Cash Flow Statement
for the period from January 1, 2016 to December 31, 2016**

| | 2016 EUR | 2015 EUR'000 |
|--|------------------------|-----------------|
| 1. Cash flow from operating activities | | |
| Period net income/loss before extraordinary items and before profit/loss transfer/absorption | -88.395,13 | 129 |
| Depreciation, amortization and impairments (+)/write-ups (-) of property, plant and equipment | - | - |
| Increase (+)/decrease (-) in provisions | -111.184,22 | 254 |
| Other non-cash expenses (+)/ income (-) | 35.703,24 | -16 |
| Gain (-)/loss (+) on disposals of property, plant and equipment | - | - |
| Increase (-)/decrease (+) in inventories, trade receivables and other assets | 9.959.610.142,55 | -6.663.047 |
| Increase (+)/decrease (-) in trade payables and other liabilities | -10.365.872.371,65 | 6.663.338 |
| Cash inflows (+) and outflows (-) for extraordinary items | - | - |
| Cash flow from operating activities | -406.426.105,21 | 658 |
| 2. Cash flow from financing activities | | |
| Cash inflows (+) from equity injections (capital increases, sale of treasury shares, etc.) | - | - |
| Cash outflows (-) to company owners (dividends, purchases of treasury shares, equity redemptions, other distributions) | - | - |
| Cash inflows (+) from the issuance of bonds and the borrowing of (financial) loans | 407.223.093,83 | - |
| Cash outflows (-) for the redemption of bonds and (financial) loans | - | - |
| Cash flow from financing activities | 407.223.093,83 | 0 |
| 3. Cash funds at end of period | | |
| Changes in cash funds from cash-relevant transactions | 796.988,62 | 659 |
| Cash funds at beginning of period | 580.102,34 | -79 |
| Cash funds at end of period | 1.377.090,96 | 580 |

Société Générale Effekten GmbH
Frankfurt am Main

Statement of Changes in Equity

| | Subscribed capital | Generated capital | Equity |
|----------------------------------|----------------------|-------------------------|-------------------------|
| Balance at 01/01/2014 | 25.564,59 | 904.972,54 | 930.537,13 |
| Distributions | - | - | |
| Other changes | - | - | |
| Fiscal year net income | - | 103.083,80 | 103.083,80 |
| Balance at 12/31/2014 | 25.564,59 | 1.008.056,34 | 1.033.620,93 |
| Balance at 01/01/2015 | 25.564,59 | 1.008.056,34 | 1.033.620,93 |
| Distributions | - | - | |
| Other changes | - | - | |
| Fiscal year net income | - | 129.668,65 | 129.668,65 |
| Balance at 12/31/2015 | 25.564,59 | 1.137.724,99 | 1.163.289,58 |
| Balance at 01/01/2016 | 25.564,59 | 1.137.724,99 | 1.163.289,58 |
| Distributions | - | - | |
| Other changes | - | - | |
| Fiscal year net income | - | 0,00 | |
| Balance at 12/31/2016 | 25.564,59 | 1.137.724,99 | 1.163.289,58 |

F. Auditors' report

We have issued the following auditors' report for the annual financial statements and management report:

"We have audited the annual financial statements – comprising the balance sheet, the income statement, the cash flow statement, the statement of changes in equity, and the notes to the annual financial statements – together with the bookkeeping system and the management report of Société Générale Effekten GmbH, Frankfurt am Main, for the fiscal year from January 1 to December 31, 2016. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements correspond to the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a proper view of the Company's position and suitably presents the opportunities and risks of future development."

Frankfurt am Main, April 20, 2017
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Hultsch
Auditor

Knoll
Auditor