

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Management Report  
for the First Half of Financial Year 2015**

**A. Legal and Commercial Basis of the Company**

Société Générale Effekten is a wholly-owned subsidiary of Société Générale S.A., Paris. 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.

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 is necessary, the Company lists its products on various stock exchanges in the European Union (stock exchanges in Frankfurt, Stuttgart, Madrid, Valencia, Bilbao, Milan, Paris, Luxembourg, London, Stockholm, Helsinki, etc.).

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 on the First Half of Financial Year 2015**

The global economy expanded at a slower rate than expected in the first half of 2015. Above all, growth in emerging-markets countries is likely to have weakened further. In particular, the growth rate of the Chinese economy slowed considerably.

In the second quarter of 2015, the Eurozone economy expanded at a similarly strong pace as in the first three months of the current year. This development can be attributed above all to the collapse of crude oil prices and the marked depreciation of the euro.

Lower energy prices are bolstering the purchasing power of private households and therefore influencing consumer spending.

The growth differential within the Eurozone has narrowed. The reforms enacted in Ireland, Portugal, and Spain are increasingly producing positive effects. Greece managed to avert a state bankruptcy against a backdrop of tense negotiations.

The zero-interest rate policy of the ECB and the accompanying surge in liquidity is one reason among others why investors are increasingly investing in derivatives of the kind offered by the Company.

The changes in underlying instruments (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.

## II. Business developments

Measured by the total number of issued products, issuance activity more than quadrupled compared to the first half of 2014. The dramatic increase in issuance volume that began already in the fourth quarter continued in the first half of 2015.

In the first half of 2015, the Company issued 74,359 warrants (previous half-year: 19,933) and 28,765 certificates (previous half-year: 3,324).

In addition to conventional warrants, the Company also issues exotic warrants (in-line/ stay-high/ stay-low, and others).

In the segment of certificates, the main emphasis is on bonus and discount certificates. The listing on the stock exchanges in Spain and Scandinavia (Stockholm and Helsinki) that began in prior years was continued in the first half of 2015.

Underlyings include equities, indices, commodities, and currencies, as well as volatility and interest rates.

## III. Net assets, financial position and results of operations

### a) Net assets

Compared to the reporting date of December 31, 2014, total assets increased by EUR 6,415 million to the current EUR 28,719 million.

The Company's share capital remains unchanged at EUR 26 thousand. In addition, the Company holds EUR 1,008 thousand in profit carried forward. The Company's equity increased by the earned net income of EUR 61 thousand (previous half-year: EUR 54 thousand) to EUR 1,094 thousand (previous half-year: EUR 985 thousand).

All receivables are owed by the sole shareholder. No credit risks exist outside the Société Générale group.

### 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.

Personnel expenses and other operating expenses are passed on to Société Générale S.A., Paris, based on a "cost plus arrangement." As designed, it is not possible for the Company to earn a net loss for the year, regardless of sales.

### 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. 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.

#### **IV. Non-financial performance indicators**

The parent company is working to adjust systems and monitoring processes to its subsidiaries in order to increase operating efficiency. For example, the Company introduced a Groupwide standardized certification program for processes in the first half of 2015.

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

#### **I. Expected development of the Company (forecast report)**

As a consequence of the global financial market crisis, regulations are being implemented at the national and international level in a wide variety of areas with the intent to create a more transparent and stable financial system. New regulations have been implemented for banks and for the settlement of securities, derivatives, and other financial instruments. These new regulations have necessitated adjustments to the Company's internal and external reporting system. Examples include regulations in the OTC area (EMIR) as well as adjustments in statutory reporting to the Deutsche Bundesbank.

The uncertainty regarding the future behavior of market players makes it more difficult to forecast the development of issue volume. However, the Company is currently assuming that its issuing activity will remain on a high level in the second half of financial year 2015.

The Company will offer a broad range of products in the area of warrants and certificates again in the second half of 2015.

The Company will continue its issuance activity in other European countries (Spain, Sweden, Finland, etc.).

Earnings in the second half of financial year 2015 will be positive, factoring in the Company's strict risk-covering policy, and will be of a similar volume as in the previous half year. No liquidity bottlenecks will occur.

#### **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.

Borrower default risks

There are 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 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 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.

The measures and processes described here made it possible to ensure that no operational risks occurred in the first half of financial year 2015 in the following areas:

- Regulatory compliance risks
- Information technology risks
- Outsourcing risks
- Fraud risks

**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.

#### **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.

##### Responsibilities in ICS and RMS related to financial accounting

##### Responsibilities of the management and the Audit Committee

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 semiannual financial statements, among other things.

The management affirms to the best of its knowledge and belief that the semiannual 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” but also “Compliance Rules,” etc., 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 semiannual and 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 of five persons (one employee of Société Générale Effekten GmbH, three employees of Société Générale, Frankfurt Branch, one employee of Société Générale Paris). 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, including the proposal by management for appropriation of net income 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 on a regular basis.

Organization and components of the internal controlling and risk management system 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 Center Private Limited (a 99% subsidiary of Société Générale S.A., Paris).

The services to be provided are stipulated in the Service Agreement between Société Générale S.A., Frankfurt Branch, and Société Générale Global Solution Center 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 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 and thus ensure controlling of the outsourced activities. 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 departments 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 standardized monitoring system GPS (Group Permanent Supervision). This application contributes to completion of the documentation process, and provides a suitable instrument to ensure the financial accounting process in case of internal 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.

#### **E. Significant events after the balance sheet date**

No significant events possibly affecting the net worth, financial position and operating results occurred after the conclusion of the first half of financial year 2015.

Frankfurt/Main, August 31, 2015

The Management

Société Générale Effekten GmbH

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Jean-Louis Jégou

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Dr. Joachim Totzke

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Rainer Welfens



## Balance Sheet as of 30. June 2015

A S S E T SA. CURRENT ASSETSI. Receivables and other assets

1. Receivables from affiliated companies
  - a) from the investment of issuing proceeds
    - of which with a remaining term of more than one year: EUR 6,214,696,345.61  
(Previous year: EUR 3,804,906,889.70)
  - b) Other receivables
    - of which with a remaining term of more than one year: EUR 0.00  
(Previous year: EUR 0.00)
2. Other assets
  - of which with a remaining term of more than one year: EUR 7,748,798,113.41  
(Previous year: EUR 6,608,655,422.51)

	June 30, 2015 EUR	December 31, 2014 EUR
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	10,405,909,242.82	7,011,368,383.66
	1,928,292.98	1,826,240.85
	13,438,028,402.87	10,051,970,054.34
	<u>23,845,865,338.66</u>	<u>17,065,164,678.85</u>

B. DEFERRED TAX ASSETS

	23,491.64	19,872.39
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C. TRUST ASSETS

- Receivables
  - of which with a remaining term of more than one year: EUR 3,911,919,205.20  
(Previous year: EUR 4,819,366,433.40)

	4,873,482,615.94	5,238,971,266.72
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EQUITY & LIABILITIESA. EQUITY

- I. Subscribed capital
- II. Retained profits brought forward
- III. Net income for the mid- year

	25,564.59	25,564.59
	1,008,056.34	904,972.54
	60,704.58	103,083.80
	<u>1,094,325.51</u>	<u>1,033,620.93</u>

B. PROVISIONS

- I. Provisions for pensions and similar obligations
- II. Provisions for taxes
- III. Other provisions

	195,367.79	178,232.35
	0.00	0.00
	416,000.00	322,500.00
	<u>611,367.79</u>	<u>500,732.35</u>

C. LIABILITIES

- I. Liabilities under issued certificates
  - of which, with a remaining term of up to one year: EUR 4,191,212,897.21  
(Previous year: EUR 3,206,461,493.96)
- II. Trade payables
  - of which, with a remaining term of up to one year: EUR 40,840.06  
(Previous year: EUR 248,154.67)
- III. Liabilities to affiliated companies
  - of which, with a remaining term of up to one year: EUR 202,272.00  
(Previous year: EUR 78,902.11)
- IV. Other liabilities
  - of which, with a remaining term of up to one year: EUR 5,689,233,268.71  
(Previous year: EUR 3,443,299,335.01)
  - of which taxes: 2,952.95 EUR  
(Previous year: EUR 2,675.01)

	10,405,909,242.82	7,011,368,383.66
	40,840.06	248,154.67
	202,272.00	78,902.11
	13,438,031,382.12	10,051,954,757.52
	<u>23,844,183,737.00</u>	<u>17,063,650,197.96</u>

D. TRUST LIABILITIES

- Certificates
  - of which, with a remaining term of up to one year: EUR 981,563,410.74  
(Previous year: EUR 419,604,833.32)

	4,873,482,615.94	5,238,971,266.72
	<u>28,719,372,046.24</u>	<u>22,304,155,817.96</u>

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBHFRANKFURT AM MAININCOME STATEMENTFOR THE PERIOD FROM JANUARY 1, 2015, TO JUNE 30, 2015

	January 1, 2015 to June 30, 2015 EUR	1. Januar 2014 to June 30, 2014 EUR
1. Income from option contracts	6,705,917,003.49	2,537,058,962.14
2. Expenses from option contracts	6,705,917,003.49	2,537,058,962.14
3. Income from the certificate business	7,014,765,033.00	1,065,629,262.98
4. Expenses from the certificate business	7,014,765,033.00	1,065,629,262.98
5. Other operating income	2,306,526.91	1,990,754.25
6. Personnel expenses		
a) Wages and salaries	89,321.40	80,063.69
b) Social security, post-employment and other employee benefit costs of which in respect of old age pensions EUR 17,135.44 (mid-year 2014: EUR 10,700.00)	37,628.21	21,737.25
7. Other operating expenses	2,086,878.13	1,804,855.38
8. Other interest and similar income	80.64	2.26
- of which from affiliated companies: EUR 80.64 (mid-year 2014: EUR 2.26)		
9. Interest and similar expenses	8,923.28	4,128.38
- of which from affiliated companies: EUR 8,923.28 (mid-year 2014: EUR 4,128.38)		
10. Result from ordinary activities	83,856.53	79,971.81
11. Taxes on income	23,151.95	25,531.00
- of which from deferred tax assets: EUR 3,619.25 (mid-year 2014: EUR 2,116.97)		
12. Net income for the mid-year	60,704.58	54,440.81

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Notes to the Financial Statements  
for the First Half of Financial Year 2015  
Interim Financial Statements as of June 30, 2015**

**Notes to the annual financial statements for the period ended June 30, 2015 and other disclosures**

The half-year financial statements of Société Générale Effekten GmbH for the period ended June 30, 2015, were prepared in accordance with the accounting regulations of the German Commercial Code (Handelsgesetzbuch, "HGB") and the supplementary provisions of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit Beschränkter Haftung, "GmbHG") in compliance with German accepted accounting principles.

These interim financial statements were not audited or reviewed by an auditing firm.

**1. Accounting policies**

Receivables are recognized at nominal value plus accrued interest. Liabilities not covered by hedging transactions are recognized at the settlement amount.

Deferred taxes are calculated based on temporary differences between the financial and tax accounts in accordance with Section 274 HGB. They were presented as deferred tax assets in the amount of EUR 23,491.64 in the balance sheet based on pension provisions. The tax rate used to calculate deferred taxes was 31.93%.

Provisions for pensions were measured at the settlement amount necessary according to prudent business judgment (Section 253 (1) sentence 2 HGB) based on actuarial principles taking into account the mortality tables 2005 G. They are discounted at an average market rate based on an estimated remaining term of 15 years (Section 253 (2) sentence 2 HGB). The projected unit credit method is applied as the actuarial method of measurement. An actuarial interest rate of 4.62% (previous half-year: 4.9%), a benefits dynamic of 2.90% (previous half-year: 2.90%), and a pension dynamic of 1.90% (previous half-year: 1.90%) were used as parameters for the provisions for pension commitments. The effects of changes in interest rates are presented within the Operating result. The Other provisions due in up to one year are not discounted to present value and are measured at the necessary settlement amount according to prudent business judgment.

Option premiums are recorded as other assets or other liabilities until they are exercised or expire. When they are exercised or expire, they are transferred to profit or loss.

Issued certificates are presented as liabilities under issued certificates until they are payable. The issued certificates are offset by hedging transactions that are presented under receivables from affiliated companies.

Liabilities under issued certificates and warrants are recognized in the amount of the issuing proceeds. They are presented with the hedging transactions under receivables and other assets and summarized as hedges; they represent perfect micro-hedges. According to the net hedge presentation method (Section 285 no. 19b and c HGB as well as Section 285 no. 23 a and b HGB), the offsetting changes in value are not recognized. It was not necessary to recognize impairment allowances for receivables and other assets.

The warrants and certificates issued as of the balance sheet date were completely hedged against changes in market prices by means of hedging transactions with the shareholder.

In addition, the Company operates under a trust agreement with the sole shareholder, Société Générale Paris.

The certificates issued under trust transactions are covered by hedging transactions presented under trust assets. These transactions are recognized at cost.

## 2. Balance sheet disclosures

**Receivables due from affiliated companies** in the amount of EUR 10,407,837 thousand (first half 2014: EUR 8,402,279 thousand) are due from the shareholder.

**Other assets** mainly include the OTC options acquired by the shareholder to hedge the issued warrants.

**Trust receivables** consist of funds passed on to the shareholder from several certificates issued on behalf of the shareholder.

Other provisions result mainly from provisions for issuing costs as well as auditing and consulting expenses.

**Trust liabilities** include the issue of certificates issued in the Company's own name on behalf of third parties.

**Certificates (issued) denominated in foreign currencies** are presented within the liability items of "Liabilities under issued certificates" and "Trust liabilities – certificates" in the total amount of EUR 119,187 thousand (EUR 4,189 thousand in AUD, EUR 6,924 thousand in CAD, EUR 490 thousand in CHF, and EUR 107,584 thousand in USD). The corresponding hedging transactions are recognized in the same amounts within the asset items of "Receivables from the investment of issue proceeds" and "Trust assets – receivables." Currency translation for accounting purposes is effected at the historical exchange rate on the posting date by forming valuation units (net hedge presentation method), with due consideration given to the prospectus terms and conditions of each issue. Because currency risks are hedged, exchange rate fluctuations have no effect on the income statement.

**Warrants (issued) denominated in foreign currencies** are presented within the liability item of "Other liabilities" in the total amount of EUR 3,385,500 thousand (EUR 141,490 thousand in GBP, EUR 3,236,801 thousand in SEK, and EUR 7,209 thousand in USD). The corresponding hedging transactions are presented in the same amount within the asset item of "Other assets." Currency translation for accounting purposes is effected at the historical exchange rate on the posting date by forming valuation units (net hedge presentation method), with due consideration given to the prospectus terms and conditions of each issue. Because currency risks are hedged, exchange rate fluctuations have no effect on the income statement.

**Maturities schedule of receivables and liabilities**

in EUR (000) as of June 30, 2015	Total amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years
<b>Receivables</b>				
- from the investment of issuing proceeds	10,405,909	4,191,213	4,015,151	2,199,545
- other receivables	1,928	1,928	-	-
- from trust	4,873,483	961,564	3,482,400	429,519
Other assets	13,438,028	5,689,230	3,031,390	4,717,408
<b>Liabilities</b>				
- from issued certificates	10,405,909	4,191,213	4,015,151	2,199,545
- from trade payables	41	41	-	-
- to affiliated companies	202	202	-	-
- from trust	4,873,483	961,564	3,482,400	429,519
Other liabilities	13,438,031	5,689,233	3,031,390	4,717,408

**3. Income statement disclosures**

The income statement was prepared using the total cost (nature of expense) method.

**Other operating income** relates mainly to costs assumed by the shareholder.

**Other operating expenses** comprise mainly issuing costs and legal and consulting expenses as well as costs associated with stock exchanges.

**Taxes on income** relate to the result from ordinary activities.

**4. Disclosures regarding new issue activities**

74,359 warrants (previous half-year: 19,933) and 28,765 certificates (previous half-year: 3,324) were issued in financial half-year 2015, whereby the issued certificates were listed in Germany, France, Luxembourg, Sweden, Great Britain, Spain, Italy, and Finland.

WARRANT TYPE/ CERTIFICATES	TYPE	1ST HALF 2015		
		NO.	VOLUME (IN UNITS)	LONGEST MATURITY
<b>Warrants</b>				
Equity warrants	Inline/ Stay High/ Stay Low	31,708	635,210,000	24-Jun-16
	Leverage	30	7,500,000	Open End
	Open End Turbos	1,413	374,513,000	Open End
	Call	8,552	2,144,877,000	23-Dec-22
	Put	3,163	819,797,000	23-Dec-16
	Other warrants	1,122	584,021,000	29-Dec-20
		45,988	4,565,918,000	
Index warrants	Inline/ Stay High/ Stay Low	16,788	336,270,000	23-Sep-16
	Leverage	42	23,000,000	Open End
	Open End Turbos	684	63,989,000	Open End
	Call	3,045	961,001,000	23-Dec-22
	Put	1,471	130,999,000	21-Jan-33
	Other warrants	728	760,740,000	21-Jul-49
		22,768	2,275,999,000	
Currency warrants	Inline/ Stay High/ Stay Low	34	710,000	29-Dec-15
	Open End Turbos	109	4,331,000	Open End
	Call	76	2,675,000	22-Dec-17
	Put	115	2,878,000	21-Dec-18
	Other warrants	152	130,310,000	20-Dec-19
		486	140,904,000	
Commodity warrants	Inline/ Stay High/ Stay Low	1,637	32,740,000	17-Jun-16
	Open End Turbos	1,253	274,963,000	Open End
	Call	1,220	423,605,000	20-Dec-19
	Put	687	140,118,000	22-Nov-19
	Other warrants	156	67,628,000	22-Nov-18
		4,953	939,054,000	
Interest rate	Open End Turbo Short	70	2,700,000	Open End
	Open End Turbo Long	42	1,861,000	Open End
		112	4,561,000	
Volatility	Discount	52	3,050,000	23-Dec-15
		52	3,050,000	
<b>TOTAL warrants</b>		<b>74,359</b>	<b>7,929,486,000</b>	

WARRANT TYPE/ CERTIFICATES	TYPE	1ST HALF 2015		
		NO.	VOLUME (IN UNITS)	LONGEST MATURITY
<b>Certificates</b>				
Equity certificates	Bonus	11,086	132,514,450	30-Mar-20
	Discount	7,534	87,420,600	23-Dec-16
	Express	240	546,000	12-Jul-21
	Outperformance certificate	36	460,800	23-Sep-16
	Sprint certificate	93	593,900	23-Sep-16
	Other	56	199,000	28-May-20
		<b>19,045</b>	<b>221,734,750</b>	
Bond	Equities	1,587	320,900	10-Oct-16
	CLN	2	3,200	10-Jul-20
	Index	268	53,600	10-Oct-16
		<b>1,857</b>	<b>377,700</b>	
Index certificates	Bonus	5,516	20,959,700	18-Oct-21
	Discount	1,974	5,648,200	22-Jun-18
	Express	54	676,000	30-Dec-22
	Leverage	3	500,000	Open End
	Sprint certificate	2	26,000	13-Nov-15
	Other	19	331,538,800	12-Jul-21
		<b>7,568</b>	<b>359,348,700</b>	
Commodity certificates	Bonus	18	81,200	24-Jun-16
	Discount	274	1,373,600	23-Nov-16
	Other	3	1,650,000	Open End
		<b>295</b>	<b>3,104,800</b>	
<b>TOTAL certificates</b>		<b>28,765</b>	<b>584,565,950</b>	
<b>Total certificates and warrants:</b>		<b>103,124</b>	<b>8,514,051,950</b>	

As a general rule, the fair values of financial derivatives and bonds with embedded derivatives are determined on the basis of market values; in case of illiquid markets, fair values are determined on the basis of internal models. These "in-house valuation models" are regularly tested by specialists of the Risk Department of Société Générale S.A., Paris. Option-type derivative financial instruments are measured by Société Générale S.A., Paris on the basis of generally recognized option price models.

Given the existence of an active market, the quoted prices of stock exchanges, brokers, and pricing agencies are used.

The type, scope, and fair values of derivative hedging transactions as of the reporting date are as follows. The Company holds 68,756 OTC options with a market value of EUR 13,884 million to hedge equity and index warrants, 486 OTC options with a market value of EUR 118 million to hedge currency warrants, 4,953 OTC options with a market value of EUR 2,446 million to hedge commodity warrants, and 112 OTC options with a market value of EUR 712 million to hedge fixed-income warrants.

In addition, the Company holds 28,765 certificates with a market value of EUR 13,901 million, including trust transactions.

As of June 30, 2015, the carrying amount of the warrants presented here totaled EUR 13,438 million, presented within the balance sheet item of Other liabilities. As of June 30, 2015, the carrying amount of issued certificates totaled EUR 15,279 million, presented within the balance sheet items of Liabilities from issued certificates and Trust liabilities.

#### **5. Disclosures regarding the fees recognized as expenses in the first half of financial year 2015**

The fee recognized as audit expenses for the first six months of financial year 2015 amounts to EUR 30 thousand.

#### **6. Disclosures regarding board members and employees**

The following individuals were appointed as managing directors in the first six months of financial year 2015:

Jean-Louis Jégou, trained banker, Frankfurt am Main  
 Dr. Joachim Totzke, general counsel, Frankfurt am Main  
 Herr Rainer Welfens, business economist, Saint Maur des Fossés / France (from February 9, 2015).

The managing directors Mr. Jean-Louis Jégou and Dr. Joachim Totzke are salaried employees of Société Générale S.A., Frankfurt am Main branch office. Mr. Rainer Welfens is a salaried employee of Société Générale S.A., Paris. Expenses totaling EUR 11 thousand were charged to Société Générale Effekten GmbH in the first six months of financial year 2015 as remuneration for the managing directors.

The Company had an average of 1.5 employees during the financial half-year.

As a capital market-oriented company, an Audit Committee was set up in accordance with Section 264d HGB comprising the following members:

Peter Boesenberg (Chairman)  
 Heike Stuebban  
 Dimitri Brunot  
 Rainer Welfens  
 Achim Oswald



## 7. Group affiliation

The parent company of Société Générale Effekten GmbH, which prepares consolidated financial statements, is Société Générale S.A., Paris. The publication of the consolidated financial statements of Société Générale S.A., Paris, is announced in France in the "Bulletin des Annonces Légales Obligatoires (B.A.L.O.) in the Section entitled "Publications Périodiques" (R.C.S: 552 120 222). The consolidated financial statements are available on the web at [www.socgen.com](http://www.socgen.com).

Frankfurt am Main, August 31, 2015

Management

Société Générale Effekten GmbH

Jean-Louis Jégou

Dr. Joachim Totzke

Rainer Welfens

## Cash Flow Statement

	30.06.2015 EUR	31.12.2014 EUR
<b>1. Cash flow from operating activities</b>		
Net income/net loss for the fiscal year before extraordinary items	60,704.58	103,083.80
Decrease (-) / Increase (+) in provisions	110,635.44	-2,141.78
Decrease (+) / increase (-) in trade receivables as well as other assets not attributable to investment or financing activities	-6,414,456,614.97	-453,240,229.36
Change in deferred taxes assets	-3,619.25	-7,238.49
Decrease (-) /increase (+) in trade payables as well as other liabilities not attributable to investment or financing activities	6,415,123,790.37	452,708,882.32
Cash flow from continuing operations	834,896.16	-437,643.51
<b>2. Closing balance of cash funds</b>		
Change in cash funds	834,896.16	-437,643.51
Opening balance of cash funds	-78,902.11	358,741.40
Closing balance of cash funds	755,994.05	-78,902.11
<b>3. Composition of cash funds</b>		
Liquid assets	755,994.05	-78,902.11

### Other disclosures in accordance with paragraph 52 of German Accounting Standard (DRS) 2:

- a) The daily payable demand deposits at the shareholder are presented under cash funds.
- b) The definition of cash funds was not changed compared to the previous period.
- c) The carrying amount of cash funds corresponds to bank deposits.
- d) No significant non-cash investment or financing operations or transactions were entered into in the reporting period.
- e) The Company did not purchase or sell any companies in the reporting period.

## Société Générale Effekten GmbH

### Statement of changes in equity

	Subscribed capital	Retained earnings	Equity
<b>Balance as of Jan. 1, 2014</b>	25,564.59	904,972.54	930,537.13
Distribution of dividends	-	-	-
Other changes	-	-	-
Net income for the year	-	103,083.80	103,083.80
<b>Balance as of Dec. 31, 2014</b>	25,564.59	1,008,056.34	1,033,620.93
<b>Balance as of Jan. 1, 2015</b>	25,564.59	1,008,056.34	1,033,620.93
Distribution of dividends	-	-	-
Other changes	-	-	-
Net income for the mid-year	-	60,704.58	60,704.58
<b>Balance as of June 30, 2015</b>	25,564.59	1,068,760.92	1,094,325.51

To the best of our knowledge, and in accordance with generally acceptable accounting principles, the financial statements give a true and fair view of the Company's net assets, financial position and results of operations, and the management report gives a fair view of the situation of Société Générale Effekten GmbH and development of its business, and describes the main opportunities and risks related to the expected development of the Company.

Frankfurt am Main, Germany, 31 August 2015

Société Générale Effekten GmbH

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Jean-Louis Jégou

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Dr. Joachim Totzke

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Rainer Welfens