

Registration Document

pursuant to Sec. 12 (1) of the German Securities Prospectus Act
(*Wertpapierprospektgesetz – WpPG*) in conjunction with Art. 7
and Annex IV of Commission Regulation (EC) No. 809/2004 of
April 29, 2004

of

Société Générale Effekten GmbH

Frankfurt am Main

dated

June 26, 2017

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I. RISK FACTORS RELATING TO THE SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

1. Risks Involving the Legal Form and Organization of the Société Générale Effekten GmbH

There is a risk that the Société Générale Effekten GmbH (hereinafter also referred to as the “**Issuer**” or the “**Company**”) may not or only partially be able to fulfil its obligations arising from the securities. Investors should therefore consider the credit quality of the Issuer when making investment decisions. The credit risk is understood to be the risk of insolvency or illiquidity of the Issuer, i.e. the possible, temporary or ultimate inability to meet its interest and principal payment obligations. Issuers with a low credit rating are usually associated with a higher insolvency risk.

Please also note that the credit quality of the Issuer may change before the securities mature due to developments in the overall economy or company-specific circumstances. Principal causes could be economic changes that have a lasting adverse impact on the earnings situation and solvency of the Issuer. Other causes include changes in individual companies, industries, or countries, e.g. economic crises, as well as political developments with significant economic repercussions.

In accordance with its articles of association, the Issuer of the securities, Société Générale Effekten GmbH, Frankfurt am Main, was formed solely for the purpose of issuing fungible securities and does not engage in any other independent operating activities. The liable capital stock of the Issuer amounts to EUR 25,564.59. **By acquiring securities from the Issuer, investors are exposed to a considerably higher credit risk compared to an issuer with much greater capital resources.**

The Issuer is not a member of a deposit guarantee fund or similar assurance system that would fully or partially cover the claims of security holders in the event of insolvency of the Issuer.

Securities in the form of bearer bonds are neither included in the deposit guarantee and investor compensation law or the deposit guarantee fund of the Federal Association of German Banks (Bundesverband Deutscher Banken).

In the case of the insolvency of the Issuer the investors will not have any right to any claims from such assurance institutes.

In addition to the insolvency risk of the Issuer, investors are also exposed to the insolvency risk of the parties with whom the Issuer concludes derivative transactions to hedge its obligations from the issue of securities. As opposed to an issuer with a more diversified range of potential contracting parties, the Issuer is subject to a cluster risk as it only concludes hedging transactions with affiliated companies. In this context, cluster risk is the credit risk ensuing from the limited range of potential contracting parties with whom various hedging transactions can be conducted. There is a risk that the insolvency of companies affiliated to the Issuer could directly trigger the insolvency of the Issuer.

2. Risks Relating to the Economic Activities of the Issuer

The Issuer is primarily engaged in issuing and selling securities. The Issuer's activities and annual issue volume may be influenced by negative trends on the markets in which it operates. Difficult market conditions, however, may lead to a lower Issue volume and adversely impact the Issuer's results of operations.

The general market trend for securities is primarily linked to capital market trends, themselves shaped by the global economy as well as economic and political factors at national level (market risk).

3. Risks Relating to the Issuer under the Trust Agreement

Any payment obligations of the Issuer under the securities are limited to the funds received from the Société Générale, Paris, (hereinafter also referred to as the "**Guarantor**") under the Trust Agreement. To the extent the funds to be received from the Guarantor under the Trust Agreement prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom will be extinguished and no Noteholder has any further claims against the Issuer (subject, however, to the right to exercise any termination or early redemption rights). This applies irrespective of whether the Issuer would be able to make such payments out of other funds available to it.

Pursuant to the Trust Agreement, the Guarantor is obliged to make available to the Issuer funds that equal the amount of any payments owed by the Issuer under the securities as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner. Due to this fiduciary issue structure the Noteholders depend solely and directly on the payments under the Trust Agreement and thus on the credit risk of the Guarantor.

II. RESPONSIBILITY FOR THE INFORMATION IN THE REGISTRATION DOCUMENT

Société Générale Effekten GmbH, Frankfurt am Main, as the Issuer, and Société Générale, Paris, as the Offeror, assume responsibility for the information contained in this registration document.

They also declare that the information contained in the Registration Document is, to the best of their knowledge, accurate and does not contain any material omissions.

III. THIRD PARTY INFORMATION

Where information has been sourced from a third party, the issuer confirms that this information has been accurately reproduced and that so far as the issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

IV. AUDITOR AND SELECTED FINANCIAL INFORMATION

1. Auditor

The financial statements of Société Générale Effekten GmbH, Frankfurt am Main for the financial year 2015 (from January 1, 2015 to December 31, 2015) and for the financial year 2016 (from January 1, 2016 to December 31, 2016) have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3-5, D-65760 Eschborn.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft is a member of the public law institution German Chambers of Auditors ("Wirtschaftsprüferkammer K.d.ö.R."), Rauchstrasse 26, D-10787 Berlin.

2. Selected Financial Information

The following selected financial information was excerpted from the Issuer's audited annual financial statements for the financial year 2016.

Société Générale Effekten GmbH, Frankfurt am Main

Balance Sheet at December 31, 2016

Assets	Dec. 31, 2016	Dec. 31, 2015
	in EUR	in EUR'000
A. Current assets	15,150,228,344.53	23,963,057
B. Deferred tax assets	0.00	36
C. Trust assets	<u>3,451,586,678.60</u>	<u>5,004,706</u>
	18,601,815,023.13	28,967,799

Equity & Liabilities	Dec. 31, 2016	Dec. 31, 2015
	in EUR	in EUR'000
A. Equity	1,163,289.58	1,163
B. Provisions	643,894.00	755
C. Liabilities	15,148,421,160.95	23,961,175
D. Trust liabilities	<u>3,451,586,678.60</u>	<u>5,004,706</u>
	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 from certificate activities	14,477,559,269.29	9,129,718
5.	Other revenues 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)	2,644,971.30	5,076
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	<u>0.00</u>	<u>129</u>

Société Générale Effekten GmbH, Frankfurt am Main

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

Cash Flow Statement

	2016	2015
	EUR	EUR'000
1. Cash flow from operating activities		
Cash flow from operating activities	-406,426,105.21	658
2. Cash flow from financing activities		
Cash flow from financing activities	407,223,093.83	0
3. Cash funds at end of period		
Cash funds at end period	1,377,090.96	580

V. INFORMATION ON THE ISSUER

1. History and Business Performance

Société Générale Effekten GmbH has its registered office in Frankfurt am Main and is entered in the commercial register of Frankfurt local court under no. HRB 32283. It came into existence after LT Industriebeteiligungs-Gesellschaft mbH, which was founded on March 3, 1977, was renamed by resolution of the shareholders' meeting on October 5, 1990. Société Générale Effekten GmbH was founded as a limited liability company (*Gesellschaft mit beschränkter Haftung* - GmbH) under German law. Société Générale Effekten GmbH is the legal and commercial name of the Issuer.

The business address and telephone number of the Issuer are:

Société Générale Effekten GmbH
Neue Mainzer Straße 46-50
D-60311 Frankfurt am Main
Tel. 069/71 74 0

2. Business Overview

The business purpose of the Issuer, as stipulated in Sec. 2 of its articles of association, is the issue and sale of securities as well as related activities, with the exception of those requiring a license. The Company is engaged in the issue and placement of securities, mainly warrants and certificates, as well as related activities. In the financial year 2016, the Company issued a total of 273,962 warrants and certificates (prior year: 230,568). Banking business as defined by the German Banking Act (*Kreditwesengesetz* - KWG) is not included by the business purpose. The Issuer is a financial entity as defined in Sec. 1 (3) Sentence 1 No. 5 KWG.

The securities are primarily issued on the German and Austrian market. The German capital market is one of the most important derivatives markets. The securities may also be sold publicly in certain other EU member states.

3. Organizational Structure

The Issuer is a wholly owned subsidiary of Société Générale, Paris. According to its own appraisal, Société Générale Group (the **Group**) is one of the leading financial services groups in Europe.

The Group teams offer advisory and other services to individual customers, companies and institutions as part of three complementary core businesses:

- French Retail Banking, which encompasses the Société Générale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with multi-channel products at the cutting edge of digital innovation;

- International Retail Banking, Insurance and Financial Services to Corporates, with networks in developing regions and specialised businesses that are leaders in their markets;
- Corporate and Investment Banking, Private Banking, Asset Management and Securities Services, which offer recognised expertise, key international locations and integrated solutions.

The principal markets in which the Group is operating are France, Germany and Austria as well as other European countries within or outside the Eurozone and the U.S.A.

Société Générale, the parent company of the Group, is listed on the Euronext Paris (Nyse-Euronext).

The issuer is a 100 per cent. subsidiary of Société Générale, Paris, France, and consequently a part of the Société Générale-Group.

Service level agreements are in place between the Issuer and Société Générale. Within the scope of these service level agreements the Issuer has access to resources of Société Générale, Frankfurt am Main branch, and/or Société Générale, Paris.

The Issuer depends on Société Générale.

The consolidated financial statements prepared by the parent company can be inspected at Société Générale, Frankfurt branch, Frankfurt am Main.

4. Trend Information

Since the date of its last published audited financial statements on December 31, 2016, there has been no material adverse change in the prospects of the Issuer.

5. Management and Company Representatives

The managing directors of Société Générale Effekten GmbH are currently Ms. Françoise Esnouf, Frankfurt am Main, Mr. Helmut Höfer, Frankfurt am Main and Mr. Rainer Welfens, Frankfurt am Main.

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, banker, Frankfurt am Main, was appointed managing director effective September 1, 2016.

Mr. Jean-Louis Jégou's appointment was revoked effective September 1, 2016.

Ms. Françoise Esnouf, Mr. Helmut Höfer and Mr. Rainer Welfens can be contacted at Société Générale, Frankfurt am Main branch, Neue Mainzer Straße 46-50, D-60311 Frankfurt am Main.

The Company is represented jointly by two managing directors or by one managing director together with an authorized signatory.

The articles of association do not contain any provisions on the appointment of a supervisory board. No supervisory board existed during the past financial year.

Provided that the above mentioned persons perform any activities out of the range of the scope of the Issuers activities, these activities are not relevant for the Issuer.

There are no potential conflicts of interest between the obligations of the managing directors in respect of Société Générale Effekten GmbH and their private interests and other obligations.

The issuer as a capital market-oriented company according to Sec. 264d HGB (German Commercial Code (Handelsgesetzbuch, "HGB")) has established an audit committee according to Sec. 324 HGB. This audit committee consists 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

The Audit Committee concentrates on the development of net assets, the financial position, and results of operations at least once every year – in particular for the annual financial statements. The shareholder is obligated to adopt the annual financial statements as part of the annual financial statement process. In order to fulfill these duties, the financial statement documents, including management's recommendation on the utilization of unappropriated net profits, are made available to the Audit Committee along with the auditors' preliminary report.

German Corporate Governance Codex

As the Issuer is not a stock exchange listed company it does not comply with the German Corporate Governance Codex as amended on the 7 February 2017.

6. Financial Information on the Net Assets, Financial Position and Results of Operations of the Issuer

a) Financial Statements

Attached as exhibits I and II to this registration document are the financial statements as of December 31, 2016 and December 31, 2015, the management reports of the Issuer, the cash flow statements for the financial years 2016 and 2015 and the relevant audit opinions.

b) Audit of the Financial Information

The annual financial statements of Société Générale Effekten GmbH, Frankfurt am Main – comprising the statement of financial position, the income statement, the cash flow statement, the statement of changes in equity, and the notes to the annual financial statements – and the management report for the financial year 2015 (from January 1, 2015 to December 31, 2015) has been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, and an unqualified audit opinion has been issued thereon.

The annual financial statements of Société Générale Effekten GmbH, Frankfurt am Main – comprising the statement of financial position, the income statement, the cash flow statement, the statement of changes in equity, and the notes to the annual financial statements – and the management report for the financial year 2016 (from January 1, 2016 to December 31, 2016) has been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, and an unqualified audit opinion has been issued thereon.

c) Interim Financial Information

Since the end of the last financial year, no interim financial information has been prepared.

d) Significant Court or Arbitration Proceedings

Any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, do not exist or have not existed.

e) Significant Changes in the Financial Position or Trading Position of the Issuer

Effective January 1, 2017, the shares in Société Générale Securities Services GmbH, Unterführung (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, since the end of the last financial year, 31 December 2016, no significant changes in the financial or trading position of the Issuer have occurred.

7. Additional Notes

The fully paid-in capital stock of Société Générale Effekten GmbH amounts to EUR 25,564.59. All shares in the Company are held by Société Générale, Paris.

Société Générale Effekten GmbH is entered in the commercial register of Frankfurt local court

under no. HRB 32283.

The business purpose of the Company as stipulated in Art. 2 of its articles of association dated October 5, 1990, is the issue and sale of securities as well as related activities, with the exception of those requiring a license. The Company may invest in other companies and may establish branches in Germany or abroad.

8. Significant Contracts

With effect from February 28, 2006, Société Générale Effekten GmbH concluded a framework trust agreement with Société Générale, Paris. The trust agreement governs the issue of debt securities in Société Générale Effekten GmbH's name for the account of Société Générale, Paris. Société Générale Effekten GmbH agrees to receive all proceeds from the issue of debt securities and pass them on to Société Générale, Paris. The trust agreement was concluded for a one-year term and will renew itself automatically by one more year unless it has been terminated with 15 days' notice.

Furthermore, Société Générale Effekten GmbH and Société Générale, Paris have entered into an agreement on May 1, 2005 regarding the refunding of the costs incurred by Société Générale Effekten GmbH in connection with its issuing activities. Under the terms of the agreement, Société Générale Effekten GmbH also receives a monthly management fee of 5% of the issue costs.

9. Documents Available for Inspection

The documents named in this registration document relating to Société Générale Effekten GmbH and intended for publication are available for inspection at Société Générale, Frankfurt am Main branch, Neue Mainzer Straße 46 - 50, D-60311 Frankfurt am Main, during normal office hours.

While this registration document is valid, a copy of the following documents can be inspected in paper form in particular:

- The articles of association as amended on October 5, 1990
- The financial statements as of December 31, 2015 and as of December 31, 2016 and the management reports for the financial years 2015 and 2016 of Société Générale Effekten GmbH

VI. EXHIBIT I: Financial statements, management report, audit opinion and cash flow statement as of December 31, 2016

- 1. Balance Sheet at December 31, 2016***
- 2. Income Statement for the period from January 1, 2016 to December 31, 2016***
- 3. Notes to the Annual Financial Statements for the 2016 financial year**
- 4. Management Report for the 2016 fiscal year (with the exception of the text in section C. I. Expected development of the Company (forecast report))**
- 5. Cash Flow Statement for the period from January 1, 2016 to December 31, 2016***
- 6. Statement of Changes in Equity for the financial year 2016***
- 7. Auditors report**

The following Financial statements, management report, audit opinion and cash flow statement as of December 31, 2016 have been translated from the German annual financial statement of Société Générale Effekten GmbH for the financial year 2016 into the English language.

* The presentation of the numbers contained in the tables on pages 16, 17, 20, 35 and 36 corresponds with the German presentation of numbers where points instead of commas are used as separator for the thousands places and where commas instead of points are used as separator for the decimal places.

Société Générale Effekten GmbH, Frankfurt a.M.
Balance Sheet at December 31, 2016

ASSETS	31.12.2016 EUR	31.12.2015 EUR'000	EQUITY AND LIABILITIES	31.12.2016 EUR	31.12.2015 TEUR
A. Current assets			A. Equity		
Receivables and other assets			I. Subscribed capital	25.564,59	26
1. Receivables from affiliated companies			II. Profit carried forward	1.137.724,99	1.008
a) From the investment of issue proceeds	5.781.841.115,68	11.502.885	III. Fiscal year net income	0,00	129
- thereof due in more than one year:				1.163.289,58	1.163
EUR 2,984,971,656.76 (PY: EUR 4,685,641,548.90)					
b) Other receivables	409.688.536,62	2.529	B. Provisions		
- thereof due in more than one year:			I. Provisions for pensions and similar obligations	261.894,00	241
EUR 0.00 (PY: EUR 0.00)			II. Tax provisions	0,00	0
2. Other assets	8.958.698.692,23	12.457.643	III. Other provisions	382.000,00	514
- thereof due in more than one year:				643.894,00	755
EUR 7,384,369,309.49 (PY: EUR 8,486,037,792.87)					
- thereof from affiliated companies			C. Liabilities		
EUR 8,958,698,692.23 (PY: EUR 12,457,625,359.99)			I. Liabilities from issued certificates	5.781.841.115,68	11.502.885
	15.150.228.344,53	23.963.057	- thereof due in up to one year:		
			EUR 2,796,869,458.92 (PY: EUR 6,817,243,305.91)		
B. Deferred tax assets	0,00	36	- thereof from affiliated companies		
		36	EUR 5,781,841,115.67 (PY: EUR 11,502,884,854.81)		
			II. Trade payables	132.454,60	245
C. Trust assets	3.451.586.678,60	5.004.706	- thereof due in up to one year:		
Receivables			EUR 132,454.60 (PY: EUR 244,638.56)		
- thereof due in more than one year			III. Liabilities to affiliated companies	407.736.263,27	417
EUR 1,115,451,404.93 (PY: EUR 3,398,643,272.25)			- thereof due in up to one year:		
- thereof from affiliated companies			EUR 513,169.00 (PY: EUR 416,739.00)		
EUR 3,451,586,678.60 (PY: EUR 5,004,705,533.48)			IV. Other liabilities	8.958.711.327,40	12.457.628
	3.451.586.678,60	5.004.706	- 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		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 thou-

sand 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 Stuebber

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)

(not displayed)

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

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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	-	-
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

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

VII. EXHIBIT II: Financial statements, management report, audit opinion and cash flow statement as of December 31, 2015

- 1. Statement of financial position at December 31, 2015***
- 2. Income Statement for the period from January 1, 2015 to December 31, 2015***
- 3. Notes to the Annual Financial Statements for the 2015 financial year**
- 4. Management Report for the 2015 financial year (with the exception of the text in section C. I. Expected development of the Company (forecast report))**
- 5. Cash Flow Statement***
- 6. Statement of Changes in Equity for the financial year 2015***
- 7. Audit opinion of the independent auditor**

The following Financial statements, management report, audit opinion and cash flow statement as of December 31, 2015 have been translated from the German annual financial statement of Société Générale Effekten GmbH for the financial year 2015 into the English language.

* The presentation of the numbers contained in the tables on pages 40, 41, 58 and 59 corresponds with the German presentation of numbers where points instead of commas are used as separator for the thousands places and where commas instead of points are used as separator for the decimal places.

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH, FRANKFURT AM MAIN

STATEMENT OF FINANCIAL POSITION at December 31, 2015

<u>ASSETS</u>	12/31/2015 EUR	12/31/2014 EUR	<u>EQUITY AND LIABILITIES</u>	12/31/2015 EUR	12/31/2014 EUR
A. CURRENT ASSETS			A. EQUITY		
Accounts receivable and other assets			I. Subscribed capital	25.564,59	25.564,59
1. Receivables from affiliated companies			II. Profit carried forward	1.008.056,34	904.972,54
a) Receivables from investment of issue proceeds	11.502.884.854,81	7.011.368.383,66	III. Net income	<u>129.668,65</u>	<u>103.083,80</u>
- thereof due in more than one year:				1.163.289,58	1.033.620,93
EUR 4,685,641,548.90					
(prior year: EUR 3,804,906,889.70)					
b) Other receivables	2.528.800,40	1.826.240,85			
- thereof due in more than one year:			B. PROVISIONS		
EUR 0.00 (prior year: EUR 0.00)			I. Provisions for pensions and similar obligations	240.578,22	178.232,35
2. Other assets	12.457.643.687,07	10.051.970.054,34	II. Tax provisions	0,00	0,00
- thereof due in more than one year:			III. Other provisions	<u>514.500,00</u>	<u>322.500,00</u>
EUR 8,486,037,792.87 (prior year: EUR 6,608,655,422.51)					
- thereof affiliated companies					
EUR 12,457,625,359.99 (prior year: EUR 10,051,954,757.52)					
	<u>23.963.057.342,28</u>	<u>17.065.164.678,85</u>		755.078,22	500.732,35
			C. LIABILITIES		
B. DEFERRED TAX ASSETS	35.703,24	19.872,39	I. Liabilities from issued certificates	11.502.884.854,81	7.011.368.383,66
			- thereof due within one year:		
			EUR 6,817,243,305.91 (prior year: EUR 3,206,461,493.96)		
			- thereof affiliated companies		
			EUR 11,502,884,854.81 (prior year: EUR 7,011,368,383.66)		
			II. Trade accounts payable	244.638,56	248.154,67
			- thereof due within one year:		
			EUR 244,638.56 (prior year: EUR 248,154.67)		
C. TRUST ASSETS			III. Amounts payable to affiliated companies	416.739,00	78.902,11
Receivables	5.004.705.533,48	5.238.971.266,72	- thereof due within one year:		
- thereof due in more than one year:			EUR 416,739.00 (prior year: EUR 78,902.11)		
EUR 3,398,643,272.25 (prior year: EUR 4,819,366,433.40)			IV. Other liabilities	12.457.628.445,35	10.051.954.757,52
- thereof affiliated companies			- thereof due within one year:		
EUR 5,004,705,533.48 (prior year: EUR 5,238,971,266.72)			EUR 3,971,590,652.48 (prior year: EUR 3,443,299,335.01)		
			- thereof from taxes: EUR 3,085.36 (prior year: EUR 2,675.01)		
			- thereof affiliated companies		
			EUR 12,457,625,359.99 (prior year: EUR 10,051,952,082.51)		
	<u>28.967.798.579,00</u>	<u>22.304.155.817,96</u>		<u>23.961.174.677,72</u>	<u>17.063.650.197,96</u>
			D. TRUST LIABILITIES		
			Certificates	5.004.705.533,48	5.238.971.266,72
			- thereof due within one year:		
			EUR 1,606,062,261.23 (prior year: EUR 419,604,833.32)		
			- thereof affiliated companies		
			EUR 5,004,705,533.48 (prior year: EUR 5,238,971,266.72)		
	<u>28.967.798.579,00</u>	<u>22.304.155.817,96</u>		<u>28.967.798.579,00</u>	<u>22.304.155.817,96</u>

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

FRANKFURT AM MAIN

INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2015

	2015 EUR	2014 EUR
1. Income from option activities	15.997.222.553,27	7.957.746.576,77
2. Expenses from option activities	15.997.222.553,27	7.957.746.576,77
3. Income from certificate activities	9.129.718.328,10	2.084.458.881,43
4. Expenses from certificate activities	9.129.718.328,10	2.084.458.881,43
5. Other operating income	5.075.875,36	3.592.770,23
6. Personnel expenses		
a) Wages and salaries	171.550,88	157.250,66
b) Social welfare contributions and expenses for pensions and other benefit costs thereof for pensions EUR 59,777.87 (prior year: EUR 34,270.87)	86.320,09	60.848,95
7. Other operating expenses	4.638.641,91	3.239.421,56
8. Other interest and similar income	369,96	167,18
- thereof from affiliated companies EUR 369.96 (prior year: EUR 167.18)		
9. Interest and similar expenses	12.508,35	4.322,72
- thereof from affiliated companies EUR 12,508.35 (prior year: EUR 4,322.72)		
10. Income from ordinary activities	167.224,09	131.093,52
11. Income taxes	37.555,44	28.009,72
- thereof from deferred tax assets: EUR 15,830.85 (prior year: EUR 7,238.49)		
12. Net income	129.668,65	103.083,80

**Société Générale Effekten GmbH
Frankfurt am Main**

**Notes to the Annual Financial Statements
for the 2015 financial year**

Comments on the annual financial statements at December 31, 2015, and other disclosures

The annual financial statements of Société Générale Effekten GmbH at December 31, 2015, 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.

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. EUR The deferred tax assets presented in the statement of financial position in the amount of EUR 35,703.24 were recognized exclusively in respect of temporary differences between the commercial-law values and the tax bases of provisions for pensions. The tax rate used to calculate the deferred taxes was 31.93%.

The provisions for pensions were measured at the settlement value according to actuarial principles, taking the 2005 G life expectancy tables 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 expectancy cash value method is used as an actuarial measurement method. The following parameters were assumed for the pension provisions: a discount rate of 3.89% (PY: 4.62%), a remuneration development of 2.90% (PY: 2.90%), and pension development of 1.90% (PY: 1.90%). The effects of interest rate changes are recognized in the operating profits within the sub-item of Social security and pension expenses. 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 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 presented on the liabilities side at cost of purchase or recognized as assets in the amount of the issue proceeds. These are perfect micro-hedges. Re-measurement 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 of 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 items 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** consist of EUR 11,504,834 thousand (PY: EUR 7,013,194 thousand) owed by the shareholder, as well of an account balance of EUR 580 thousand against the Société Générale Frankfurt branch.

Other assets primarily comprise the OTC options acquired by the shareholder to hedge issued warrants. They amounted to EUR 12,457,625 thousand (PY: EUR 10,051,955 thousand).

The **Trust receivables** in the amount of EUR 5,004,706 thousand (PY: EUR 5,238,971 thousand) involve funds forwarded to the shareholder from multiple certificates issued for the shareholder.

The **Other provisions** result primarily from provisions for issuing costs as well as audit and consulting costs. They amounted to EUR 515 thousand (PY: EUR 323 thousand).

The **Trust liabilities** in the amount of EUR 5,004,706 thousand (PY: EUR 5,238,971 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 item "Liabilities from issued certificates" on the liabilities side of the statement of financial position in a total amount of EUR 130,651 thousand (EUR 4,189 thousand from AUD, EUR 9,279 thousand from CAD, EUR 490 thousand from CHF, and EUR 116,693 thousand from USD). 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. The hedging of currency risk means that exchange rate fluctuations do not have any impact on the 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 3,416,914 thousand (EUR 140,332 thousand from GBP and EUR 3,276,582 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 translations 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. The hedging of currency risk means that exchange rate fluctuations do not have any impact on the income statement.

Liabilities/ trust liabilities in the amount of EUR 23,961,175 thousand / EUR 5,004,706 thousand consist mainly of liabilities to affiliated companies (EUR 28,965,633 thousand).

Maturity breakdown of receivables and liabilities					
EUR '000	Total amount	Remaining maturity up to 1 year	Remaining maturity 1 to 5 years	Remaining maturity over 5 years	
Receivables					
- From investment of issue proceeds	11,502,885	6,817,243	2,802,077	1,883,565	
- Other receivables	2,529	2,529			
- From trust accounts	5,004,706	1,606,062	3,232,759	165,885	
Other assets	12,457,644	3,971,607	3,199,417	5,286,620	
Liabilities					
- From issued certificates	11,502,885	6,817,243	2,802,077	1,883,565	
- Trade payables	245	245			
- Due to affiliated companies	417	417			
- From trust accounts	5,004,706	1,606,062	3,232,759	165,885	
Other liabilities	12,457,628	3,971,591	3,199,417	5,286,620	
- thereof taxes	3	3			

3. Notes to the Income Statement

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

Other operating income primarily related to cost absorption by the shareholder.

Other operating expenses consist primarily of issue costs, legal and consulting fees, and stock exchange costs.

Income taxes relate to the result of ordinary operations.

They amounted to EUR 38 thousand (PY: EUR 28 thousand). Included in this are deferred taxes in the amount of EUR 16 thousand.

4. Information on the issuing activities

The total issue of financial year 2015 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.

WARRANTS CATEGORY / CERTIFICATES	TYPE	FISCAL YEAR 2015			FISCAL YEAR 2014		
		QUANTITY	VOLUME (IN PIECES)	LONGEST MATURITY	QUANTITY	VOLUME (IN PIECES)	LONGEST MATURITY
Warrants							
Stock warrants	CALL	299	435,526,000	18-Dec-20	3,833	222,314,000	29-Dec-20
	PUT	30	55,750,000	23-Dec-16	1,876	108,808,000	29-Dec-15
	Open End Turbo Long	8,818	790,615,500	29-Mar-16	500	29,000,000	open end
	Inline / StayHigh/ StayLow Optionsschein	60,935	1,025,345,000	28-Nov-16	23,878	1,392,638,000	29-Mar-16
	Open End Turbo Short	68	43,400,000	open end	122	7,076,000	open end
	Leverage	30	7,500,000	open end	-	-	-
	Other warrants	24,621	5,691,135,200	03-Feb-25	11	638,000	27-Mar-15
		94,801	8,049,271,700		30,220	1,760,474,000	
Index warrants	CALL	27	52,020,000	25-Dec-15	1,264	73,312,000	27-Jun-24
	PUT	16	37,000,000	25-Dec-15	908	52,664,000	08-Jan-16
	Open End Turbo Short				172	9,976,000	open end
	Open End Turbo Long	1,426	76,756,000	29-Mar-16	214	12,412,000	open end
	Inline /StayHigh/ StayLow Optionsschein	34,148	684,270,000	23-Dec-16	17,369	1,007,402,000	24-Jun-16
	Optionsschein				108	6,264,000	28-Jun-19
	Discount Optionsschein				110	6,380,000	25-Feb-15
	Leverage	47	696,000,000	21-Jan-33	-	-	-
	Other warrants	15,593	3,640,995,500	27-Jul-49	3	174,000	29-Dec-15
		51,257	5,187,041,500		20,148	1,168,584,000	
Currency warrants	Open End Turbo Short	205	8,464,000	open end	55	3,190,000	open end
	Open end Turbo Long	312	11,533,000	open end	61	3,538,000	open end
	CALL	-	-	-	47	2,726,000	26-Jun-15
	PUT	-	-	-	30	1,740,000	22-Jun-16
	Inline/ Stay High/ Stay Low	142	2,995,000	29-Mar-16	-	-	-
	Other warrants	286	142,153,000	20-Dec-19	-	-	-
		945	165,145,000		193	11,194,000	
Commodity warrants	CALL	23	20,405,000	15-Dec-17	421	24,418,000	18-Dec-20
	PUT	8	9,050,000	15-Dec-17	135	7,830,000	02-Nov-18
	Open End Turbo Short	1,927	124,496,000	open end	426	24,708,000	open end
	Open End Turbo Long	1,654	100,540,000	open end	371	21,518,000	open end
	Inline /StayHigh/ StayLow Optionsschein	3,914	78,630,000	14-Mar-41	2,629	152,482,000	18-Mar-16
	CALL Discount Optionsschein				-	-	-
	Other warrants	9,900	2,334,113,030	18-Dec-20	5	290,000	27-Mar-15
		17,426	2,667,234,030		3,987	231,246,000	
Fixed Income	CALL				-	-	-
	PUT				-	-	-
	Open End Turbo Short	1	14,000	open end	63	3,654,000	open end
	Open End Turbo Long	114	4,584,000	open end	61	3,538,000	open end
		115	4,598,000		124	7,192,000	
TOTAL warrants:		164,544	16,073,290,230		54,672	3,178,690,000	

WARRANTS CATEGORY / CERTIFICATES	TYPE	FISCAL YEAR 2015			FISCAL YEAR 2014		
		QUANTITY	VOLUME (IN PIECES)	LONGEST MATURITY	QUANTITY	VOLUME (IN PIECES)	LONGEST MATURITY
Certificates							
Stock certificates	Bonus	22,586	259,558,700	02-Jan-17	4,743	266,858,000	25-Jan-21
	Discount	17,520	154,811,800	24-Mar-17	1,934	112,172,000	23-Dec-16
	Express	613	1,768,050	21-Dec-20	243	14,094,000	29-Dec-20
	Leverage				-	-	-
	Outperformance	36	460,800	23-Sep-16	-	-	-
	Alpha				-	-	-
	Sprint-certificate	95	601,600	23-Sep-16	-	-	-
	Other	59	162,100	27-Mar-20	21	1,218,000	07-Jan-22
		40,909	417,363,050		6,941	394,342,000	
Bonds	Stocks	1,839	386,300	28-Sep-18	294	17,052,000	29-Mar-16
	Index	274	69,400	10-Oct-16	-	-	-
	Interest-linked				-	-	-
	Inflation-indexed				-	-	-
	Reverse Convertible				-	-	-
	Other	4	800	07-Aug-18	3	174,000	07-Apr-16
		2,117	456,500		297	17,226,000	
Loans	Credit Linked Note	2	3,200	open end	1	58,000	01-Oct-20
		2	3,200		1	58,000	
Index certificates	Bonus	17,371	76,805,800	22-Dec-17	3,503	203,174,000	22-Dec-17
	Discount	4,142	23,011,100	22-Jun-18	915	53,070,000	22-Dec-17
	Express	294	3,631,000	08-Dec-23	201	11,658,000	08-Dec-22
	Leverage	17	569,750,000	23-Mar-20	7	406,000	00.01.1900
	Outperformance				-	-	-
	Other	210	1,795,174,400	21-Feb-33	59	3,422,000	01-Jan-99
		22,034	2,468,372,300		4,685	271,730,000	
Commodity certificates	Guarantee	-	-	-	-	-	-
	Bonus	20	98,600	17-Aug-16	46	2,668,000	22-Mar-18
	Discount	920	4,019,400	03-May-19	382	22,156,000	04-Nov-19
	Express	-	-	-	8	464,000	09-Apr-19
	Leverage	1	20,000,000	24-Nov-17	-	-	-
	Other	21	5,845,000	open end	2	116,000	17-Aug-20
		962	29,963,000		438	25,404,000	
TOTAL certificates		66,024	2,916,158,050		12,362	708,760,000	
Total certificates and warrants:		230,568	18,989,448,280		67,034	3,887,450,000	

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 45,062 OTC options with a market value of EUR 11,341 million to hedge the stock and index warrants, 596 OTC options with a market value of EUR 260 million to hedge the foreign currency warrants, and 2,782 OTC options with a market value of EUR 2,564 million to hedge the commodities warrants, and 3,832 OTC warrants with a market value of EUR 1,482 million to hedge interest rate warrants.

In addition, the Company holds 47,034 certificates with a market value of EUR 14,200 million, including trust transactions.

The carrying amount of the warrants listed here at December 31, 2015, is EUR 12,458 million, which is presented within the Other Liabilities item on the statement of financial position. The carrying amount of the issued certificates at December 31, 2015, is EUR 16,508 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 period

The auditing fee for 2015, which was recognized as expense in financial year 2015, is EUR 50 thousand.

6. Statements on members of company bodies and employees

The following individuals were appointed as managing directors in financial year 2015:

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

By way of a resolution adopted by the shareholder meeting on February 9, 2015, Mr. Rainer Welfens, business administrator, Saint Maur des Fossés, France, was appointed managing director.

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.

The current managing directors Mr. Jean-Louis Jégou, Mr. Helmut Höfer and Mr. Rainer Welfens are employees of Société Générale S.A., Frankfurt am Main branch office. Mr. Rainer Welfens is an employee of Société Générale S.A., Paris. Expenses of EUR 22 thousand as remuneration for the managing director work were passed on to Société Générale Effekten GmbH for financial year 2015.

The Company employed an average of 1.5 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. Achim Oswald
Mr. Rainer Welfens
Ms. Heike Stuebban

7. Group affiliation

Until December 2015 the parent company of Société Générale Effekten GmbH was Société Générale S.A., Paris. As of December 2015, the Société Générale Frankfurt branch holds a 100% equity interest in Société Générale Effekten GmbH.

The parent company of Société Générale Frankfurt is Société Générale S.A., Paris. 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.

Frankfurt am Main, April 20, 2016

The Management

Société Générale Effekten GmbH

Jean-Louis Jégou

Helmut Höfer

Rainer Welfens

**Société Générale Effekten GmbH
Frankfurt am Main**

**Management Report
for the 2015 financial year**

A. Legal and Commercial Basis of the Company

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

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 is permitted to 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.

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 Financial Year 2015

The economic recovery continued in Germany and the Eurozone in 2015. Economic growth was dampened by weak growth in emerging-market countries, particularly China.

The economy was supported by low oil prices and attractive financing conditions due to the monetary policy actions of major central banks. In other countries (especially Russia), however, economic growth was inhibited by the lowered commodity prices.

Public-sector budgets were increasingly strained by the refugee migration from the war zones in Syria.

The phase of low-interest rates presents growing risks to the financial stability of banks and is undermining business models conceived for the medium term.

The complexity of regulation and oversight (capital requirements, detailed requirements for risk management systems; information and frequency of disclosure obligations) has grown steadily. 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 began in 2015 can be continued in 2016. The goal is to improve the Company's competitive position in the market.

In launching new products in the past financial year 2015, 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 bolstering the Company's market position in Germany, the number of issued warrants and certificates more than tripled in financial year 2015.

Warrants for a total of 164,544 products (PY: 54,672) were issued in financial year 2015. Along with 94,801 products for stocks, 51,257 products were created for various indices, 115 for fixed income, 945 for foreign currencies, and 17,426 for commodities.

In addition, 66,024 certificate products were issued (PY: 12,362). These are primarily bonus and discount certificates, unchanged from the prior year.

III. Net assets, financial position and results of operations

a) Net assets

Due to the heightened issue volume, total assets increased EUR 6,664 million year-on-year to the current EUR 28,968 million. 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 1,008 thousand (PY: EUR 905 thousand) in profit carried forward. The company's equity increased by the earned net income of EUR 130 thousand (PY: EUR 103 thousand) to EUR 1,163 thousand (PY: EUR 1,034 thousand).

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

Liabilities are mainly related to the issuance of certificates and warrants.

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.

The additional costs incurred in connection with issuance activities led to a higher reimbursement by the parent company compared to 2014, which is reflected in the higher net income for the year (EUR 130 thousand; PY: EUR 103 thousand). 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. 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, 2015, the Company held cash and cash equivalents of EUR 580 thousand. The Company owed a liability of EUR 79 thousand to SG Frankfurt at the prior-year reporting date of December 31, 2014.

IV. Financial/ non-financial performance indicators

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

The internal control of the Company is largely carried out through the systems and control procedures of the parent company. The parent company is working to adjust systems and monitoring processes in order to increase operating efficiency. In financial year 2015, for example, a certification program for controls was introduced for the purpose of increasing the Company's operating efficiency.

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)

(not displayed)

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."

The risks that could possibly arise in financial year 2015/2016 are described in the following.

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

- Regulatory compliance risks
- 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, 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 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 five persons (one employee of Société Générale Effekten GmbH and four 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, 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 once per quarter.

Organization and components of the ICS and 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 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 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 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 financial year.

Frankfurt am Main, April 20, 2016

The Management

Société Générale Effekten GmbH

Jean-Louis Jégou

Helmut Höfer

Rainer Welfens

Cash Flow Statement

	2015 EUR	2014 EUR
1. Cash flow from operating activities		
Net income for the fiscal year before extraordinary items	129.668,65	103.083,80
Increase / Decrease (-) in provisions	254.345,87	-2.141,78
Increase (-) / Decrease (+) in receivables as well as other assets not attributable to investment or financing activities	-6.663.046.827,85	-453.240.229,36
Increase deferred tax assets	-15.830,85	-7.238,49
Increase / Decrease in liabilities under issued certificates as well as other liabilities not attributable to investment or financing activities	6.663.337.648,63	452.708.882,32
Cash flow from continuing operations	659.004,45	-437.643,51
2. Closing balance of cash funds		
Change in cash funds	659.004,45	-437.643,51
Opening balance of cash funds	-78.902,11	358.741,40
Closing balance of cash funds	580.102,34	-78.902,11
3. Composition of cash funds		
Liquid assets / Liabilities FI	580.102,34	-78.902,11

Other disclosures as of 31.12.2015 in accordance with paragraph 52 of German Accounting Standard (DRS) 2:

- a) Daily payable receivables/liabilities due to 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 and is reported in the position "Receivables from affiliated companies - Other Receivables".
- 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
Balance as of Jan. 1, 2013	25.564,59	806.949,38	832.513,97
Distribution of dividends	-	-	-
Other changes	-	-	-
Net income for the year	-	98.023,16	98.023,16
Balance as of Dec. 31, 2013	25.564,59	904.972,54	930.537,13
Balance as of Jan. 1, 2014	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
Balance as of Dec. 31, 2014	25.564,59	1.008.056,34	1.033.620,93
Balance as of Jan. 1, 2015	25.564,59	1.008.056,34	1.033.620,93
Distribution of dividends	-	-	-
Other changes	-	-	-
Net income for the year	-	129.668,65	
Balance as of Dec. 31, 2015	25.564,59	1.137.724,99	1.163.289,58

Audit opinion of the independent auditor

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, 2015. The maintenance of the books and records and preparation of the annual financial statements and management report pursuant to 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 (IDW). Those standards require that we plan and perform the audit such that misstatements and violations 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 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 the 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 of Société Générale Effekten GmbH, Frankfurt am Main, 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 principles of proper accounting. The management report is consistent with the annual financial statements and on the whole provides a suitable understanding of the Company's position and suitably presents the risks and opportunities of future development.

Frankfurt am Main, April 20, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Hultsch
Wirtschaftsprüfer (German Public Auditor)

Knoll
Wirtschaftsprüfer (German Public Auditor)

Frankfurt am Main, June 26, 2017

Société Générale Effekten GmbH

Société Générale

sign. Philipp MANNSFELDT

sign. Philipp MANNSFELDT

sign. Mateo KNEZOVIC

sign. Mateo KNEZOVIC