

Société Générale Effekten GmbH **Frankfurt am Main**

Report on the Audit
of the Annual Financial Statements
at December 31, 2014

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GENERAL ENGAGEMENT TERMS FOR WIRTSCHAFTSPRÜFER AND
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFTEN [GERMAN PUBLIC AUDI-
TORS AND PUBLIC AUDIT FIRMS]

Please note that rounded amounts and percentages may differ as a result of commercial rounding methods.

Key to Abbreviations

BaFin	German Federal Financial Supervisory Authority, Bonn and Frankfurt am Main
CHSH	CHSH Cerha Hempel Spiegelfeld Hlawati, Partnership of Attorneys, Vienna
EGHGB	Einführungsgesetz zum Handelsgesetzbuch (Introductory Act to the German Commercial Code)
EStG	Einkommensteuergesetz (German Income Tax Act)
Euronext	NYSE Euronext Paris, Paris, France
GmbHG	Gesetz betreffend die Gesellschaften mit beschränkter Haftung (German Limited Liability Companies Act)
HGB	Handelsgesetzbuch (German Commercial Code)
IDW	Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf.
IDW-AAB	Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (General Engagement Terms for German Public Auditors and Public Audit Firms) (IDW Model Contract)
IDW AUS	IDW Auditing Standard
KWG	Kreditwesengesetz (German Banking Act)
OTC	Over-the-counter
S.A.	Société Anonyme (French corporate form)
SGE	Société Générale Effekten GmbH, Frankfurt am Main
Société Générale	Société Générale S.A., Paris, France

1 AUDIT ENGAGEMENT

By resolution of the shareholders' meeting of June 27, 2014, of

**Société Générale Effekten GmbH,
Frankfurt am Main**

– hereinafter also referred to as "SGE" or the "Company" –

we were elected as the auditors of the annual financial statements for financial year 2014. Based on this resolution, management engaged us to conduct an audit in accordance with section 317 HGB for the 2014 fiscal year.

In accordance with section 321 (4a) HGB, we confirm our compliance with the applicable regulations regarding independence with respect to our audit of the annual financial statements.

In preparing the audit report, we complied with the German Generally Accepted Standards for the Issuance of Audit Reports for the Audit of Financial Statements (Auditing Standard of the Institut der Wirtschaftsprüfer – IDW AuS 450).

The performance of this engagement and our responsibility, also in relation to third parties, are governed by the agreements made on December 15, 2014 and December 19, 2014, as well as by the "General Conditions of Engagement for Auditors and Auditing Firms" in the version of January 1, 2002, which are appended to this report.

This audit report was only prepared to document our audit for the Company and not for third parties, to whom we are not liable in accordance with section 323 HGB.

2 BASIC FINDINGS

2.1 Opinion on the Management's Assessment of the Company's Position

We emphasize the following aspects, which are especially important in assessing the economic position of the Company, from the annual financial statements and management report prepared by the Board of Management, as well as the other audited documents:

- SGE's business operations in the reporting period only involved issuing and selling securities as well as entering into corresponding hedging transactions.

- All securities issued were sold at market prices to Société Générale S.A., Paris, Société Générale Option Europe S.A., Paris, Société Générale, Madrid Branch, Spain, or Inora Life Limited, Dublin, Ireland.
- In financial year 2014, the Company issued a total of 54,672 warrants (previous year: 32,740) and 12,362 certificates (previous year: 15,872). Total assets increased by EUR 453 million year-on-year to EUR 22,304 million.
- Since the proceeds from the sale of issued warrants and certificates are always offset by the expenses for the acquisition of the corresponding hedging transactions, the Company does not generate any profit from its new issue activities.
- Market price risks associated with the issued warrants and certificates are fully hedged through hedging transactions with Société Générale S.A., Paris.
- The Company's risk situation is largely determined by the simplicity of its business structure and by its close affiliation with the Société Générale Group; as a result, the creditworthiness of Société Générale and its subsidiaries is crucial in assessing risk.
- The only receivables are owed by the parent company.
- The growth strategy centers on Germany. Société Générale Effekten GmbH aims to strengthen its market position through a project to expand issuing activities. The Company intends to offer a broad range of products in the area of warrants and certificates again in 2015. Furthermore, the Company further intends to maintain its issuing activities in other European countries.
- Taking into account the fact that all new issue activities with Group companies are fully hedged, the Company will also generate positive earnings in 2015 of about the same amount as in the past financial year based on its design (cost-plus process).

In summary, in accordance with section 321 (1) sentence 2 HGB, we consider the management's assessment of the Company's position to be realistic, in particular with respect to its assumption of the Company as a going concern and its assessment of the Company's future development as expressed in the annual financial statements and in the management report.

3 SUBJECT, NATURE AND SCOPE OF THE AUDIT

Subject of the Audit

The subjects of our audit were:

- the bookkeeping system,
- the annual financial statements (comprising the balance sheet, income statement, notes to the financial statements, cash flow statement, and the statement of changes in equity), and
- the management report

of the Company.

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; this also applies to the disclosures provided to us regarding these documents. Our responsibility is to express an opinion on these documents and disclosures as part of our audit as required by law.

Our responsibilities in auditing the annual financial statements included a review of compliance with other provisions only to the extent that they normally affect the annual financial statements or the management report. In accordance with section 317 (2) sentence 3 HGB, our audit did not include a review of the declaration of conformity pursuant to section 289a HGB.

Nature and scope of the audit

The starting point for our audit was the financial statements for the preceding year, which we had audited and for which we had issued an unqualified auditors' report on March 21, 2014; they were adopted on June 27, 2014.

We conducted our audit during the months of December 2014 (preliminary audit) and March 2015 (main audit) in the offices of the Company and in our office in Frankfurt am Main.

We conducted our audit of the annual financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW).

In accordance with section 317 HGB, the audit of the annual financial statements must be planned and performed such that material misstatements and violations of accounting regulations are detected with reasonable assurance. In order to meet these requirements, we apply risk and process-oriented audit methods, for whose implementation we make use of our auditing software AuditSystem/2. This software supports the planning, conducting, and documentation of the audit of the annual financial statements.

In planning our audit, we familiarized ourselves with the Company's operations, its economic and legal environment, and its accounting, performed an analytic review of the annual financial statements, and reviewed the articles of incorporation and shareholder resolutions. We determined the overall audit plan based on our initial findings and our expectations regarding potential errors. We examined the internal controlling system of the Company to the extent that it is relevant to the adequacy of the accounting function; the internal controlling system in its entirety did not fall under the scope of our audit.

According to our audit plan, we audited the effectiveness and application of the Company's identified controlling methods. We were able to reduce our assertion-related audit procedures (analytical audit procedures and statistical tests of detail of transactions and inventories) to the extent that these controls qualified as effective. In all other cases, we conducted comprehensive assertion-related audit procedures in accordance with our risk assessment. For tests of detail, we obtained records and employed sampling techniques.

The Company has outsourced portions of its Accounts Payable to Société Générale Global Solution Centre Private Ltd., Bangalore, India, a 99% subsidiary of Société Générale S.A. The outsourced subdivisions relate to the posting of vendor invoices and travel expenses. The other postings to be carried out were outsourced in the prior year to Société Générale European Business Services SA, Bucharest, Romania, a 99.95% subsidiary of Société Générale S.A. In addition, the Service Center in Bucharest produces Group reporting as well as statutory reporting to the Deutsche Bundesbank.

In order to assess the orderliness of the outsourced portions of the bookkeeping, we audited the control measures established by Société Générale S.A. and carried out by SGE with regard to the activities of the service companies. The majority of the postings, which are for the most part automated, continues to be carried out by Société Générale S.A. without change.

We did not obtain any balance confirmations for the receivables and liabilities recorded in the trial balance as of the balance sheet date, because we were able to reliably verify them in another way based on the type of entry, administration and settlement of the receivables and liabilities.

We obtained confirmations of the Company's claims and obligations from Company lawyers as part of the audit of provisions.

Our audit of the provisions for pension commitments included a critical appraisal of the results of the actuarial report of Aon Hewitt GmbH, Munich, taking into account our assessment of their competence, capabilities, and objectivity.

In light of the disclosures made in the annual financial statements, we assessed disclosures in the management report regarding the future based on plausibility and their correspondence with the findings of our audit of the financial statements.

Management supplied us with all the information and supporting documentation requested and submitted the customary letter of representation in writing on March 27, 2015. The letter ensures in particular that the bookkeeping includes all transactions that have to be recorded and that the current annual financial statements include all assets, liabilities, and accruals and deferrals that must be recognized, including all expenses and income; in addition, all estimates have been taken into account and all necessary disclosures have been made.

4 FINDINGS AND NOTES ON THE ACCOUNTING

4.1 Compliance of the Accounting

4.1.1 Books and records and other audited documents

The Company sets up valuation units compliant with Section 254 HGB when hedging the issuing transactions and does not remeasure the amounts for the issue proceeds once posted (“net hedge presentation method”). In a deviation from this selected method, an automated update of the current exchange rates for the foreign currency holdings is carried out by the system at subsequent reporting dates. When the annual financial statements were being prepared, a manual adjustment of the foreign currency holdings to the historic exchange rates applicable at the time of first posting was made using Excel. We recommend that, in future, the automated update of the exchange rates by the system be discontinued, or at least the manual adjustment process be documented in detail together with the associated controls in the sense of an operating guideline.

The bookkeeping system corresponds to the statutory provisions, including German accepted accounting principles. The information taken from the additionally audited records leads to an appropriate presentation in the bookkeeping system, annual financial statements and management report.

4.1.2 Annual financial statements

The annual financial statements at December 31, 2014, are attached to this report as Appendices 1.2 to 1.6.

The annual financial statements were properly derived from the books and records and the other audited documents. The Company complied with statutory provisions regarding classification, accounting treatment, and measurement, the cash flow statement, the statement of changes in equity, and the notes to the financial statements.

4.1.3 Management report

The management report for the 2014 fiscal year is attached to this report as Appendix 1.1.

According to the results of our audit, the management report is consistent with the annual financial statements and the findings of our audit and on the whole provides an accurate view of the Company's position. The significant opportunities and risks related to future development are presented correctly. The disclosures pursuant to Section 289 (2), (3) and (5) HGB are complete and correct. The management report corresponds to the legal requirements.

4.2 Overall Assertion of the Annual Financial Statements

The annual financial statements overall, i.e. the statement of financial position, income statement, cash flow statement, statement of changes in equity, and notes taken as a whole and in consideration of the German accepted accounting principles, give a true and fair view of the Company's net assets, financial position and results of operations.

4.3 Analysis of Net Asset Position, Financial Position and Results of Operations

4.3.1 Multi-year summary

		2014	2013	2012	2011	2010
Income from option contracts and certificates	EUR'000	10,042,205	11,527,248	7,927,412	23,189,917	12,438,304
Expenses from option contracts and certificates	EUR'000	-10,042,205	-11,527,248	-7,927,412	-23,189,917	-12,438,304
Surplus	EUR'000	0	0	0	0	0
Cash flow from operating activities	EUR'000	-438	-111	470	0	-184
Equity	EUR'000	1,034	931	833	617	514
Balance sheet total	EUR'000	22,304,156	21,851,346	30,434,004	43,158,609	69,760,731
Current assets/accruals and deferral	EUR'000	17,065,165	15,433,080	24,660,584	37,265,635	58,878,444
Total volume of issued securities	EUR'000	22,302,310	21,849,891	30,432,624	43,156,886	69,759,380
Net income for the year	EUR'000	103	98	215	103	94

The “up-to global note” policy that was implemented in financial year 2011, where the size of the issue depends on demand, led to a significant reduction in total volume of issued securities in recent years, and thus to a reduction in total assets up to 2013. At year-end 2014, the higher number of products issued more than offset the decline in the average issue volume. The total assets rose year-on-year accordingly.

The issuing business does not affect the Company's net income due to the corresponding conclusion of hedging transactions. Due to the cost-plus process that continues in force, the Company shows constant low positive net income in relation to the total issue, as designed. A lasting increase in equity can be seen from gradual reinvestment of income.

With respect to the economic and legal basis of accounting, please refer to Appendix 2 of this report.

4.3.2 Net assets

The following table is derived from the balance sheet (Appendix 1.2). Current line items (maturing within one year) are shown separately.

	12/31/2014			Prior yer			Change	
	total		short-term	total		short-term	total	
	EUR'000	%	EUR'000	EUR'000	%	EUR'000	EUR'000	%
Assets								
Receivables	7,013,195	31.4	3,208,287	10,056,813	46.0	3,396,205	-3,043,618	-30.3
Other								
assets	10,051,970	45.1	3,443,315	5,376,267	24.6	1,840,454	4,675,703	87.0
Current assets	17,065,165	76.5	6,651,602	15,433,080	70.6	5,236,659	1,632,085	10.6
Deferred tax								
assets	20	0.0	0	13	0.0	0	7	53.8
Trust assets	5,238,971	23.5	445,675	6,418,253	29.4	719,626	-1,179,282	-18.4
	22,304,156	100.0	7,097,277	21,851,346	100.0	5,956,285	452,810	2.1
Capital								
Equity	1,034	0.0	0	931	0.0	0	103	11.1
Provisions	501	0.0	322	503	0.0	360	-2	-0.4
Liabilities	17,063,650	76.5	6,650,088	15,431,659	70.6	5,235,015	1,631,991	10.6
Outside capital	17,064,151	76.5	6,650,410	15,432,162	70.6	5,235,375	1,631,989	10.6
Trust								
liabilities	5,238,971	23.5	445,675	6,418,253	29.4	719,626	-1,179,282	-18.4
	22,304,156	100.0	7,096,085	21,851,346	100.0	5,955,001	452,810	2.1

Assets

The receivables are owed by the shareholder and can be attributed in the amount of EUR 7,011,368 thousand (previous year: EUR 10,055,371 thousand) to hedging transactions for certificates issued as well as in the amount of EUR 1,826 thousand (previous year: EUR 1,442 thousand) to the reimbursement claims for issuing costs against the shareholder. The decrease can be attributed to the introduction of the so-called "up-to global notes," for which the issue amount depends on demand and is increased incrementally as needed (see section 4.3.1). Consequently, the amount of the average issue volume of the certificates and the corresponding hedging transactions decreased. In addition, it is important to remember that an increasing volume of the certificates issued have short to very short terms and fall due prior to the reporting date.

Other assets include OTC options against the shareholder in the amount of EUR 10,051,970 thousand (previous year: EUR 5,376,267 thousand) in order to hedge the other liabilities arising from warrants issued. This increase can be attributed to the sharp rise in warrants issued and the corresponding hedging transactions, serving to more than offset volume-reducing effects from declining average issue volumes and average shorter terms.

The hedging transactions for issued warrants and certificates presented under receivables and other assets are subject to the same fluctuations in value as the liabilities from the issue of securities. Within the framework of the valuation units set up in accordance with Section 254 HGB, remeasurement is not carried out following recognition at acquisition cost (“net hedge presentation method”).

The trust receivables can be attributed to the forwarding of proceeds from the certificates issued in the Company’s name on behalf of the shareholder.

Deferred tax assets can be attributed to the difference between the carrying amount of provisions for pension commitments recognized in the financial and tax accounts.

Provisions

Provisions changed as follows:

	Balance as of			Balance as of	
	1/1/2014	Utilization	Release	Charge	12/31/2014
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
a) Provisions for pensions and similar obligations					
- Pension provisions	132	0	0	34	166
- Provisions for anniversary bonu	11	0	0	1	12
b) Tax provisions	6	6	0	0	0
c) Other provisions:					
- Issuing costs	140	140	0	205	205
- Issuing costs, Italy	100	100	0	0	0
- Annual financial statement/audit costs	51	51	0	51	51
- Issuing costs, Sweden	20	20	0	20	20
- Issuing costs, Spain	15	15	0	28	28
- Tax consulting costs	7	7	0	3	3
- BaFin	7	7	0	1	1
- Translation costs	6	6	0	8	8
- CHSH	2	2	0	0	0
- Provisions for vacation	1	1	0	0	0
- Other	5	5	0	7	7
	503	360	0	358	501

Overall, the provisions are almost unchanged compared with last year.

The increase in provisions for issuing costs reflects the planned continued expansion of issuing activities by the Company, relating in this context mostly to costs for legal advice.

No allocation to provisions for issuing costs in Italy was made in the reporting period as, according to the information provided, no or only a few placements in Italy are planned for 2015.

Liabilities

Liabilities comprise mainly issued certificates in the amount of EUR 7,011,368 thousand (previous year: EUR 10,055,371 thousand) and the option premiums for the issue of warrants presented under other liabilities in the amount of EUR 10,051,955 thousand (previous year: EUR 5,376,255 thousand). The issued certificates and warrants are fully offset by hedging transactions with identical terms. Their change occurs in correspondence to the development of the Company's assets.

The trust liabilities include the issue of certificates issued in the Company's name on behalf of the shareholder.

4.3.3 Financing situation**Cash flow statement**

Please refer to Appendix 1.5 for the presentation of the cash flow statement, which was prepared by the Company according to the indirect method.

Cash flow from operating activities is characterized by the issuing activities and the time-delayed reimbursement of costs by Société Générale S.A., Paris.

The Company has not received any loan commitments from third parties and has not engaged in any investment activities.

4.3.4 Results of operations

The origin of net income for the year is presented with the help of an analysis based on the operating result and derived from the income statement (Appendix 1.3).

	2014		Prior year	
	EUR'000	%	EUR'000	%
Income from option contracts	7,957,746	>100.0	8,455,884	>100.0
Income from certificate transactions	2,084,459	>100.0	3,071,364	>100.0
Expenses from option contracts	-7,957,746	<-100.0	-8,455,884	<-100.0
Expenses from certificate transactions	-2,084,459	<-100.0	-3,071,364	<-100.0
Gross performance	0	0.0	0	0.0
Other operating result	353	261.5	368	234.4
Personnel expenses	-218	-161.5	-211	-134.4
Operating result	135	100.0	157	100.0
Net financial income	-4	-3.9	-3	-3.1
Net income before taxes	131	96.1	154	96.9
Taxes on income	-28	-27.2	-56	-57.1
Result for the fiscal year	103	68.9	98	39.8

Income and expenses from option contracts include income and expenses from warrants payable that have been issued and closed out. Despite the higher number of warrant products issued, fewer warrants were issued overall. In addition, a relatively high volume of warrants falling due after the end of the reporting period were issued in the fourth quarter of 2014 in particular. The income and expenses have declined year-on-year accordingly.

Declining income and expenses from certificate transactions include income and expenses from certificates payable. The year-on-year decrease corresponds with the falling number of certificates products issued.

Income developed similar to expenses, because it represents costs reimbursed by Société Générale S.A., Paris, in connection with the assumption of securities issues.

Other operating income (EUR 3,593 thousand) results mainly from reimbursement of costs and fees by the shareholder for the issues. In addition to the costs incurred in connection with issuing activities, the Company receives a monthly administrative fee in the amount of 5% of issuing costs.

Other operating expenses comprise the following:

	2014		Prior year		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Legal and advisory expenses	1,761	54.4	2,569	69.6	-808	-31.5
Issuing costs (supervisory authorities/stock exchanges)	1,373	42.4	1,013	27.5	360	35.5
Assessments for IT, office equipment, and rent	63	1.9	50	1.4	13	26.0
Personnel expenses	22	0.7	13	0.4	9	69.2
Werbung	20	0.6	19	0.5	1	5.3
Other	0	0.0	22	0.6	-22	-100.0
Other operating expenses	3,239	100.0	3,686	100.0	-447	-12.1

The decrease in legal and consulting fees despite an increase in issuing activity can be attributed to the fact that some of these activities have been performed by employees of Société Générale as of the reporting period. According to the information provided, the underlying service level agreements with the parent company are to be updated promptly. In addition, contracts with third party providers were renegotiated with better terms. Legal and advisory expenses are incurred particularly when new base prospectuses have to be published for the issue of new types of securities.

5 COPY OF THE AUDITORS' REPORT

We have issued the following unqualified auditors' report for the annual financial statements and the management report of Société Générale Effekten GmbH, Frankfurt am Main, for the 2014 fiscal year (from January 1 to December 31, 2014) in the version of Appendix 1, signed on March 27, 2015:

"Auditors' 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, 2014. 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."

6 CONCLUDING REMARKS

We issue the preceding report on our review of the annual financial statements and the management report for the fiscal year from January 1 to December 31, 2014, of Société Générale Effekten GmbH, Frankfurt am Main, in accordance with the legal requirements and German generally accepted standards for the issuance of audit reports for the audit of financial statements (auditing standard of the Institut der Wirtschaftsprüfer – IDW AuS 450).

Regarding the unqualified auditors' report issued by us, please refer to section 5 "Copy of the Auditors' Report".

Frankfurt/Main, March 27, 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Nemet)
Wirtschaftsprüfer (German Public Auditor)

(Klüber)
Wirtschaftsprüfer (German Public Auditor)

The publication or provision of the annual financial statements and/or the management report in a form differing from the certified version requires a renewed statement by us if the auditors' report issued by us is quoted or reference is made to our audit of the annual financial statements; we make reference with respect to this to the provisions of section 328 HGB.

**Société Générale Effekten GmbH
Frankfurt am Main**

**Management Report
for the 2014 financial year**

A. Legal and Commercial Basis of the Company

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

Due to the implementation of the unified European permit (“European passport”), meaning that only a single approval of the prospectuses by the responsible supervisory authority (BaFin) is necessary, the Company lists its products on various stock exchanges in the European Union (stock exchanges in Madrid, Milan, Paris, Luxembourg, London, Stockholm, Helsinki, etc.).

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

B. Financial Review

I. Operating Conditions for Financial Year 2014

The German economy grew at a moderate rate in financial year 2014. The foreign trade environment continued to have a braking effect; the adjustment processes to deal with the financial crisis in the southern part of the euro zone continued. Alongside the risks in the euro zone, the ongoing conflict between Russia and Ukraine together with the associated trade sanctions is a source of uncertainty. Domestic economic factors in Germany, on the other hand, continued to stabilize. Continued positive development in employment supports private consumer spending and thus reinforces economic development.

In terms of financial market policy, regulation, and supervision in 2014, the year was dominated by the reorganization of European banking supervision, the asset quality review and stress tests of major banks.

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. When launching new products in the past financial year 2014, the Company reacted quickly to such changes and created new products accordingly. The positive development of the German stock index led to premature “knock-out” of a large number of issues, which were replaced with new products.

II. Business developments

Financial year 2014 was characterized by a sharp increase in products issued in the area of warrants compared to the prior year.

The issue amount per product has declined significantly compared to prior years due to the implementation of the “up-to global note” (conversion in 2011). In this process, the issue amount depends on expected demand and can be increased incrementally as needed. This reduces non-placement of the total issue.

Warrants for a total of 54,672 products (PY: 32,740) were issued in financial year 2014. Along with 30,220 products for stocks, 20,148 products were created for various indices, 124 for fixed income, 193 for foreign currencies, and 3,987 for commodities.

In addition, 12,362 certificate products were issued (PY: 15,872). 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 increased EUR 453 million year-on-year to the current EUR 22,304 million.

The company's share capital remains unchanged at EUR 26 thousand. In addition, the company holds EUR 905 thousand in profit carried forward. The company's equity increased by the earned net income of EUR 103 thousand (PY: EUR 98 thousand) to EUR 1,034 thousand (PY: EUR 931 thousand).

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

b) Financial performance

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

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

c) Financial position and liquidity

The nature and settlement of the Company's business activities aim at maintaining a balanced financial position at all times. Business transactions affecting cash flow result from the issues and their hedging transactions, from settlement of personnel and other operating expenses, and their on-debiting to Société Générale S.A., Paris.

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

IV. Non-financial performance indicators

The parent company is working to adjust systems and monitoring processes in order to increase operating efficiency. In financial year 2014, this included migrating existing control processes to the Group Permanent Supervision system.

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

I. Expected development of the Company (forecast report)

The changes in the internal and external system of reporting arising from the financial market crisis are continuing. These are being identified and implemented promptly in conjunction with the parent company.

For instance, a reporting procedure covering OTC regulations (EMIR) has been implemented.

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

The Company intends to offer a broad range of products in the area of warrants and certificates again in 2015.

Furthermore, the Company further intends to maintain its issuing activities in other European countries.

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

II. Risk report

The Company's risk situation is characterized by its well-organized transaction structure and its close integration into the Société Générale group.

Borrower default risks

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

Market price risks

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

The measures and processes described here made it possible to ensure that no operational risks occurred in financial year 2014 in the following areas:

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

III. Opportunity report

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

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

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

With regard to the financial accounting process, the Internal Controlling System (ICS) and Risk Management System (RMC) cover the principles, processes, and measures to ensure the effectiveness and efficiency of the financial accounting as well as to

ensure compliance with the relevant legal regulations, and also risk hedging and representation of measurement units. They ensure that the assets and liabilities are accurately recognized, disclosed, and measured in the financial statements.

Responsibilities in ICS and RMS related to financial accounting

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 internal controlling and risk management system related to financial accounting

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

The accounts payable accounting for vendor invoices is carried out in Bangalore by Société Générale Global Solution 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 and thus ensure controlling of the outsourced activities. 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 "MORSE" 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, March 27, 2015

The Management

Société Générale Effekten GmbH

Jean-Louis Jégou

Dr. Joachim Totzke

Rainer Welfens

STATEMENT OF FINANCIAL POSITION at December 31, 2014

ASSETS

	12/31/2014 EUR	12/31/2013 EUR
A. CURRENT ASSETS		
Accounts receivable and other assets		
1. Receivables from affiliated companies		
a) Receivables from investment of issue proceeds	7 011 368 383,66	10 055 371 126,43
- thereof due in more than one year:		
EUR 3,804,906,889.70		
(prior year: EUR 6,660,798,562.16)		
b) Other receivables	1 826 240,85	1 442 072,71
- thereof due in more than one year:		
EUR 0.00 (prior year: EUR 0.00)		
2. Other assets	10 051 970 054,34	5 376 266 955,37
- thereof due in more than one year:		
EUR 6,608,655,422.51 (prior year: EUR 3,535,813,231.77)		
	<u>17 065 164 678,85</u>	<u>15 433 080 154,51</u>
B. DEFERRED TAX ASSETS	19 872,39	12 633,90
C. TRUST ASSETS		
Receivables	5 238 971 266,72	6 418 253 205,21
- thereof due in more than one year:		
EUR 4,819,366,433.40 (prior year: EUR 5,698,626,941.69)		
	<u>22 304 155 817,96</u>	<u>21 851 345 993,62</u>

EQUITY AND LIABILITIES

	12/31/2014 EUR	12/31/2013 EUR
A. EQUITY		
I. Subscribed capital	25 564,59	25 564,59
II. Profit carried forward	904 972,54	806 949,38
III. Net income	<u>103 083,80</u>	<u>98 023,16</u>
	1 033 620,93	930 537,13
B. PROVISIONS		
I. Provisions for pensions and similar obligations	178 232,35	142 719,48
II. Tax provisions	0,00	6 300,00
III. Other provisions	<u>322 500,00</u>	<u>353 854,65</u>
	500 732,35	502 874,13
C. LIABILITIES		
I. Liabilities from issued certificates	7 011 368 383,66	10 055 371 126,43
- thereof due within one year:		
EUR 3,206,461,493.96 (prior year: EUR 3,394,572,564.27)		
II. Trade accounts payable	248 154,67	19 897,34
- thereof due within one year:		
EUR 248,154.67 (prior year: EUR 19,897.34)		
III. Amounts payable to affiliated companies	78 902,11	13 046,36
- thereof due within one year:		
EUR 78,902.11 (prior year: EUR 13,046.36)		
IV. Other liabilities	10 051 954 757,52	5 376 255 307,02
- thereof due within one year:		
EUR 3,443,299,335.01 (prior year: EUR 1,840,442,075.25)		
- thereof from taxes: EUR 2,675.01 (prior year: EUR 2,273.25)		
	<u>17 063 650 197,96</u>	<u>15 431 659 377,15</u>
D. TRUST LIABILITIES		
Certificates	5 238 971 266,72	6 418 253 205,21
- thereof due within one year:		
EUR 419,604,833.32 (prior year: EUR 719,626,263.52)		
	<u>22 304 155 817,96</u>	<u>21 851 345 993,62</u>

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBHFRANKFURT AM MAININCOME STATEMENTFOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2014

	<u>2014</u> EUR	<u>2013</u> EUR
1. Income from option activities	7 957 746 576,77	8 455 883 741,69
2. Expenses from option activities	7 957 746 576,77	8 455 883 741,69
3. Income from certificate activities	2 084 458 881,43	3 071 364 173,89
4. Expenses from certificate activities	2 084 458 881,43	3 071 364 173,89
5. Other operating income	3 592 770,23	4 054 006,62
6. Personnel expenses		
a) Wages and salaries	157 250,66	148 316,24
b) Social welfare contributions and expenses for pensions and other benefit costs thereof for pensions EUR 34.270,87 (prior year: EUR 36.797,87)	60 848,95	62 768,41
7. Other operating expenses	3 239 421,56	3 686 217,11
8. Other interest and similar income	167,18	1 256,82
- thereof from affiliated companies EUR 167.18 (prior year: EUR 1,256.82)		
9. Interest and similar expenses	4 322,72	3 546,99
- thereof from affiliated companies EUR 4,322.72 (prior year: EUR 3,546.99)		
10. Income from ordinary activities	<u>131 093,52</u>	<u>154 414,69</u>
11. Income taxes	28 009,72	56 391,53
- thereof from deferred tax assets: EUR 7,238.49 (prior year: EUR 6,603.40)		
12. Net income	<u><u>103 083,80</u></u>	<u><u>98 023,16</u></u>

**Société Générale Effekten GmbH
Frankfurt am Main**

**Notes to the Annual Financial Statements
for the 2014 financial year**

Comments on the annual financial statements at December 31, 2014, and other disclosures

The annual financial statements of Société Générale Effekten GmbH at December 31, 2014, 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. They were recognized in the statement of financial position as deferred tax assets in the amount of EUR 19,872.39 due to pension provisions. 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 4.62% (PY: 4.90%), 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. The other provisions with a remaining term of up to one year are not discounted and included 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.

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 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.

Liabilities not merged into measurement units and included on the liabilities side at their settlement value.

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 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 7,013,194 thousand (PY: EUR 10,056,813 thousand) owed by the shareholder.

Other assets primarily comprise the OTC options acquired by the shareholder to hedge issued warrants.

The **Trust receivables** 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.

The **Trust liabilities** 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 352,411 thousand (EUR 4,189 thousand from AUD, EUR 12,134 thousand from CAD, EUR 490 thousand from CHF, EUR 23,302 thousand from SEK, and EUR 312,296 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 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.

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 3,139,651 thousand (EUR 43,1238 thousand from GBP and EUR 3,096,513 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.

Breakdown of receivables and payables by maturity					
EUR'000	Total	Due in up to 1 year	Due in 1 to 5 years	Due in more than 5 years	
Receivables					
- From investment of issue proceeds	7,011,368	3,206,461	1,657,689	2,147,218	
- Other receivables	1,826	1,826	0	0	
- From trust accounts	5,238,971	445,675	4,320,032	473,264	
Other assets	10,051,970	3,443,315	2,665,283	3,943,372	
Liabilities					
- From issued certificates	7,011,368	3,206,461	1,657,689	2,147,218	
- Trade receivables	248	248	0	0	
- Due to affiliated companies	79	79	0	0	
- From trust accounts	5,238,971	445,675	4,320,032	473,264	
Other liabilities	10,051,955	3,443,300	2,665,283	3,943,372	

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.

4. Information on the issuing activities

The total issue of financial year 2014 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.

WARRANT CATEGORY / CERTIFICATES	TYPE	FISCAL YEAR 2014			FISCAL YEAR 2013		
		NUMBER	VOLUME (IN UNITS)	LONGEST MATURITY	NUMBER	VOLUME (IN UNITS)	LONGEST MATURITY
Warrants							
Stock warrants	Call	3,833	222,314,000	29-Dec-20	4,477	4,396,151,000	21-Jan-33
	Put	1,876	108,808,000	29-Dec-15	1,647	520,322,000	03-Jan-25
	Open end turbo long	500	29,000,000	open end	127	6,733,000	open end
	Inline / StayHigh/ StayLow warrant	23,878	1,392,638,000	29-Mar-16	11,070	222,852,000	02-Jan-15
	Open end turbo short	122	7,076,000	open end	-	-	-
	Warrant	11	638,000	27-Mar-15	-	-	-
		30,220	1,760,474,000		17,321	5,146,058,000	
Index warrants	Call	1,264	73,312,000	27-Jun-24	1,186	731,099,000	21-Jan-33
	Put	908	52,664,000	08-Jan-16	954	274,610,500	03-Jan-25
	Open end turbo short	172	9,976,000	open end	154	11,377,000	open end
	Open end turbo long	214	12,412,000	open end	169	17,449,000	open end
	Inline /StayHigh/ StayLow warrant	17,369	1,007,402,000	24-Jun-16	9,219	185,648,845	26-Jun-15
	Warrant	108	6,264,000	28-Jun-19	-	-	-
	Discount warrant	110	6,380,000	25-Feb-15	120	6,420,000	03-Jan-14
	Condor warrant	-	-	-	1	100,000	03-Jan-14
	Other	3	174,000	29-Dec-15	32	910,000	open end
		20,148	1,168,584,000		11,835	1,227,614,345	
Currency warrants	Open end turbo short	55	3,190,000	open end	98	88,134,000	open end
	Open end turbo long	61	3,538,000	open end	85	67,200,000	open end
	Call	47	2,726,000	26-Jun-15	-	-	-
	Put	30	1,740,000	22-Jun-16	-	-	-
		193	11,194,000		183	155,334,000	
Commodity warrants	Call	421	24,418,000	18-Dec-20	654	117,063,500	22-Dec-18
	Put	135	7,830,000	02-Nov-18	357	50,197,000	22-Dec-17
	Open end turbo short	426	24,708,000	open end	493	88,538,000	open end
	Open end turbo long	371	21,518,000	open end	593	94,999,000	open end
	Inline /StayHigh/ StayLow warrant	2,629	152,482,000	18-Mar-16	1,099	22,880,000	20-Dec-13
	Hamster warrant	-	-	-	-	-	-
	Call discount warrant	-	-	-	15	300,000	18-Nov-13
	Warrant	5	290,000	27-Mar-15	-	-	-
	Corridor hit warrant	-	-	-	7	130,000	03-Jan-14
		3,987	231,246,000		3,218	374,107,500	
Fixed income	Call	-	-	-	-	-	-
	Put	-	-	-	-	-	-
	Open end turbo short	63	3,654,000	open end	64	3,240,000	open end
	Open end turbo long	61	3,538,000	open end	48	2,947,000	open end
		124	7,192,000		112	6,187,000	
Two/multiple base values	Alpha warrant	-	-	-	71	160,000	21-Jan-33
		0	0		71	160,000	
TOTAL warrants:		54,672	3,178,690,000		32,740	6,909,460,845	

WARRANT CATEGORY / CERTIFICATES	TYPE	FISCAL YEAR 2014			FISCAL YEAR 2013		
		NUMBER	VOLUME (IN UNITS)	LONGEST MATURITY	NUMBER	VOLUME (IN UNITS)	LONGEST MATURITY
Certificates							
Stock certificates	Bonus	4,743	266,858,000	25-Jan-21	3,705	78,168,800	29-Aug-17
	Discount	1,934	112,172,000	23-Dec-16	1,468	34,648,000	02-Jan-15
	Express	243	14,094,000	29-Dec-20	299	1,271,720	19-Aug-19
	Leverage	-	-	-	-	-	-
	Outperformance	-	-	-	60	677,300	26-Jun-15
	Alpha	-	-	-	1	7,000	03-Jan-14
	Other	21	1,218,000	07-Jan-22	20	160,000	27-Jun-14
		6,941	394,342,000		5,553	114,932,820	
Bonds	Stocks	294	17,052,000	29-Mar-16	37	273,904	15-Apr-33
	Index-linked	-	-	-	-	-	-
	Interest-linked	-	-	-	14	32,864	28-Feb-23
	Inflation-indexed	-	-	-	3	1,040	08-Mar-23
	Reverse convertible	-	-	-	-	-	-
	Other	3	174,000	07-Apr-16	2	10,650	22-May-17
		297	17,226,000		56	318,458	
Loans	Credit-linked note	1	58,000	01-Oct-20	-	-	-
		1	58,000		0	0	
Index certificates	Bonus	3,503	203,174,000	22-Dec-17	6,428	106,752,725	open end
	Discount	915	53,070,000	22-Dec-17	3,351	20,591,090	29-Dec-15
	Express	201	11,658,000	08-Dec-22	75	1,638,470	27-Jan-20
	Leverage	7	406,000	00.01.1900	43	259,550,000	23-Feb-18
	Outperformance	-	-	-	5	320,700	27-Jan-17
	Other	59	3,422,000	01-Jan-99	39	421,350	open end
		4,685	271,730,000		9,941	389,274,335	
Currency certificates	Other	-	-	-	1	300	14-Mar-19
		0	0		1	300	
Commodity certificates	Guarantee	-	-	-	-	-	-
	Bonus	46	2,668,000	22-Mar-18	13	295,500	25-Feb-20
	Discount	382	22,156,000	04-Nov-19	304	1,448,000	19-Dec-14
	Express	8	464,000	09-Apr-19	-	-	-
	Leverage	-	-	-	-	-	-
	Other	2	116,000	17-Aug-20	4	334,000	open end
		438	25,404,000		321	2,077,500	
Fund certificates	Other	-	-	-	-	-	-
		0	0		0	0	
Futures certificates	Index-linked	-	-	-	-	-	-
	Bonus	-	-	-	-	-	-
		0	0		0	0	
TOTAL certificates		12,362	708,760,000		15,872	506,603,413	
Total certificates and warrants:		67,034	3,887,450,000		48,612	7,416,064,258	

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 30,851 OTC options with a market value of EUR 9,987 million to hedge the stock and index warrants, 351 OTC options with a market value of EUR 159 million to hedge the foreign currency warrants, and 4,209 OTC options with a market value of EUR 2,795 million to hedge the raw materials warrants. There were no fixed-income warrants or corresponding hedges in the portfolio at the reporting date.

In addition, the Company holds 14,157 certificates with a market value of EUR 12,212 million, including trust transactions.

The carrying amount of the warrants listed here at December 31, 2014, is EUR 9,877 million, which is included in the Other Liabilities item on the statement of financial position. The carrying amount of the issued certificates at December 31, 2014, is EUR 12,301 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 2014, which was recognized as expense in financial year 2014, is EUR 50 thousand.

6. Statements on members of company bodies and employees

The following individuals were appointed as managing directors in financial year 2014:

Mr. Jean-Louis Jégou, banker, Frankfurt am Main
 Dr. Joachim Totzke, general counsel, Frankfurt am Main
 Dr. Ulrich Scheuerle, tax consultant, Frankfurt am Main (until December 1, 2014)

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.

The managing directors Jean-Louis Jégou and Dr. Joachim Totzke 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 12 thousand as remuneration for the managing director work were passed on to Société Générale Effekten GmbH for financial year 2014.

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)
 Ms. Catherine Bittner (until December 15, 2014)
 Mr. Dimitri Brunot (starting December 15, 2014)
 Mr. Achim Oswald
 Mr. Rainer Welfens (starting December 15, 2014)
 Ms. Heike Stuebban

7. Group affiliation

The parent company of Société Générale Effekten GmbH that prepares consolidated financial statements 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, March 27, 2015

The Management

Société Générale Effekten GmbH

Jean-Louis Jégou

Dr. Joachim Totzke

Rainer Welfens

Cash Flow Statement

	2014 EUR	2013 EUR
1. Cash flow from operating activities		
Net income for the fiscal year before extraordinary items	103 083,80	98 023,16
Increase / Decrease (-) in provisions	-2 141,78	75 083,15
Increase (-) / Decrease (+) in receivables as well as other assets not attributable to investment or financing activities	-453 240 229,36	8 582 553 063,81
Increase deferred tax assets	-7 238,49	-6 603,40
Increase / Decrease in liabilities under issued certificates as well as other liabilities not attributable to investment or financing activities	<u>452 708 882,32</u>	<u>-8 582 830 741,24</u>
Cash flow from continuing operations	-437 643,51	-111 174,52
2. Closing balance of cash funds		
Change in cash funds	-437 643,51	-111 174,52
Opening balance of cash funds	<u>358 741,40</u>	<u>469 915,92</u>
Closing balance of cash funds	<u><u>-78 902,11</u></u>	<u><u>358 741,40</u></u>
3. Composition of cash funds		
Liquid assets	<u><u>-78 902,11</u></u>	<u><u>358 741,40</u></u>

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

- Daily payable liabilities due to the shareholder are presented under cash funds.
- The definition of cash funds was not changed compared to the previous period.
- The carrying amount of cash funds corresponds to bank deposits and is reported in the position "Receivables from affiliated companies".
- No significant non-cash investment or financing operations or transactions were entered into in the reporting period.
- 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, 2012	25 564,59	591 482,34	617 046,93
Distribution of dividends	-	-	-
Other changes	-	-	-
Net income for the year	-	215 467,04	215 467,04
Balance as of Dec. 31, 2012	25 564,59	806 949,38	832 513,97
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

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, 2014. 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, March 27, 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Nemet)
Wirtschaftsprüfer (German Public Auditor)

(Klüber)
Wirtschaftsprüfer (German Public Auditor)

Société Générale Effekten GmbH, Frankfurt am Main

Economic and Legal Bases

Economic bases

The business activities of the Company comprise the issue and sale of securities ((mainly warrants and certificates on shares, indices, and raw materials) to Société Générale S.A., Paris, Société Générale Option Europe S.A., Paris, Inora Life Ltd., Dublin, Ireland, and Société Générale Madrid Branch, Spain, and the conclusion of corresponding hedging transactions with Société Générale S.A., Paris.

A master trust agreement was made by and between the Company and Société Générale S.A., Paris, on February 28, 2006, that regulates the placement of bonds in the name of SGE for the account of Société Générale. In this agreement, SGE agrees to collect the issue proceeds and then to forward them to Société Générale. The term of the agreement is one year, and it is always extended by an additional year unless notice of termination is given 15 days prior to the end of the term.

An agreement was made between SGE and Société Générale on May 1, 2005, regarding reimbursement of costs incurred to SGE in the context of its issuing activities. In addition, SGE receives remuneration in accordance with the agreement in the amount of 5% of the claimed issuing costs.

Legal bases

Company name:	Société Générale Effekten GmbH
Registered offices:	Frankfurt am Main
Object of the Company:	The issuance and sale of securities and related activities, excluding activities requiring permits.
Commercial Register entry:	Frankfurt am Main Register Court, HRB No. 32283
Articles of Incorporation:	Notary's Record dated March 3, 1977, last amended on October 25, 1990.
Share capital:	The share capital is unchanged at DM 50,000.00 (EUR 25,564.59) at December 31, 2014, and is fully paid in. The sole shareholder remains Société Générale S.A., Paris, France.
Fiscal year:	Calendar year

Affiliated companies: Société Générale Effekten GmbH, Frankfurt am Main, is a member of the Société Générale Group through Société Générale S.A., Paris, France, and is included in the consolidated financial statements of the Société Générale Group.

Governing Bodies and Resolutions

Management: Dr. Joachim Totzke, Frankfurt am Main
Mr. Jean-Louis Jégou, Frankfurt am Main
Dr. Ulrich Scheuerle, Frankfurt am Main (until December 1, 2014)
Mr. Rainer Welfens, Saint Maur des Fossés (starting February 9, 2015)

Audit Committee As a capital market-oriented company, the Company has established an Audit Committee consisting of the following individuals:
Mr. Peter Boesenberg (chair)
Ms. Catherine Bittner (until December 15, 2014)
Mr. Dimitri Brunot (starting December 15, 2014)
Mr. Achim Oswald
Ms. Heike Stuebban
Mr. Rainer Welfens (starting December 15, 2014)

Shareholder resolutions: The following resolutions were adopted at the shareholders' meeting of June 27, 2014:

- Adoption and approval of the annual financial statements for fiscal year 2013
- Addition of the 2013 profit to the existing retained earnings brought forward (EUR 806,949.38), and carrying forward the total amount of EUR 904,972.54 to a new account.
- Approval of the actions of management for fiscal 2013
- Appointment of Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditor of the annual financial statements at December 31, 2014

The following resolutions were adopted at the extraordinary shareholders' meeting on December 15, 2014:

- Removal of Ms. Catherine Bittner from the Audit Committee
- Nomination of Mr. Rainer Welfens to the Audit Committee
- Nomination of Mr. Dimitri Brunot to the Audit Committee

The following resolution was adopted at the extraordinary shareholders' meeting on February 9, 2015:

- Appointment of Mr. Rainer Welfens as Managing Director of Société Générale Effekten GmbH

Tax situation

An integrated company relationship exists with Société Générale S.A., Paris. The dominant enterprise is the office of Société Générale S.A. in Frankfurt am Main.

The most recent external tax audit was carried out in the period from December 2010 to September 2012 and covered the years 2005 to 2009.

The Company's tax situation has been audited through the 2009 assessment period and assessed up to fiscal year 2013.