

Annual financial statements and management report

31 December 2017

Balance sheet as at 31 December 2017 of Deutsche Börse Commodities GmbH, Frankfurt/Main

Assets	31/12/2017	31/12/2016	Shareholders' Equity and Liabilities	31/12/2017	31/12/2016
	€	€ thousand		€	€ thousand
NON-CURRENT ASSETS			SHAREHOLDERS' EQUITY		
Property, plant and equipment			Subsribed capital	1,000,000.00	1,000
Operating and business equipment	466.00	1	Unappropriated surplus	5,767,887.79	3,752
Total non-current assets	466,00	1	Total shareholders' equity	6,767,887,79	4,752
CURRENT ASSETS			RROVISIONS		
Stocks			Provisions for taxes	858,373.77	718
Raw materials and consumables	15,572.45	15	Other provisions	180,787.05	141
			Total provisions	1,039,160.82	859
Receivables and other assets					
Trade accounts receivable	1,442,494.72	3,780	Liabilities		
Accounts receivable from affiliated comanies	131,759,584.74	211,656	Bonds	6,056,680,249.39	4,156,846
Other assets	5,925,036,743.59	3,945,266	Trade accounts payable	364,037.53	244
	6,058,238,823.05	4,160,702	Accounts payable to affiliated companies	277,364.98	220
			Other liabilities	280,289.20	107
Bank balances	7,134,017.21	2,310	thereof for taxes € 280,289.20 (previous year: € 106 thousand)		
Total current assets	6,065,388,412.71	4,163,027	Total liabilities	6,057,601,941,10	4,157,417
DEFERRED EXPENSES	20,111.00	0			
Total assets	6,065,408,989.71	4,163,028	Total shareholders' equity and liabilities	6,065,408,989.71	4,163,028

Income statement of Deutsche Börse Commodities GmbH, Frankfurt/Main for the period from 1 January to 31 December 2017

	2017	2016
	€	€ thousand
Sales revenues	13,277,919.45	7,471
Other operating income	169,801,737.91	146,444
Personnel expenses		
Wages and salaries	-230,223.31	- 202
Social security and expenses for pensions and other employee benefits	-12,139.72	-11
Depreciation of property, plant and equipment	-279.00	0
Other operating expenses	-177,008,438.47	-150,771
Other interest and similar income	-8,638.01	0
Taxes on income	-1,801,865.56	-805
Income after taxes	4,018,073.29	2,126
Other taxes	-1,956.01	0
Net income for the year	4,016,117.28	2,126
Profit carried forward from the previous year	1,751,770.51	1,626
Unappropriated surplus	5,767,887.79	3,752

Cash flow statement of Deutsche Börse Commodities GmbH, Frankfurt/Main for the period from 1 January to 31 December 2017

	2017	2016
	€	€ thousand
Net income for the period	4,016,117.28	2,126
+ Depreciation and amortization of non-current assets	279.00	0
- Decrease in provisions	180,406.57	595
+/- Increase/decrease of trade accounts receivable and of other assets not allocated to investing or financing activities	-1,897,557,248.64	-2,296,851
+/- Increase/dercrease of trade accounts payable and of other liabilities not allocated to investing or financing activities	1,900,184,835.29	2,293,814
= Cash flow from operating activities	6,824,389.50	-316
- Cash payments for investment in property, plant and equipment	0.00	0
= Cash flow from investing activities	0.00	0
- Dividends paid to shareholders	-2,000,000.00	-1,000
= Cash flow from financing activities	-2,000,000.00	-1,000
= Change in cash funds from cash relevant transactions	4,824,389.50	-1,316
+ Cash funds at the beginning of period	2,309,627.71	3,626
= Cash funds at the end of period	7,134,017.21	2,310

Statement of shareholders' equity of Deutsche Börse Commodities GmbH, Frankfurt/Main for the period from 1 January to 31 December 2017

Subscribed capital	2017	2016
	€	€ thousand
Balance as at 1 January	1,000,000.00	1,000
Balance as at 31 December	1,000,000.00	1,000
Unappropriated surplus	2017	2016
	€	€ thousand
Balance as at 1 January	3,751,770.51	2,626
Net income	4,016,117.28	2,126
Distributions to shareholders	-2,000,000.00	-1,000
Balance as at 31 December	5,767,887.79	3,752
Equity as at 31 December	6,767,887.79	4,752

Notes to the financial statements for financial year 2017

General information on the Company

Deutsche Börse Commodities GmbH, which has its registered office in Frankfurt/Main, Germany, is registered in Commercial Register B of Frankfurt/Main District Court 60485 under the number 80375.

Accounting policies

The financial statements of Deutsche Börse Commodities GmbH, Frankfurt/Main, were prepared in accordance with the provisions of the Handelsgesetzbuch (HGB, German Commercial Code) and the Gesetz betreffend die Gesellschaften mit beschränkter Haftung (GmbHG, German Act on Limited Liability Companies).

The total cost accounting method was chosen for the income statement.

The Company is deemed to be a large corporation as defined by section 267 (3) of the HGB.

Property, plant and equipment is carried at cost. Depreciable property, plant and equipment is depreciated using the straight-line method over its useful life. For movable assets, the tax simplification rules regarding the depreciation start date are applied in their valid form on the respective date of acquisition.

Expenses denominated in foreign currency were translated on the posting date at the ECB reference rate or the Bloomberg rates.

The advertising materials for trade fair appearances reported under inventories are carried at cost.

Receivables and bank balances are carried at their nominal value.

All other provisions take appropriate account of all identifiable risks and contingent liabilities as at the reporting date and have been set aside in the amount of anticipated settlement expenses in accordance with prudent commercial judgement.

In accordance with section 253 (1) clause 2 of the HGB, liabilities are recognised with their respective settlement amounts with the exception of the issued bearer bonds.

Formation of a valuation unit

In view of the cover for bearer bonds issued in the form of physical gold stocks and rights to take delivery of gold (Xetra book gold), a valuation unit was formed between these balance sheet items.

The physical gold stocks, the rights to take delivery of gold and the bearer bonds have to be valued together as an underlying and hedging transaction as defined in section 254 of the HGB to the extent that the bearer bonds are actually covered by stocks or rights to take delivery of gold. The accounting is prepared in accordance with the gross hedge presentation method; the bearer bonds, the stocks of physical gold and the rights to take delivery of gold are accordingly valued at the price of Xetra Gold prevailing on the reporting date. The valuation unit was effective at all times during the year and on the reporting date.

Notes to the balance sheet

Fixed assets

The changes in fixed assets are described in the statement of changes in fixed assets.

Receivables

All receivables have a residual maturity of less than one year.

Receivables from companies in which the Company has an equity interest

Receivables relate to the right to take delivery of physical gold (3,790.6 kg; previous year: 5,987.4 kg); upon asserting the right to take delivery, the physical gold must be delivered within ten bank working days. These receivables are due from a shareholder.

Other assets

This item primarily includes the physical stocks of gold held in custody at Clearstream Banking AG (170,452.3 kg; previous year: 111,603.7 kg) in the amount of €5,924,920.7 thousand (previous year: €3,945,189.1 thousand).

Equity

The share capital in the amount of $\leq 1,000.0$ thousand (previous year: $\leq 1,000.0$ thousand) is fully paid in.

Unappropriated surplus

The profit carried forward from the previous year and included in the unappropriated surplus amounts to €1,751.8 thousand (previous year: €1,626.2 thousand).

Proposal for the appropriation of net profit

The management proposes appropriating the net retained profits of EUR 5,767,887.79 reported in Deutsche Börse Commodities GmbH's annual financial statements as follows:

a distribution of \in 4,000 thousand to the shareholders and carrying the remaining amount forward to the next financial year.

Other provisions

Other provisions totalling €180.8 thousand comprise the following:

	31.12.2017	31.12.2016
	€ thous.	€ thous.
Personnel	120.0	100.0
Provisions for auditing costs	14.9	9.3
Outstanding invoices	45.9	32.1
	180.8	141.4

Liabilities

Liabilities are divided into the categories below.

Hedging the bearer bonds issued with physical gold and rights to take delivery of gold is a fair value hedge, which hedges miscellaneous price risk. As at the reporting date, a nominal amount of 174,242.8 kg (previous year: 117,591.1 kg) with a fair value of 66,056,680.2 thousand (previous year: 41,156,845.4 thousand) was hedged with rights to take delivery of gold in the amount of 131,759.6 thousand (previous year: 211,656.3 thousand) and with physical gold in the amount of 5,924,920.7 thousand (previous year: 3,945,189.1 thousand).

Deutsche Börse Commodities GmbH is entitled to terminate all bearer bonds at the end of any year if on 31 December in any year fewer than ten million bearer bonds have been issued by the issuer; payment is made in the following year under the terms and conditions of issue.

Trade payables in the amount of €364.0 thousand (previous year: €244.4 thousand) have a residual maturity of up to one year.

Liabilities towards companies in which the Company has a participating interest in the amount of €277.4 thousand (previous year: €220.3 thousand) have a residual maturity of up to one year. They are due to shareholders.

Other liabilities mainly comprise value added tax liabilities in the amount of ≤ 267.3 thousand (previous year: ≤ 102.9 thousand) and wage and church tax in the amount of ≤ 13.0 thousand (previous year: ≤ 3.6 thousand) with a residual maturity of up to one year.

Notes to the income statement

Revenue

Sales revenue amounts to $\[\le \] 13,277.9$ thousand (previous year: $\[\le \] 7,471.1$ thousand) and includes the fees earned based on the custodian and service agreement with Clearstream Banking AG.

Other operating income

Other operating income resulted almost exclusively from the effects of the revaluation of the bearer bond in the amount of $\[\in \]$ 169,788.2 thousand. In the previous year other operating income comprised the effects from the revaluation of the rights to take delivery of physical gold and the physical stocks of gold held in custody at Clearstream Banking AG in the amount of $\[\in \]$ 146,411.0 thousand.

Other operating expenses

Other operating expenses amounted to €177,008.4 thousand (previous year: €150,770.4 thousand) and in particular comprise:

- Write-backs on the physical stocks of gold held in custody at Clearstream Banking AG in the amount of €169,788.2 thousand (previous year €146,411.0 thousand)
- Cost of storing gold in safekeeping at Clearstream Banking AG of €2,934.4 thousand (previous year: €1,582.9 thousand)
- Distribution fees to the shareholders of €1,902.7 thousand (previous year: €1,344.1 thousand)
- Advertising and marketing costs of €1,001.9 thousand (previous year: €378.1 thousand)
- Remuneration for designated sponsoring activities of €880.3 thousand (previous year: €474.9 thousand)

Auditor's fee

The total fee charged by the auditor for financial year 2017 amounts to $\$ 57.1 thousand (previous year: $\$ 55.0 thousand). Of this amount, $\$ 26.7 thousand (previous year: $\$ 17.0 thousand) relates to year-end auditing services, $\$ 24.3 thousand (previous year: $\$ 26.7 thousand) to other confirmation services and $\$ 6.1 thousand (previous year: $\$ 11.3 thousand) to tax advisory services.

Other financial obligations

Figures in € thousand	Total	Thereof: up	Thereof: 1-5	Thereof: > 5
	amount	to 1 year	years	years
Management and agency	2,276	2,276	0	0
contracts (previous year)				
	(3,332)	(1,732)	(1,600)	(0)
Other contracts, including	542	542	0	0
service agreements (previous				
year)	(2,200)	(2,200)	(0)	(0)

Other disclosures

Board of Directors

The members of the Board of Directors include:

Martina Gruber (Chair)	Member of the Executive Board of Clearstream Banking AG, Frankfurt/Main
Ingo Ramming (Deputy, since 15.05.2017)	Managing Director, Co-Head of Commodity Solutions, EMC Commodities, Corporate & Markets at Commerzbank AG, Frankfurt/Main
Dr Bernhard Fuchs	Senior Vice President, Precious Metals Management and Umicore Marketing Services at Umicore AG & Co. KG, Hanau
Jean-Luc Jakob	Director, Capital Markets Commodities Trading, DZ Bank

(since 06.04.2017) AG Deutsche Zentral Genossenschaftsbank, Frankfurt/Main

Mario Mattera Director/Head of Fixed Income/Foreign Exchange at B. Metz-

ler seel. Sohn & Co. KGaA, Frankfurt/Main

Christoph Naef Managing Director, Head of Business & Distribution Man-

agement at Bank Vontobel AG Investment Banking, Zurich,

Switzerland

Dr Volker Stemann Managing Director, Head of Fixed Income & Currencies (since 15.05.2017) Continental Europe der Deutsche Bank AG, Frankfurt/Main

Sandra Vogt-Sasse Tax Consultant and Wirtschaftsprüferin (Public Auditor),

Managing Director at SAVOSA GmbH Steuerberatungsgesell-

schaft, Karben

Peter Thoma Director, Global Foreign Exchange der Deutsche Bank AG,

(until 15.05.2017) Frankfurt/Main

(Deputy)

Jürgen Scharnowske Director/Department Head for Capital Market Trading, Dep-(until 06.04.2017) uty Area Head for Capital Market Trading at DZ BANK AG

Deutsche Zentral Genossenschaftsbank, Frankfurt/Main

The costs incurred by the members of the Board of Directors in performing their rights and responsibilities are borne in each case by the shareholder entitled to appoint the member. In the case of Ms Vogt-Sasse, whose management responsibilities deal in particular with the monitoring of the accounting and year-end auditing, costs of &13.6 thousand (previous year: &12.0 thousand) were incurred in financial year 2017.

Managing Directors

Deutsche Börse Commodities GmbH has the following Managing Directors:

Steffen Orben Managing Director of Global Foreign Exchange at Deutsche Bank AG

Michael König Head of Unit, Client Relations Germany at Clearstream

Banking AG

Management was granted a total amount of €220.0 thousand (previous year: €200.0 thousand) as remuneration for their work in financial year 2017. This includes salaries amounting to €100.0 thousand (previous year: €100.0 thousand) and bonuses in the amount of €120.0 thousand (previous year: €100.0 thousand).

Employ	yees
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Deutsche Börse Commodities (GmbH did not have	any employees in	the year under
review			

Report on post-reporting date events

No significant events occurred after the reporting date.

Frankfurt/Main, 22 March 2018

Deutsche Börse Commodities GmbH

The Managing Directors

Steffen Orben

Michael König

Deutsche Börse Commodities GmbH, Frankfurt/Main

Statement of changes in non-current assets as at 31 December 2017

	Costs				Depreciation and amortization				Carrying amounts			
	Balance as at 01/01/2017	Additions 2017	Disposa l s 2017	Reclassification 2017	Balance as at 31/12/2017	Balance as at 01/01/2017	Depreciation 2017	Write-ups 2017	Reclassification 2017	Balance as at 31/12/2017	31/12/2017	31/12/2016
	€	€	€	€	€	€	€	€	€	€	€	€
Property, plant and equipment												
Operating and business equipment	5,617.53	0.00	0.00	0.00	5,617.53	4,872.53	279.00	0.00	0.00	5,151.53	466.00	745.00
	5,617.53	0,00	0.00	0.00	5,617.53	4,872.53	279,00	0.00	0.00	5,151.53	466.00	745.00
	5,617.53	0.00	0.00	0.00	5,617.53	4,872.53	279.00	0.00	0.00	5,151.53	466.00	745.00

Management report for financial year 2017

Basic principles

i) Business model

Deutsche Börse Commodities GmbH (hereinafter also referred to as the "Company") is a joint venture of four banks, a stock exchange operator, an industrial partner and a banking-related holding company. These investors are as follows:

- Commerzbank AG. Frankfurt/Main
- Deutsche Bank AG, Frankfurt/Main
- Deutsche Börse AG, Frankfurt/Main
- DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt, Frankfurt/Main
- B. Metzler seel. Sohn & Co. KGaA, Frankfurt/Main
- Umicore AG & Co. KG, Hanau
- Vontobel Beteiligungen AG, Zurich, Switzerland.

The purpose of Deutsche Börse Commodities GmbH is to issue innovative forms of securitisation for commodities in the Frankfurt financial centre, to transform commodities into marketable investments and to ensure cost-effective trading with commodities in euros.

The "Xetra Gold" product was registered for trading on 28 November 2007. Xetra Gold is a zero-coupon bond broken down into units which have an indefinite term, are denominated in one gram of gold, are 100 per cent physically backed and securitise a right to delivery. Using this product, the bond holder's economic position is intended to correspond to physical ownership of the corresponding amount of gold. Xetra Gold is traded on the Xetra electronic trading platform and on various regional exchanges. This enables purchases and sales of the bond at all times during every trading day. The smallest tradeable unit of Xetra Gold is one unit, which corresponds to one gram of gold.

The target groups for the acquisition of Xetra Gold are both private and institutional investors, including UCITS-compliant funds (Undertakings for Collective Investment in Transferable Securities).

The partners of Deutsche Börse Commodities GmbH provide their long-standing experience in the financial and commodities market:

- The banking partners organise the distribution of the securities.
- Deutsche Bank AG is the underwriter and market maker. In the latter function, it guarantees a low spread between the purchase and sale price of the bond.
- Deutsche Börse AG operates the Xetra trading platform, on which the Xetra Gold bond is traded.

- Clearstream Banking AG, Frankfurt/Main, which belongs to Deutsche Börse Group, provides
 custodial services for the securities and ensures that they are backed by gold at all times.
 The gold backing exists in two ways: first, through the deposit of physical gold in the vaults
 of Clearstream Banking AG and second, in the form of book gold (rights to take delivery of
 gold).
- Umicore AG & Co. KG is the provider of the gold.

Deutsche Börse Commodities GmbH has concluded master agreements with Deutsche Bank AG and Deutsche Börse AG, whereby they provide central functions and infrastructure services. These agreements govern the main performance obligations of the partners.

ii) Research and development costs

As a service provider, Deutsche Börse Commodities GmbH does not engage in research and development activities comparable with those of manufacturing companies.

iii) Branches

Deutsche Börse Commodities GmbH did not have any branches during the period under review.

Report on economic position

i) Issued bonds

Xetra Gold was issued as a zero-coupon bond broken down into units with an indefinite term. It is a bearer bond that is 100 per cent backed by gold, which securitises a right to take delivery of gold (if a UCITS-compliant fund is involved, a cash payment is made) and is quoted in € per gram. Two global certificates each consisting of up to 5 billion units (corresponds to a total volume of two times 5 thousand tonnes of gold) were deposited with Clearstream Banking AG.

Deutsche Börse Commodities GmbH, as the issuer of the bond, is entitled to redeem the bond early if on 31 December of any year fewer than ten million bonds have been issued.

As at 31 December 2017, bonds with a notional value of 174,242.8 kg had been issued. The gold backing consisted of 170,452.3 kg of stored bars under custody in the vault of Clearstream Banking AG and delivery rights of 3,790.5 kg vis-à-vis Umicore AG & Co. KG.

ii) Business developments

In 2017, the result of Deutsche Börse Commodities GmbH remained positive compared with the previous year and was considerably increased. Net profit totalled €4,016 thousand (previous year: €2,126 thousand).

As stated in the report on expected developments for 2017, the Company anticipated that issue volumes would decline moderately; the net profit was therefore considerably higher than expected

due to the increased volume of gold sold in 2017. The increased volume of gold sold was attributable to investments predominantly from institutional investors owing to the continued expansionary monetary policy of the European Central Bank. The main activities during the reporting period were the focus of marketing campaigns on institutional investors and a continuous presence at trade fairs for private investors.

iii) Results of operations

The Executive Board of Deutsche Börse Commodities GmbH assesses the position of the Company to be good. The year 2017 was marked by an expansionary monetary policy at various central banks (with the exception of the US central bank), the elections in France and the elections in Germany. The issue volumes of Xetra Gold rose by about 56,652 kg in this environment, contrary to budget planning, which foresaw lower issue volumes. The main activities in the period under review were various marketing campaigns connected with the tenth anniversary of Xetra Gold, a coordinated cross-media profile for the Xetra Gold brand, an ongoing presence at trade fairs for private investors and marketing activities geared to institutional investors.

During the period from 1 January until 31 December 2017, Deutsche Börse Commodities GmbH generated revenue of $\[mathebox{\ensuremath{\mathfrak{C}}}13,278\]$ thousand (previous year: $\[mathebox{\ensuremath{\mathfrak{C}}}7,471\]$ thousand), The Company receives a share of the proceeds from the custodian of the bearer bond and the physical gold holdings. Other operating income primarily includes the revaluation of the bearer bond in the amount of $\[mathebox{\ensuremath{\mathfrak{C}}}169,788\]$ thousand. In the previous year other operating income comprised the effects from the revaluation of the rights to take delivery of physical gold and the physical stocks of gold held in custody at Clear-stream Banking AG in the amount of $\[mathebox{\ensuremath{\mathfrak{C}}}146,411\]$ thousand. Other operating income in 2017 was offset by other operating expenses amounting to $\[mathebox{\ensuremath{\mathfrak{C}}}177,008\]$ thousand (previous year: $\[mathebox{\ensuremath{\mathfrak{C}}}169,788\]$ thousand (previous year: $\[mathebox{\ensuremath{\mathfrak{C}}}146,411\]$ thousand).

Deutsche Börse Commodities GmbH closed financial year 2017 with a net profit of €4,016 thousand (previous year: €2,126 thousand).

Revenue in connection with custodial fees is the main source of income for Deutsche Börse Commodities GmbH. These fees are primarily determined by the volume of the issued units of Xetra Gold and the gold price. Revenue rose during the year as issue volumes increased and the gold price held steady, and therefore exceeded the planned figures by about 82 per cent in total.

Controllable expenses were about 16 per cent below the budget for financial year 2017. They consist primarily of consulting, advertising and marketing costs. Uncontrollable costs exceeded the budget by around 74 per cent. This budget overrun is mainly the result of higher issue volumes, the custody fees paid for the safe custody of the gold and the sales commissions paid to distribution partners.

iv) Financial position

As at 31 December 2017, Deutsche Börse Commodities GmbH had cash and cash equivalents totalling €7,134 thousand (previous year: €2,310 thousand), which were held in demand deposits at banks.

Cash flow from operating activities in financial year 2017 amounted to €6,824 thousand (previous year: €-316 thousand), while cash flow from investment activities totalled €0 thousand (previous year: €0 thousand) and cash flow from financing activities was €-2,000 thousand (previous year: €-1,000 thousand) because of the profit distribution for financial year 2016.

v) Net assets

Besides the assets acquired through the issuance of the bond, the Company had no other material assets as at the reporting date.

vi) Equity

The equity of Deutsche Börse Commodities GmbH stood at €6,768 thousand (previous year: €4,752 thousand) and comprised subscribed capital of €1,000 thousand (previous year: €1,000 thousand) and retained earnings of €5,768 thousand (previous year: €3,752 thousand).

Financial and non-financial performance indicators

i) Net profit/loss

The Company is satisfied with the net profit it achieved in 2017. Although gold became cheaper by 1.7 per cent in euros in financial year 2017, a positive operating profit was nonetheless achieved.

ii) Gold

The year 2017 was marked by an unaltered expansionary monetary policy at European central banks and important political decisions in France and Germany. The revival of the monetary policy discussion about an expansionary central bank policy and, in particular, the effects of negative interest rates led to increased demand for investment products in gold and thus also to a rise in the issue volumes of Xetra Gold.

Report on expected developments

The report on expected developments describes how Deutsche Börse Commodities GmbH is expected to perform in financial year 2018. It contains statements and information on events in the future. These forward-looking statements and information are based on the Company's expectations and assumptions at the time of publication of this report on expected developments. These assumptions and expectations are in turn subject to known and unknown risks and uncertainties. Numerous factors influence the success, business strategy and financial results of the Company. Many of these factors are outside the Company's control. Should one of these risks occur or an uncertainty materialise, or if one of the underlying assumptions made turns out to be incorrect, the actual development of the Company could deviate either positively or negatively from the expectations and assumptions

contained in the forward-looking statements and information included in this report on expected developments.

The Company anticipates that the price of gold in 2018 might fall slightly owing to a waning fiscal policy discourse in Europe. Demand for gold may decline due to the ongoing strength of the economy and positive trends on the equity markets. This would also impact the Xetra Gold product. As in the previous financial year 2017, the Company will continue to focus on promoting the product in a sustainable manner and especially on increasing awareness of it among institutional investors. To do this, events are to be held in larger German cities, for example, in order to directly point out the benefits of the product in personal discussions with institutional investors, investment advisors and other influencers. In addition, further advertising campaigns are planned. Deutsche Börse Commodities GmbH will continue to be represented with a stand at various investors' fairs and conferences. We anticipate that the press will continue to report positively on the product during the coming years.

The Company expects that issuance volumes will decline slightly in 2018. Based on this conservative planning and on the sales volumes already achieved, the Company also expects that monthly cash flow from operating activities will be consistently positive. There is a risk that revenue could fall significantly due to redemptions of the bond or a stronger-than-expected decline in the price of gold, causing negative operating cash flow.

The Company and the Xetra Gold product have established themselves on the market. During the reporting period, the product was the most extensively exchange-traded commodity product in Germany and the Company was one of the largest issuers in the commodities segment. To ensure that this market penetration continues to prevail, marketing expenses will remain one of the largest cost items of Deutsche Börse Commodities GmbH in the coming years. The costs for the necessary central and infrastructure services will likely remain unchanged from the prior-year level. Deutsche Börse Commodities GmbH will actively manage its costs at all times but forecasts a result below the previous year's for financial year 2018 as a whole.

Besides Germany, Xetra Gold is also registered for public distribution in Luxembourg and Austria. The Company's advertising and marketing measures will therefore focus on these sales markets.

Risk report

The main risks are divided into:

- Business risk
- Operational risk
- Financial risks

Deutsche Börse Commodities GmbH is integrated into the risk management system of Deutsche Börse Group. Its risk system distinguishes between business risks, operational risks and financial risks. The Executive Board monitors the risks of the Company.

A key aspect of risk management is the full coverage of the gold-denominated debt securities by means of the gold holdings and/or the book-gold holdings. This ensures that the Company is not exposed to market price risks in this respect. To that end, a valuation unit for accounting purposes was established between the issued bearer bonds and the physical gold holdings as well as the delivery claims for gold (Xetra book gold).

i) Business risk

The Company is exposed to potential fluctuations in the price of gold in euros. A sustained decline in the price of gold can have an adverse effect on the sales of the bond and the realisable custodian fees and thus negatively impact the performance of the Company.

The recent past has shown that the trend in the gold price is closely correlated with the general state of the global economy, the financial markets and the monetary policy of central banks. The majority of central banks are maintaining an expansionary monetary policy in view of the low inflation figures. This led to a rise in the issue volumes of Xetra Gold in financial year 2017. If central banks return to a restrictive monetary policy, this could lead to disproportionately large sales by investors and force the Company to sell gold. The associated delivery and transport costs in the case of a gold sell-off could cause unplanned adverse financial effects.

The number of physical gold deliveries to end customers was low throughout 2017 and totalled about five exercises per month with an average exercise volume of roughly 3.6 kg per exercise. The issuer was able to process the shipment applications submitted from the banks on schedule within the delivery period of 10 working days as defined in the prospectus. A total of 977 shipments to end customers had been carried out or initiated since the product's launch as at 31 December 2017 (31 December 2016; 922).

The Executive Board receives a daily email from the Controls Frankfurt Safekeeping department of Clearstream Banking AG containing data on the current XETRA closing price of gold from the previous trading day and the open exercises.

With the assistance of an established controlling report (a monthly actual-to-plan analysis), which the Executive Board receives every month from the Controlling department of Deutsche Börse AG, the performance and trends in the business as well as significant variances versus the budget can be monitored in a timely manner and counter-measures can be taken if needed.

ii) Operational risk

Operational risks primarily exist in all processes involved with the transport of the physical gold, the delivery to the vault and the shipment to the end customer. In financial year 2009, a change was made in the control process associated with the delivery of standard gold bars to the vault. These bars weigh about 12.5 kilograms. The tolerance level for the variance between the bar weight as per

the delivery note and the measurement in the vault was increased from 0.3 grams to 3 grams. This allows for a more efficient process in the vault.

The actual portfolio of gold in the vault, together with information on the XETRA closing price, is reported in a daily email from the Controls Frankfurt Safekeeping department of Clearstream Banking AG to the Executive Board. Annual inventories of physical gold holdings are performed by Internal Audit (the timing is random) and the Controls Frankfurt Safekeeping department (in September/October) and the results are reported to the Executive Board.

The Xetra Gold bond is traded on the Xetra electronic trading platform. The trading platform had a very high service availability of nearly 100 per cent in financial year 2017. However, disruptions in the availability of the trading platform could result in the future in lost income, claims for damage compensation and reputational losses in extreme cases.

iii) Financial risks

The Company divides financial risks into credit, market and liquidity risks. Credit risk describes the danger that a counterparty might not meet its contractual obligations, or not meet them in full. Credit risk can also arise from cash investments. Market price risks can arise in relation to cash investments through interest rate and currency fluctuations. A liquidity risk arises if daily payment obligations cannot be fulfilled or can be fulfilled only at increased refinancing costs.

Cash and cash equivalents are held at a domestic bank with a good credit rating. Credit risks are mostly limited to the small number of shareholder companies; interest rate and currency fluctuations do not arise because the Company does not make any investments. Potential liquidity risks can be easily identified with the help of the monthly controlling report.

There are no meaningful financial risks for the Company. Due to its business model, Deutsche Börse Commodities GmbH does not have a significant funding need because gold purchases do not have to be paid for in advance and the gold placed into custody for investors is directly connected with revenue. There is only a very limited degree of credit and market risks.

We assess the risks as follows:

Business risks: Probability of occurrence is low,

risk can be borne

Operational risks: Probability of occurrence is low,

risk can be borne

Financial risks: Probability of occurrence is low,

risk can be borne

We see no risks in these risk categories that could in principle threaten the survival of the Company in 2018.

Report on opportunities

Opportunities for an increase in issue volumes result primarily from a rising price of gold compared with the euro. If a sovereign debt crisis were to occur again or if geopolitical crises were to take place, it is likely central banks would implement further expansionary monetary policy measures and that the price of gold would increase from the current level. The recent past has shown that a rise in the price of gold in connection with geopolitical or economic crises also leads to higher demand for products such as Xetra Gold. The Company would benefit from such a development.

Internal control system

The Executive Board has established an internal control system for Deutsche Börse Commodities GmbH that is intended to safeguard the effective and efficient business activities of the Company, prevent or detect the misappropriation of assets and thus protect the Company's overall business assets. The internal control system is an integral component of the risk management system aimed at controlling risks. It is continuously enhanced and adapted whenever conditions change. The internal control system of Deutsche Börse Commodities GmbH comprises both process-integrated and process-independent controls and safeguards.

With regard to the accounting process of Deutsche Börse Commodities GmbH, the internal control system is primarily intended to ensure proper accounting and financial reporting in order to present the net assets, financial position and results of operations in the annual financial statements in a complete and accurate manner.

Deutsche Börse Commodities GmbH's accounting is primarily performed by the central Financial Accounting and Controlling (FA&C) department of Deutsche Börse AG. The Head of the FA&C department of Deutsche Börse AG is responsible for the accounting process of the entire Deutsche Börse Group, including Deutsche Börse Commodities GmbH, as well as for the effectiveness of the process-integrated safeguards and control procedures. He/she ensures that risks in the accounting process are recognised early on so that suitable safeguards and control procedures can be implemented in a timely manner. The following measures are primarily intended to achieve this:

- Work instructions and process descriptions are documented for the individual processes in accounting, including the preparation of the annual financial statements. These documents are stored in a FA&C database that was designed specifically for this purpose.
- The accounting manual in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) supports the correct application of accounting principles.
- To ensure that account classifications are used uniformly, a corresponding guideline has been established.

The work instructions and process descriptions are regularly reviewed to ensure that they are up to date. Furthermore, high-risk processes are subjected to special control. The accounting manual and

the account classification guideline are also updated on a regular basis. All FA&C department employees have access to the FA&C database as well as the accounting manuals and account classification guidelines in order to keep up to date about current regulations.

Another important feature of the internal control system within the FA&C department is the principle of functional separation: tasks and responsibilities are clearly defined and allocated within the organisation. Incompatible tasks, such as modifying master data and issuing payment instructions, are strictly segregated. This functional separation is ensured, inter alia, by requiring that an independent control unit must grant access rights to the accounting system to each employee and then monitor these rights continuously on the basis of an incompatibility matrix.

An additional control mechanism is the principle of dual control. All transactions are recorded in the general ledger or corresponding sub-ledgers based on the chart of accounts and the account classification guidelines. Closing entries are made and the consolidated financial statements are prepared in all cases in line with the principle of dual control.

Responsibility statement by the Executive Board

To the best of our knowledge, we confirm that in accordance with the applicable accounting principles for the preparation of annual reports, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the management report includes a true and fair view of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Frankfurt/Main, 22 March 2018

Deutsche Börse Commodities GmbH

The Managing Directors

Michael König

Steffen Orben

Independent Auditor's Report

To Deutsche Börse Commodities GmbH. Frankfurt am Main

Report on the Audit of the Annual Financial Statements and of the Management Report

Opinions

We have audited the financial statements of Deutsche Börse Commodities GmbH, Frankfurt am Main, which comprise the balance sheet as at 31 December 2017, the income statement, the cash flow statement and the statement of shareholder's equity for the financial year from 1 January to 31 December 2017, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Deutsche Börse Commodities GmbH, Frankfurt am Main, for the financial year from 1 January to 31 December 2017.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its financial performance for the financial year from 1 January to 31 December 2017 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to

subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The stock and evaluation of gold holdings

For the accounting and valuation principles used, please refer to the notes in the section "Formation of a valuation unit".

THE FINANCIAL STATEMENT RISK

As of 31 December 2017, the Company holds physical stocks of gold totaling 174,242.8 kilogram. This corresponds to a market value of EUR 6,056.7 million as of 31 December 2017. The gold stock at market value is divided into EUR 5,924.9 million of physical gold and EUR 131.8 million of rights to take delivery of gold. As a result, the gold holdings represent 99% of the Company's assets as of 31 December 2017.

Deutsche Börse Commodities GmbH has been marketing the product "Xetra-Gold" since 2007. It is a zero coupon bond denominated in physical gold holdings and gold delivery claims. In accordance with § 254 HGB, the company has formed a valuation unit and accounts for it according to the gross hedge presentation method. The valuation of physical gold holdings, delivery claims on gold and bearer bonds is carried out on a monthly basis at fair value.

The carrying amount of the gold holdings and the outstanding bearer bonds results from the correct determination of the respective holdings and the fair value. Therefore, there is a risk for the financial statements that incorrectly determined inventories or fair values of the gold

holdings may materially affect the presentation of the net assets and results of operations of Deutsche Börse Commodities GmbH.

OUR AUDIT APPROACH

Based on our risk assessment and the assessment of the risk of error, we have assessed the establishment, design and functioning of identified internal controls, in particular relating to the existence of gold holdings and the determination of the current market price.

We conducted an inventory survey and have sampled the correct recording of existing gold stocks by counting, measuring and weighing. Furthermore, we have assessed the correct acquisition of selected gold bars in the existing system.

As part of our audit of the correct recognition of outstanding bearer bonds, we have obtained external confirmations from risk-oriented selected customers or, alternatively, reconciled them with statements of deposit.

We have compared the market prices used to determine the fair value with publicly available price information. In addition, we have reconstructed the mathematical correctness of the calculation.

OUR OBSERVATIONS

The Company's method of recording existing gold inventories is appropriate and the market prices used to determine the fair value are reasonable.

Responsibilities of Management and the Board of Directors for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The board of directors is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the

- circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the shareholder's meeting on 6 April 2017. We were engaged by the management board on 11 October 2017. We have been the auditor of the Deutsche Börse Commodities GmbH without interruption since the financial year 2007.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the annual financial statements of Deutsche Börse Commodities GmbH we have audited the internal control system of the company in accordance with IDW PS 951 n.F.

Tax services include assistance in the preparation of tax returns and tax appraisals and advice on individual matters. In addition, we have supported the implementation of regulatory requirements with quality assurance.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Andreas Dielehner.

Frankfurt am Main, 29 March 2018 KPMG AG Wirtschaftsprüfungsgesellschaft [Original German version signed by:]

Dielehner Wirtschaftsprüfer [German Public Auditor]

Hommel
Wirtschaftsprüfer
[German Public Auditor]