CRH
CAISSE DE REFINANCEMENT DE L'HABITAT

The English language version of this Registration Document is a free translation from the original, which was prepared in French.
All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters only the contents of the French documentation are binding on CRH.

2014 ANNUAL REPORT

- REGISTRATION DOCUMENT -

Incorporating by reference the 2013 and 2012 financial statements and the reports of the independent auditors relative to those accounts as presented in the registration documents filed on February 24, 2014 and February 7, 2013, respectively, with the French securities regulator (Autorité des Marchés Financiers or AMF). All information included in those two registration documents, other than that mentioned above, has been, as necessary, replaced and/or updated by information included in this document.

Specialized credit institution (*Établissement de crédit spécialisé*)
A French corporation (*société anonyme*) with capital stock of EUR 539,994,737.75
Registered office: 35 rue La Boétie - 75008 Paris
http://www.crh-bonds.com
Paris Trade and Companies Register no. 333 614 980 - APE code 6492Z
Telephone: + 33 1 42 89 49 10 – Fax: + 33 1 42 89 29 67

This registration document was filed with the French securities regulator (Autorité des Marchés Financiers – AMF) on March 26, 2015, under number D.15-0210, in accordance with Article 212-13 of its general regulations. It may be used in support of a financial transaction if supplemented by an information notice authorized by the AMF. This document was prepared by the Issuer and is binding on its signatories.

CONTENTS

Registration document in compliance with Appendix XI to Regulation no. 809/2004/EC of the European Parliament

Appendices

The following texts may be revised to comply with changes in the European regulatory environment.

Cross-reference table: annual financial report

In accordance with Article 212-13 of the AMF's general regulations, this document comprises the annual financial report information referred to in Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and in Article 222-4 of the AMF's general regulations:

This registration document is available on the CRH website (www.crh-bonds.com) and on that of the AMF (www.amf-france.org).

REPORT OF THE BOARD OF DIRECTORS TO THE REGULAR STOCKHOLDERS' MEETING HELD ON MARCH 17, 2015

To the Stockholders,

As required by law, we have called this stockholders' meeting to approve the financial statements for fiscal year 2014.

OPERATIONS

This fiscal year was characterized by a lack of issues on the part of CRH due not only to the low level of refinancing applications from banks but also and above all to the implementation of the new European regulations, which do not take into account the specific nature of CRH's refinancing operations. It was also characterized by the stress testing exercise carried out by the European authorities.

The total loans granted to banks by CRH between its establishment and December 31, 2014 therefore remained at EUR 90.5 billion, the same level as at the end of 2013.

After taking into account the final contractual payment on the 4.25% borrowing – October 25, 2014 for the amount of EUR 4.1 billion – the nominal value of outstanding loans at December 31, 2014 totaled EUR 47.6 billion (compared with EUR 51.7 billion at December 31, 2013 and EUR 53.9 billion at December 31, 2012).

In addition, no contractual early repayments were made.

Total assets amounted to EUR 49.1 billion at December 31, 2014 (compared with EUR 53.1 billion at December 31, 2013 and EUR 55.3 billion at December 31, 2012).

RESULTS, FINANCIAL POSITION, AND DEBT

In accordance with the provisions of Article L. 225-100 of the French Commercial Code (*Code de Commerce*), an analysis of the Company's results, financial position, and debt must be prepared.

Since January 1, 2007, in accordance with the provisions of Regulation no. 2005-01 of the French Accounting Regulations Committee (*Comité de la Réglementation Comptable*), mortgage notes have been recognized as assets at their acquisition price and the difference between the acquisition price and the face value of the mortgage notes is spread over time using an actuarial method. Bonds are recognized as liabilities using the same rule.

a) Results:

Funding transactions, i.e. lending, borrowing and repayments, have no direct impact on earnings. CRH does not charge an interest margin on these transactions, and lends all capital raised on financial markets to its stockholders at the same rates and with the same maturities.

As a result, CRH's earnings represent the income from stockholders' equity invested on the money market, net of general and administrative expenses and interest paid to stockholders on subordinated loans.

At EUR 4.3 million, financial income was lower than the previous year due to a reduction in the average investment return rate.

Interest on subordinated loans totaled EUR 0.9 million compared with EUR 2.1 million in 2013.

General and administrative expenses, which totaled EUR 2.6 million, were at about the same level as in 2013.

Net income after taxes came to EUR 0.5 million compared with EUR 0.6 million in 2013.

It is recommended to the Stockholders' Meeting that no dividend be paid.

b) Financial position:

CRH's stockholders' equity, now exclusively consisting of Common Equity Tier 1 Capital (CET1), totaled EUR 564 million at December 31, 2014. The capital increase carried out in June 2014 increased the capital stock from EUR 300 million to EUR 540 million.

Of this capital increase, EUR 184 million was paid up through an offset against the subordinated loans and EUR 62 million was paid up through a cash contribution.

The capital adequacy ratio at December 31, 2014, calculated in accordance with the provisions of the Capital Requirements Regulation (CRR), came to 10.19% excluding transitional provisions and to 11.04% in accordance with the transitional provisions of Article 496-3.

In the absence of additional capital, the Common Equity Tier 1 (CET1) capital adequacy ratio came to the same level, i.e. 10.19% and 11.04% respectively.

CRH intends in the near future to amend its Articles of Incorporation and internal rules and regulations to give itself the ability – in compliance with the law and banking regulations and subject to the agreement of the authorities – to carry out capital reductions, provided they are not as a result of losses, if its capital adequacy ratio becomes higher than the required level.

Table summarizing those delegations of authority, granted by the Stockholders' Regular Meeting to the Board of Directors for the purposes of capital increases, that remain valid and the utilization made of said delegations during the fiscal year:

Stockholders' Meeting Resolution	Purpose of the delegation of authority given to the Board of Directors	Amount	Term	Utilization made during the fiscal year 2014	Unutilized amount
Stockholders' Meeting of March 11, 2014 4th resolution	After cancellation of any previous delegation of authority for the purposes of capital increases, to increase the capital stock by the issue of ordinary stock units	Maximum nominal amount of capital increase authorized: €300,192,757.75	5 years	€240,187,500.00	€60,005,257.75

c) Debt:

CRH does not borrow for its own account but on behalf of banks, which contribute the amounts required to service the debt when the interest and principal payments become due. CRH therefore does not have to generate operating cash flow to service and amortize its debt. As a result, an analysis of its debt is of only limited significance.

RESULTS OF THE AQR AND STRESS TESTS ON CRH

The presentation of these results on October 26, 2014 was in complete contrast to information previously provided to CRH and, in addition, gave rise to inappropriate comments in the press.

The exercise known as the "comprehensive assessment" involved:

- a review of the quality of bank assets, the "Asset Quality Review" (AQR), based on the banks' position at the end of 2013;

- then, on the basis of the position adjusted as a result of the AQR, an examination of the resilience of banks under two stress test scenarios, the "baseline scenario" and the "adverse scenario".

Under the baseline scenario, the Common Equity Tier 1 (CET1) capital adequacy ratio must be equal to or greater than 8%; under the adverse scenario, the ratio must be equal to or greater than 5.50%.

The parameters and assumptions applied to CRH were the same as those applied to the major European banks. The constant balance sheet assumption was particularly inappropriate for an institution like CRH, which is a pure debt instrument. Moreover, this assumption failed to take account of the significant contraction of CRH's balance sheet between December 2013 and December 2016 due to the repayment of significant amounts of borrowings having reached their contractual maturity.

1. Asset quality review

In this context, CRH's accounting procedures and methods were reviewed, following which CRH was not required to recognize any asset impairment provisions. It is important to stress that this situation was unusual amongst those European banks that were subject to the comprehensive assessment.

2. The tests

The exercise did not therefore take into account CRH's aforementioned capital increase, the aim of which was to enable it to comply with the new capital adequacy standards to which it is now subject.

The only measurement considered was the CET1 ratio at December 31, 2013 of 5.74% (within a total ratio of 9.17%). This level, which is higher than the minimum requirement of 4.5 %, was accepted until that date by the authorities because of the security of the CRH mechanism and the fact that its ultimate risk, relating to the home-purchase loans pledged to CRH, is already covered in the balance sheets of the banks concerned.

a) Baseline scenario:

Given the initial value calculated at 5.74%, following the stress test the CET1 ratio could not possibly reach the minimum level set in this case at 8%, even with an extremely low stress impact of negative 0.06% on this ratio. This situation was obviously not identified during the exercise. The French Banking Regulator, the ACPR (*Autorité de Contrôle Prudentiel et de Résolution)*, had asked CRH at the end of December 2013 to increase its capital precisely because new capital adequacy standards were going to be applied to it.

b) Adverse scenario:

Despite the ratio's initial value of 5.74%, CRH passed the most difficult test with a stress test impact on the CET1 ratio of only negative 0.22%, underlining the considerable resilience of its mechanism – one of the strongest of the European banks that were subject to the test exercise. Indeed, the median impact of the adverse stress scenario on the CET 1 ratio for all these banks was negative 4.00%.

3. Presentation of the results on October 26, 2014

The designation by the European Authorities, in this presentation, of CRH as the only French bank to have failed this exercise is not expected to have a significant impact on the markets, other than reputational damage, which will affect only CRH.

It is important to note, moreover, that investors considered the results of the comprehensive assessment to be inappropriate in the case of CRH, which has not therefore suffered from adverse investor reaction. There continues to be significant demand from investors for further CRH issues.

Nevertheless, the fact that CRH was deemed to have failed an exercise aimed at assessing the resilience of banks was unexpected:

- From a technical point of view, as explained above, since CRH has demonstrated, de facto, via these tests, that it is one of the most resilient, in terms of impact, of the European banks that were the subject of the exercise.

- CRH lends exclusively to major French banks, all of which passed these tests.

- The long-term rating of Aaa given by the ratings agency Moody’s to CRH’s bonds is excellent and few European bonds currently have such a favorable rating.

- Since its formation, none of CRH’s assets have become impaired or been written off.

- CRH successfully navigated the genuine stress of the acute phases of the 2007 to 2010 financial crisis, during which it was on several occasions one of the very few European institutions able to access the financial market and borrow significant amounts for the long term on this market despite the turbulent economic climate.

- Following CRH’s capital increase on June 17, 2014, i.e. before CRH had submitted the documents in respect of the stress test itself, its Common Equity Tier 1 (CET1) capital adequacy ratio was 10.27% (at June 30, 2014).

OUTLOOK

Because CRH does not generate any margin, neither the Company’s earnings nor its financial position is directly impacted by changes in the volume of its operations.

Clearly, volumes vary largely subject to the economic and financial position and the refinancing needs expressed by banks, but also depending on how the new European Capital Requirements Regulation (CRR) are adapted to CRH.

As indicated in the amendment to the registration document published in July 2014, the new regulations implemented to avoid a repetition of the effects of the crisis were designed mainly for deposit and investment banks and are not geared towards institutions that play a specific role in financing the economy such as CRH. Paradoxically, although CRH did not have any difficulties obtaining finance even during the acute phases of the financial crisis, these new regulations are hampering its activities and affecting its ability to fulfil its mission of refinancing home-purchase loans in France in accordance with the legislation that enabled its formation.

It should be noted, however, that:

1. The servicing of CRH’s debt is economically ensured by the borrowing banks, and CRH does not borrow for its own account or charge an interest margin on refinancing operations.

2. CRH has decided to retain its status as a European credit institution and not to opt for the new status of financing company (*société de refinancement*) reserved for institutions that do not wish to bear all of the new regulatory constraints governing European credit institutions.

In view of the size of its balance sheet, which is the direct result of the significant amounts of long-term refinancing it was able to raise and then grant to banks during the financial crisis, CRH is currently included in the list of significant European credit institutions henceforth placed under the direct supervision of the ECB.

On December 24, 2013, CRH received a letter from the ACPR indicating that its board was examining CRH's position regarding the regulations that came into force on January 1, 2014 and was considering requesting that CRH henceforth maintain a Common Equity Tier 1 (CET1) capital adequacy ratio of 10%. This request was confirmed in a letter dated February 18, 2014.

The European Central Bank recently indicated, in a letter dated December 18, 2014, that it was planning to require the same capital adequacy ratio.

Lastly, in order to comply with the new European provisions relating to the separation of the functions of Chairman and Chief Executive Officer within credit institutions, CRH is preparing to implement new corporate governance procedures.

COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS AND INDEPENDENT AUDITORS

As required by law, compensation paid to corporate officers and directors is presented in Note 15 to the financial statements, on page 110.

The fees paid to the independent auditors are presented on page 48 and in Note 13 to the financial statements, on page 108.

TERMS OF OFFICE

The terms of office and functions exercised by corporate officers and directors during the year are presented in Chapter 9, on pages 83 to 86.

SUPPLIER PAYMENT TERMS

CRH complies with the prevailing rules on this subject. As of December 31, 2014, trade creditors totaled EUR 9,568.24. The creditors' payment period is less than one month.

RECOMMENDATIONS BY THE BOARD OF DIRECTORS TO THE REGULAR STOCKHOLDERS' MEETING

To the Stockholders,

- We recommend that you approve the financial statements for 2014 as presented to you.

- We recommend that you approve the agreements covered by the special report of the independent auditors.

- We recommend that the income for fiscal year 2014 be allocated as indicated below:

. Net income for the year available for allocation	**€544,903.63**
To be allocated as follows:	
. Legal reserve	€28,000.00
The total amount of which is thereby increased to EUR 3,236,000.00	
. Balance to the other reserves account	€516,903.63
The total amount of which is thereby increased to EUR 1,121,801.38	

The dividends paid for the three previous fiscal years were as follows:

In EUR per stock unit:

Year	Net dividend
2013	0.00
2012	0.09
2011	0.05

We recommend that you appoint Olivier HASSLER as a director and renew the terms of office as directors of BNP Paribas, BPCE, Caisse Centrale du Crédit Mutuel, Crédit Agricole SA, Crédit Lyonnais, Société Générale and the independent auditors, subject to the ACPR's approval.

RESOLUTIONS

FIRST RESOLUTION
(Approval of the Company financial statements for the year ended December 31, 2014)

The Stockholders' Meeting, following the presentation of the Board of Directors' management report on the management of the Company during the year ended December 31, 2014, and having heard the independent auditors' report on the annual financial statements, approves the Company financial statements as presented for said financial year comprising the income statement, balance sheet and notes to the financial statements, as well as the transactions recorded in these financial statements and summarized in these reports.

The Stockholders' Meeting also notes the terms of the report of the Chairman of the Board of Directors on internal control and corporate governance which was presented to it, as well as the terms of the independent auditors' report, which sets out their observations on said Chairman's report and the terms of the report of the independent auditors appointed as an independent third party, on the labor, environmental and social information contained in the management report.

The Stockholders' Meeting notes that the Company did not during the period under review incur any expenses or charges that are not deductible for tax purposes, in accordance with Article 39-4 of the French General Tax Code (*Code Général des Impôts*).

SECOND RESOLUTION
(Review and approval of agreements governed by Article L. 225-38 of the French Commercial Code)

The Stockholders' Meeting, having heard the special report of the independent auditors on the agreements governed by Articles L. 225-38 *et seq.* of the French Commercial Code, notes the findings of said report and resolves to approve the agreements described therein.

THIRD RESOLUTION
(Board of Directors' proposed allocation of the net income for the year ended December 31, 2014)

The Stockholders' Meeting approves the allocation of the net income for the year ended December 31, 2014, as shown in the following table:

. Net income for the year available for allocation	**€544,903.63**
To be allocated as follows:	
. Legal reserve The total amount of which is thereby increased to EUR 3,236,000.00	€28,000.00
. Balance to the other reserves account The total amount of which is thereby increased to EUR 1,121,801.38	€516,903.63

The dividends paid for the three previous fiscal years were as follows:

In EUR per stock unit:

Year	Net dividend
2013	0.00
2012	0.09
2011	0.05

FOURTH RESOLUTION
(Appointment of Olivier HASSLER as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, decides to appoint Olivier HASSLER as a director for a period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

FIFTH RESOLUTION
(Renewal of BNP Paribas' term of office as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as a director of BNP Paribas, a French corporation (*société anonyme*) whose registered office is at 16, Boulevard des Italiens, 75009 Paris, France and which is registered on the Paris Trade and Companies Register under number 662 042 449.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

SIXTH RESOLUTION
(Renewal of BPCE's term of office as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as a director of BPCE, a French corporation (*société anonyme*) whose registered office is at 50, Avenue Pierre Mendès France, 75013 Paris, France and which is registered on the Paris Trade and Companies Register under number 493 455 042.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

SEVENTH RESOLUTION
(Renewal of Caisse Centrale du Crédit Mutuel's term of office as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as a director of Caisse Centrale du Crédit Mutuel, a French corporation (*société anonyme*) whose registered office is at 88/90, Rue Cardinet, 75017 Paris, France and which is registered on the Paris Trade and Companies Register under number 632 049 052.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

EIGHTH RESOLUTION
(Renewal of Crédit Agricole SA's term of office as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as a director of Crédit Agricole SA, a French corporation (*société anonyme*) whose registered office is at 12, Place des États-Unis, 92120 Montrouge, France and which is registered on the Nanterre Trade and Companies Register under number 784 608 416.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

NINTH RESOLUTION
(Renewal of Crédit Lyonnais' term of office as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as a director of Crédit Lyonnais, a French corporation (*société anonyme*) whose registered office is at 18, Rue de la République, 69002 Lyon, France and which is registered on the Lyon Trade and Companies Register under number 954 509 741.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

TENTH RESOLUTION
(Renewal of Société Générale's term of office as a director)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as a director of Société Générale, a French corporation (*société anonyme*) whose registered office is at 29, Boulevard Haussmann, 75009 Paris, France and which is registered on the Paris Trade and Companies Register under number 552 120 222.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

ELEVENTH RESOLUTION
(Renewal of Auditeurs & Conseils Associés SA's term of office as independent auditor)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as independent auditor of the audit firm Auditeurs & Conseils Associés SA - Nexia International represented by Olivier LELONG. The firm's address is 31, Rue Henri Rochefort, 75017 Paris, France.

It decides to renew this term of office for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020. Auditeurs & Conseils Associés SA – Nexia International are henceforth represented by Laurent CAZEBONNE.

TWELFTH RESOLUTION
(Renewal of KPMG SA's term of office as independent auditor)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as independent auditor of the audit firm KPMG SA, represented by Marie-Christine JOLYS. The firm's address is 1, cours Valmy, 92923 Paris La Défense Cedex, France.

It decides to renew this term of office, without changing the representative, for a further period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

THIRTEENTH RESOLUTION
(Appointment of Pimpaneau & Associés as alternate independent auditor to Auditeurs & Conseils Associés SA)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as alternate independent auditor of Auditeurs & Conseils Associés SA – Nexia International represented by Olivier JURAMIE. The firm's address is 31, Rue Henri Rochefort, 75017 Paris, France

It decides to appoint the audit firm Pimpaneau & Associés SA - Nexia International, whose address is 31, Rue Henri Rochefort, 75017 Paris, France, represented by Olivier JURAMIE, as alternate auditor to Auditeurs & Conseils Associés SA – Nexia International for a period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

FOURTEENTH RESOLUTION
(Appointment of KPMG Audit FS I as alternate independent auditor to KPMG SA)

The Stockholders' Meeting, having reviewed the Board of Directors' report, notes the expiry of the term of office as alternate independent auditor of KPMG SA, whose address is 3, Cours du Triangle, 92939 Paris La Défense Cedex, France, represented by Isabelle GOALEC.

It decides to appoint the audit firm KPMG Audit FS I, whose address is 3, Cours du Triangle, 92939 Paris La Défense Cedex, France, represented by Isabelle GOALEC, as alternate auditor to KPMG SA for a period of six years, expiring in 2021 at the close of the Stockholders' Meeting called to approve the financial statements for the year ending December 31, 2020.

FIFTEENTH RESOLUTION
(Formalities and powers)

The Stockholders' Meeting confers on the bearer of a copy or excerpt of these minutes full powers to carry out all legal and regulatory formalities.

CAISSE DE REFINANCEMENT DE L'HABITAT

Five-year financial summary

	2010	2011	2012	2013	2014
Capital stock at year end:					
. Capital stock (in EUR)	199,927,500	299,702,043.25	299,702,043.25	299,807,237.75	539,994,737.75
. Number of common stock units in issue	13,110,000	19,652,593	19,652,593	19,659,491	35,409,491
. Number of non-voting preferred stock units in issue	0	0	0	0	0
. Maximum number of stock units to be created through conversion of bonds or exercise of subscription rights	0	0	0	0	0
Business and earnings (EUR thousands)**:**					
. Total revenues (excluding taxes)	1,738,837	1,785,817	2,085,466	2,108,053	1,927,447
. Income before tax, employee profit-sharing, depreciation, amortization and provisions	229	1,672	2,931	1,130	1,047
. Corporate income tax	66	570	981	449	326
. Employee profit-sharing	0	0	0	0	0
. Income after tax, employee profit-sharing, depreciation, amortization and provisions	114	979	1,764	632	545
. Dividend distributed	0	983	1,769	0	0
Earnings per stock unit (in EUR)**:**					
. Income after tax and employee profit-sharing but before depreciation, amortization and provisions	0.01	0.06	0.10	0.03	0.02
. Income after tax, employee profit-sharing, depreciation, amortization and provisions	0.01	0.05	0.09	0.03	0.02
. Net dividend per stock unit	0.00	0.05	0.09	0.00	0.00
Staff:					
. Average number of employees during year (1)	9	10	10	10	9.4
. Payroll expense (EUR thousands)	693	768	798	816	817
. Social security and other benefits (EUR thousands)	335	361	376	389	391

(1) *Including paid corporate officers.*

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

To the Stockholders,

In accordance with legal requirements and in my capacity as Chairman of the Board of Directors of CRH – Caisse de Refinancement de l'Habitat, I am pleased to present to you this report as approved by the Board of Directors at its February 11, 2015 meeting.

This report concerns information related to Board membership, conditions for preparing and organizing the work of the Board of Directors, internal control procedures and risk management within the Company, corporate governance, and the terms of stockholder participation at Company Stockholders' Meetings in 2014.

1. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The aim of the internal controls implemented by the Company is to meet the internal control and compliance obligations for credit institutions contained in Regulation no. 97-02 of the CRBF (French Banking and Financial Regulatory Committee: *Comité de la Réglementation Bancaire et Financière*). This regulation has now been repealed, but given the Decree of November 3, 2014, which came into force very recently, those institutions to which it applies may, for the last time in respect of the fiscal year 2014, produce their report for the banking authorities in accordance with this regulation. This report refers also to said regulation.

Pursuant to the provisions of this regulation, companies must submit a report on internal control, compliance, and the measurement and monitoring of risks at least once a year to the Board of Directors.

1.1. INTERNAL CONTROL PARTICIPANTS

The system of internal control has been adapted to meet the particular needs of the Company, the main characteristics of which are its degree of specialization and the transparency and security of its operations. Its organizational structure is also influenced by the limited number of employees. For that reason, the Chairman and Chief Executive Officer and the General Secretary have responsibility for monitoring the consistency and effectiveness of the internal control system.

In addition, an audit committee (set up by the Board of Directors in 2009) meets several times a year.

The Chairman and Chief Executive Officer reports regularly to the Board of Directors on internal control and risk monitoring activities and results.

Internal control is enhanced by audit assignments carried out by the inspection and audit departments of CRH's credit institution stockholders, as specified in Article 9 of the internal rules and regulations.

In order to comply with these provisions, Crédit Agricole's General Inspection department audited CRH, at my request. The findings of this audit were submitted in January 2010.

In order to accelerate the implementation of improved formalization of the controls plan and the permanent control plan, in 2010 CRH appointed Mazars to act for it in this matter.

Finally, CRH is considered a “significant” European credit institution in view of the size of its balance sheet. As a result, it was subject to the European procedure referred to as the “Assets Quality Review” (AQR) and to stress testing. It was also subject to on-site inspections in the first half of 2014, commissioned by the European Central Bank and carried out by the French Banking Regulator, the ACPR (*Autorité de Contrôle Prudentiel et de Résolution)*. The results of this procedure are referred to in the Board of Directors’ report to the Stockholders’ Meeting. CRH is likely to be once again controlled by the ECB before the summer of 2015, in connection with its direct supervision under which CRH is henceforth placed.

1.2. ORGANIZATION OF INTERNAL CONTROL WITH REGARD TO THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The Company’s General Management is responsible for the preparation and integrity of the financial statements presented to you. These financial statements have been prepared and are presented in accordance with generally accepted accounting principles and the regulations applicable to French credit institutions. The financial information presented elsewhere in the annual report is in accordance with the financial statements.

The Company maintains a system of internal control providing it with reasonable assurance as to the reliability of its financial information, the protection of its assets and the compliance of its operations, commitments and internal procedures with all prevailing regulations, within the framework of the obligations set out in Regulation no. 97-02 of the CRBF (French Banking and Financial Regulatory Committee).

In practical terms, the internal control system is based on regularly-updated written procedures and an organizational structure that strictly separates duties and responsibilities.

The Company’s General Management considers that these financial statements present accurately the financial position of the Company, the results of its operations and its cash flows.

1.3. RISK MANAGEMENT PROCEDURES

By way of background, note that beyond General Management’s control functions, Article L. 313-49 of the French Monetary and Financial Code (*Code Monétaire et Financier*) provides for a specific legal control of CRH’s operations by the banking authority.

In accordance with the regulations, a risk mapping has been established and is periodically reviewed. The main risks are described in Chapter 3 of this registration document, to which it is useful to refer. It should be noted that CRH does not claim that the description is exhaustive.

Identification of operational risks is regularly sought by General Management, and the business continuity plan must, in principle, ensure the durability of operational procedures during and after any interruption of activities. By way of reminder, this risk was substantially reduced in 2009 by the implementation of the Euroclear direct payment procedure via the Banque de France in respect of the amounts required to service the debt.

In order to improve operational risk management in connection with its IT system, CRH decided to change its service provider in 2013, which further improved the security of this system.

As CRH's only objective is to lend all the proceeds of its borrowings, credit risk is the most important structural risk. This risk concerns only credit institutions, which are now under the supervision of the ECB. It is covered by a specific pledge of refinanced loans in accordance with the requirements of Articles L. 313-42 through L. 313-49 of the French Monetary and Financial Code. This pledge in particular is the subject of the aforementioned specific legal review.

CRH also regularly audits borrowing banks using a team of auditors dedicated to this task.

The procedures in place within this team have as principal objectives the monitoring of the condition of CRH's receivables and an evaluation of the level to which they are covered, using controls conducted on a sample basis and the examination of monthly electronic statements of duplicate lists of pledged receivables.

A significant risk and one which CRH raised with the authorities more than five years ago is that of regulatory changes designed for the major deposit and investment banks and which are therefore poorly adapted to the specific nature of CRH's business. Thus, the new CRR regulation now implemented is severely hindering CRH's operations***** with the result that CRH has not granted any loans since June 2013. Nevertheless, its internal rules stipulate the following:

- A comprehensive report on CRH's loans is regularly provided to the Board of Directors.

- Limits on loans granted by CRH are set by General Management in accordance with the credit policy and rules established by the Board.

- These limits take into account in particular the institution's rating and the characteristics of outstanding home-purchase loans eligible for refinancing.

The general economics of the CRH mechanism are such that the profitability of credit transactions is, by its nature, always zero because CRH borrows for the account of French credit institutions and provides them with the resources raised without charging a margin.

CRH is normally well insulated from market risks. This subject is discussed in sections 3.1.2 through 3.1.5 of this document.

In addition, the provisions of Article 8.3 of its internal rules and regulations allow CRH, if necessary and under certain conditions, to draw on lines of credit from its stockholders.

Finally, the Board of Directors has set at EUR 10,000 the materiality threshold for the purposes of fraud alert defined in Article 17 *ter* of Regulation no. 97-02 of the CRBF (French Banking and Financial Regulatory Committee).

These procedures are likely to be revised owing to the implementation of the new European Capital Requirements Regulation which has numerous repercussions for CRH's operation.

***** The regulatory risk is dealt with in paragraph 3.1.7.2.

2. MEMBERSHIP AND CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS (see provisions of Title II of the Company By-laws)

CRH stock is not publicly traded and in accordance with the By-laws is allocated annually between borrowers pro rata to the loans outstanding.

The Board represents the stockholders, and its membership therefore comprises most of the main players in the French residential mortgage market.

2.1. BOARD OF DIRECTORS MEMBERSHIP (see Chapter 9 of this document).

- Henry RAYMOND (1)	Chairman and Chief Executive Officer
- **Banque Fédérative du Crédit Mutuel** represented by Jean-François TAURAND	Director
- **BNP Paribas** represented by Valérie BRUNERIE	Director
- **BPCE** represented by Roland CHARBONNEL	Director
- **Caisse Centrale du Crédit Mutuel** represented by Sophie OLIVIER	Director
- **Crédit Agricole SA** represented by Nadine FEDON	Director
- **Crédit Lyonnais** represented by Christian LARRICQ-FOURCADE	Director
- **GE Money Bank** represented by François KLIBER	Director
- Société Générale represented by Vincent ROBILLARD	Director

These directors are appointed for a six-year period (see pages 83 to 84).

(1) As explained below, in accordance with the new European regulations, the functions of Chairman and Chief Executive Officer must be separated. The Board of Directors has already (at the end of 2013) taken the decision to separate these functions when Henry RAYMOND’s term of office expires, i.e. at the end of this Meeting.

2.2. CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS

The Board is a collegial body that deliberates on all matters concerning the life of the Company and, in particular, on matters of strategy.

Internal rules covering the Board's operations have not been established.

2.3. WORK OF THE BOARD OF DIRECTORS

The Board of Directors met six times in 2014. More than half of the directors usually attended or were represented.

The main business of the Board during the year included:

- discussing and approving the results and the Company financial statements for fiscal year 2013, examining quarterly financial statements and discussing and approving the semi-annual financial statements;

- reviewing the annual report on the conditions of exercise of internal controls and of various discussions related to internal controls;

- the periodic examination of internal control and compliance activities and results;

- examining the findings of the audit committee;

- setting the Chairman and Chief Executive Officer's compensation;

- determining the terms of the capital increase carried out in June;

- reviewing the issues relating to the implementation of the new European Capital Requirements Regulation and to the fact that CRH is included in the list of significant European credit institutions;

- monitoring the stress testing carried out on CRH;

- examining the outcome of audits by the audit and inspection department of portfolios of receivables pledged to CRH at December 31, 2014.

2.4. COMPENSATION COMMITTEE (see Section 9.1.3. on page 84 of this document)

The Board has set up a compensation committee. It is composed of three directors who are senior executives but not corporate officers of companies holding stock in CRH. Its role is to make recommendations to the Board concerning the compensation of the Chairman of the Board of Directors and of the Chief Executive Officer, appointments that are currently fulfilled by the same individual. This committee meets once a year.

2.5. RISK COMMITTEE

In accordance with the provisions of Paragraph 3 of the internal rules and regulations (see Appendix 6 of this document), the Board of Directors or General Management can convene a risk committee, which has an advisory role. The Board of Directors designates its members from among stockholders or their representatives and establishes the rules governing its operations.

2.6. AUDIT COMMITTEE (see Section 9.1.4. on page 82 of this document)

The audit committee, which consists of three members selected from the Company's directors, met on January 30, 2014 and July 9, 2014.

The main business of the audit committee at these meetings included:

- reviewing CRH's operations, results and financial position at December 31, 2013 and the financial statements for the half year ended June 30, 2014;

- recording completion of the capital increase carried out in June 2014;

- listening to CRH's management and statutory auditors;

- reviewing the results of the audit of the portfolios of receivables pledged in favor of CRH;

- reviewing the annual report on the terms and conditions governing the performance of internal controls;

- reviewing the financial information;

- reviewing the issues relating to the implementation of the new European Capital Requirements Regulation and to the fact that CRH is included in the list of significant European credit institutions.

3. CORPORATE GOVERNANCE

Most principles of corporate governance are now enshrined in the French Commercial Code or in the General Regulations of the French securities regulator (*Autorité des Marchés Financiers* or AMF), to which the Company is subject.

In practice, the Company takes into account the recommendations of the AFEP/MEDEF (the French Association of Private Businesses/French Business Confederation) Code of October 2008 related to corporate governance, which is available on MEDEF's website (www.medef.com).

However, it is specified that these principles and recommendations are applicable only to the extent that they can be implemented in a relevant manner.

1. CRH is a market institution whose capital stock belongs to French banks.

2. The stock units comprising CRH's capital stock are not quoted on any stock exchange.

3. The associated voting rights are diluted in order to maintain CRH's independence.

4. CRH does not charge an interest margin on transactions.

5. The Chairman's compensation cannot be contingent on CRH's results due to the special characteristics of CRH's structure. His compensation comprises only salary and is established by the Board of Directors on the recommendation of the compensation committee. The amount is clearly indicated in this document. The Chairman is not eligible for either a "golden parachute," or an additional complementary retirement plan, or stock options.

6. On December 18, 2009, the Chairman was appointed Chief Executive Officer of the Société de Financement de l'Economie Française (SFEF) as of January 1, 2010. His appointment was renewed by a decision of SFEF's Board of Directors on December 11, 2012 and by the decree of the Minister for the Economy and Finance dated December 18, 2012. Following this renewal, his term of office at SFEF will end at the close of the Meeting called to approve the 2014 financial statements. His chairmanship at CRH will end on the same date.

7. As explained in the footnote to Section 2.1 above, pursuant to the new European rules governing the separation of the offices of Chairman and the Chief Executive Officer, the ACPR, in a letter dated September 10, 2013, requested that these offices be separated at CRH. In light of the nature of the Company and the profound regulatory changes underway, the Board of Directors unanimously decided, on October 22, 2013, to request that the combined offices be temporarily maintained until the end of the term of office of Mr. RAYMOND, i.e. until the Meeting called to approve the 2014 financial statements. Such request was duly made in a letter dated October 23, 2013. Furthermore, the Board had already decided, at the same meeting, to separate these offices after the end of this term of office, i.e. at the end of this Meeting.

8. Other directors receive no compensation of any kind from CRH and are executive officers of stockholder companies. Valérie BRUNERIE, Roland CHARBONNEL, Nadine FEDON and Vincent ROBILLARD, who represent BNP Paribas, BPCE, Crédit Agricole SA and Société Générale respectively on the Board of CRH, are directors of SFEF in their personal capacities. The service contract between CRH and SFEF expired on December 31, 2014.

4. TERMS FOR STOCKHOLDER PARTICIPATION AT COMBINED STOCKHOLDERS' MEETINGS (Article 21 of the By-laws)

These are summarized in Article 21 of the By-laws (see Appendix 5 of this document).

Henry RAYMOND
Chairman of the Board of Directors
(until March 17,2015)

REPORT ON LABOR, SOCIAL AND ENVIRONMENTAL TRANSPARENCY

Article 225 of Law no. 2010-788 of July 12, 2010 concerning the national commitment to the environment enhanced the content of the information to be included in the management report by promulgating obligations of transparency on labor, social and environmental matters.

Despite the modest means at its disposal and the specific nature of its business, in an effort to meet the demands of certain investors, in the fiscal year 2011, CRH had already compiled its first report on Social and Environmental Transparency.

First, we reiterate certain key principles:

As a responsible employer, CRH adheres to the following principles:

- respect for human rights,
- freedom of association and the right to collective bargaining,
- support for employees over the long term,
- promotion of equal opportunities.

Being solely financial, CRH's business has a limited direct impact on the environment.

In order to ensure respect for the environment, CRH seeks to limit as far as possible:

- use of paper,
- polluting forms of transport,
- consumption of heat and electricity.

Endeavoring to comply with the rules, CRH has never been fined or found guilty in respect of either social or environmental matters.

Methodological note on CSR reporting

CRH's approach to CSR reporting is based on Articles L. 225-102-1, R. 225-104 and R. 225-105-2 of the French Commercial Code.

1 Reporting period

Information gathered covers the period from January 1 to December 31 of each year, regardless of the type of data gathered. This information is reported annually.

2 Scope

The CSR reporting scope is intended to be representative of the Group's activities. It is determined according to the following principles: the reporting scope covers CRH only.

The reporting scope for fiscal year 2014 comprises all of CRH's activities.

3 Choice of indicators

Indicators are chosen with regards to the labor, environmental and social impacts of the activities of Group companies and the risks associated with issues related to its business activities.

4 Consolidation and internal control

Data is gathered centrally from monitoring carried out within the administration department. Data is checked and validated by the contributors in charge of gathering information and then by the General Secretariat and General Management.

5 External controls

Pursuant to the regulatory requirements of Article 225 of the Grenelle 2 law and its implementing decree dated April 24, 2012, CRH has asked one of its independent auditors to provide, from 2013 onwards, a report including a statement on the preparation of the information to be included in the management report and a reasoned opinion on the accuracy of the published information.

Indicators for Law no. 2010-788 on the national commitment to the environment	**2014 data**
1. Labor information:	
a) Employment: Total headcount and breakdown of employees by gender and region.	In 2014, total headcount fell due to the retirement of one employee. There were eight employees, all being executives on permanent contracts. There were three female employees. The 40-49 and 50-59 age brackets represented 45% and 33% respectively of the total headcount and the 30-39 and over 60 age brackets each accounted for 11%. All jobs are located at the head office in Paris (France).
New recruits and redundancies.	During the year, no new staff were hired under either temporary or permanent contracts, nor were there any redundancies or voluntary departures: only one employee left the company, and that was due to retirement.
Compensation.	The goal of CRH’s compensation policy and any updates thereto is to ensure a fair balance between the various individual pay packages according to merit and responsibilities. The Company does not pay any variable compensation.
b) Organization of working time.	The number of hours worked per annum by a full-time employee was 1,603.60 hours, unchanged compared with 2013. All employees work full time with personalized working hours.
Absenteeism.	In 2014, the absenteeism rate fell once again, to 1.29% versus 2.24% in 2013. 100% of absenteeism was due to illness.
c) Staff relations: Organization of staff dialogue.	Given the number of staff, there is no organized staff dialogue within the Company.

Indicators for Law no. 2010-788 on the national commitment to the environment	**2014 data**
Review of collective agreements.	The agreement on arrangements for the reduction in working hours signed on February 7, 2002 is still in force. Employees are covered by the collective agreement for financial companies.
Staff welfare.	Given the number of staff, there is no works council. The Company pays in full all contributions for additional health coverage as well as collective coverage for death and dependency. The Company uses a staff canteen for which it pays EUR 5.91 per meal taken by each of its employees. For employees seeking a long-service award and having completed 20 years of service in the Company, the Company pays a bonus of one month's basic salary (excluding seniority bonus and thirteenth month) for the month of promotion (January or July).
d) Health and safety: Health and safety conditions.	Anxious to ensure the social welfare of its employees, as mentioned above, the Company has taken out additional health coverage as well as collective coverage for death and dependency. The Company uses a multi-employer occupational health service. The Company produced a single assessment document for occupational risks.
Agreements signed with trade unions and staff representative bodies on workplace health and safety.	Given the number of staff, there is no collective bargaining on workplace health and safety.
Frequency and seriousness of occupational accidents and recognition of occupational illnesses.	In 2014, there were no occupational accidents in the Company. Similarly, no employees suffered any occupational illnesses.
Compliance with the provisions of the ILO's fundamental conventions.	The Company complies with the laws and regulations applicable to France as a signatory to the ILO's eight key conventions.
e) Training: Total number of training hours.	As a Company with less than ten employees, CRH participates in the financing of employees' professional training by paying Agefos PME a contribution of 0.55% of its total payroll. CRH's employees did not make use of any training entitlement in 2014.
Specific professional training programs for employees.	The Company has not implemented any specific professional training programs for employees.
f) Diversity and equal opportunities: Policy implemented and measures taken to: - promote equality between men and women;	For positions of the same level of responsibility, there is very little difference between the average compensation of men and women. The Company reiterates its keenness to comply with the legal and regulatory provisions encouraging professional and pay equality between men and women for similar jobs in terms of hiring as well as career development.

Indicators for Law no. 2010-788 on the national commitment to the environment	**2014 data**
- encourage the employment and integration of disabled individuals; - fight against discrimination and promote diversity.	The Company guarantees equal treatment for individuals with similar qualifications and length of service with regard to promotion opportunities, career progression and access to professional training. On request, any member of staff can meet with the Company's management in order to review any problems that could arise in assessing this equality of treatment. A reasoned response is provided within one month. Having less than 20 employees, CRH is not subject to the requirement to employ and integrate disabled people. The Company refrains from all forms of discrimination and promotes diversity whenever it can.
2. Environmental information: a) General policy on environmental matters: The Company's policy for taking into account environmental issues and, where applicable, assessment and certification approaches on environmental matters.	In accordance with the arrangements introduced by Article 225 of Grenelle 2 law and set out in the decree of May 13, 2013, CRH has had its labor, social and environmental data for 2014 audited by an independent third-party body. In addition, Management encourages its employees to adopt environmentally-aware behavior within the Company.
Training and informing employees on matters concerning environmental protection.	No doubt due to the limited number of employees, employees have readily complied with environmental issues without the Company having to implement initiatives to heighten awareness of such matters.
Amount of provisions and guarantees for risks on environmental matters.	Not relevant in terms of direct impacts given the nature of the Company's business.
b) Pollution and waste management:	
Prevention of production, recycling and elimination of waste.	As a financial sector company, the main raw material consumed is paper. Two initiatives have been implemented to limit the volume used: - widespread use of both sides of the paper, - production of major publications in paperless form. Employees have implemented an ongoing initiative for selective sorting to facilitate the recycling of water bottles, magazines, newspapers and small boxes. Toner cartridges are returned to the supplier. Obsolete office equipment is taken to the waste disposal site.
Preventing, reducing and redressing emissions into the air, water and soil seriously affecting the environment.	Given the nature of its business, the Company does not emit any greenhouse gases other than CO_2 and creates no polluting impact in the water or soil. Its premises are not air-conditioned. The Company has not carried out a carbon assessment. The Company promotes the use of public transport both for home/work travel and business trips for its employees.

Indicators for Law no. 2010-788 on the national commitment to the environment	2014 data
Taking into account noise pollution and, where applicable, any other form of pollution specific to an activity.	Not relevant in terms of direct impacts given the nature of the Company's business.
c) Sustainable use of resources:	
Water consumption	Due to the absence of separate water meters, we are unable to ascertain the Company's water usage. However, given the nature of its business and its small workforce, water consumption is limited.
Consumption of raw materials.	Paper is the main raw material used in the Company. The majority of the paper used has been awarded the European Union's Ecolabel. Approximately 90,000 sheets were used in 2014.
Energy consumption	Due to the absence of separate power meters, we are unable to ascertain the Company's energy usage. However, given the nature of its business and its small workforce, energy consumption is limited.
Use of soils.	Not relevant in terms of direct impacts given the nature of the Company's business.
d) Contribution to changes in behavior and the fight against global warming:	
Greenhouse gas emissions.	Not relevant in terms of direct impacts given the nature of the Company's business.
Taking into account the impacts of climate change.	Not relevant in terms of direct impacts given the nature of the Company's business.
e) Protection of biodiversity	
	The Company does not own, rent or manage any sites in or near any protected areas or zones rich in biodiversity outside these protected areas.
3. Social information:	
a) Territorial, economic and social impact of the business.	Not relevant in terms of direct impacts given the nature of the Company's business.
b) Relations with stakeholders.	The Company's By-laws provide for dilution of the voting rights attached to the stock units in order to preserve its independence in relation to the stockholders. Furthermore, there are no conflicts of interest with other stakeholders. The Company was not involved in any sponsorship activities in 2014.
c) Sub-contracting and suppliers and social and environmental responsibility in relations with such parties.	Recourse to sub-contracting is restricted to a few printing, envelope stuffing, archiving, cleaning and maintenance tasks entrusted to companies exercising their business in France. Non-compliance with social regulations is covered by a breach of contract clause.
d) Fair practices: - prevention of corruption;	No incidents of corruption have ever been identified within the Company.

Indicators for Law no. 2010-788 on the national commitment to the environment	**2014 data**
- measures promoting the health and safety of consumers.	Keen to protect its reputation from any trading of favors by its employees when controlling its guarantees at borrowing establishments, the Company has adopted good practice principles for on-site controls. More generally, as a credit institution, the Company has implemented all legislative and regulatory provisions concerning the fight against money laundering and the financing of terrorism, notably concerning staff training. The Company has appointed two TRACFIN correspondents. The Company’s business has no direct impact on the health and safety of consumers,
e) Actions promoting human rights.	The Company advocates respect for human rights.

REPORT OF THE INDEPENDENT AUDITORS

ON THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2014

To the Stockholders,

In accordance with the terms of our appointment by your Stockholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of **Caisse de Refinancement de l'Habitat SA;**
- the basis of our opinion;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on the financial statements based on our audit.

1 OPINION ON THE FINANCIAL STATEMENTS

We performed our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit so as to obtain reasonable assurance that the financial statements are free from any material misstatement. An audit involves the verification, using sampling or other methods of testing, of evidence supporting the amounts and disclosures in the financial statements. It also involves an assessment of the accounting principles used and significant estimates made by management, as well as an evaluation of the overall presentation of the financial statements. We believe that our audit procedures provide a reasonable basis for the opinion expressed below.

In our opinion, the financial statements present a true and fair view of the Company's financial position and its assets and liabilities at December 31, 2014 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

2 THE BASIS FOR OUR OPINION

In compliance with the provisions of Article L. 823-9 of the French Commercial Code regarding the basis of our opinion, we hereby inform you that our assessments focused on the appropriateness of the accounting principles applied and on the reasonableness of significant estimates used for the preparation of the financial statements, in particular as regards securities transactions (see Note 2-C of the notes to the financial statements).
The assessments we made of these items form part of the framework of our audit approach to the financial statements as a whole and therefore contributed to the opinion expressed in the first part of this report.

SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by law, in accordance with professional standards applicable in France.

We have no comments to make regarding the accuracy and consistency with the financial statements of the information provided in the management report of the Board of Directors and in the documents issued to the stockholders with respect to the Company's financial position and financial statements.

As regards the information provided in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code on the compensation paid and benefits awarded to the corporate officers as well as commitments given in their favor, we have verified that it is consistent with the financial statements or the data used to prepare said financial statements and, where relevant, with the information obtained by your Company from the companies controlling your Company or controlled by it. On the basis of this work we are able to affirm the accuracy and reliability of such information.

Paris la Défense and Paris, March 3, 2015

The Independent Auditors

KPMG Audit
A division of KPMG SA
Represented by
Marie-Christine JOLYS
Partner

AUDITEURS & CONSEILS ASSOCIÉS SA
Member of Nexia International
Represented by
Olivier LELONG
Partner

SPECIAL REPORT OF THE INDEPENDENT AUDITORS

ON THE REGULATED AGREEMENTS AND COMMITMENTS

Stockholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014

To the Stockholders,

In our capacity as independent auditors of your company, we present to you our report on the regulated agreements and commitments.

Our role is to inform you, on the basis of the information provided to us, of the key features, terms and conditions of the agreements and commitments of which we have been informed or of which we have become aware during the performance of our work. It is not our responsibility to express an opinion on the usefulness and advisability of such agreements and commitments or to ascertain whether any other agreements or commitments exist. It is your duty, pursuant to the provisions of Article R. 225-31 of the French Commercial Code, to assess the interest of such agreements and commitments with a view to their approval.

In addition, it is our responsibility, where relevant, to provide you with the information prescribed by Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of the agreements and commitments already approved by the Stockholders' Meeting.

We performed the due diligence procedures that we deemed necessary to comply with the professional standards of the French national institute of independent auditors (*Compagnie Nationale des Commissaires aux Comptes*) in relation to this assignment. Those procedures involved verifying the consistency of information provided to us with source documentation.

1. Agreements and commitments submitted for approval by the Stockholders' Meeting

Agreements and commitments authorized during the year under review

We inform you that we have not been advised of any agreements or commitments authorized during the year under review to be submitted to the Stockholders' Meeting for approval under the provisions of Article L. 225-38 of the French Commercial Code.

2. Agreements and commitments already approved by the Stockholders' Meeting

Agreements and commitments approved during earlier fiscal years and which remained in force during the year under review

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed of the following agreements and commitments which have already been approved by Stockholders' Meetings in previous fiscal years and which remained in force during the year under review.

- **Agreement with the Société de Financement de l'Economie Française (SFEF)**

Under the terms of this agreement, your Company agrees to make available to the Société de Financement de l'Economie Française (SFEF) the technical and human resources needed to monitor and control its activities.

Your Company recognized income totaling EUR 192,000 excluding taxes in respect of this agreement.

- **Corporate officer liability insurance contract taken out with Chubb Insurance Company of Europe S.A.**

This contract covers liability for damages that a corporate officer of your Company would be required to pay as a result of a claim against him for misconduct or negligence. The maximum cover under this contract is EUR 3,000,000.

Your Company recognized as an expense the net annual premium in respect of this contract of EUR 4,948.60.

Paris La Défense and Paris, March 3, 2015

The Independent Auditors

KPMG Audit	**AUDITEURS & CONSEILS ASSOCIÉS SA**
A division of KPMG SA	Member of Nexia International
Represented by	Represented by
Marie-Christine JOLYS	Olivier LELONG
Partner	Partner

REPORT OF THE INDEPENDENT AUDITORS
(PREPARED IN APPLICATION OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE) ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY CAISSE DE REFINANCEMENT DE L'HABITAT

For the fiscal year ended December 31, 2014

To the stockholders,

In our capacity as independent auditors of the Company Caisse de Refinancement de l'Habitat and in application of the provisions of Article L. 225-235 of the French Commercial Code, we present our report on the report prepared by the Chairman of your Company for the year ended December 31, 2014 in accordance with the requirements of Article L. 225-37 of the French Commercial Code.

It is the Chairman's responsibility to prepare and submit a report for the Board of Directors' approval on the internal control and risk management procedures in place at the Company and which provides the other information required by Article L. 225-37 of the French Commercial Code on, in particular, its corporate governance procedures.

Our responsibility is:

- to provide you with comments on the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- to attest that the report includes all other information required under Article L. 225-37 of the French Commercial Code, although it is not our responsibility to verify the accuracy of this other information.

We conducted our work in accordance with professional standards generally accepted in France.

1. Information about the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The relevant professional standards require that we plan and perform our work so as to be able to assess whether the information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the Chairman's report is presented fairly. Such work consists in particular of:

- familiarizing ourselves with the internal control and risk management procedures relating to the preparation and processing of accounting and financial information supporting the information presented in the Chairman's report as well as the existing documentation;
- familiarizing ourselves with the work supporting the preparation of this information and the existing documentation;

- determining whether any major deficiencies in the internal control procedures relating to the preparation and processing of accounting and financial information that we discovered when carrying out our audit work have been appropriately disclosed in the Chairman’s report.

Based on our work, we have no comments to make on the information concerning the Company’s internal control and risk management procedures relating to the preparation and processing of accounting and financial information, as contained in the report of the Chairman of the Board of Directors, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

2. Other information

We attest that the report of the Chairman of the Board of Directors includes the other information required under Article L. 225-37 of the French Commercial Code.

Paris La Défense and Paris, March 3, 2015

The Independent Auditors

KPMG Audit
A division of KPMG SA
Represented by
Marie-Christine JOLYS
Partner

AUDITEURS & CONSEILS ASSOCIÉS SA
Member of Nexia International
Represented by
Olivier LELONG
Partner

REPORT OF THE INDEPENDENT AUDITOR,
THE DESIGNATED INDEPENDENT THIRD-PARTY BODY,
ON THE LABOR, ENVIRONMENTAL AND SOCIAL INFORMATION
CONTAINED IN THE MANAGEMENT REPORT

For the fiscal year ended December 31, 2014

To the Stockholders,

In our capacity as independent auditors (the designated independent third-party body) of Caisse de Refinancement de l'Habitat, accredited by COFRAC under number 3-1049[1], we hereby present our report on the labor, environmental and social information for the year ended December 31, 2014 disclosed in the management report (hereinafter the "CSR Information") pursuant to the requirements of Article L. 225-102-1 of the French Commercial Code.

Management's responsibility

The Board of Directors is responsible for preparing a management report including the CSR Information as required by Article R. 225-105-1 of the French Commercial Code, drawn up in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), a summary of which appears in the management report and is available on request from the Company's registered office.

Independence and quality control

Our independence is defined by regulations, our professional code of ethics and Article L. 822-11 of the French Commercial Code. In addition, we have established a system of quality control including documented policies and procedures to ensure compliance with rules of conduct, professional standards and applicable legal and regulatory requirements.

Independent auditor's responsibility

Our role, based on our work, is to:

- certify that the required CSR Information is present in the management report or, if not, that an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (attestation of presentation of CSR Information);

- draw a conclusion expressing limited assurance as to whether the CSR Information, as a whole, has been provided, in all material aspects, in accordance with the Guidelines (reasoned opinion on the accuracy of the CSR Information).

Our work, which took approximately one week to complete, was carried out by a team of five employees during December 2014 and January 2015. We called upon our CSR experts to assist us in the performance of our work.

We conducted the work described below in accordance with the professional standards applicable in France, with the French decree dated May 13, 2013 laying down the terms under which independent third-party bodies perform their audits and with international standard ISAE 3000[2] regarding the reasoned opinion on the accuracy of CSR Information.

[1] The scope of which is available on the www.cofrac.fr website
[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

1. Attestation of presentation of CSR Information

We examined, based on interviews with the heads of the departments concerned, the presentation of guidelines for sustainable development based on the labor and environmental consequences of the Company's activities and its social commitments and, where appropriate, activities or programs arising therefrom;

We compared the CSR Information provided in the management report against the list set out in Article R. 225-105-1 of the French Commercial Code;

- Where certain information was not provided, we verified that an appropriate explanation was given in accordance with paragraph 3 of Article R. 225-105 of the French Commercial Code;

Based on this work and bearing in mind the limitations referred to above, we certify that the required CSR Information has been provided in the management report.

2. Reasoned opinion on the accuracy of CSR information

Nature and scope of our work

We conducted interviews with the persons responsible for preparing the CSR Information in the departments in charge of information gathering processes and, where relevant, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of relevance, completeness, reliability, neutrality and clarity, taking into consideration, where applicable, best industry practice;
- verify that the Company has established a process for collecting, compiling, processing and checking the Information to ensure that it is complete and consistent, and review internal control and risk management procedures relating to the preparation of CSR Information.

We determined the nature and scope of our tests and controls in light of the nature and importance of CSR Information with regard to the characteristics of the Company, the labor and environmental issues associated with its activities, its policies in the area of sustainable development and best industry practice.

Regarding the CSR Information that we considered to be the most important[3]:

- we consulted the documentary sources and conducted interviews to corroborate qualitative information (organization, policies, initiatives), we applied analytical procedures to the quantitative information and verified, based on sampling techniques, the calculations and we verified its consistency and compatibility with the other information contained in the management report;

- we conducted interviews to verify that the procedures were correctly applied and to identify any omissions and we performed detailed tests using sampling techniques, consisting of verifying the calculations made and reconciling the data with the supporting documents. The sample selected represented 100% of the workforce and 100% of the quantitative environmental information.

[3] Labor indicators: Headcount at end of period, Breakdown of workforce by age bracket, Female employees, Number of departures, Number of recruitments, Number of annual workdays per employee, Absenteeism, Number of training hours, Percentage of payroll spent on training. Environmental indicators: Paper consumption.

We assessed the consistency of the other CSR Information based on our knowledge of the Company.

Finally, we assessed the appropriateness of the explanations provided, if applicable, for any information fully or partially omitted.

We believe that the sampling techniques and sample sizes that we have selected based on our professional judgment allow us to formulate an opinion with a limited level of assurance; a greater level of assurance would have required a more extensive audit. Owing to the use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the possibility that a material misstatement in the CSR Information may not be detected cannot be completely eliminated.

Conclusion

Based on our work, we did not identify any material misstatements that would cause us to believe that the CSR Information, taken as a whole, is not fairly presented, in accordance with the Guidelines.

Paris La Défense, March 3, 2015

KPMG Audit
A division of KPMG SA

Philippe ARNAUD
Partner
Department of Climate Change & Sustainable Development

Marie-Christine JOLYS
Partner

CHAPTER 1

RESPONSIBILITIES

1.1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Henry RAYMOND, Chairman and Chief Executive Officer of CRH.

1.2. STATEMENT OF THE PERSON RESPONSIBLE

I certify, after having taken all reasonable steps to ensure that this is the case, that the information contained in this registration document is, to the best of my knowledge, accurate and that there have been no omissions which would affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the financial position, assets and liabilities and net income of the Company and that the management report included on page 7 gives an accurate overview of the business, results and financial position of the Company as well as a description of the main risks and uncertainties it faces.

I have obtained a post-audit report from the independent auditors in which they indicate that they have examined the information on the financial position and the financial statements as presented in this document and that they have read the entire registration document.

Paris, *March 26, 2015*

Director - Chief Executive Officer
Henry RAYMOND

CHAPTER 2

INDEPENDENT AUDITORS

2.1. INDEPENDENT AUDITORS

2.1.1. Independent auditors

1) AUDITEURS & CONSEILS ASSOCIÉS SA
NEXIA International
Member of the Paris regional institute of independent auditors

Address:	31 rue Henri Rochefort, 75017 Paris
Represented by:	Laurent CAZEBONNE
Dates of appointment:	Initially appointed on April 16, 1991, renewed on March 4, 1997, March 4, 2003, March 3, 2009 and March 17, 2015.
Term of office:	The present six-year term expires in 2021, at the end of the Stockholders' Regular Meeting called to approve the financial statements for the year ending December 31, 2020.

2) KPMG SA
Member of the Versailles regional institute of independent auditors

Address:	1 cours Valmy 92923 Paris La Défense Cedex
Represented by:	Marie-Christine JOLYS
Dates of appointment:	Initially appointed on April 16, 1991, renewed on March 4, 1997, March 4, 2003, March 3, 2009 and March 17, 2015.
Term of office:	The present six-year term expires in 2021, at the end of the Stockholders' Regular Meeting called to approve the financial statements for the year ending December 31, 2020.

2.1.2. Alternate independent auditors

1) PIMPANEAU & ASSOCIÉS SA
Alternate independent auditor for AUDITEURS & CONSEILS ASSOCIES SA
Member of the Paris regional institute of independent auditors

Address:	31 rue Henri Rochefort, 75017 PARIS
Represented by:	Olivier JURAMIE
Date of appointment:	Appointed on March 17, 2015.
Term of office:	The present six-year term expires in 2021, at the end of the Stockholders' Regular Meeting called to approve the financial statements for the year ending December 31, 2020.

2) KPMG AUDIT FS I

Alternate independent auditor for KPMG SA
Member of the Versailles regional institute of independent auditors

Address:	3 cours du Triangle 92939 Paris La Défense Cedex
Date of appointment	Appointed on March 17, 2015.
Represented by:	Isabelle GOALEC
Term of office:	The present six-year term expires in 2021, at the end of the Stockholders' Regular Meeting called to approve the financial statements for the year ending December 31, 2020.

2.1.3. Fees paid to the independent auditors and members of their organizations in respect of the fiscal years ended December 31, 2014 and 2013

(EUR thousands)

	Auditeurs & Conseils Associés				KPMG Audit – Division of KPMG SA			
	Amount *		%		Amount *		%	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Audit								
- Statutory audit, certification, review of individual and consolidated financial statements	30	30	88	97	30	30	75	75
- Certification of the report on labor, social and environmental transparency	0	0	0	0	8	10	20	25
- Audit-related services	4	1	12	3	2	0	5	0
Other services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Amounts include all taxes, charges and outlays*

2.2. INDEPENDENT AUDITORS RESIGNING OR REMOVED

Not applicable.

CHAPTER 3

RISK FACTORS

(AMF interpretation no. 2 on the preparation of registration documents)

CRH believes that the risk factors discussed below could potentially affect its ability to meet its obligations on issued bonds. Most of these factors are linked to events that may or may not occur. CRH makes no claim that the risk factors listed below are exhaustive. CRH is not in a position to express an opinion as to the probability of occurrence of these events. Potential investors should also read the other detailed information in the related prospectus and reach their own conclusions prior to making an investment decision.

3.1. ISSUER RISK FACTORS:

Since CRH's sole purpose is to refinance home-purchase loans granted by credit institutions, to the issuer's knowledge, credit risk and regulatory risk are the most significant risks.

CREDIT RISK

3.1.1. Credit risk

An institution's credit risk results from the uncertainty as to the ability or intention of its counterparties to fulfill their obligations towards it. It is the main subject of the stress testing applied to CRH.

CRH's risk exposure relates to only a limited number of credit institutions, the majority of which are now under the direct supervision of the ECB. These exposures correspond mainly to loans guaranteed in connection with refinancing operations and, on an ancillary basis, stockholders' equity investment operations.

The loans corresponding to refinancing operations are represented by mortgage notes, are guaranteed for at least 125% of their nominal amount by a specific pledge of receivables governed by the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code and relating solely to home-purchase loans in France.

In the event of an institution defaulting, these statutory provisions enable CRH to automatically become the owner of the loan portfolio pledged by that institution, notwithstanding any provisions to the contrary.

In connection with the coming into force of Regulation (EU) no. 575/2013 on January 1, 2014, CRH appointed recognized external valuation experts to carry out an external credit assessment of the mortgage notes. As at December 31, 2014, the nominal value of the notes thus rated came to more than 90% of the outstanding notes, all the ratings corresponding to credit quality step 1.

a) Breakdown of commitments

(EUR thousands)

Exposures to credit risk	Dec. 31, 2013		Dec. 31, 2014	
	Balance sheet	**Doubtful rate**	**Balance sheet**	**Doubtful rate**
Mortgage notes	52,628,334	0%	48,514,374	0%
Negotiable debt instruments	60,310	0%	60,123	0%
Demand deposits, term deposits	444,728	0%	506,312	0%
Other receivables (recharges, etc.)	0	0%	0	0%
Total exposures to credit institutions	**53,133,372**	**0%**	**49,080,809**	**0%**
Exposures to the central bank	**1**	0%	**1**	0%
Exposures to the public sector	**68**	0%	**42**	0%
Other exposures	**63**	0%	**60**	0%
Total exposures to credit risk	**53,133,504**	**0%**	**49,080,912**	**0%**
Equity holdings, other long-term securities, fixed assets and prepayments and accrued income	**197**		**167**	
Total assets	**53,133,701**		**49,081,079**	

As regards off-balance sheet commitments, there were no commitments given at the year end.

(EUR thousands)

Geographic breakdown of exposures	Dec. 31, 2013		Dec. 31, 2014	
	Balance sheet	**%**	**Balance sheet**	**%**
France	53,133,504	100	49,080,912	100

A breakdown of outstanding loans between the main borrowing institutions is provided in Section 5.2.2 of Chapter 5, page 71.

A breakdown of mortgage notes, negotiable debt instruments and term deposits by residual maturity is provided in Chapter 11, Note 4 to the financial statements, on page 101.

b) Transaction selection process

Each borrower must be subject to prior approval by the Board of Directors. Such authorization may be subject to specific terms and conditions.

Rules concerning the granting of loans have been drawn up by the Board of Directors:

- Lending decisions must take into account the institution's rating (determined by the level of its equity, its profitability, stockholder structure and credit rating) and the characteristics of the loan portfolio due to be refinanced.

- The amount of the loan is limited to a level such that the institution should be able to cover the loan granted without difficulty until its final maturity, assuming no further new lending and an average annual early repayment rate.

- To avoid an excessive concentration of CRH's commitments with a single institution, and despite the effective pledging of a cover pool, the proportion of CRH's total lending that may be made to any one institution is capped at 40%.

- The following are also regularly monitored:

  - CRH's new loans as a percentage of the borrowing institution's annual new borrowing,

  - CRH's loans as a percentage of the total assets of the borrowing institution and of the amount of its stockholders' equity,

  - CRH's loans to the borrowing institution as a percentage of the amounts reported by the latter to the ACPR,

  - the ratio of liabilities covered (including CRH loans) to the total assets of the borrowing institutions.

- The actual decision as to whether or not to lend to an institution is taken by CRH's General Management.

c) Credit risk mitigation mechanism

The aim of pledging home-purchase loans in France, up to at least 125% of the nominal amount of the mortgage notes if the loans provided as collateral are fixed-rate loans and 150% if the loans provided as collateral are variable-rate loans, is to enable CRH to fully protect itself against credit risk.

These loans must themselves be secured by a first residential mortgage or charge over real estate offering an equivalent guarantee, or a guarantee given by a credit institution or insurance company with capital stock in excess of EUR 12 million which is not included in the consolidation scope of the institution to which the CRH loan is granted.

The criteria for selecting loans provided as collateral are governed by the provisions applicable to SCF (*Sociétés de Crédit Foncier*: French mortgage loan companies compliant with specific regulations), unless more stringent provisions have been defined by CRH. Thus, for each loan, restrictions have been introduced concerning residual maturity, which must be less than 25 years, and amount, which must not exceed EUR 1 million.

The provisions of Article L. 313-49 of the French Monetary and Financial Code provide for a specific check by the ACPR. At the same time, CRH's Inspection Department carries out its own verifications. If ineligible loans are detected, the amount of the pledged loans portfolio must be increased accordingly.

.

(EUR billions)

Year	Mortgage notes (balance sheet value)	Amount of cover pool		Overcollateralization rate	
		Gross	Net *	Gross	Net *
2013	51.6	73.9	68.2	43%	32%
2014	47.8	68.6	63.0	44%	32%

* Estimated amount of cover pool excluding ineligible loans

d) Use of credit derivatives

CRH does not use credit derivatives.

e) Investment of stockholders' equity

CRH's stockholders' equity was originally invested in demand deposits with an interest rate close to the daily money market rate. However, an active investment management approach is now adopted, albeit a very conservative one, as shown in the analysis tables below (which exclude accrued interest):

(EUR thousands)

Breakdown by type of investment	Dec. 31, 2013		Dec. 31, 2014	
	Balance sheet	%	Balance sheet	%
Demand deposits	59,550	11.83	57,652	10.20
Term deposits	384,040	76.26	447,722	79.19
Negotiable debt instruments	60,000	11.91	60,000	10.61
Total	**503,590**	**100.00**	**565,374**	**100.00**

Breakdown by counterparty	Dec. 31, 2013				Dec. 31, 2014			
	Number	Highest	Lowest	Average	Number	Highest	Lowest	Average
Credit institutions	5	25.02%	2.29%	23.94%	5	25.13%	2.05%	24.04%

Breakdown by external rating at December 31, 2014

Standard & Poor's					Moody's							Fitch Ratings				
ST	LT	ST	LT	*N/A*	ST	LT	ST	LT	ST	LT	*N/A*	ST	LT	ST	LT	*N/A*
A-1	*A+*	*A-1*	*A*		*P-1*	*Aa3*	*P-1*	*A1*	*P-1*	*A2*		*F1*	*A+*	*F1*	*A*	
23.75%		74.20%		2.05%	25.10%		23.75%		49.10%		2.05%	48.85%		49.10%		2.05%

(EUR thousands)

Initial term of investments excluding demand deposits and accrued interest	Dec. 31, 2013	Dec. 31, 2014
Three months or less	10,229	7,069
Three to six months	3,811	13,811
Six months to one year	40,000	41,842
One to two years	20,000	10,000
Two to three years	290,000	345,000
Over three years	80,000	90,000
Total	**444,040**	**507,722**

Fixed rate/variable rate breakdown	Dec. 31, 2013	Dec. 31, 2014
Fixed rate	20%	16%
Variable rate*	80%	84%
Total	100%	100%

* EONIA or 3-month Euribor only

Average annual yield	**2013**: 1.13%	**2014:** 0.79%

MARKET RISK

3.1.2. Interest rate risk

In accordance with its By-laws and internal rules and regulations, CRH borrowings and loans are perfectly matched in terms of interest rate and term. In addition, CRH requires that portfolios of pledged receivables that may therefore become its property in the event of borrower default also have the same interest rates and maturities as the related loans.

Furthermore, the minimum loan coverage of 125% imposed by CRH on its borrowers shields the Company to a large extent from any residual interest rate risk.

CRH has no market activities and its By-laws, which were amended in August 1999, forbid it from carrying out any activity that is not in strict accordance with its sole corporate purpose.

CRH's income corresponds to a balance between proceeds from the investment of stockholders' equity on the money market on one side and general and administrative expenses and interest on subordinated loans extended by stockholders on the other. A decrease in money market rates leads directly to a decrease in income and vice versa.

(EUR thousands)

As at 12/31/2014	**Impact on pre-tax income**
Impact of a 1% increase in interest rates	+ 4,690
Impact of a 1% decrease in interest rates	- 339

However, the current conditions under which CRH operates do not expose it to interest rate risk on its refinancing activities.

(EUR thousands)

Residual maturity at Dec. 31, 2014	**Included in assets: mortgage notes (a)**		**Included in liabilities: bonds (b)**		**Net exposure before coverage (c) = (a) – (b)**	
	Fixed rate	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
One year or less	6,215,573	0	6,215,573	0	0	0
One to two years	2,802,961	0	2,802,961	0	0	0
Two to five years	15,338,766	0	15,338,766	0	0	0
Over five years	23,134,660	0	23,134,660	0	0	0
Total	**47,491,960**	**0**	**47,491,960**	**0**	**0**	**0**

3.1.3. Foreign exchange risk

CRH generally has no activity in foreign currencies. However, since 2010, it has issued borrowings in Swiss francs (CHF) as well as in euros. This type of transaction does not expose CRH to any foreign exchange risk since it borrows in CHF, lends in CHF and receives, in the cover pool of loans it grants, loans in CHF.

(EUR thousands)

At Dec. 31, 2014	Included in assets: mortgage notes (a)	Included in liabilities: bonds (b)	Foreign currency commitments (c)	Net position before coverage (d) = (a) – (b) +/- (c)
EUR	45,549,945	45,549,945	0	0
CHF	1,942,015	1,942,015	0	0
Total	**47,491,960**	**47,491,960**	**0**	**0**

Fiscal year 2014	Impact on pre-tax income	
	10% increase	10% decrease
CHF	0	0

3.1.4. Equity risk

CRH’s By-laws prohibit it from buying equities. Similarly, CRH does not buy or sell on the credit derivatives market.

3.1.5. Liquidity risk

Under normal circumstances, due to its sole activity and the perfect matching in terms of maturity, interest rate and currency of the mortgage notes on the assets side of its balance sheet and the bonds on the liabilities side, CRH is not exposed to liquidity risk.

In the event of borrower default on maturity of a loan, the provisions of the Company’s internal rules and regulations and its By-laws, which were amended to this effect in 1995 and 1999, enable CRH to call on its stockholders for cash advances equivalent to the amounts required for its operations. Such cash advances may not exceed 5% of the total loans outstanding.

If the amounts necessary for its operations exceed this limit, which would only happen if, in the medium term, one or two of the major French borrowing banks defaulted, the Governor of the Banque de France, who is also the Chairman of the APCR, could, pursuant to Article L. 511-42 of the French Monetary and Financial Code, call on the other stockholder banks to pay the shortfall. The stockholders are, in any event, required to contribute to CRH the equity required under the banking regulations.

The table providing a breakdown of mortgage notes and bonds by residual maturity, included in Chapter 11, Note 4 to the 2014 financial statements on page 101, illustrates this perfect matching.

CRH, in its capacity as a credit institution, is subject to the LCR reporting requirements of the ACPR and will soon be subject to those of the European Central Bank

In this regard, the provisions of Article 425-1 of Regulation (EU) no. 575/2013 of June 26, 2013 give CRH exemption from the 75% cap on cash outflows corresponding to the servicing of its bonds, with cash inflows corresponding to the mortgage notes.

Normally:

- funds corresponding to interest payments on euro mortgage notes are received on the interest due date of the euro bonds with the same maturity and interest rate,

- funds corresponding to interest payments on Swiss franc mortgage notes are received on the business day preceding the interest due date of the Swiss franc bonds with the same maturity and interest rate,

- funds corresponding to the final maturities of euro and Swiss franc mortgage notes (principal and interest) are received five business days before the due date for repayment of the euro bonds and Swiss franc bonds with the same maturity and interest rate,

- funds received before maturity are deposited with the central bank or used in collateralized resale agreements of French government securities pending maturity,

- in addition, CRH usually maintains approximately EUR 60 million of readily available liquidity to enable it to meet ad-hoc liquidity requirements, notably intra-day requirements.

It is specified that CRH's bond issue agreements do not contain any default provisions, early repayment provisions or covenants.

INDUSTRIAL AND ENVIRONMENTAL RISKS

3.1.6. Industrial and environmental risks

Not applicable.

LEGAL RISKS

3.1.7. Legal risks

3.1.7. 1. Overall legal risks

CRH operates in such a manner that it is not exposed to intellectual property or product marketing risks.

The legal risk associated with CRH's operations has in the past been widely audited internally by the risk committee and the rating agencies, and is still subject to regular review by CRH with the assistance of eminent legal experts.

At CRH'S request, specific provisions were added to the French Savings and Financial Security Law (*la loi Épargne et Sécurité Financière*) of June 25, 1999 to eliminate any uncertainty as to CRH's ownership rights over receivables pledged in the event a borrower files for protection from creditors.

Furthermore, the validity of the surety granted to CRH by borrowing institutions is regularly verified through controls carried out on a test basis by the CRH audit and inspection department.

In order to avoid any conflict of laws, CRH does not accept otherwise eligible loans extended in other European Union countries.

3.1.7. 2. Regulatory risks

The implementation of the new European Capital Requirements Regulation, which came into force on January 1, 2014, has hindered CRH's operations.

Indeed, these measures mainly concern deposit or investment banks and are therefore poorly adapted to the specific nature of CRH. In particular, they are not appropriate for the specific features of the French home financing market, which mainly comprises five or six banking groups. CRH raised these issues with the authorities at the beginning of 2011 and initiated a dialogue with the French Treasury Department and the ACPR.

Nevertheless, CRH's regulatory status should not affect its ability to meet its obligations on issued bonds:

- Debt servicing is economically ensured by CRH's borrowing banks and CRH does not take any margin on its operations.

- The bonds issued retain their European covered bond status.

In view of the size of its balance sheet, CRH was included in the list of significant credit institutions under the direct supervision of the ECB at the beginning of November 2014. It was subjected to the European Banking Authority's stress testing process.

OPERATING RISKS

3.1.8. Operating Risks

Since its formation in 1985, CRH has never suffered any events giving rise to operating risks and has never therefore recognized any operating losses. Its highly-specialized activity, which has modest requirements in terms of technical and human resources, enables it to be extremely adaptable to all types of unforeseen circumstances or events. Similarly, CRH benefits from the infrastructure put in place by its counterparties, being mostly major French credit institutions.

In 2009, CRH introduced a new procedure for servicing its debt, using the services of Banque de France and Euroclear. This procedure greatly reduced operating risks by automating the settlement of amounts due to bondholders, thereby enabling CRH to focus fully on monitoring the timely receipt of amounts due from borrowers.

As indicated in the Chairman's report on internal control, CRH recently moved to a new service provider to further strengthen its security.

INTERNAL CONTROL

3.2. INTERNAL CONTROL: (see page 21 for the report of the Chairman of the Board of Directors on internal control and corporate governance)

In accordance with Regulation no. 97-02 of the CRBF (French Banking and Financial Regulatory Committee) a report on CRH's internal control system is regularly submitted to the Board of Directors.

Internal control is also the responsibility of the audit committee. The audit committee's terms of reference are to assist the Board of Directors in ensuring the quality of CRH's internal control system and the accuracy of the financial information provided to stockholders.

The internal control system is tailored to CRH's particular circumstances:

- above all else, it is important to highlight the transparency of CRH's transactions giving rise to the preparation of a prospectus and which are summarized in this document;

- its transactions are limited strictly to its corporate purpose;

- its transactions are codified by its internal rules and regulations, which are approved by stockholders and published in this document;

- it has neither foreign activities nor any subsidiaries;

- because it has a small number of employees, responsibility for monitoring the consistency and effectiveness of the internal control system lies with General Management.

In addition, CRH's internal rules and regulations require CRH's departments to be audited regularly by the audit and inspection departments of its stockholders.

CHAPTER 4

INFORMATION ABOUT THE ISSUER

4.1. HISTORICAL INFORMATION, RECENT DEVELOPMENTS, APPLICABLE LAW

4.1.1. Corporate name

Since August 10, 1999 the Company's corporate name has been "C.R.H. – Caisse de Refinancement de l'Habitat." Previously, the corporate name was "Caisse de Refinancement Hypothécaire."

The Company is usually referred to as "CRH," a trademark registered with INPI, the French trademarks and patents office, on February 23, 1999 under no. 99777102, renewed on September 29, 2008.

4.1.2. Corporate registration

In Paris, under number: 333 614 980 – A.P.E.: 6492Z.

4.1.3. Date of formation and duration

The Company is established for a period of 99 years beginning on October 8, 1985.

4.1.4. Registered office – Legal form – Applicable law – Other provisions of the By-laws – General information concerning the Company's capital stock

4.1.4.1. Registered office

CRH's registered office is located at 35 rue La Boétie, 75008 Paris, France.
Telephone: + 33 (0)1 42 89 49 10 – Fax: + 33 (0)1 42 89 29 67 - Website: http://www.crh-bonds.com – e-mail address: crh@crh-bonds.com.

4.1.4.2. Legal form

Caisse de Refinancement de l'Habitat (CRH), a French corporation (*société anonyme*), is a specialized credit institution. Upon its formation, it was licensed to operate as a specialized financial company (*société financière spécialisée*) by virtue of the decision taken on September 16, 1985 by the French Credit Institutions Committee (*Comité des Établissements de Crédit*). CRH opted not to adopt the new status of financing company (*société de financement*) available to institutions that do not wish to be entirely governed by the regulatory framework for European credit institutions that came into force on January 1, 2014.

CRH is governed by the provisions of Articles L. 210-1 to L. 228-4 of the French Commercial Code and Articles L. 511-1 *et seq.* of the French Monetary and Financial Code.

Under the government-led mortgage market reforms, CRH received authorization under Article 13 of Law no. 85-695 of July 11, 1985 in a letter dated September 17, 1985 from the French Ministry of the Economy, Finance and the Budget.

Its By-laws are in compliance with the provisions of the New Economic Regulations Law (*loi NRE*) on the separation of the offices of Chairman and Chief Executive Officer (see Articles 15, 16 and 17 of the appended By-laws). The March 4, 2003 Board of Directors' meeting decided to separate such offices.

However, the right to appoint two separate individuals to the offices of Chairman and Chief Executive Officer is not currently used. The March 13, 2007 Board of Directors' meeting appointed a single individual to the offices of Chairman and Chief Executive Officer.

However, the ACPR, in a letter dated September 10, 2013, requested that these offices in fact be separated pursuant to the new provisions of Directive 2013/36/EU of the European Parliament and Council governing the separation of the offices of Chairman and the Chief Executive Officer. In light of the nature of the Company and the profound regulatory changes underway, on October 22, 2013, the Board of Directors unanimously decided to request that the combined offices be temporarily maintained until the end of the term of office of Mr. RAYMOND, i.e. until the Meeting called to approve the 2014 financial statements. The Board has already decided to separate these offices after the end of this term of office.

As regards corporate governance, the authorities have also requested that the senior management functions be exercised by a Chief Executive Officer and a Deputy Chief Executive Officer or, where relevant, Deputy General Manager with sufficient powers to effectively manage the institution. The Chairman of the Board of Directors is no longer authorized to exercise this function. These governance procedures will be implemented early in 2015.

4.1.4.3. Legislation and regulations

A) The laws and regulations applicable to CRH's transactions are as follows:

- Article 13 of Law no. 85-695 of July 11, 1985, as supplemented by Article 36 of Law no. 2006-872 of July 13, 2006 (see Appendix 1);

- Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code codifying the provisions of Article 16 of Law no. 69-1263 of December 31, 1969, as amended by Articles 12 and 13 of Law no. 85-695 of July 11, 1985, by Article 113 of Law no. 99-532 of June 25, 1999 and by Article 16 of Decree no. 2008-556 of June 13, 2008 (see Appendix 2);

- Article L. 513-3 paragraph I concerning SCF (*Sociétés de Crédit Foncier*: French mortgage loan companies compliant with specific regulations) (see Appendix 2);

- Article R. 214-21 of the French Monetary and Financial Code (see Appendix 3);

- Articles R. 313-20 to R. 313-25 of the French Monetary and Financial Code (see Appendix 3);

- The Decree of February 17, 2014 amending the Decree of December 23, 2013 on the application of Article 493 (3) of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms (see Appendix 3);

- Regulation no. 99-10 of the French Banking and Financial Regulatory Committee on the valuation of the financed assets to be taken into account in determining the portion of a loan that may be collateralized (see Appendix 4);

- Regulation (EU) no. 575/13 of the European Parliament and Council of June 26, 2013, hereinafter referred to as CRR;

- Directive 2013/36/EU of the European Parliament and Council of June 26, 2013.

B) CRH's position with regard to banking regulations

In December 2000, the French Banking Authority (*Commission Bancaire*) audited CRH's regulatory compliance with capital adequacy ratios (CRBF Regulation no. 91-05) and control of major risks (CRBF Regulation no. 93-05).

The French Banking Authority then confirmed that CRH's pre-existing asset ratios complied with these regulations:

- for the purposes of Regulation no. 91-05, it determined that promissory notes included in CRH's assets that comply with Article 16 of the Law of December 31, 1969 (Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code) should be subject to the same legal requirements as preferred securities issued by an SCF (French mortgage loan company compliant with specific regulations). In calculating CRH's capital adequacy ratio, they should be weighted at 10%;

- for the purposes of Regulation no. 93-05, it recommended that, pending adoption of regulatory amendments implementing the Directive of December 21, 1992, which fully exempts covered bonds and equivalent securities from the limitations applicable to major risks, CRH's regulatory compliance should be assessed with regard to the beneficiaries of the loans it refinances, as opposed to the issuers of the promissory notes it holds. The French Banking Authority took the view that CRH was therefore in compliance with the regulations governing major risks.

At the beginning of 2011, ahead of the implementation of the new European banking regulations, CRH alerted the authorities to the need to ensure that its specific nature be reflected in said regulations in the same way as the characteristics of certain foreign institutions were likely to be.

However, these new European regulations, which came into force on January 1, 2014, were specifically designed for deposit and investment banks. The new regulations, applied directly without national transposition, are therefore poorly adapted to the specific features of different European institutions.

In view of the size of its balance sheet, CRH is now a significant European credit institution.

Examining CRH's situation on December 23, 2013, the board of the ACPR decided to ask CRH to maintain a Common Equity Tier 1 (CET 1) ratio of 10%. This request was confirmed in a letter dated February 18, 2014 (see 4.1.5. below). It has now been complied with as a result of the capital increase carried out in June 2014 (see 4.1.4.5 below). This requirement is expected to be confirmed by the European banking authorities during the first quarter of 2015.

The authorities also decided to maintain the principle of treating promissory notes held by CRH in the same way as legal covered bonds (Decree of the Minister for the Economy and Finance dated February 17, 2014 published in the official journal of February 26, 2014 and ACPR letter of February 18, 2014), without prejudice to the interpretation that could be made by the European banking authorities in their efforts to obtain convergence.

In order to limit its regulatory capital requirement, CRH has asked for these notes to be rated. Those issued by three institutions were not rated at December 31, 2014.

On May 2, 2014, all the notes which CRH asked to be rated received a rating corresponding to credit quality step 1. As a result, the ACPR was asked to confirm the weighting of these notes at 10% in accordance with the provisions of Article 129 of the CRR. The ACPR was also asked to confirm the application of the provisions of the CRR (Article 496-3) enabling the weighting for the other notes to be maintained at 10% for 2014. CRH received the relevant confirmations on May 22, 2014.

As regards the treatment of the notes in the calculation of the major risks base:

- the notes issued before December 31, 2013 are excluded from the major risks base in accordance with the aforementioned ministerial decree;

- any promissory notes issued in the future, in accordance with the legal covered bond provisions, are expected to be given a weighting of 10% subject to their actual weighting remaining in the credit quality step 1.

C) Prudential recognition waiver for CRH bonds held by European credit institutions

With respect to CRH's liabilities, the French Banking Authority also determined in December 2000 that, inasmuch as holders of CRH bonds enjoy no preference over CRH's unsecured creditors, these bonds should continue to be weighted at 20% by the credit institutions which hold them and not at 10% like the preferred securities issued by an SCF (French mortgage loan company compliant with specific regulations).

Subsequently, Article 36 of Law no. 2006-872 of July 13, 2006 awarded preferential status to the bearers of CRH bonds. In accordance with the provisions of Article 13 of Law no. 85-695 of July 11, 1985, as amended by said Article 36, the amounts or values received in return for promissory notes held by CRH are now allocated, with preference and under all circumstances, to servicing the debt, i.e. the payment of the interest and principal on its bonds. This legislation also specifies that the provisions of Book VI of the French Commercial Code on distressed companies, as well as those concerning all legal or amicable proceedings filed on the basis of foreign laws, do not constitute an obstacle to the exercise of this preferential claim. This legislation took immediate effect and applies to all bonds issued previous and subsequent to the Law of July 13, 2006, with the preferential status legally established as a right in the absence of the attribution of a State guarantee.

In a letter sent to the Delegate General of the ASF on October 31, 2006, the French Banking Authority indicated that CRH's bonds are subject to a risk-adjusted weighting of 10%, as for covered bonds, and indeed appear comparable to legal covered bonds as defined in Directive 2006/48/EC (Text of the directive, Appendix 6, Part 1, Section 68).

Under the CRR, all legal covered bonds that meet the requirements of CRR Article 129 are treated equally provided their rating corresponds to credit quality step 1. The treatment of CRH bonds is therefore effectively unchanged at present in this regard.

D) Prudential recognition waiver for CRH bonds held by European mutual funds

Decree no. 2000-664 granted a waiver to CRH's bonds as provided under Article 4 of Decree no. 89-623 of September 6, 1989, corresponding to the provisions of Article 52.4 of the 1985 European UCITS directive. This waiver allows a collective investment undertaking to invest up to 25% of its assets in CRH securities (if the value of securities benefiting from this waiver does not exceed 80% of its total assets). These provisions are codified in Article R. 214-21 of the French Monetary and Financial Code (see Appendix 3).

4.1.4.4. Other provisions of the By-laws

A) Corporate purpose

CRH's corporate purpose is to:

- refinance promissory notes signed or endorsed by the stockholders or establishments committed to becoming stockholders according to the procedures set forth in Articles 6 and 8 below in order to collateralize the receivables described in Article L. 313-42 of the French Monetary and Financial Code and representing **home-purchase loans**;

- issue bonds and other securities with characteristics comparable to the collateralized notes in consideration for the mortgage notes acquired;

- in general, to enter into real estate and other transactions relating to the purpose described above or any similar or related purpose, or such as is likely to advance such purpose.

The Company may not hold an interest in or operate a business unrelated to its corporate purpose. In particular, it may not incur debt not related to this purpose except for subordinated debt to strengthen its stockholders' equity or in the event of the default of the issuer of a promissory note.

B) Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31.

C) Distribution of net income provided in the By-laws

See Article 24 of the By-laws in Appendix 5.

D) Convening of Stockholders' Meetings

See Article 20 of the By-laws in Appendix 5.

E) Attendance and representation at Stockholders' Meetings

See Article 21 of the By-laws in Appendix 5.

4.1.4.5. General information concerning the Company’s capital stock

A) Subscribed capital stock

The March 11, 2014 Combined Stockholders’ Meeting delegated to the Board of Directors the necessary powers to increase the capital stock from EUR 299,807,237.75 to a maximum amount of EUR 599,999,995.50 during the next five years in one or more transactions.

At its meeting on April 29, 2014, the Board of Directors, having discussed the matter, decided to carry out an initial capital increase in cash totaling a maximum of EUR 240,187,500 to be paid up partly through an offset against the subordinated loans granted to CRH by the stockholders and partly in cash.

On June 17, 2014, the Board of Directors recognized completion of this capital increase.

Given the number of stock units actually subscribed, i.e. 15,750,000 new stock units, the subscribed capital stock amounts to EUR 539,994,737.75, divided into 35,409,494 stock units of EUR 15.25 each.

None of these stock units has been pledged.

CRH’s stock is not listed on any stock exchange.

B) Authorized capital stock not subscribed

As of December 31, 2014, the authorized capital stock not subscribed amounted to EUR 60,005,257.75.

C) Convertible bonds and other instruments granting access to the capital stock

There are no convertible bonds or composite securities that could give their holders access to the Company’s capital stock now or in the future.

D) Changes in capital structure

See the five-year financial summary on page 19.

E) Distribution of capital stock (excerpt from Article 6 – see Appendix 5)

Capital stock is reallocated at the beginning of each year so as to ensure that each stockholder holds a percentage equal to its percentage of the total loans refinanced by CRH.

F) Dividend policy

CRH stock is allocated to stockholders in accordance with the rules described in the previous paragraph. Accordingly, there are no considerations relative to the distribution policy.

Dividends paid to stockholders are summarized in the five-year financial summary on page 19.

The dividend limitation period is five years.

4.1.5. Recent developments specific to the issuer with a material impact on the assessment of its solvency

No recent event specific to CRH has had a material impact on the assessment of its solvency since December 31, 2014.

4.2. BONDS

4.2.1. Issuance policy

CRH refinances credit institutions by issuing bonds. CRH's bond issues are governed by Article 13 of Law no. 85-695 (see Appendix 1).

Since its creation, CRH has applied a policy of “assimilation” of its bonds to establish a large pool of very liquid securities. In general, the banks that place these securities make a market for them.

With certain bond issues amounting to EUR 5 billion, CRH’s loans are among the biggest European residential mortgage-backed bond issues.

In 2014, no bonds were issued and CRH redeemed bonds amounting to EUR 4,095 million.

CRH annual issuance amounts are summarized below:

Year	Number of issues in the year	Nominal amount (EUR millions)	
1985 (4th quarter)	2	551.87	25 government-guaranteed issues totaling EUR 5,774.77 million
1986	6	1,506.20	
1987	8	1,783.65	
1988	9	1,933.05	
1988	1	152.45	212 issues without government guarantees totaling EUR 84,722.09 million
1989	6	1,184.53	
1990	8	1,219.59	
1991	10	1,829.39	
1992	8	1,387.29	
1993	11	1,585.47	
1994	1	91.47	
1995	2	266.79	
1996	2	525.95	
1997	2	304.90	
1998 [1]	6	2,143.43	
1999 [1]	12	3,055.00	
2000	9	2,553.00	
2001	9	1,384.00	
2002	9	1,798.00	
2003	8	1,802.00	
2004	9	2,560.00	
2005	10	3,050.00	
2006	12	7,655.00	
2007	14	8,325.00	
2008	6	7,400.00	
2009	15	5,050.00	
2010 [2]	17	9,201.01	
2011 [3]	14	12,132.57	
2012 [4]	6	5,530.42	
2013 [5]	5	2,534.83	
2014	0	0	
TOTAL	**237**	**90,496.86**	**90,496.86**

[1] Including the public exchange offer during the course of the year.
[2] Including the Swiss franc-denominated bond issue totaling CHF 250 million (EUR 186.01 million) settled on July 21, 2010.
[3] Including the Swiss franc-denominated bond issues settled on:
- March 29, 2011: CHF 625 million (EUR 482.36 million)
- July 12, 2011: CHF 175 million (EUR 150.21 million)
[4] Including the Swiss franc-denominated bond issues settled on:
- March 5, 2012: CHF 625 million (EUR 518.20 million)
- May 23, 2012: CHF 375 million (EUR 312.21 million)
[5] Including the Swiss franc-denominated bond issues settled on:
- March 15, 2013: CHF 200 million (EUR 162.50 million)
- June 26, 2013: CHF 150 million (EUR 122.33 million)

Since the creation of CRH, repayments have totaled EUR 42,863.03 million, bringing the total outstanding nominal amount to EUR 47,633.83 million.

4.2.2. Bond issues during the fiscal year

As indicated in 4.2.1. above, no bond issues were carried out during 2014.

4.2.3. CRH bond maturities at December 31, 2014

Bond	Redemption date	ISIN code	Number of securities	Nominal unit value	Outstanding (in millions)	Currency
CRH 2.50% May 2015	May 7, 2015	FR0010892521	1,050,000,000	1	**1,050**	**EUR**
CRH 1.50% September 2015	Sep. 21, 2015	CH0114336255	50,000	5,000	**250**	**CHF**
CRH 4.10% October 2015	Oct. 25, 2015	FR0010134379	4,970,000,000	1	**4,970**	**EUR**
CRH 1.75% March 2016	Mar. 29, 2016	CH0125062254	55,000	5,000	**275**	**CHF**
CRH 2.60% April 2016	Apr. 26, 2016	FR0010962670	1,100,000,000	1	**1,100**	**EUR**
CRH 3.75% December 2016	Dec. 12, 2016	FR0010697292	15,000	100,000	**1,500**	**EUR**
CRH 3.50% April 2017	Apr. 25, 2017	FR0010261495	4,870,000,000	1	**4,870**	**EUR**
CRH 1.125% September 2017	Sep. 21, 2017	CH0184777255	40,000	5,000	**200**	**CHF**
CRH 4.50% October 2017	Oct. 25, 2017	FR0010591578	2,415,000,000	1	**2,415**	**EUR**
CRH 4.00% April 2018	Apr. 25, 2018	FR0010345181	4,040,000,000	1	**4,040**	**EUR**
CRH 1.625% March 2019	Mar. 5, 2019	CH0148606079	55,000	5,000	**275**	**CHF**
CRH 5.00% April 2019	Apr. 8, 2019	FR0010744904	2,905,000,000	1	**2,905**	**EUR**
CRH 1.375% October 2019	Oct. 25, 2019	FR0011443985	750,000	1,000	**750**	**EUR**
CRH 3.75% February 2020	Feb. 19, 2020	FR0010857672	2,000,000,000	1	**2,000**	**EUR**
CRH 3.50% June 2020	Jun. 22, 2020	FR0010910240	2,100,000,000	1	**2,100**	**EUR**
CRH 3.90% January 2021	Jan. 18, 2021	FR0010989889	1,900,000,000	1	**1,900**	**EUR**
CRH 2.50% March 2021	Mar. 29, 2021	CH0125062262	105,000	5,000	**525**	**CHF**
CRH 3.60% September 2021	Sep. 13, 2021	FR0011108976	1,500,000,000	1	**1,500**	**EUR**
CRH 4.00% January 2022	Jan. 10, 2022	FR0011057306	2,100,000,000	1	**2,100**	**EUR**
CRH 1.875% May 2022	May 23, 2022	CH0184777271	35,000	5,000	**175**	**CHF**
CRH 4.00% June 2022	Jun. 17, 2022	FR0011178946	2,000,000,000	1	**2,000**	**EUR**
CRH 3.30% September 2022	Sep. 23, 2022	FR0010945451	2,200,000,000	1	**2,200**	**EUR**
CRH 4.30% February 2023	Feb. 24, 2023	FR0011011188	2,900,000,000	1	**2,900**	**EUR**
CRH 1.375% March 2023	Mar. 15, 2023	CH0204477290	40,000	5,000	**200**	**CHF**
CRH 3.90% October 2023	Oct. 20, 2023	FR0011133008	1,400,000,000	1	**1,400**	**EUR**
CRH 2.375% March 2024	Mar. 5, 2024	CH0148606137	70,000	5,000	**350**	**CHF**
CRH 3.60% March 2024	Mar. 8, 2024	FR0011213453	2,500,000,000	1	**2,500**	**EUR**
CRH 2.40 % January 2025	Jan. 17, 2025	FR0011388339	1,500,000,000	1	**1,500**	**EUR**
CRH 1.75 % June 2025	Jun. 26, 2025	CH0212937244	30,000	5,000	**150**	**CHF**
Total					**45,700**	**EUR**
					2,400	**CHF**

Since the outset, substantially all of CRH's bonds have been issued at a fixed rate of interest. In accordance with the By-laws, they are perfectly matched in terms of interest rate and maturity to CRH's loans.

CRH's bonds have been rated Aaa and AAA by Moody's and Fitch Ratings since 1999. These ratings were thus assigned well before the law granted their bearers a preferential claim on the mortgage notes held by CRH.

They have the dispensatory status set out in Article 52.4 of the 1985 UCITS Directive.

They are regarded as "guaranteed" covered bonds as defined in European Directive no. 2006/48 EC and, as such, a 10% risk weighting is assigned under the standardized approach for the calculation of the capital adequacy ratio of the European banking institutions that hold them and satisfy the requirements of Article 129 of the CRR.

They are eligible for refinancing operations with the European Central Bank, which is currently an attractive characteristic for some of their buyers.

4.2.4. Amount of trading volumes

In the absence of the amount of stock exchange trading transactions, trading volume statistics provided by Euroclear France are given below. They include only Euroclear France members' transactions and therefore exclude Euroclear Bank and Clearstream transactions. They represent trades, repos, or other transfers.

(EUR millions)

Bond	Initial listing date	ISIN code	Par value of trades in 2012	Par value of trades in 2013	Par value of trades in 2014
CRH 2.50 % May 2015	May 7, 2010	FR0010892521	437.5	283.2	452.7
CRH 4.10 % October 2015	Nov. 22, 2004	FR0010134379	1,993.8	4,174.9	3,410.8
CRH 2.60 % April 2016	Nov. 17, 2010	FR0010962670	754.6	519.4	390.0
CRH 3.75 % December 2016	Dec. 12, 2008	FR0010697292	/	2,614.1	2,153.9
CRH 3.50 % April 2017	Dec. 21, 2005	FR0010261495	1,181.0	1,729.7	1,351.6
CRH 4.50 % October 2017	Mar. 10, 2008	FR0010591578	909.5	777.4	828.3
CRH 4.00 % April 2018	Jun. 30, 2006	FR0010345181	1,101.8	1,089.2	272.0
CRH 5.00 % April 2019	Apr. 8, 2009	FR0010744904	1,154.4	1,031.7	589.9
CRH 1.375 % October 2019	Mar. 25, 2013	FR0011443985	/	358.6	101.0
CRH 3.75 % February 2020	Feb. 19, 2010	FR0010857672	336.9	820.3	230.3
CRH 3.50 % June 2020	Jun. 22, 2010	FR0010910240	730.1	332.5	329.3
CRH 3.90% January 2021	Jan. 18, 2011	FR0010989889	530.0	855.5	766.6
CRH 3.60% September 2021	Sep. 13, 2011	FR0011108976	390.2	351.5	377.0
CRH 4.00 % January 2022	Jun. 8, 2011	FR0011057306	407.8	594.3	213.3
CRH 4.00% June 2022	Jan. 17, 2012	FR0011178946	4,215.4	893.6	1,484.9
CRH 3.30 % September 2022	Sep. 23, 2010	FR0010945451	1,499.9	1,330.6	460.3
CRH 4.30% February 2023	Feb. 24, 2011	FR0011011188	718.9	825.2	646.4
CRH 3.90% October 2023	Oct. 20, 2011	FR0011133008	584.6	285.2	230.6
CRH 3.60% March 2024	Mar. 8, 2012	FR0011213453	4,922.8	1,398.9	560.5
CRH 2.40 % January 2025	Jan. 17, 2013	FR0011388339	/	1,875.7	173.9
TOTAL			**21,869.2**	**22,141.5**	**15,023.3**

Even though it has become difficult today to separate out exchange transactions from these amounts and total amounts are not always comparable from year to year, these figures indicate that CRH's bonds are among the most liquid on the European covered bond market. This situation is no doubt due to the size of CRH's lines and its risk management system.

CHAPTER 5

BUSINESS OVERVIEW

5.1. CORE BUSINESS

5.1.1. Company formation and core business

5.1.1.1. Company formation

CRH was established in 1985 as an agency as part of the French government's mortgage market reforms in order to **refinance home-purchase loans granted by credit institutions by issuing bonds guaranteed by the French government.**

5.1.1.2. Operations

Since 1988, the bonds it issues have not been guaranteed by the French government as provided under the 1985 law, but CRH still has the sole purpose of refinancing home-purchase loans granted by stockholder credit institutions to finance assets located in France.

CRH thus brings resources to the French banking system complementing those from deposits and issues of covered or non-covered debt.

Based on this fact, it plays a particular role in financing housing in France by tapping into stable, non-monetary resources at a lower cost.

Law no. 99-532 of June 25, 1999 establishing SCF (French mortgage loan companies compliant with specific regulations) buttressed the security of CRH and matched its scope of operations and eligibility criteria to those of the SCF. This law eliminated the mortgage market and thus gave birth to a wider market for refinancing housing loans in which certain secured loans could also be refinanced.

Accordingly, in order to affirm the anchoring of its operations solely in the residential loan refinancing market, in 1999 CRH adopted the company name CRH – Caisse de Refinancement de l'Habitat.

The structure of its guarantees, the significance of refinancing needs expressed by its stockholders and the policy of systematic assimilation of bonds issued that CRH has followed have allowed it to become an important issuer in the European financial market with a total amount issued since its founding (equal to the amount of its loans) of EUR 90.4 billion, corresponding to 237 transactions. The French government chose CRH's model to establish the Société de Financement de l'Economie Française (SFEF) on October 17, 2008, to give banking institutions easier access to the financial markets.

5.1.1.3. Operating conditions

A) CRH's operations involve specific guarantees

Appendix 10 (page 175) of this report summarizes the different levels of security built into CRH's refinancing operations.

The refinancing loans granted by CRH are perfectly matched by its bond issues, since it lends all the capital raised on the financial markets to its stockholders at the same interest rates and maturities.

Principal and interest on such loans are secured by a specific pledge referred to in Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code which secures them up to at least 125% of their nominal value.

Said provisions provide that CRH may automatically become the owner of the pledged portfolio in the event of borrower default, notwithstanding any provisions to the contrary.

CRH has strengthened the reliability of this system by setting stricter internal rules, especially by excluding loans with maturities of more than 25 years and RMBS from the cover pool pledged to secure the loans.

B) Regulatory oversight

1. On January 1, 1988, the French Banking Authority was charged with monitoring the legal and regulatory compliance of refinancing operations (Decree of the French Minister for the Economy, Finance and the Budget of December 15, 1987, which subsequently became Article L. 313-49 of the French Monetary and Financial Code).

2. Under the requirements currently in effect, borrowers are required to regularly provide lists of the receivables pledged to CRH to enable it to verify that the collateral has in fact been pledged in the agreed amounts.

3. CRH also conducts audits of its borrowers on a regular and as-needed basis to verify the existence, legality and validity of pledged receivables through sampling.

Where receivables are found to be ineligible, the borrowing institution is required to increase the amount of pledged assets to make up for the shortfall, or failing this, to purchase an equivalent amount of the corresponding bonds on the market and deliver them to CRH by way of repayment.

5.1.2. New activities

CRH's activities are limited by its By-laws and the legislation governing its operations.

Between January 1, 2010, and December 31, 2014, CRH was responsible for monitoring and controlling the debt servicing and the management of the guarantees of the Société de Financement de l'Economie Française (SFEF) in conjunction with Banque de France and service providers already involved in these activities. *(See Banque de France press release dated December 18, 2009 and the decrees dated December 22, 2009 and December 18, 2012 of the French Ministry of the Economy and Finance authorizing Henry RAYMOND as Chief Executive Officer of SFEF).*

5.1.3. Principal markets

CRH's sole purpose is to refinance home-purchase loans extended by banks in France.

To do so, the Company issues mortgage bonds under Article 13 of Law no. 85-695 of July 11, 1985 with covered bond status as defined in Article 129 of the CRR. Its bonds are traded on NYSE Euronext Paris under *Obligations foncières et titres assimilables*.

5.2. REFINANCING

Trends in the amount of loans granted and outstanding loans eligible for refinancing by CRH, and the home-purchase loan refinancing and real estate situation in France

5.2.1. Trends in the amount of new loans

The following table summarizes total lending by CRH over the past three years.

(EUR billions)

Fiscal year	2012	2013	2014
New loans granted	5.5	2.5	0

5.2.2. Trends in outstanding loans

The table below demonstrates the trend in the nominal value of CRH's total outstanding loans since December 31, 2012.

(EUR millions)

Borrowing credit institutions	**Dec. 31, 2012**	**Dec. 31, 2013**	**At Dec. 31, 2014**	**Dec. 31, 2014 (%)**
Crédit Agricole SA	14,357	14,504	13,081	27.5
Banque Fédérative du Crédit Mutuel	12,369	11,529	10,869	22.8
Société Générale	6,607	6,677	6,677	14.0
Crédit Lyonnais	5,878	5,028	4,778	10.0
BNP Paribas	5,209	4,959	4,184	8.8
BPCE	3,168	3,408	3,022	6.3
Caisse Centrale du Crédit Mutuel	3,235	3,198	2,803	5.9
Crédit Mutuel Arkéa	2,010	1,560	1,364	2.9
Crédit du Nord	745	645	645	1.4
GE Money Bank	261	211	211	0.4
Other borrowers	60	10	0	0
Total	**53,899**	**51,729**	**47,634**	**100.0**

Generally, changes in these levels are generated by changes in the total value of loans granted and repayments made by the borrowers, either at final maturity or by early repayment under the terms of the agreement implemented in 1994, although the latter type of repayment has not been used for several years.

5.2.3. Outstanding loans eligible for CRH refinancing

Pursuant to legislative amendments in 1999, statistics on the mortgage market are no longer published.

As a result, CRH has asked its stockholder credit institutions to submit copies of their quarterly SURFI reports (*Système Unifié de Reporting Financier*: Unified System of Financial Reporting) as a basis for estimating their outstanding eligible home-purchase loans.

The table below summarizes those outstandings:

As of September 30, 2014

	Total outstanding loans for all credit institutions	Outstanding loans of CRH stockholder credit institutions	
	EUR billions (1)	EUR billions (2)	% of total
Housing loans	1,147.9	782.8	68
Home-purchase loans	922.1	722.8	78

(1) Source: Banque de France, Bulletin no. 198 – fourth quarter 2014 and Webstat statistics.
(2) Source: CRH estimates based on SURFI returns provided by stockholders and their publications.

Groups holding stock in CRH thus hold 78% of all home-purchase loans.

5.2.4. Refinancing of home-purchase loans granted by monetary financial institutions (excluding Banque de France)

The following table presents some global figures:

As at September 30, 2014

(EUR billions)

Application of funds by Monetary Financial Institutions		**Sources of funds of Monetary Financial Institutions**	
Home-purchase loans to households	922.1	Regulated sources *(not including Livret A and Livret Bleu savings accounts)*	589.7
		Covered bonds *- of which CRH 51.8*	219.5
Other applications	7,209.8	Other sources *- of which, capital and reserves 518.2* *- of which, non-regulated deposits 995.5*	7,322.7
Total applications	**8,131.9**	**Total sources**	**8,131.9**

Source:
This document is now drawn up on the basis of figures published by the Banque de France (Banque de France Bulletin for the fourth quarter of 2014, no. 198 and Webstat). It is not totally comparable with the document published previously.
Following the transformation of the French banking regulatory body, now the APCR (Autorité de Contrôle Prudentiel et de Résolution) formerly the French Banking Commission (Commission bancaire), the report produced by this authority currently comprises data that are not absolutely identical to those previously used to draw up this table.

Generally, it is of course difficult to match up specific sources of funds to a given application.

Some observations may, nevertheless, be made:

- regulated sources of funds contribute in large measure to the financing of banks' housing loans,

- certain covered bonds refinance housing loans granted in France but also mortgage loans to industrial and commercial companies, loans to the public sector and local and regional governments or shares in foreign debt securitization funds and residential mortgage-backed securities (RMBS), whereas CRH refinances only home-purchase loans granted in France.

5.3. TREND IN HOUSING LOANS IN FRANCE

Total housing loan production for the first nine months of 2014 totaled EUR 78.3 billion, more than 11% lower than for the same period in 2013.

Home-purchase loan outstandings rose by 2.7% between September 2013 and September 2014, which was a smaller increase than in previous years (3.9% in 2013 and 3.5% in 2012).

Given the modest (1.2%) fall in the prices of existing housing stock during the year to September 30, 2014, the slow correction that began in late 2011 is continuing.

Interest rates continued to fall in 2014, which increased the purchasing power of potential buyers.

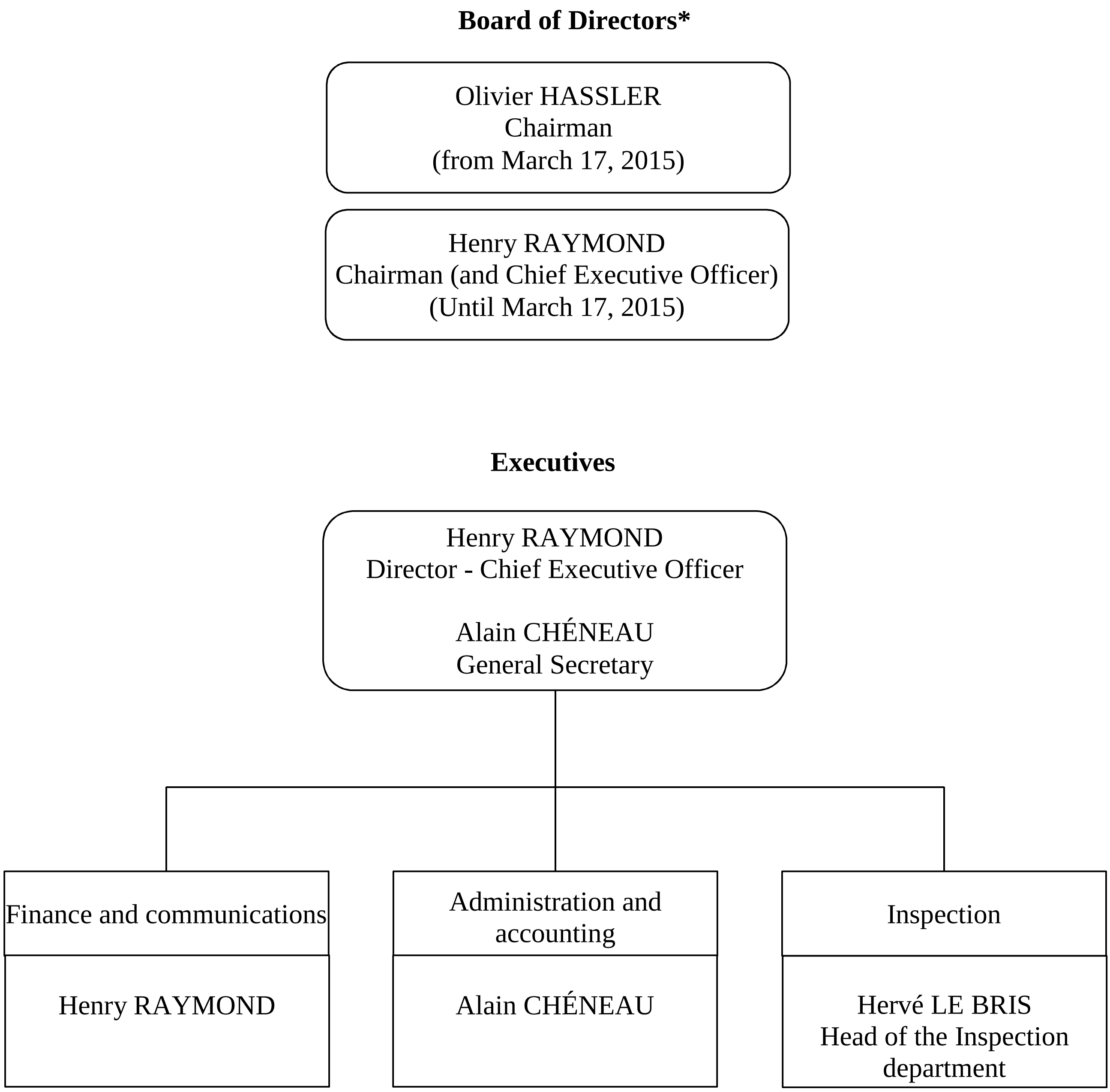
From the regulatory perspective, the improvements to the buy-to-let incentives could encourage investors to return to the new housing market.

The recent amendments made to the conditions for granting loans to enable low-income households to buy their own home were aimed at encouraging first-time buyers, few of whom are entering the market at the moment due to the current high prices.

CHAPTER 6

ORGANIZATION CHART

6.1. ORGANIZATION OF THE COMPANY



CRH has no subsidiaries and is not part of any group.

* See the composition of the Board of Directors on p81

6.2. (NOT APPLICABLE)

CHAPTER 7

TREND INFORMATION

7.1. PRINCIPAL TRENDS AFFECTING THE COMPANY'S BUSINESS IN 2014

It should be recalled that CRH does not take any margin on its operations and that any change in refinancing levels therefore has no direct impact on the Company's earnings or financial position.

No refinancing operations were carried out during the fiscal year 2014 due to the implementation of the new regulations, which are hindering CRH's operations.

7.2. TRENDS AND EVENTS LIKELY TO AFFECT THE COMPANY'S BUSINESS IN 2015

As mentioned above, the new European regulations that were implemented recently are severely hindering CRH's operations.

CHAPTER 8

PROFIT FORECASTS OR ESTIMATES

This document does not contain any forecast data.

8.1. (NOT APPLICABLE)

8.2. (NOT APPLICABLE)

8.3. (NOT APPLICABLE)

CHAPTER 9

CORPORATE GOVERNANCE

9.1. INFORMATION CONCERNING THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1.0. Honorary Chairmen

- Georges PLESCOFF (†)
- Claude PIERRE-BROSSOLETTE

9.1.1. Board of Directors

- Olivier HASSLER Appointed on March 17, 20115, for 1 year First appointed as Director on March 17, 2015, for 6 years.	Chairman (from March 17, 2015)
- Henry RAYMOND Appointed on March 13, 2007 First appointed as Director on March 13, 2007, for 6 years, appointment renewed for 6 years on February 28, 2013.	Chairman (until March 17, 2015)
- Banque Fédérative du Crédit Mutuel represented by Jean-François TAURAND Head of Asset/Liability Management 6 avenue de Provence, 75009 Paris First appointed by co-option of Compagnie Financière de CIC and the EU on October 17, 1995 by the Board of Directors, confirmed on February 27, 1996 for the CIC. Appointment confirmed on March 4, 2008 for the remainder of the term (5 years) of the resigning CIC representative, appointment renewed for 6 years on February 28, 2013.	Director
- BNP Paribas represented by Valérie BRUNERIE Head of Medium and Long-term Financing and Securitization 3 rue d'Antin, 75002 Paris First appointed on October 21, 1985 by Banque Nationale de Paris, appointment renewed for 6 years on March 17, 2015.	Director
- BPCE represented by Roland CHARBONNEL Director of Issues and Financial Communication 50 avenue Pierre Mendès France, 75013 Paris First appointed on October 21, 1985 by Caisse Centrale des Banques Populaires. Appointment confirmed on March 2, 2010 for 5 years, i.e. the remainder of the term of the resigning Banque Fédérale des Banques Populaires, appointment renewed for 6 years on March 17, 2015.	Director

- Caisse Centrale du Crédit Mutuel represented by Sophie OLIVIER Head of the Retail Market division 88/90 rue Cardinet, 75017 Paris First appointed on April 10, 1990, appointment renewed for six years on March 17, 2015.	Director
- Crédit Agricole SA represented by Nadine FEDON Head of Group Funding 12 place des États-Unis, 92127 Montrouge Cedex First appointed by Caisse Nationale de Crédit Agricole on May 12, 1987, appointment renewed for 6 years on March 17, 2015.	Director
- Crédit Lyonnais represented by Christian LARRICQ-FOURCADE Head of Asset/Liability Management 10 avenue de Paris, 94800 Villejuif First appointed on April 19, 1988, appointment renewed for 6 years on March 17, 2015.	Director
- GE Money Bank represented by François KLIBER Chief Executive Officer Tour Europlaza, La Défense 4 20 avenue André Prothin, 92063 Paris la Défense Cedex First appointed by BFIM Sovac on October 21, 1985, appointment renewed for 6 years on February 28, 2013.	Director
- Société Générale represented by Vincent ROBILLARD Head of Group Funding 17 cours Valmy, 92972 Paris la Défense Cedex First appointed on October 21, 1985, appointment renewed for 6 years on March 17, 2015.	Director

9.1.2. Executives

- Henry RAYMOND renewed for 1 year on March 17, 2015 as Chief Executive Officer electing address for service at the Company's registered office.	Director and Chief Executive Officer
- Alain CHÉNEAU electing address for service at the Company's registered office.	General Secretary

9.1.3. Compensation Committee

- Sophie OLIVIER	Caisse Centrale du Crédit Mutuel
- Nadine FEDON	Crédit Agricole SA
- Vincent ROBILLARD	Société Générale

9.1.4. Audit Committee

- Christian LARRICQ-FOURCADE	Chairman	Crédit Lyonnais
- Jean-François TAURAND		Banque Fédérative du Crédit Mutuel
- François KLIBER		GE Money Bank

9.1.5. Other positions held by the corporate officers in 2014

Henry RAYMOND	- Chief Executive Officer of the Société de Financement de l'Economie Française (SFEF)
Jean-François TAURAND	- No other corporate office
Valérie BRUNERIE	- Director of the Société de Financement de l'Economie Française (SFEF) - Director and Chairman and Chief Executive Officer of BNP Paribas Home Loan SFH - Director and Deputy Chief Executive Officer of BNP Paribas Public Sector SCF
Roland CHARBONNEL	- Director of the Société de Financement de l'Economie Française (SFEF) - Chairman of the board of directors of GCE Covered Bonds - Chairman of the board of directors of Banques Populaires Covered Bonds - Chief Executive Officer of BPCE - SFH
Sophie OLIVIER	- No other corporate office
Nadine FEDON	- Director of the Société de Financement de l'Economie Française (SFEF) - Director and Chief Executive Officer of Crédit Agricole Home Loan SFH (formerly CACB) - Chief Executive Officer of GFER - Chairman of GPF - Director and Chief Executive Officer of Crédit Agricole Export Credit Agencies SCF (formerly Sigma 22)

Christian LARRICQ-FOURCADE	- No other corporate office
François KLIBER	- Chief Executive Officer of GE Money Bank - Manager of ALCOR et Cie - Co-manager of GE SCF
Vincent ROBILLARD	- Director of the Société de Financement de l'Economie Française (SFEF) - Director and Deputy Chief Executive Officer of Société Générale SCF - Director and Deputy Chief Executive Officer of Société Générale SFH - Member of the Management Board of Société Générale LDG - Vice-Chairman of SGIS

9.2. CONFLICTS OF INTEREST IN THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Article 21 of CRH's By-laws provides fo
r dilution of the voting rights attached to the stock units in order to maintain CRH's independence.

To the best of CRH's knowledge, no member of the administrative, management or supervisory bodies has any conflict of interest between duties to the Company and private interests and/or other duties.

Henry RAYMOND, Valérie BRUNERIE, Roland CHARBONNEL, Nadine FEDON and Vincent ROBILLARD do, however, hold the positions described above at the Société de Financement de l'Economie Française (SFEF).

CHAPTER 10

MAJOR STOCKHOLDERS

10.1. IDENTIFICATION OF STOCKHOLDERS OR GROUPS OF STOCKHOLDERS HOLDING MORE THAN 3% OF THE VOTING RIGHTS

Capital stock is reallocated each year before March 31 so as to ensure that each stockholder holds a percentage equal to its percentage of the total loans refinanced by CRH (see Article 6 of the By-laws in Appendix 5). This allocation is made based on the amounts at December 31 of the previous fiscal year.

The table below lists the principal stockholders at December 31, 2014 and changes in ownership structure over the past three years.

Stockholder groups	Dec. 31, 2012				Dec. 31, 2013				Dec. 31, 2014			
	Number of stock units	**%**	**Number of voting rights (1)**	**%**	**Number of stock units**	**%**	**Number of voting rights (1)**	**%**	**Number of stock units**	**%**	**Number of voting rights (1)**	**%**
Crédit Agricole	7,258,667	36.94	2,127	30.22	7,378,069	37.53	2,116	30.35	13,372,618	37.76	2,086	30.15
Crédit Mutuel	6,476,873	32.96	2,104	29.89	6,422,311	32.67	2,076	29.78	11,129,936	31.48	2,020	29.19
Société Générale	2,712,925	13.80	1,177	16.72	2,680,678	13.64	1,161	16.66	5,034,264	14.15	1,153	16.66
BNP Paribas	1,966,129	10.00	1,000	14.21	1,899,300	9.66	966	13.86	3,386,746	9.59	956	13.82
BPCE	1,127,887	5.74	574	8.15	1,179,718	6.00	600	8.61	2,338,701	6.61	661	9.55
Other stockholders	110,112	0.56	57	0.81	99,415	0.50	52	0.74	147,226	0.41	43	0.63
Total	**19,652,593**	**100.00**	**7,039**	**100.00**	**19,659,491**	**100.00**	**6,971**	**100.00**	**35,409,491**	**100.00**	**6,919**	**100.00**

(1) For calculation of the voting rights, refer to Article 21 of the By-laws in Appendix 5.

10.2. STOCKHOLDER AGREEMENTS

CRH is unaware of the existence of any stockholder agreements.

CHAPTER 11

FINANCIAL INFORMATION ON THE ISSUER'S ASSETS, LIABILITIES, FINANCIAL POSITION AND EARNINGS

11.1. HISTORICAL FINANCIAL INFORMATION

11.1.1. Accounting standards

Regarding the implementation of International Financial Reporting Standards (IFRS), CRH made an inquiry through its independent auditors to the French National Association of Independent auditors (*Compagnie Nationale des Commissaires aux Comptes* – CNCC) as to whether CRH would be subject to these standards. The May 17, 2004 response from CNCC, which was submitted to the AMF by CRH, was as follows:

With regard to the requirements of Regulation no. 1606/2002 of the European Parliament, only companies that raise capital through public offerings and publish consolidated financial statements are required to prepare these statements in accordance with international accounting standards. [Translated from the French]

The extension of this requirement to the financial statements of companies raising capital through public offerings is up to each Member State of the European Union.

At the date of this document, the relevant authorities in France have not introduced any option or special requirement for companies raising capital through public offerings and not publishing consolidated financial statements.

The provisions of Decree no. 2004-1382 of December 20, 2004 on the adaptation of French legislative measures to EU measures in the area of accounting regulations do not include the possibility under EU regulations of authorizing or requiring the use of international accounting standards for company financial statements. Therefore, CRH need not publish its annual financial statements in accordance with international accounting standards.

No changes in accounting methods affected the financial statements for the fiscal year 2014.

The provisions adopted by the French Accounting Standards Authority (*Autorité des Normes Comptables* - ANC) and whose application was mandatory in 2014 did not have a material impact on the financial statements.

11.1.2. Financial statements submitted for approval to the Regular Stockholders' Meeting of March 17, 2015

BALANCE SHEET

(EUR thousands)

ASSETS	Note	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
CASH, CENTRAL BANKS		**1**	**1**	**2**
LOANS AND ADVANCES TO CREDIT INSTITUTIONS		**506,312**	**444,728**	**303,017**
- Demand deposits		57,652	59,550	65,658
- Term deposits	**4**	447,722	384,040	236,391
- Accrued interest		938	1,138	968
BONDS AND OTHER FIXED-INCOME SECURITIES		**48,574,497**	**52,688,644**	**55,034,774**
- Investment securities	**3 - 4**	47,491,960	51,574,034	53,793,175
- Short-term investments	**4**	60,000	60,000	180,000
- Accrued interest		1,022,537	1,054,610	1,061,599
EQUITY HOLDINGS AND OTHER LONG-TERM SECURITIES		**4**	**4**	**4**
INTANGIBLE FIXED ASSETS		**8**	**5**	**8**
TANGIBLE FIXED ASSETS		**37**	**42**	**40**
- Office furniture		1	1	2
- Fittings		20	23	25
- Miscellaneous equipment		8	2	4
- Office equipment		8	16	9
OTHER ASSETS	**5**	**103**	**127**	**102**
PREPAYMENTS AND ACCRUED INCOME		**117**	**150**	**111**
TOTAL		**49,081,079**	**53,133,701**	**55,338,058**

BALANCE SHEET

Before distribution (EUR thousands)

LIABILITIES	Note	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
DEBT SECURITIES		**48,514,374**	**52,628,334**	**54,852,537**
- Bonds	**3 - 4**	47,491,960	51,574,034	53,793,175
- Accrued interest		1,022,414	1,054,300	1,059,362
OTHER LIABILITIES	**5**	**168**	**250**	**400**
PREPAYMENTS AND ACCRUED INCOME		**301**	**324**	**326**
PROVISIONS	**6**	**374**	**218**	**190**
SUBORDINATED DEBT	**8**	**877**	**189,931**	**168,933**
- Subordinated loans		0	187,861	166,308
- Accrued interest		877	2,070	2,625
FUND FOR GENERAL BANKING RISKS	**7**	**2,812**	**2,812**	**2,812**
STOCKHOLDERS' EQUITY EXCLUDING FUND FOR GENERAL BANKING RISKS	**7**	**562,173**	**311,832**	**312,860**
- Subscribed capital stock		539,995	299,807	299,702
- Issue premiums		17,820	8,213	8,209
- Legal reserve		3,208	3,176	3,086
- Other reserves		605	0	0
- Retained earnings		0	4	99
- Net income for the year		545	632	1,764
TOTAL		**49,081,079**	**53,133,701**	**55,338,058**

BALANCE SHEET

For information (non-Annual financial statements document): After distribution

(EUR thousands)

LIABILITIES	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
DEBT SECURITIES	**48,514,374**	**52,628,334**	**54,852,537**
- Bonds	47,491,960	51,574,034	53,793,175
- Accrued interest	1,022,414	1,054,300	1,059,362
OTHER LIABILITIES	**168**	**250**	**2,619**
PREPAYMENTS AND ACCRUED INCOME	**301**	**324**	**326**
PROVISIONS	**374**	**218**	**190**
SUBORDINATED DEBT	**877**	**189,931**	**168,933**
- Subordinated loans	0	187,861	166,308
- Accrued interest	877	2,070	2,625
FUND FOR GENERAL BANKING RISKS	**2,812**	**2,812**	**2,812**
STOCKHOLDERS' EQUITY EXCLUDING FUND FOR GENERAL BANKING RISKS	**562,173**	**311,832**	**311,091**
- Subscribed capital stock	539,995	299,807	299,702
- Issue premiums	17,820	8,213	8,209
- Legal reserve	3,236	3,208	3,176
- Other reserves	1,122	604	0
- Retained earnings	0	0	4
TOTAL	**49,081,079**	**53,133,701**	**55,338,508**

OFF-BALANCE SHEET COMMITMENTS

(EUR thousands)

COMMITMENTS RECEIVED	Note	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
FINANCING COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS	**9**	**2,381,691**	**2,586,441**	**2,694,950**
GUARANTEES RECEIVED FROM CREDIT INSTITUTIONS	**10**	**68,594,152**	**73,908,827**	**77,168,799**

INCOME STATEMENT

(EUR thousands)

	Note	2014	2013	2012
+ Interest and similar income	**11**	**1,925,818**	**2,095,493**	**2,058,121**
- On transactions with credit institutions				
. demand deposits		59	52	150
. term accounts and loans		3,863	3,866	4,046
. securities received under collateralized rev. repos		0	20	0
- On bonds and other fixed-income securities				
. short-term investments		408	1,726	3,736
. investment securities		1,921,488	2,089,829	2,050,189
- Interest and similar expenses	**11**	**-1,922,822**	**-2,103,184**	**-2,078,756**
- On transactions with credit institutions				
. subordinated loans		-877	-2,070	-2,625
. advances under Article § 5.3 of CRH's internal rules and		0	-20	0
- On bonds and other fixed-income securities				
. bonds		-1,921,488	-2,089,829	-2,050,189
. issuance and management fees		-457	-11,265	-25,942
+/- Translation differences	**11**	**0**	**0**	**0**
- Commission paid	**11**	**-4**	**-4**	**-3**
+/- Other income and expenses from banking operations	**11**	**538**	**11,425**	**26,098**
NET BANKING INCOME	**11**	**3,530**	**3,730**	**5,460**
- General operating expenses	**12**	**-2,637**	**-2,643**	**-2,569**
- Personnel expenses		-1,348	-1,358	-1,321
- Other administrative expenses				
. taxes other than income tax		-543	-546	-565
. external services		-746	-739	-683
- Depreciation, amortization and provisions on intangible and tangible fixed assets	**12**	**-22**	**-21**	**-16**
+ Other operating income		**0**	**15**	**20**
GROSS OPERATING INCOME		**871**	**1,081**	**2,895**
+/- Cost of risk		**0**	**0**	**0**
OPERATING INCOME		**871**	**1,081**	**2,895**
+/- Gains or losses on fixed assets		**0**	**0**	**0**
CURRENT INCOME BEFORE TAXES		**871**	**1,081**	**2,895**
+/- Extraordinary items		**0**	**0**	**0**
- Income tax	**14**	**-326**	**-449**	**-981**
+/- Allocations to/write-backs of Fund for General Banking		**0**	**0**	**-150**
NET INCOME		**545**	**632**	**1,764**

(EUR thousands)

NET CASH FLOW STATEMENT			
	At Dec. 31, 2014	**Dec. 31, 2013**	**Dec. 31, 2012**
Cash flow from operating activities			
Net income before taxes	**871**	**1,081**	**2,746**
Non-cash items:			
Depreciation and amortization	22	20	15
Charges to other provisions	156	28	170
Other non-cash items	-797	1,161	-1,572
Total non-cash items included in net income and other adjustments	**-619**	**1,209**	**-1,387**
Changes in transactions with credit institutions:			
Increase in term deposits	-238,489	-477,649	-110,346
Term deposits having reached maturity	174,807	450,000	55,000
Changes in non-financial assets and liabilities			
Other assets	67	44	97
Other liabilities	-82	-150	-222
Taxes paid	-368	-517	-760
Net change in assets and liabilities from operating activities	**-64,065**	**-28,272**	**-56,231**
Net cash flow used in operating activities (A)	**-63,813**	**-25,982**	**-54,872**
Cash flow from investing activities			
Acquisitions of tangible fixed assets	-10	-14	-8
Acquisitions of intangible and financial fixed assets	-10	-5	-11
Net cash flow used in investing activities (B)	**-20**	**-19**	**-19**
Cash flow from financing activities			
Capital increase in cash	62,042		
Proceeds from bond issues	0	2,522,568	5,699,564
Bond repayments	-4,095,000	-4,705,000	0
Acquisition of investment securities (mortgage notes)	0	-2,522,568	-5,699,564
Investment securities having reached maturity	4,095,000	4,705,000	0
Proceeds from subordinated debt issues	0	27,884	62,035
Repayment of subordinated debt	-107	-6,331	-14,708
Dividends paid	0	-1,660	-983
Net cash flow from financing activities (C)	**61,935**	**19,893**	**46,344**
Impact of changes in exchange rates (D)	**0**	**0**	**0**
Net cash flow (A + B + C + D)	**-1,898**	**-6,108**	**-8,547**
Net cash and equivalents at the beginning of the period	59,552	65,660	74,207
Net cash and equivalents at the end of the period	57,654	59,552	65,660
NET CHANGE IN CASH POSITION	**-1,898**	**-6,108**	**-8,547**

NOTES TO THE FINANCIAL STATEMENTS

PRESENTATION OF THE FINANCIAL STATEMENTS, ACCOUNTING POLICIES AND VALUATION METHODS

NOTE 1 - Presentation of the financial statements

CRH's annual financial statements are prepared and presented in accordance with the regulations of the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC).

Pursuant to Regulation no. 91-01 as amended of the CRBF (French Banking and Financial Regulatory Committee), the presentation of the financial statements complies with the provisions of Regulations no. 2000-03 and no. 2005-04 of the French Accounting Regulations Committee (*Comité de la Réglementation Comptable* – CRC) relating to individual summary financial statements.

NOTE 2 – Accounting principles and valuation methods

A – Foreign exchange transactions

CRH's foreign exchange transactions are recognized in accordance with Regulation no. 89-01, as amended, of the CRBF (French Banking and Financial Regulatory Committee). Therefore, as an exception to the provisions of Article L. 123-22, paragraph 1 of the French Commercial Code, the accounting documents relating to the recording of foreign exchange transactions are prepared in each of the currencies concerned.

CRH does not take any foreign exchange positions.

CRH carries out refinancing transactions using mortgage notes in Swiss francs (CHF) guaranteed by home-purchase loans in CHF, by issuing bonds in CHF for the same amount.

These transactions are perfectly matched since the translation differences on the mortgage notes are recognized in a symmetrical manner to the differences recognized on the bonds.

B – Bonds issued

Bonds issued are recorded at their issue price in an account entitled "Debt securities." When the issue price differs from the redemption price, the difference is amortized using the actuarial method.

Actuarial amortization is non-straight-line amortization computed using the effective interest rate. The effective interest rate is the discount rate used to ensure that the book value of a financial instrument and the discounted cash flow generated until its maturity are the same.

Yearly actuarial amortization is equal to the difference between the cash flow of the period computed at the nominal rate and the actuarial cash flow computed by applying the effective interest rate to the actuarial amortized price obtained at the end of the previous computation period.

As regards the bonds in CHF, at each balance sheet date:

- The bonds' issue prices, adjusted for the actuarial amortization of the issue premiums, are translated using the CHF historical exchange rate on the settlement date of each issue.
- Accrued interest payable on these bonds is translated at the CHF spot rate and recognized in the income statement.
- Amounts due (interest, repayment) are recognized at the rate prevailing on the day of each of these settlements. A technical currency gain or loss is then recognized in the income statement.

Each bond issue has its own costs. Bond issuance costs are split between new issue costs (issuance fees, AMF fees, listing costs, advertising costs) and those related to the management of outstanding bonds (financial services, securities services, annual listing fee paid to NYSE Euronext).

All such expenses, of whatever kind, are recharged to the borrowers. New issue costs are charged to borrowers in proportion to their share in each new issue, with payment due immediately. Other expenses are charged annually in proportion to the borrowers' interest in each outstanding issue.

C – Securities transactions

The term "Securities transactions" applies to securities, French Treasury notes and other negotiable debt instruments, interbank market instruments, and in general all debt represented by securities traded on a market.

Securities are classified in the annual financial statements according to the fixed or variable nature of the related income whereas the accounting classification is based on the purpose for which the securities were acquired or placed.

Securities in the CRH portfolio are mainly fixed-income securities: the mortgage notes subscribed by the stockholders. On an ancillary basis, CRH may hold negotiable debt instruments corresponding to the investment of cash for periods generally not exceeding two years.

Mortgage notes are recorded as investment securities as under Regulation no. 90-01 of the CRBF (French Banking and Financial Regulatory Committee) they are intended to be held to maturity and are financed through matching bond issues. Maturities and interest rates for the notes and the bonds are identical and thus the acquisition price of mortgage notes on the assets side of the balance sheet is equal to the issue value of the bonds on the liabilities side.

When the acquisition price differs from the redemption price, the difference is amortized using the actuarial method under exactly the same terms and conditions as for the bonds.

As regards the mortgage notes in CHF, at each balance sheet date:

- The notes' acquisition price, adjusted for the actuarial amortization, is translated using the CHF historical exchange rate on the acquisition date.
- Accrued interest receivable on these notes is translated at the CHF spot rate and recognized in the income statement.
- Amounts due (interest, repayment) are recognized at the rate prevailing on the day of each of these settlements. A technical currency gain or loss is then recognized in the income statement.

Disposals of investment securities are limited to early redemptions of mortgage notes, by delivery of matching bonds by the stockholders involved, or by the acquisition of the matching bonds by CRH as part of a public exchange offer. In the case of public exchange offers, CRH acquires new mortgage notes matching the related bonds offered. CRH has not carried out any such transactions during the last three years.

These disposals have no impact on CRH's earnings.

Negotiable debt instruments are recognized as short-term investments.

D – Loans and advances to credit institutions

Loans and advances to credit institutions include all loans and advances held in respect of banking operations with the exception of those represented by a security. Loans and advances to credit institutions are stated on the balance sheet at their face value or acquisition cost in the case of loans and advances purchased, plus any accrued interest not yet due and net of provisions recognized in respect of credit risk.

CRH has not purchased any loans or advances. Similarly, it has not recognized any provisions in respect of credit risk.

E – FGBR (Fund for general banking risk)

In compliance with CRBF (French Banking and Financial Regulatory Committee) Regulation no. 90-02 and at the discretion of the Company's officers and directors, during previous years, appropriations to the FGBR were made by means of a regulated provision for risk on medium and long-term credit transactions, to cover the general risks associated with CRH's lending activity.

The FGBR may be used to cover any actual occurrence of these risks over the course of the year.

F – Equity holdings and other long-term securities

In accordance with the provisions of Article L. 312-4 of the French Monetary and Financial Code, CRH is a member of the Deposit Guarantee Fund. The corresponding membership certificate is recognized in equity holdings and other long-term securities.

G – Fixed assets

Under the accounting regulations for fixed assets (CRC Regulations no. 2002-10 and 2003-12), fixed assets are reported on the balance sheet at their historical acquisition cost. Depreciation and amortization schedules are calculated using the rates approved by the tax authorities.

Intangible fixed assets consist of software amortized on a straight-line basis over 12 months.

Tangible fixed assets are depreciated on a straight-line or reducing-balance basis, depending on their expected useful life:

- office furniture	10 years	straight-line
- fittings	5 to 15 years	straight-line
- office equipment	5 to 10 years	straight-line and tax-based reducing balance
- IT equipment	3 years	tax-based reducing balance

H – Other assets and other liabilities

Other assets may consist of payments on account of tax, deductible VAT, security deposits established, costs and taxes to be recovered, salary advances to staff and interim dividends.

Other liabilities may consist of amounts due to tax, social security and other welfare bodies, VAT collected, trade payables, remuneration due to staff, dividends due to stockholders, bonds and other fixed-income securities issued by the institution, amortized and not yet repaid and coupons in respect of securities issued by the institution and which are due but not yet paid.

I – Retirement benefits

Benefits to which CRH employees are entitled on retirement are paid by the French social security system, with a complementary portion paid by third-party bodies that manage the distribution of contributions made.

The employer's share of such contributions is recognized as an expense each year as incurred. In addition, CRH makes a lump-sum payment to retiring employees in an amount determined by the number of years spent with the Company.

Each year, CRH’s actuarial liability pursuant to these policies, calculated in accordance with the provisions of the French collective agreement for finance companies, is recomputed.

NOTES TO THE BALANCE SHEET

NOTE 3 – Mortgage notes and bonds issued

Mortgage notes are the instruments representing the securities receivable by CRH, corresponding to the loans it has granted, while its borrowings are in the form of bond issues.

Related items, on the asset and liability sides of the balance sheet, show a perfect match between borrowing and lending.

(EUR thousands)

	At Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
SECURITIES TRANSACTIONS						
- Bonds and other fixed-income securities						
. mortgage notes (*)	47,491,960		51,574,034		53,793,175	
. accrued interest not yet due on mortgage notes	1,022,414		1,054,300		1,059,362	
- Debt securities						
. bonds (*)		47,491,960		51,574,034		53,793,175
. accrued interest not yet due on bonds		1,022,414		1,054,300		1,059,362
TOTAL	**48,514,374**	**48,514,374**	**52,628,334**	**52,628,334**	**54,852,537**	**54,852,537**

(*) Including amounts in nominal value:

(EUR thousands)

	At Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
	Assets	**Liabilities**	**Assets**	**Assets**	**Liabilities**	**Assets**
SECURITIES TRANSACTIONS						
- Bonds and other fixed-income securities						
. mortgage notes	45,700,000		49,795,000		52,250,000	
- Debt securities						
. bonds		45,700,000		49,795,000		52,250,000
TOTAL	**45,700,000**	**45,700,000**	**49,795,000**	**49,795,000**	**52,250,000**	**52,250,000**

(CHF thousands)

	At Dec. 31, 2014		Dec. 31, 2013		Dec. 31, 2012	
	Assets	**Liabilities**	**Assets**	**Assets**	**Liabilities**	**Assets**
SECURITIES TRANSACTIONS						
- Bonds and other fixed-income securities						
. mortgage notes	2,400,000		2,400,000		2,050,000	
- Debt securities						
. bonds		2,400,000		2,400,000		2,050,000
TOTAL	**2,400,000**	**2,400,000**	**2,400,000**	**2,400,000**	**2,050,000**	**2,050,000**

NB: Mortgage notes are not listed securities.

NOTE 4 - Breakdown of receivables and debt by residual maturity

(EUR thousands)

RECEIVABLES	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Credit institutions: term deposits			
- less than 3 months	7,069	40,229	18,342
- 3 months to 1 year	75,653	13,811	158,049
- 1 to 5 years	365,000	330,000	60,000
TOTAL	**447,722**	**384,040**	**236,391**
Negotiable debt instruments			
- less than 3 months	30,000	60,000	60,000
- 3 months to 1 year	0	0	100,000
- 1 to 5 years	30,000	0	20,000
TOTAL	**60,000**	**60,000**	**180,000**
Mortgage notes			
- less than 3 months	0	0	0
- 3 months to 1 year	6,215,573	4,105,499	4,744,413
- 1 to 5 years	18,141,727	20,393,481	20,523,801
- over 5 years	23,134,660	27,075,054	28,524,961
TOTAL	**47,491,960**	**51,574,034**	**53,793,175**

NB: none of these receivables is eligible for refinancing from the European system of central banks

(EUR thousands)

DEBT	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Bonds			
- less than 3 months	0	0	0
- 3 months to 1 year	6,215,573	4,105,499	4,744,413
- 1 to 5 years	18,141,727	20,393,481	20,523,801
- over 5 years	23,134,660	27,075,054	28,524,961
TOTAL	**47,491,960**	**51,574,034**	**53,793,175**

NOTE 5 - Other assets, other liabilities, prepayments and accrual accounts

(EUR thousands)

ASSETS	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Miscellaneous debtors	**103**	**127**	**102**
Government – income tax	42	68	0
Government – deductible VAT	0	0	0
Charges recharged to borrowers	0	0	4
Guarantee deposits with the French Deposit Guarantee Fund	20	20	20
Other guarantee deposits and miscellaneous	39	39	78
Other	2	0	0
Other prepayments	**117**	**150**	**111**
TOTAL	**220**	**277**	**213**

(EUR thousands)

LIABILITIES	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Miscellaneous creditors	**168**	**250**	**400**
Government – income tax	0	0	222
Government – VAT to be paid over	10	9	2
Government – VAT collected	0	0	0
Social security and payroll taxes	142	147	141
Other	16	94	35
Accrued expenses	**301**	**324**	**326**
Personnel and related expenses	174	175	175
Other	127	149	151
TOTAL	**469**	**574**	**726**

NOTE 6 - Provisions

(EUR thousands)

	Balance at Dec. 31, 2012	+Charges -Writebacks	Balance at Dec. 31, 2013	+Charges -Writebacks	Balance at Dec. 31, 2014
Provision for retirement benefits (Note 18)	190	28	218	16	234
Provision for ECB fee for prudential supervision during November and December 2014	0	0	0	140	140
TOTAL	**190**	**28**	**218**	**156**	**374**

NOTE 7 – Common Equity Tier 1 capital instruments

(EUR thousands)

	Balance at Dec. 31, 2012	+Charges -Writebacks	Balance at Dec. 31, 2013	+Charges -Writebacks	Balance at Dec. 31, 2014
Subscribed capital stock	299,702	105	299,807	240,188	539,995
Issue premiums	8,209	4	8,213	9,607	17,820
Legal reserve	3,086	90	3,176	32	3,208
Other reserves	0	0	0	605	605
Retained earnings	99	-95	4	-4	0
Fund for general banking risks	2,812	0	2,812	0	2,812
TOTAL	**313,908**	**104**	**314,012**	**250,428**	**564,440**

The Common Equity Tier 1 capital was strengthened during June 2014 by the issue of 15,750,000 new stock units with a nominal value of EUR 15.25 plus an issue premium of EUR 0.61, subscribed by the stockholders by means of offsetting EUR 187,753,309.44 against the outstanding subordinated loans (Note 8) and a cash payment totaling EUR 62,041,690.56.

This issue increased the capital stock by EUR 240,187,500 to EUR 539,994,737.75 and the issue premium by EUR 9,607,500 to EUR 17,820,534.73.

The changes in the other components of stockholders' equity resulted from the appropriation of the 2013 net income.

CRH's capital stock is fully subscribed. The Company's stock has a par value of EUR 15.25 per stock unit. A total of 35,409,491 stock units have been issued.

NOTE 8 - Subordinated loans

Until December 31, 2013, for the purposes of calculating the capital adequacy ratio, total capital included stockholders' equity (Note 7) and subordinated loans by stockholders in proportion to their outstanding borrowings in the form of secondary capital.

If need be, these subordinated loans ensured that CRH would be able to continue operations in compliance with banking regulations despite any losses it might suffer.

CRH was required to repay these loans as the related risks are amortized, provided this did not impact compliance with prudential ratios. In the event of CRH's liquidation, subordinated loans would be repaid only after settlement of all other creditors.

Interest was partly fixed and partly contingent on results for the year, and was payable only if CRH made a profit for the year after allocation of this charge.

In view of these provisions, the APCR allowed funds from subordinated loans to be included in secondary equity capital as defined under Regulation no. 90-02, Article 4c of the CRBF (French Banking and Financial Regulatory Committee).

Since Regulation (EU) no. 575/2013 of June 26, 2013 no longer permits these loans to be classified as equity, they were incorporated into Tier 1 capital when the capital increase was carried out in June 2014 (Note 7). A residual balance no longer needed was also repaid to the lending institutions.

The following table summarizes changes in total subordinated loans since December 31, 2012:

(EUR thousands)

Transaction	Amount
Balance at December 31, 2012	**166,308**
Increases	
- payments relating to acquisitions of mortgage notes	21,583
Decreases	
- repayment related to a contractual mortgage note repayment, the borrower having no further commitment to CRH	-30
Balance at December 31, 2013	**187,861**
Decreases	
- incorporation into Tier 1 capital	-187,753
- repayment	-108
Balance at December 31, 2014	**0**

NOTES TO THE OFF-BALANCE SHEET ITEMS

NOTE 9 – Financing commitments received from credit institutions

Pursuant to the By-laws, credit institution stockholders are bound to provide the cash advances required for CRH’s operations up to the limit of 5% of total outstanding loans. This requirement is defined in CRH’s internal rules and regulations, approved by the Stockholders’ Meeting of February 27, 1996.

At December 31, 2014, these commitments received totaled EUR 2,381,691,464.28.

NOTE 10 - Guarantees received from credit institutions

The principal and interest on each mortgage note are secured by a pledged portfolio of receivables representing secured home-purchase loans, a first residential mortgage or charge over real-estate offering an equivalent guarantee, or a guarantee given by a credit institution, a financing company or insurance company which is not included in the consolidation scope of the credit institution issuing the note.

Receivables pledged to CRH as collateral amounted to an estimated EUR 68.6 billion at December 31, 2014.

NOTE 11 - Net banking income

A – Analysis of net banking income from bond issuance and lending operations

It should be noted that CRH lends at the same interest rates and maturities at which it borrows on the financial market. It therefore does not charge a margin on its lending activities.

To facilitate analysis of its net income, it is useful to group income and charges from lending activities and borrowing activities in order to observe their equivalence.

(EUR thousands)

	At Dec, 31, 2014		At Dec, 31, 2013		At Dec, 31, 2012	
	Charges	**Income**	**Charges**	**Income**	**Charges**	**Income**
Interest						
Bonds issued	1,921,488		2,089,829		2,050,189	
Mortgage notes		1,921,488		2,089,829		2,050,189
Translation differences *						
Bonds issued	1,012		1,120		1,223	
Mortgage notes		1,012		1,120		1,223
Issuance and management fees **						
Bonds issued	457		11,265		25,942	
Mortgage notes		457		11,265		25,942
TOTAL	**1,922,957**	**1,922,957**	**2,102,214**	**2,102,214**	**2,077,354**	**2,077,354**

** Translation differences correspond to a technical balance between currency gains and losses recognized on the contractual due dates of transactions in CHF.*
*** Since 2011, issuance and management fees on bonds have been recharged to borrowers and are thus recognized in the income statement whereas previously they transited via third-party accounts on the balance sheet.*

These flows have no effect on CRH’s net income.

B - Other income and expenses from banking operations

For the fiscal year 2014, other income from banking operations included interest earned on stockholders’ equity invested on the money market in demand deposits, term deposits and negotiable debt instruments which are fixed rate with a term of generally less than one year or adjustable rate with a maturity of three years or less. This income fluctuates from year to year in close correlation with the average level of market interest rates. This income therefore represents a rate of return of 0.79% on average capital invested during 2014 (1.13% in 2013 and 1.68% in 2012).

Other expenses from banking operations comprise interest paid to stockholders on subordinated loans granted to CRH. As provided in the agreements, interest payable on these subordinated loans consists of two components:

. a fixed portion calculated each quarter at the quarterly average overnight interbank rate less 5%, although this rate may not be less than 1%. Interest calculated on this basis amounted to EUR 876,709.20 in 2014 (EUR 1,857,354.66 in 2013 and EUR 1,588,539.02 in 2012),

. a variable portion determined by the Board of Directors on the basis of the results for the year. No variable interest was paid in respect of the year ended December 31, 2014 since the rate of return on the average capital invested during 2014 was less than 1%. Variable interest in 2013 came to EUR 212,705.26 and in 2012 to EUR 1,036,456.62.

The average interest rate paid on subordinated loans was therefore 1.13% in 2014 (1.68% in 2013 and 1.74% in 2012).

(EUR thousands)

	At Dec. 31, 2014	At Dec. 31, 2013	At Dec. 31, 2012
Interest on cash management transactions	3,847	3,918	4,196
Interest on negotiable debt instruments	408	1,726	3,736
Interest on securities received under collateralized reverse repos	-75	20	0
Other income	160	160	160
A – Total other income from banking operations	**4,340**	**5,824**	**8,092**
Interest on subordinated loans	877	2,070	2,625
Interest on advances under Article 5.3 of CRH's internal rules and regulations	-75	20	0
Other interest and expense	7	3	7
Fees on securities transactions	1	1	0
B – Total other expenses from banking operations	**810**	**2,094**	**2,632**
NET BANKING INCOME	**3,530**	**3,730**	**5,460**

Other income corresponds to CRH's remuneration under the terms of the agreement signed with the Société de Financement de l'Economie Française (SFEF) for monitoring and controlling the servicing of its debt and management of its guarantees.

NOTE 12 - Other general operating income and expenses

A – General expenses recharged to borrowers

The AMF fees due in respect of bond issues are recharged to borrowers. Since January 1, 2012, these fees have been expensed in the income statement rather than being posted to third party accounts on the balance sheet.

(EUR thousands)

	At Dec. 31, 2014		At Dec. 31, 2013		At Dec. 31, 2012	
	Charges	**Income**	**Charges**	**Income**	**Charges**	**Income**
Taxes other than income tax (excerpt)						
AMF fees	0		15		20	
Other operating income		0		15		20

B – Other general expenses

CRH's total administrative expenses, including depreciation and amortization, came to EUR 2.7 million in the year ended December 31, 2014 (EUR 2.7 million in the year ended December 31, 2013 and EUR 2.6 million in the year ended December 31, 2012).

Total administrative expenses represented 0.0052% of average outstanding loans to stockholders in the year ended December 31, 2014 (0.0048% in the year ended December 31, 2013 and 0.0049% in the year ended December 31, 2012).

The main components are shown in the table below:

(EUR thousands)

	At Dec. 31, 2014	At Dec. 31, 2013	At Dec. 31, 2012
Wages and salaries	820	821	812
Retirement expenses (1)	109	116	108
Other social security charges	293	296	288
Payroll taxes and similar expenses	126	125	113
Total personnel expenses	**1,348**	**1,358**	**1,321**
Taxes other than income tax (excerpt) (2)	**543**	**546**	**545**
Rental and leasing	231	233	219
Other external services and miscellaneous administrative expenses	515	506	464
Total other administrative expenses	**746**	**739**	**683**
Amortization of intangible fixed assets	7	8	4
Depreciation of tangible fixed assets	15	13	12
Total depreciation and amortization	**22**	**21**	**16**

(1) *Including a provision for retirement benefits of EUR 16,000 at December 31, 2014.*
(2) *Including a provision for the ECB fee for prudential supervision during November and December 2014 of EUR 140,000 at December 31, 2014.*

NOTE 13 - Fees paid to the independent auditors

The total amount of independent auditors' fees recognized in the year ended December 31, 2014 comes to EUR 73,441.24 and breaks down as follows:

(EUR)

	Auditeurs & Conseils Associés	KPMG Audit – A division of KPMG SA
2014 statutory audit fees	29,640.00	29,640.00
2014 CSR certification fees	0.00	8,400.00
Balance of 2013 statutory audit fees	-427.96	-199.00
Other services related to the statutory audit of the financial statements	4,588.20	1,800.00
Total	33,800.24	39,641.00

NOTE 14 – Income tax

Tax on 2014 earnings amounted to EUR 294,618 and concerned only income from ordinary operations. The tax charge also includes a one-off 10.7% contribution totaling EUR 31,524.

OTHER INFORMATION

NOTE 15 – Executive compensation

Total gross compensation paid to the Chairman and Chief Executive Officer for the fiscal year ended December 31, 2014 amounted to EUR 254,499.96. Other corporate officers received no compensation from the Company.

The corporate officers received no other benefits from the Company.

NOTE 16 – List of related-party transactions

CRH did not enter into any transactions within the meaning of Article R. 123-199-1 of the French Commercial Code with any related parties whatsoever during the fiscal year 2014.

NOTE 17 – Staff

CRH had an average of eight employees in 2014.

NOTE 18 – Provision for lump-sum retirement benefits

Provisions set aside to cover lump-sum retirement benefits as required by French law amounted to EUR 234,000 and covered the full amount of CRH's liability as assessed as of December 31, 2014.

CRH does not have any other retirement commitments.

NOTE 19 – Rights earned by staff under the French Individual Training Rights Initiative (DIF)

As of December 31, 2014, a total of 955 hours of training had been credited to staff under the French DIF initiative.

ADDITIONAL INFORMATION

Capital adequacy ratio

The capital adequacy ratio, calculated in accordance with the provisions of Regulation (EU) no. 575/2013 of June 26, 2013, was 11.04% at December 31, 2014. Excluding the transitional provisions, this ratio was 10.19%. In the absence of additional capital, the Common Equity Tier 1 (CET 1) capital adequacy ratio came to the same level, i.e. 11.04% (10.19% excluding transitional provisions).

Liquidity ratio

The conditions under which CRH normally operates are such that no liabilities are uncovered. The provisions of Article 425-1 of Regulation (EU) no. 575/2013 of June 26, 2013 give CRH exemption from the 75% cap on cash outflows corresponding to the servicing of its bonds, with cash inflows corresponding to the mortgage notes.

Major risks

As regards the treatment of the mortgage notes in the calculation of the major risks base:

- the notes issued before December 31, 2013 are excluded from the major risks base in accordance with the Decree of the Minister for the Economy and Finance dated February 17, 2014 published in the official journal of February 26, 2014;

- any notes issued in the future, in accordance with the legal covered bond provisions, are expected to be given a weighting of 10% subject to their actual weighting remaining in the credit quality step 1.

Disclosures in respect of encumbered assets at December 31, 2014 (Decree of December 19, 2014 relating to the disclosure of information about encumbered assets)

Template A – Assets (EUR thousands)

		Carrying amount of encumbered assets	Fair value of encumbered assets*	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	**Assets of the reporting institution**	**48,514,374**		**566,705**	
030	Equity instruments	0	0	4	4
040	Debt securities	48,514,374	48,718,422	60,123	60,123
120	Other assets	0		506,578	

***** Based on the EUR/CHF exchange rate at December 31, 2014 for assets denominated in CHF.

Template B – Collateral received (EUR thousands)

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	**Collateral received by the reporting institution**	**0**	**68,594,152**
150	Equity instruments	0	0
160	Debt securities	0	0
230	Other collateral received	0	68,594,152
240	**Own debt securities issued, other than own covered bonds or ABS**	**0**	**0**

Template C – Encumbered assets/collateral received and associated liabilities

(EUR thousands)

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued, other than covered bonds and encumbered ABS
		010	030
010	**Carrying amount of selected financial liabilities**	**48,514,374**	**68,594,152**

D – Information on the importance of charges on assets

1- Summary of CRH's refinancing operations

CRH operates within the specific framework of law no. 85-695 of July 11, 1985 (see Appendix 1).

In accordance with its sole corporate purpose, CRH borrows on a long-term basis by issuing on the market covered bonds to refinance banks at the same interest rates, with the same maturities and in the same currencies.

The refinancing loans CRH grants to the banks and the bonds it issues on the financial market are perfectly matched (See Appendix 6, internal rules and regulations).

When CRH borrows 100 in nominal value, it grants a refinancing loan with a nominal value of 100 and demands as collateral a loan portfolio with a minimum nominal value of 125 (See Appendix 6, Internal rules and regulations).

The loans corresponding to the refinancing loans are represented by mortgage notes.

In accordance with the provisions of Articles L. 313-42 to L 313-48 of the French Monetary and Financial Code (*Code monétaire et financier*) (see Appendix 2), the refinanced bank pledges a portfolio of home-purchase loans meeting the conditions of eligibility (see Appendix 7) to cover the loans granted to it by CRH.

In the event of the refinanced bank defaulting, CRH may automatically become the owner of the portfolio pledged by said bank, notwithstanding any provisions to the contrary.

Finally, pursuant to the provisions of Article 13 of the law of July 11, 1985 referred to above, the amounts or values received in return for the above promissory notes are allocated, in priority and under all circumstances, to servicing the debt, i.e. the payment of the interest and principal in respect of the bonds issued.

2- Information on encumbered assets (Article 3(4) of the aforementioned decree)

The only assets qualified as encumbered assets within the meaning of Article 2 of this decree are the mortgage notes matching the CRH bonds and the related accrued interest. At December 31, 2014 their carrying amount was EUR 48,514 million and their nominal amount was EUR 48,718 million.

a) Since the amounts or values received in return for these notes are, in priority, legally allocated to servicing the interest and repayments of principal in respect of CRH's matching covered bonds, the notes are encumbered to CRH's bondholders, CRH's only creditors with the possible exception of the government, its staff, the social security bodies and its suppliers, to whom CRH may owe small amounts.

This allocation to the servicing of said debt constitutes the only charge on the notes.

In addition, CRH does not use derivatives.

b) This allocation has remained unchanged since CRH's formation.

c) CRH is not part of a group.

d) There is no excess collateral for the bondholders. Nevertheless, in the event of a borrowing bank defaulting, the bonds benefit indirectly from the overcollateralization of the pledged portfolio (subject of the collateral received for a total of EUR 68,594 million at December 31, 2014) which becomes the property of CRH.

Moreover, the stockholder banks are required, if necessary, to provide CRH with lines of credit or regulatory capital (Article 10 of the By-laws and Article 8 of the Internal rules and regulations).

These provisions also indirectly benefit the covered bondholders.

e) The priority allocation to the servicing of CRH’s covered bond debt is stipulated by the law of July 11, 1985 referred to above.

The collateral received by CRH to cover the mortgage notes is stipulated by the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code (*Code monétaire et financier*) and of CRH’s internal rules and regulations also referred to above.

f) The other assets that could be used to service the debt are the investments of stockholders’ equity and the income thereon, i.e. EUR 566 million at December 31, 2014.

11.2. CONSOLIDATED FINANCIAL STATEMENTS

CRH has no subsidiaries and therefore is not required to prepare consolidated financial statements.

11.3. AUDIT OF HISTORICAL ANNUAL FINANCIAL INFORMATION

The general report of the independent auditors on the financial statements for the year ended December 31, 2014 is included in the Reports section on page 35 of this registration document.

The general report of the independent auditors on the financial statements for the year ended December 31, 2013 is included in the Reports section on page 35 of the 2013 registration document.

The general report of the independent auditors on the financial statements for the year ended December 31, 2012 is included in the Reports section on page 23 of the 2012 registration document.

11.4. DATE OF THE LATEST FINANCIAL INFORMATION

The financial statements dated December 31, 2014 are the most recent to have been audited.

11.5. INTERIM AND OTHER FINANCIAL INFORMATION

CRH has not released any quarterly or semi-annual data subsequent to the December 31, 2014 financial statements.

11.6. LEGAL AND ARBITRATION PROCEEDINGS

As of the filing date of this document, there are no legal, governmental, regulatory, tax or arbitration proceedings underway that are likely to have a material impact on CRH’s financial position or profitability.

11.7. SIGNIFICANT CHANGES IN THE ISSUER’S FINANCIAL POSITION

As of the filing date of this document, there are no exceptional events or litigation that have had in the recent past, or are likely to have in the future, a material impact on the financial position, activity or earnings of CRH that have not been reflected in the financial statements for the year ended December 31, 2014.

CHAPTER 12

MAJOR CONTRACTS

As of the filing date of this document, the Company had not entered into any contracts other than those signed as part of normal operations and that could grant a member of the Company a right or obligation that could have a material impact on CRH's ability to honor its commitments to its bondholders.

CHAPTER 13

THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST

This document contains no testimony or disclosure from third parties or experts.

13.1. (NOT APPLICABLE)

13.2. (NOT APPLICABLE)

CHAPTER 14

DOCUMENTS ON DISPLAY

All prospectuses and registration documents (which contain the Company's By-laws) can be consulted on CRH's website:

http://www.crh-bonds.com

These documents may be obtained free of charge and without obligation by requesting them from CRH:

by telephone: + 33 (0)1 42 89 49 10

by fax: + 33 (0)1 42 89 29 67

by e-mail: crh@crh-bonds.com

or by mail to the following address:

CRH
Caisse de Refinancement de l'Habitat
35 rue La Boétie
75008 Paris

The incorporation documents can be consulted in paper version at the Company's registered office.

APPENDIX 1

ARTICLE 13 OF ACT NO. 85-695
DU 11 JUILLET 1985
Complemented by Article 36 of Act no. 2006-872 of July 13, 2006
(*Journal officiel* of July 16, 2006)

I. - Superseded

II. - The guarantee of the State may be accorded to bonds issued by holders of promissory notes representing loans granted to finance real estate transactions, guaranteed by a mortgage or by a senior real estate lien, so long as these loans represent a maximum share established by decree or that the amount of the contracts constituting the loans set aside to guarantee the payment of these promissory notes at maturity is greater than the amount of these same notes in a minimum proportion established by decree.

The promissory notes cited in the preceding paragraph are created under conditions established in compliance with the provisions of Article 16 of the aforementioned Act no. 69-1263 of December 31. 1969*.

III. - The bonds cited in Paragraph II above may be issued by a company or by an economic interest grouping (*groupement d'intérêt économique*) that has been granted special approval by order of the Minister for the Economy, Finance and the Budget.

IV. - When the guarantee of the State is not accorded, the sums or amounts generated by the promissory notes mentioned above are allocated, as a matter of priority and under all circumstances, to the payment of the interest and principal on these borrowings. They are carried in a specially designated account that is opened by the holder of the promissory notes and from which the creditors of the latter, other than the holders of the bonds cited in Paragraph II, may not pursue the payment of their receivables.

V. - The provisions of Book VI of the French Commercial Code, or those governing all legal or equivalent amicable proceedings engaged on the basis of foreign laws, do not constitute an obstacle to the application of Paragraph IV.

*These dispositions are codified in Article L. 313-42 to L. 313-49 of the French Monetary and Financial Code (*Code Monétaire et Financier*).

APPENDIX 1
(Continuation)

AMENDMENT No. 275 SUBMITTED BY THE FRENCH GOVERNMENT ON JANUARY 13, 2006

ADDITIONAL ARTICLE
Insert the following Article following Article 5 quinquies

The following two paragraphs have been added to Article 13 of Act no. 85-695 of July 11, 1985 on various economic and financial provisions:

« IV. - When the guarantee of the State is not granted, the sums or amounts generated by the promissory notes mentioned above are allocated first, as a matter of priority and under all circumstances, to the payment of the interest and principal on these borrowings. They are carried in a specially designated account that is opened by the holder of the promissory notes and which the creditors of the latter, other than the holders of the bonds cited in Paragraph II, may not attach to obtain payment of their receivables. »

« V. - The provisions of Book VI of the French Commercial Code, or those governing all legal or equivalent amicable proceedings filed on the basis of foreign laws, do not constitute an obstacle to the application of Paragraph IV. »

OVERVIEW

Caisse de refinancement de l'habitat (CRH) is a market credit institution that plays a specific role in funding residential housing in France. Its sole purpose is to fund the housing loans extended by credit institution stockholders by issuing bonds. With nearly EUR 30 billion in loans extended and currently EUR 17 billion in loans outstanding, CRH is leading player on the French residential mortgage market.

When mortgage companies were created in 1999, the laws and regulations governing its transactions were in part brought into line with those governing mortgage companies. However, CRH's obligations are not governed by the same oversight regulations as property bonds.

CRH's bonds are very safe (the promissory notes issued by it must be secured up to 125% by the pledging of a portfolio of secured housing loans).

Like property bonds, they have been rated Aaa by the rating agencies. However, unlike property bonds, the bondholder has no direct legal lien over the portfolio of funded loans even though such a lien is recognized from a business point of view.

The aim of the amended is to enact such a lien order to bring the oversight treatment of CRH's bonds into line with that of property bonds.

Improved oversight treatment for CRH's obligations will not result in any cost for the French government and will lead to reducing the cost of housing in France. In fact, all of CRH's operations, which involve substantial amounts, are devoted to funding residential housing loans.

APPENDIX 2

FRENCH MONETARY AND FINANCIAL CODE

LEGISLATIVE PART

Codifying the provisions of Section 16 of the Act of December 31th, 1969 as amended by Act no. 85-695 of July 11, 1985 and Act no. 99-532 of June 25, 1999,
by Decree n° 2008-556 of June 13, 2008
by Decree n° 2010-76 of June 21, 2010
an by Decree n° 2013-544 of June 27, 2013

Paragraph 3

Refinancing of mortgages and other secured loans

Section L. 313-42

The provisions of the present paragraph apply to the promissory notes issued by credit institutions or *societé de financement* to refinance long-term receivables used to finance real property located in France or another European Economic Area Member state which are guaranteed by:

- a first-ranking mortgage or a charge over real property which provides a guarantee at least equal thereto;
- or a guarantee granted by a credit institution or a *société de financement* or an insurance company which is not included in the consolidation described in Article L.233-16 of the Commercial Code which the credit institution issuing the promissory note is subject to.

The units or debt instruments of securitisation funds are treated in the same way as the receivables referred to above if at least 90% of the fund's assets consist of receivables of the same type, with the exception of specific units or debt instruments issued to cover the risk of insolvency of the debtors.

With effect from January 1, 2002, receivables represented by promissory notes must comply with the conditions laid down in (I of Article L. 513-3 pursuant to terms determined by a Conseil d'Etat decree. The said decree specifies the circumstances in which the quota may be exceeded if the amount of the said receivables exceeds that of the promissory notes that they guarantee.

Section L. 313-43

Since the contracts constitute the said loans and their guarantees, amendments made to the contracts to provide the lender with additional guarantees, and instruments signed by the borrower to ensure compliance with his obligations, if such instruments exist, must be made available to the bearer of the promissory note by the credit institution, if the bearer so requests, in a capital amount equal to the capital amount of the promissory note.

The credit institution provides safekeeping for the contracts and instruments made available to the bearers of the promissory notes by maintaining a nominal list of the bearers of all receivables corresponding to the aforementioned contracts and instruments, making a reference therein to Articles L. 313-42 to L. 313-49, and providing an updated indication of their amount.

Section L. 313-44

I. Barring the application of Article L. 313-46, the credit institution recovers, pro tanto, free disposal of the receivables referred to in Article L. 313-43 as and when they become due or redeemable, or when it so chooses. It is required, while the promissory note remains in circulation, to replace the contracts and bills it recovers free disposal of, without discontinuity, with other debt instruments having a capital amount equal to those made available to the bearer of the promissory note as provided for in Article L. 313-43.

II. Debt instruments made available to the bearer of the promissory note pursuant to I are automatically substituted, through real subrogation, for the debt instruments which the credit institution recovers free disposal of. Such substitution preserves the rights of the bearer of the promissory note and entails the effects set forth in Article L. 313-45, even if the signing of the new debt instruments made available to that bearer is subsequent to the signing of the promissory note.

Section L. 313-45

Making receivables and bills available to the bearer of the promissory note automatically entails creation of a pledge in favor of the successive bearers.

The bearer of the promissory note's right encompasses all receivables deriving for the benefit of the credit institution from the contracts and bills which have been made available to that bearer pursuant to the present paragraph, without any other formality. It also encompasses all interest and ancillary charges, as well as any guarantees associated with those advances, even if they derive from deeds distinct from the contracts or bills.

The bearer of the promissory note exercises that right preferentially in relation to the credit institution and, in the event of a single receivable being shared between several bearers of promissory notes, those bearers enjoy equality of rank.

While the receivables and bills remain available to the bearer of the promissory note, the credit institution cannot transfer those receivables or bills in any form whatsoever.

Section L. 313-46

If the amount of the promissory note or the interest attached to it are not paid when due, and regardless of the remedies he might exercise against the credit institution, the bearer of the promissory note may obtain, upon request and in return for the said note, submission of the nominal list of the holders referred to in Article L. 313-43 and also, if applicable, of the instruments made available to him pursuant to the present paragraph. Such submission transfers title of the receivables to him without any other formality, and with the interest, advantages and guarantees attaching thereto, within the limits of the rights he holds on account of the promissory note he held.

Section L. 313-47

For deletion of registrations, no documentary proof is required to support the statements in the act of discharge which establishes that the instruments have been made available or handed over if the said statements are certified as accurate in that act. The beneficiaries of such availability or delivery are not considered to be interested parties within the meaning of Article 2157 of the Civil Code if the act of discharge does not refer to the transaction concluded in their favor.

Section L. 313-48

In order to guarantee payment when due of the amount of the promissory note referred to in Article L. 313-42, or the amount of the interest attached to that note, the bearer of that note may ask the credit institution to make contracts available to it which constitute long-term receivables, along with their guarantees, to be added to those already made available by virtue of Article L. 313-43, for an agreed amount, given that those contracts may give rise to the creation of promissory notes having the characteristics of those referred to in Article L. 313-42.

The contracts thus made available to the bearer to guarantee a note referred to in Article L. 313-42 are indicated to that bearer at the same time as the availability of the contracts, pursuant to the procedure described in Articles L. 313-43 and L. 313-44. The effects of that availability by way of guarantee are described in Articles L. 313-45 to L. 313-47. Articles L. 313-44 to L. 313-46 are applicable notwithstanding any provision to the contrary, including those of Book VI of the French Commercial Code. These provisions apply to capitalisations effected before 29 June 1999 pursuant to the provisions of the present paragraph.

Section L. 313-49

The French Banking Authority and resolution is responsible for ensuring that the credit institutions and *the société de financement* comply with the provisions of Articles L. 313-42 to L. 313-48.

Section L. 313-49-1

A Conseil d'Etat decree determines the conditions under which the subsection is applicable to the *société de financement*

FRENCH MONETARY AND FINANCIAL CODE

LEGISLATIVE PART

SECTION 2 CHAPTER III

SOCIETES DE CREDIT FONCIER

Art. L. 513-3 - excerpt - (created by the ordonnance n° 2013-544 of June 27 2013).

I. - Guaranteed loans are loans associated with:

1. First-ranking mortgage or a charge over real property conferring an equivalent guarantee, at least;

2. Or, within limits and under conditions determined in a Conseil d'Etat decree, a minimum personal contribution from the borrower and compliance with a fixed portion of the value of the property financed and subject to the guaranteed loan being used solely to finance real property, a guarantee from a credit institution or from a *société de financement* or an insurance company which is not included in the consolidation described in Article L. 233-16 of the Commercial Code relating to real-property credit companies.

APPENDIX 3

FRENCH MONETARY AND FINANCIAL CODE

REGULATORY PART

Article R. 214-21 created by Decree no. 2011-922 of August 1, 2011 modified by the decree n° 2013-544 of July 27 2013 (excerpt)

I. – By way of an exception to the 5% limit set in the first paragraph of I, an undertaking for collective investment in transferable securities:

1° May invest 35% of its assets in eligible financial securities and money market instruments of the type referred to under paragraphs 1 and 2 of Article R. 214-20 issued or guaranteed by a single issuer, provided these securities or instruments are issued or guaranteed by a member state of the European Union, or an other state that is party to the agreement on the European Economic Space, by its public regional authorities, by a third-country or by a public international organisation provided one or more member states of the European Union or states that are party to the agreement on the European Economic Space are members thereof, or provided the instruments have been issued by the Caisse d'Amortissement de la Dette Sociale, France’s Social Security Debt Repayment Fund.

2° May invest up to 25% of its assets in bonds issued by a single entity, and provided they are real property bonds issued by real property credit companies in application of Article L. 513-2°, or bonds issued by a credit institution that has its registered office in a member state of the European Union or a state that is party to the agreement on the European Economic Space and that is the subject of specific public supervision designed to protect the holders of such bonds. In particular, the funds generated by the issue of the bonds must be invested in assets that can cover the resulting commitments for the entire duration of the bonds, and must be earmarked first and foremost for the repayment of capital and the payment of accrued interest in the event of default by the issuer.

The exception provided in the above second paragraph shall apply to bonds issued by a credit institution whose sole aim is to refinance promissory notes complying with the provisions of Articles L. 313-42 to L. 313-49, issued to refinance long-term receivables used to finance real property, provided the bonds’ characteristics are identical to those of the promissory notes.

FRENCH MONETARY AND FINANCIAL CODE

REGULATORY PART

ARTICLES R. 313-20 TO R. 313-25

Modified by Decree 2007-745 of May 9, 2007 and Decree 2011-922 of August 1, 2011, by the ordonnance n° 2013-544 of June 27 2013 and by Decree n° 2014-1315 of November 3, 2014

Article R. 313-20

I In application of the provisions of this Article, the portion of a secured receivable, within the meaning of Article L. 313-42, that may be funded may not exceed the lesser of the two following values:
1. The remaining principal balance of the receivable;
2. The product of the financing percentage defined in section II multiplied by the value of the asset that is financed or provided as collateral.

II The financing percentage cited in I.2. is equal to:
1. 60% of the value of the asset financed (in the case of secured receivables) or of the asset provided as collateral on mortgage loans;
2. 80% of the value of the asset, in the case of loans provided by a company to natural persons holding promissory notes issued by that company, when these loans are used to finance the construction or acquisition of housing, or to finance both the acquisition of a buildable lot and the cost of building the housing.
All work performed to create or transform an inhabitable area by enlarging or renovating it for the purpose of building a residence is considered to be equivalent to the construction of housing.

III Assets that are financed or provided as collateral corresponding to funded receivables are evaluated by the issuers of promissory notes using the methods provided for by order of the minister of finance.

Article R. 313-21

The percentage cited in Article R. 313-20 Paragraph II.2. is increased to:
1. 90% of the value of the asset when the value of the funded receivables is at least 25% more than the value of the promissory notes they guarantee;
2. 100% of the value of the asset provided as collateral, in the case of the social housing ownership loans guaranteed by the Fonds de Garantie à l'Accession Sociale cited in Article L. 312-1 of the French Construction and Housing Code, or by any person or entity taking its place, or in the case of covered loans, for that portion exceeding the percentage established, by a guarantee meeting the conditions established in Article L. 313-42 of the present code, or by the guarantee of one or more public-law corporations cited in Article L. 513-4 of the present code.

Article R. 313-22

A real estate guarantee, which provides a guarantee equivalent to a senior mortgage, within the meaning of Article L. 313-42, is one that confers upon a creditor, regardless of the legal position of the debtor, the right to force the sale of the building covered by this guarantee regardless of who may be occupying it, and to receive payment from the proceeds of the sale with seniority over other creditors.

Article R. 313-23

Repealed.

Article R. 313-24

For the application of Article L. 513-3 Paragraph I.2, eligible secured receivables are defined as those for which a credit institution, a *société de financement* or an insurance company with capital of at least EUR 12 million has provided a binding guarantee.

The total value of secured receivables funded may not exceed 35% of the total receivables extended to the institution holding the promissory notes issued in application of Articles L. 313-42 to L. 313-48.

Article R. 313-25

The issuance agreement for bonds issued by a credit institution whose sole aim is to refinance promissory notes complying with the provisions of Article L. 313-42 to L. 313-49 must explicitly state:

1°The purpose of the funding;
2°The exclusive purpose of the issuing credit institution;
3°The dispensation provided for in Article R. 214-21 Paragraph IV.2;
4°The preferential claim enjoyed by the issuing credit institution, under the terms of the provisions of Articles L. 313-42 to L. 313-49.

APPENDIX 4

EXCERPT FROM FRENCH BANKING AND FINANCIAL REGULATORY COMMITTEE

REGULATION No. 99-10 RELATIVE TO FRENCH *SOCIETES DE CREDIT FONCIER*

**as amended by Regulation No. 2001-02 of June 26, 2001
and Regulation no. 2002-02 of July 15, 2002
and by Orders of the Minister of the Economy, Finance and Industry
of May 7, 2007, of February 23, 2011, of May 26, 2014 and of November 3,2014**

Chapter I – Valuation of real estate assets

Article 1

Real estate financed by loans eligible as assets of mortgage companies (*sociétés de crédit foncier)* or contributed as collateral for such loans within the meaning of articles L. 513-3 and L. 513-29 of the French Monetary and Financial Code (made by the Decree of February 23, 2011) shall be valued on a conservative basis excluding any amount of a speculative nature.

Article 2

The valuation shall be based on the real estate's long-term and permanent characteristics, usual and local market conditions, the current use of the asset and other uses to which it may be put. Such mortgage value shall be determined in writing, in a clear and transparent way, and shall not exceed the market value. Notwithstanding the above, the valuation may be based on the total cost of the initial transaction when this cost is less than EUR 600,000 or when the sum of the remaining principal balances of the loans financed by the mortgage company or by the housing financing society and secured by the real estate asset valued have a remaining unit principal less than EUR 480,000 determined at the time of said acquisition or their pledge (made by the Decree of February 23, 2011).

Article 3

After their acquisition or their pledge, the valuation of real estate assets shall be reviewed as part of the risk measurement system governing mortgage companies and *sociétés de crédit foncier* under the decree of November 3, 2014 relating to internal control of the bank sector companies, payment services and investment services subject to control by the Prudential Control Authority and Resolution:

a) This review shall be performed once a year using a statistical method for residential real estate;
b) This review shall be performed once a year using a statistical method for commercial real estate whose all of the loans owned by the mortgage company and secured by the valued real estate asset have a remaining unit principal less than 30% of the initial principal loaned or under EUR 480,000;
c) This review shall be performed individually every three year for commercial real estate whose purchase price or whose last estimated value is under EUR 600,000 and when all of the loans owned by the mortgage company and secured by the valued real estate asset have a remaining unit principal over EUR 480,000. The value of said real estate assets between two individual reviews shall be reviewed yearly using a statistical method.

d) This review shall be performed individually once a year for commercial real estate whose purchase price or whose last estimated value is over EUR 600,000 and when all of the loans owned by the mortgage company and secured by the valued real estate asset have a remaining unit principal over EUR 480,000 (made by the Decree of February 23, 2011).

Article 4

The appraisal of real estate assets shall be performed by an independent expert within the meaning of Article 168 of the Order of February 20, 2007 on the Stockholders' equity requirements of credit institutions and investment firms (made by the Decree of March 7, 2007).

APPENDIX 5

CRH - CAISSE DE REFINANCEMENT DE L'HABITAT

ARTICLES OF INCORPORATION AND BY-LAWS
(January 31, 2008)

TITLE I

Article 1 - LEGAL FORM

The company shall be a French corporation (*société anonyme).* It shall be governed by current and future laws and regulations and these By-laws.

Article 2 - PURPOSE

The company's purpose is:

- to refinance, for the exclusive benefit of its stockholders or of establishments undertaking to become stockholders in accordance with the provisions of Articles 6 and 8 below, the promissory notes they have signed or endorsed to collateralize the loans referred to in Section L. 313-42 of the French Monetary and Financial Code representing housing loans;

- to issue, in connection with this application of funds, bonds and other securities with features similar to those of the collateralized notes;

- in general, to enter into real estate and other transactions relating to the purposes described above or any similar or related purposes, or which may be of a nature to facilitate the realization thereof.

The company may not hold any interest or conduct any business that is not related to its corporate purpose. In particular, it may not contract any debt not related to this purpose, with the exception of subordinated debt to reinforce its Stockholders' equity, or in the event of the default of the maker of a promissory note.

Article 3 – COMPANY NAME

The name of the company shall be C.R.H. - Caisse de Refinancement de l'Habitat.

Article 4 – REGISTERED OFFICE

The registered office of the company is located at 35, rue de la Boétie. PARIS 75008. In the event that the Board of Directors changes the registered office in accordance with the provisions of the law, the new registered office shall automatically replace the former office in this Article.

Article 5 – PERIOD OF DURATION

The company shall exist for 99 years as from the date of its registration with the Trade and Companies Registry, except in the event of earlier dissolution or extension of the term.

Article 6 - CAPITAL

The stated capital of the company shall be set at five hundred and thirty nine millions nine hundred ninety-four thousand seven hundred and thirty seven euros seventy-five cents.

It shall be divided into thirty five millions four hundred nine thousand four hundred and ninety one shares with a par value of EUR 15.25 each.

The number of shares held by each stockholder must be in the same proportion as the prudential requirement in relative to outstanding amount of its loans refinanced by the company for that stockholder relative to the the prudential requirement in relative total loans refinanced by the company. For the calculation of the proportion, the guarantee shares held by the directors are to be deducted from the total number of shares. The number of shares shall be adjusted annually, as necessary, before the end of the third month of the financial year. Where calculation results in a fractional number, shares shall be distributed on the basis of the "greatest remainder" rule.

Article 7 – FORM AND TRANSFER OF SHARES - UNDERTAKINGS TO SELL

Shares must be in registered form, giving rise to a book entry in accordance with the conditions and procedures established by law.

Shares shall be freely negotiable and transferable. Transfers of shares to a person not belonging to the company shall be effected by a transfer order signed by the seller or its agent.

To ensure that each shareholder holds a number of shares proportional to the prudential requirement in relative amount of loans refinanced on its behalf by the company, as provided under Article 6 above each company shareholder undertakes to sell to the member indicated by the company or to the person so indicated undertaking to become a shareholder, or to buy from such member or person the number of shares required to maintain this proportion.

The related sales and purchases shall be effected annually before the end of the third month of the financial year.

These sales and purchases shall be at a price equal to the net book value of the shares calculated on the basis of the last balance sheet at the end of the financial year preceding the transactions.

For the purpose of effecting sales and purchases of this kind, each shareholder shall grant the company full powers to transfer shares from the seller's account to the buyer's account without further formality.

Article 8 – RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

Each share entitles its holder to ownership of company assets and an interest in company earnings and liquidation proceeds in the same proportion as one share to the total number of shares outstanding.

In all cases where several shares are required for the exercise of a given right, single shares or shares in insufficient numbers shall not give their holders any claim on the company, it being their personal responsibility in such cases to combine interests to reach the required number of shares.

Ownership of a share shall mean full acceptance of the company's articles of incorporation and By-laws and decisions of its Regular Stockholders' Meetings.

Article 9 – PAYMENT OF SHARES

Amounts remaining due for shares payable in cash shall be called by the Board of Directors in accordance with the conditions it shall establish.

Article 10 – STOCKHOLDERS' OBLIGATIONS

Each stockholder shall be required to pay to the company, as an advance, the amounts necessary to set Stockholders' equity at the level determined by the Regular Stockholders' Meeting in accordance with banking regulations.

Advances due from each stockholder shall be proportional to the prudential requirement relating to the amount of promissory notes that stockholder has refinanced or endorsed with the company and for a period ending with the maturity of these notes.

These advances, thus adjusted to reflect changes in the amounts refinanced or endorsed by each stockholder, shall, in the event of the company's voluntary or court-ordered liquidation, be reimbursed only after all other creditors have received the amounts due to them.

Each stockholder shall further be required to provide the company, as a short-term advance, with the amounts necessary for its operation, subject to the limits and conditions set by the Board of Directors, the maximum amount of such advances being limited to 5% of total amounts outstanding.

Advances due from each stockholder shall be proportional to the amounts refinanced on its behalf.

Any stockholder failing to provide the required amounts by the specified date shall owe the company compensation in accordance with the conditions adopted by the Regular Stockholders' Meeting.

TITLE II - GOVERNING BODIES

Article 11 - BOARD OF DIRECTORS

The company shall be administered by a Board of Directors comprising at least three members and at most twelve.

Directors must hold at least one share throughout their term of office.

The term of office for directors shall be six years. However, the first directors shall be appointed for three years. Directors may always be reelected.

As an exception to the above, directors aged over 70 may not make up more than one-third of board membership. Compliance with this limit shall be verified each year by the meeting of the Board of Directors held to call the Regular Stockholders' Meeting. Where the limit is exceeded, the Board decides which member or members aged over 70 are to remain in office.

In the event of a vacancy or vacancies resulting from the age limit or the death or retirement of one or more directors between two Regular Stockholders' Meetings, the Board may make provisional appointments.

Article 12 - CONVENING OF BOARD MEETINGS AND DECISIONS

Directors may be called to meetings by any appropriate means, including verbal announcement.

Decisions shall be taken subject to the conditions of quorum and majority provided for by law. Where votes are equally divided, the Chairman shall have the casting vote.

Minutes of Board meetings shall be drawn up and copies or excerpts filed and registered in compliance with the law.

Article 13 - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors determines the broad lines of the company's business activities and ensures their implementation. It shall deal with any question concerning the proper conduct of the company and through its deliberations shall determine any matters concerning the company, within the limits determined by the company's purpose and excluding those powers expressly reserved by law to Regular Stockholders' Meetings.

The Board of Directors shall perform such controls and verification procedures as it deems necessary.

The Board of Directors receive from the company's chairman or general manager all the documents and information necessary to perform this task.

Article 14 - CENSEURS (SUPERVISORY MEMBERS OF THE BOARD)

The Regular Stockholders' Meeting may appoint one or more *censeurs* from among company stockholders who are not directors, and shall determine the compensation to be paid to them.

Their term of office shall be six years. Said term shall end following the Regular Stockholders' Meeting called to examine the financial statements for the previous financial year and held in the year in which their term of office expires.

Censeurs may be reelected indefinitely and they may be removed from office at any time by a decision of the Regular Stockholders' Meeting.

In the event of the death or resignation of one or more *censeurs*, the Board of Directors may co-opt a successor or successors, this provisional appointment being subject to ratification by the next Regular Stockholders' Meeting.

The *censeurs* shall be responsible for ensuring strict compliance with the company's articles of incorporation and By-laws. They shall attend meetings of the Board of Directors in an advisory capacity. They shall examine statements of assets and liabilities and annual financial statements, and may present their observations on this subject to the Regular Stockholders' Meeting where they consider this appropriate.

Article 15 - CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors shall elect a Chairman from among its members who are natural persons for a term which it shall determine, but which shall not extend beyond the member's term of office as a director. The Chairman shall organize and direct the work of the Board of Directors, on which he or she shall report to the Regular Stockholders' Meeting. He or she shall ensure the company's management bodies function correctly and. in particular, that directors are capable of fulfilling the terms of their appointment.

The compensation of the Chairman shall be set at its discretion by the Board of Directors.

The Chairman may be re-elected subject only to the restrictions described in the paragraph below.

The Chairman's term of office must expire at the latest at the close of the first Regular Stockholders' Meeting held after he or she has reached the age of 68. However, the Board of Directors may, at a meeting following that Regular Stockholders' Meeting, extend this period, on one or more occasions, in accordance with applicable law and regulations.

In the event of the temporary incapacity or death of the chairman, the Board of Directors may appoint one of its members as acting chairman.

Where this appointment is due to the temporary incapacity of the Chairman, it shall be for a set term, which shall be renewable. In the event of the Chairman's death, it shall be valid until the election of a new chairman.

The Board of Directors shall also appoint a Secretary for a term that it shall determine. The Secretary may be one of its members or not. In the latter case, the Secretary shall have neither voting nor advisory powers.

The Chairman and Secretary together form the Board’s officers.

Article 16 - GENERAL MANAGEMENT

On the decision of the Board of Directors, general management of the company shall be assumed. at the company’s responsibility, by either the Chairman of the Board of Directors or another natural person appointed by the Board as the Chief Executive Officer.

This decision shall be notified to stockholders and third parties in accordance with applicable regulations.

The terms and conditions for the exercise of general management powers, and the period for which such terms and conditions shall remain in force, shall be decided for the first time at the first meeting of the Board of Directors that shall follow adoption of these By-laws.

The Board of Directors shall be able to decide that its decision shall be valid for a limited time period.

In the event that the Board decides that the Chairman of the Board of Directors shall exercise general management powers, the provisions of these By-laws relative to the Chief Executive Officer shall apply to the Chairman of the Board of Directors, who shall take the title of Chairman and Chief Executive Officer.

Article 17 - CHIEF EXECUTIVE OFFICER

The broadest powers shall be vested in the Chief Executive Officer to act in the company's name in all circumstances. He or she shall exercise these powers within the limits determined by the company's purpose, excluding those expressly reserved by law to Regular Stockholders’ Meetings or the Board of Directors.

The Chief Executive Officer shall represent the company in its relations with third parties. The company shall be liable for those acts of the Chief Executive Officer that do not fall within the company’s purpose, except if it can prove that the third party was aware or, in the circumstances, could not have been unaware, that the act in question fell outside the company’s purpose. Mere publication of the By-laws shall not constitute such proof.

The Board of Directors may limit the powers of the Chief Executive Officer, but not vis-à-vis relations with third parties.

The Chief Executive Officer may temporarily or permanently delegate part of his or her powers to such agents as he or she may notify who may or may not in turn delegate such powers.

The compensation of the Chief Executive Officer shall be set at its discretion by the Board of Directors.

The Chief Executive Officer, even if not a director, shall be invited to meetings of the Board of Directors.

The Chief Executive Officer may be removed from office by the Board of Directors at any time. If the removal from office is proved to be unjust, it may give rise to the payment of damages except if the Chief Executive Officer takes over the functions of the Chairman of the Board of Directors.

If the Chief Executive Officer is also a director, the appointment shall not extend beyond his or her term of office as a director.

The Chief Executive Officer's term of office must expire at the latest at the close of the first Regular Stockholders' Meeting called to approve the financial statements for the year in which he or she reaches the age of 65, However, the Board of Directors may, at the meeting following that Regular Stockholders' Meeting, extend this limit, on one or more occasions, in accordance with applicable law and regulations.

Article 18 – VICE-PRESIDENTS

Acting on a proposal from the Chief Executive Officer, the Board of Directors may appoint, within the limits set by law, one or more natural persons to assist the Chief Executive Officer and who shall each be designated as a Vice-President.

In agreement with the Chief Executive Officer, the Board shall determine the scope of the powers of each Vice-President and his or her term of office. Each Vice-President shall have the same powers vis-à-vis third parties as the Chief Executive Officer.

Should the Chief Executive Officer cease to exercise his or her functions or be prevented from so doing, each Vice-President may continue to exercise his or her functions and powers until the appointment of a new Chief Executive Officer, save in the event of a decision to the contrary by the Board.

The compensation of each Vice-President shall be set at its discretion by the Board of Directors acting on a proposal from the Chief Executive Officer.

Each Vice-President, even if not a director, shall be invited to meetings of the Board of Directors.

Each Vice-President may be removed from office by the Board of Directors at any time acting on a proposal from the Chief Executive Officer. If the removal from office is proved to be unjust, it may give rise to the payment of damages.

If a Vice-President is also a director, the appointment shall not extend beyond his or her term of office as a director.

Each Vice-President's term of office must expire at the latest at the close of the first Regular Stockholders' Meeting called to approve the financial statements for the year in which he or she reaches the age of 65, However, the Board of Directors may, at the meeting following that Regular

Stockholders' Meeting, extend this limit, on one or more occasions, in accordance with applicable law and regulations.

Article 19 - INDEPENDENT AUDITORS

The company shall be audited by one or more independent auditors in accordance with the provisions of the law.

One or more deputy auditors shall be appointed by the Regular Stockholders' Meeting to replace these independent auditors in the event of the death inability or refusal to act of said independent auditors.

Article 20 - REGULAR STOCKHOLDERS' MEETINGS

Regular Stockholders' Meetings shall be convened in accordance with the provisions of the law.

Meetings shall take place at the company's registered office or at any place indicated in the notice of meeting.

The right to participate in meetings shall be conditional on registration of shares on the company roll no less than five days prior to the date of the meeting.

Meetings shall be chaired by the Chairman of the Board of Directors or, where the Chairman is absent, by another director appointed for this purpose by the Board, or failing this, by a person elected by the meeting.

Votes shall be counted by the two members of the meeting with the largest number of votes who accept these duties.

The officers of the meeting shall appoint the secretary for the meeting who is not required to be a stockholder.

A record of attendance shall be kept in accordance with the provisions of the law.

Copies and excerpts of the minutes of the meeting shall be properly certified as required by law.

Article 21 - ATTENDANCE AND REPRESENTATION AT MEETINGS

All stockholders shall have the right to attend the meetings.

Each member of a Regular Stockholders' Meeting shall have, subject to the special provisions of the law concerning meetings deemed to be constituent, the number of votes resulting from the following rules:

- stockholders with between one share and 10% of the shares representing the capital shall have one vote for each 0.01% of the capital they own;

- stockholders with between 10 and 20% of the shares representing the capital shall have 1.000 votes plus one vote for each 0.10% of the capital they own above 10%;

- stockholders with more than 20% of the shares representing the capital shall have 1.100 votes plus one vote for each 1% of the capital they own above 20%;

- where necessary, the number of votes calculated in this way shall be rounded up to the nearest integer.

A stockholder may be represented by another stockholder at a Regular Stockholders' Meeting.

Individuals representing legal entities shall participate in meetings whether or not they are themselves stockholders.

Article 22 - POWERS OF REGULAR STOCKHOLDERS' MEETINGS

Regular and Special Stockholders' Meetings shall adopt decisions in accordance with the conditions of quorum and majority legally applicable to each, and shall exercise the powers vested in them by law.

TITLE III - FINANCIAL YEAR AND EARNINGS

Article 23 - FINANCIAL YEAR

The company's financial year shall begin on January 1 and end on December 31.

As an exception, the company's first financial year shall begin on the date of incorporation and end on December 31, 1985.

Article 24 - PROFITS AND LOSSES – PAYMENT OF DIVIDENDS

Distributable income, as this is defined by law, shall be at the disposal of the Regular Stockholders' Meeting, which may decide to allocate it to one or more reserves for which such meetings have the power to determine allocations or applications, to carry it forward to the following year or to distribute it, In the event of distribution, the Regular Stockholders' Meeting may allow stockholders to choose between a dividend in cash or in shares as provided by law.

The Regular Stockholders' Meeting may also decide to distribute funds drawn from reserves that it controls, expressly indicating the reserve or reserves from which they shall be drawn.

However, dividends shall be to be paid out of distributable income first.

Except in the event that the capital is reduced, no distribution may be made if Stockholders' equity is lower or would as a result of such distribution become lower than the sum of the capital and reserves which may not legally be distributed.

Any losses shall be carried forward and charged to future income until they are wiped out.

TITLE IV - DISSOLUTION - LIQUIDATION

Article 25

At the expiration of the company or in the event of its dissolution, the Regular Stockholders' Meeting shall determine the liquidation procedures and appoint one or more liquidators whose powers the same meeting shall determine, and who shall perform their duties in accordance with the provisions of the law.

APPENDIX 6

CRH - CAISSE DE REFINANCEMENT DE L'HABITAT

INTERNAL RULES AND REGULATIONS

These internal rules are designed to complement and explain the By-laws. They specify the provisions governing CRH's business and certain stockholder commitments. They apply to existing and future mortgage notes and supersede any previous agreements.

If necessary, it can be further amended to be fully compliant with the new European regulation.

1. ACTIVITY

1.1. In accordance with its By-laws, the sole activity of CRH is the refinancing of housing loans granted by the credit institutions that are, or have agreed to become, its stockholders.

1.2. CRH issues bond loans (or other securities. also referred to in what follows as "bonds") with the same features as its refinancing loans. It thus acts on behalf of its stockholders purely as an intermediary.

1.3. As a result, the borrowing institutions' commitments exactly match those contracted by CRH when borrowing on the financial market.

1.4. CRH's refinancing operations are governed by Sections L. 313-42 to L. 313-49 of the French Monetary and Financial Code (*Code monétaire et financier*).

1.5. As required by its Articles, CRH will not hold any equity interests or engage in any activity that is not part of its corporate purpose. In particular, it will not contract any debt not relating to this corporate purpose, excepting subordinated debt contracted for the purpose of consolidating Stockholders' equity; or in the event of default by the issuer of a promissory note.

2. APPROVAL OF BORROWERS

2.1. To be eligible for CRH refinancing. a borrower must:

- be a credit institution;
- undertake to become a CRH stockholder;
- undertake to comply with legislation and official regulations applicable to the operations of CRH, the Articles of Incorporation and By-laws of CRH and these internal rules, in particular as regards the right of CRH to inspect the borrower's loan portfolio;
- be approved by CRH and. to this end, submit documentation with all business and financial information necessary to determine whether such approval is appropriate.

CRH may request any additional information and technical assessments it considers necessary for this purpose.

2.2. After consulting, where appropriate, the Risk Committee, the CRH Board of Directors decides whether to grant approval, if necessary setting forth the conditions to which this approval is subject, and determining the financial conditions applicable to refinancing.

In accordance with French banking regulations, the Board of Directors may at any time reconsider the maximum amount of risk accepted in respect of any one borrower.

2.3. Before any refinancing is granted:

- the borrower must sign the internal rules and a subordinated loan agreement concerning the equity contribution referred to in Article 8.1 below;
- the borrower must undertake to provide CRH on a regular basis or at the request of CRH;
    - with all documents necessary to monitor its business and earnings, in particular in the housing-loan sector;
    - where applicable, this is to include information concerning housing-loan assets sold or transferred, whether or not the borrower continues to administer these loans;
    - where applicable, it shall also include the amount of any mortgage notes issued in favor of any party other than CRH;

- the CRH inspection department may examine the borrower's loan portfolio.

3. RISK COMMITTEE

3.1. The Board of Directors or the management of CRH may convene a Risk Committee. The Board of Directors appoints the members of this committee from among its stockholders or their representatives, and determines the rules governing the operation of the committee.

3.2. The risk committee is an advisory body. At the request of the Board of Directors or management, it gives its opinion on issues such as, in particular, the conditions applying to:

- approval of borrowers and refinancing;
- eligibility of loans;
- collateral for mortgage notes;
- cover for the direct and indirect risk exposure of CRH.

4. BOND ISSUANCE

4.1. The credit institutions inform CRH of their refinancing requirements periodically.

After receiving and examining all applications. CRH informs the institutions of its decision, prepares an issuance program, and submits a lending agreement setting forth the terms and conditions of refinancing for signature by the institutions.

4.2. CRH may issue notes, bills, Bonds, negotiable debt instruments or any other security on French or foreign financial markets.

CRH may entrust one or more credit institutions with the placement of its securities or effect this placement itself. It determines the specifications of these securities in accordance with market conditions.

4.3. Once it has received the proceeds of its issues. CRH pays each borrower its full interest in these proceeds, less the required equity contribution and the fees and commissions relating to issuance. This equity contribution is in the form of a subordinated loan granted to CRH by the borrowers. CRH redeems subordinated loans in accordance with the conditions set forth in section 8.1 of these Regulations.

5. MORTGAGE NOTES

5.1. Issuance of mortgage notes

In accordance with the provisions of Sections L. 313-42 to L. 313-49 of the Monetary and Financial Code and the refinancing contract, borrowers must provide CRH with mortgage notes representing their interest in the bond. The mortgage notes are to be made out in accordance with the provisions of the Commercial Code and prevailing standards as defined in a model drawn up by CRH. Borrowers must give an irrevocable undertaking to pay the interest. Costs, incidental expenses and all current and future tax relating to these notes in proportion to their interest and to fulfill the commitments set forth on the front and back of these notes.

CRH purchases these notes when it receives the corresponding funds.

Principal notes bear interest at the same rate and dates as the related bond issue and are amortized in accordance with the same conditions.

5.2. Early repayment of notes

Borrowing institutions may repay notes in full or in part before maturity only with CRH’s consent and subject to the conditions determined by CRH, after signing an early repayment agreement. In such event, the institution concerned delivers the related bonds to CRH as repayment.

CRH may suspend this right at any time.

5.3. Procedure to secure compliance with amortization schedules

In connection with the introduction of procedures to secure compliance with amortization schedules for existing or future bonds, borrowers expressly agree to comply with the following provisions:

- Five business days before a payment on a bond issued by CRH falls due, each borrower must pay CRH an advance in an amount equal to the principal note to be repaid, plus the amount of the associated interest note.

- The corresponding funds are invested on the money market up to the payment date through deliverable repurchase agreements on Treasury notes and bills.

- The advance is returned on the payment date, where applicable by offsetting the amount against sums due from the borrower on the principal note and the associated interest note.
- The proceeds from the investment of advances on the money market are paid to the borrowers.

5.4. Endorsement by authorized guarantor

One or more borrowers may authorize an institution duly approved by CRH to issue in their name and on their behalf, a single refinancing note representing loans that the borrower or borrowers wish to refinance.

The institution so authorized endorses the principal and interest notes on behalf of the borrowers. It undertakes to stand in for the borrowers in the event of default and in such event is obligated to fulfill all the commitments of the borrower or borrowers concerned. It also provides CRH with a copy of its authorization.

Each borrower so authorizing the institution undertakes to fulfill all commitments relating to the refinancing in proportion to its interest in the note. The borrowers may enter into an agreement stipulating joint and several liability with regard to all these commitments.

The authorized institution does not need to be in possession of the loans but must give an undertaking that CRH may, if it wishes, conduct inspections at its premises.

The authorized institution is also required to obtain from the borrowers it acts for all such documents as may be required to obtain, if necessary, enforceable copies of loan agreements from notaries and court registrars. The authorization it receives must provide for the transferability of this right to CRH.

The authorization must further expressly indicate that the principal is apprised of these internal rules, agrees to the conditions set forth herein and undertakes to comply with the same.

The authorized institution signs these internal regulations both in its own name and as the representative of its principal.

6. COLLATERAL FOR MORTGAGE NOTES

6.1. Pledging of loan portfolio

Interest payments and mortgage note repayments must be secured by a pledge of loans at the latest during as notes are issued, in accordance with the provisions of Sections L. 313-42 to L. 313-49 of the Monetary and Financial Code concerning provision of collateral.

Collateral is constituted by the borrower providing an itemized list of the loans securing each note, using a model prepared by CRH, in accordance with the aforementioned provisions.

The terms of the loans accepted as collateral and any particular conditions applying to refinancing are determined by the CRH Board of Directors in compliance with applicable law and are set forth in a document entitled “Eligibility of Loans for CRH Refinancing”. Borrowers consent in advance to any amendments that may in the future be made to this document.

The loans pledged must at all times have an average life nearby to the residual life of the principal note secured, and bear interest at an average rate equal to or higher than that on the note. The amount of these loans must at all times be equal to at least 125% of the note secured. However when certain of these conditions are not fulfilled, notably matching of interest rates and life of notes. CRH may require that this minimum amount be increased.

The borrower undertakes to employ its best efforts to ensure that debtors meet payments on due dates.

It is expressly agreed that all loan thus provided as collateral for CRH by the borrower is affected to the guaranty of all note subscribed or later on subscribed by the borrower at CRH's profit.

6.2. Restrictions applying to collateral

In accordance with the provisions of the Code referred to above, the borrower may not assign, in any manner or form. in particular by transfer of ownership or pledge, the loans provided as collateral. Transfers to a securitization fund or a *société de credit foncier* are thus prohibited.

The borrower recovers the right to dispose freely of the pledged loans only when they are repaid, capitalized, disputed, fall due or become doubtful. In such cases, the borrower must immediately replace these loans with eligible loans in the same amount.

Loans are deemed disputed when due payments are not made, either because of legal or political obstacles beyond the control of the debtor, or because of contestation.

Loans are deemed doubtful when due payment is not made for reasons other than those referred to in the previous paragraph.

Borrower undertakes to withdraw from pledged collateral, all pledged loans un-validated during CRH's inspections and more broadly to withdraw all pledged loan not responding to CRH's criterias of eligibility for loans.

Borrowers keep a register of loans provided as collateral and **monthly** send copies of this register to CRH on a regular basis.

6.3. Inspection of borrowers

CRH inspects collateral for the notes issued by borrowers or to be issued by institutions that intend to borrow.

In particular, it verifies:

-the material existence of loans;
-full legal and beneficial ownership by the borrower;
-in accordance with the provisions of the law, the absence of related commitments, in particular concerning a pledge or sale.

To this end, it may require the institution inspected to provide all relevant declarations from its Independent Auditors.

In cases where inspection reveals the inclusion of ineligible loans in the portfolio, in particular of the kind described in Article 6.2 of these regulations, the institution must replace these with eligible loans to remedy the resulting shortfall.

6.4. Insufficient collateral

Should the amount of the loans provided as collateral for notes be insufficient. The institution concerned must immediately remedy this by pledging additional eligible loans to CRH. Failing this, the borrower undertakes to restore collateral to an adequate level through the immediate purchase of bonds in a sufficient amount from the pool corresponding to the note concerned and to deliver these bonds to CRH by way of repayment.

CRH may agree to the deferral of such transactions.

Borrowers undertake to inform CRH promptly as soon as they aware that such a situation may arise.

6.5. Information system

The borrower undertakes to inform CRH eventually, of any draft amendment likely to affect filters being used to select pledged loans.

7. BORROWER DEFAULT

In the case of a borrower default on payment of the advance referred to in Article 5.3 above prior to a repayment date or interest payment date the following provisions apply:

7.1. Call for cash advances

CRH management calls on each stockholder to supply the cash advances referred to in Article 8.3 below for the purpose of meeting commitments to bondholders at the due date despite the default.

7.2. Lapse of maturity dates on notes

When a borrower defaults on payment of interest or principal at a due date, the maturity date on all notes issued by the borrower in favor of CRH lapses and all such notes become ipso facto immediately due.

7.3. Transfer of ownership

On recognition of a borrower's default, CRH, having called cash advances and consulted the Risk Committee, considers:

a) the advisability of taking over ownership of collateral, together with the conditions applying to such action, in accordance with the provisions of Sections L. 313-42 to L. 313.49 of the Monetary and Financial Code, once notice of default has been served on the borrower.

b) the advisability of entrusting administration of the loans concerned to the defaulting institution in accordance with the appended agreement, if appropriate under the supervision of a provisional administrator appointed by the French Prudential Supervisory Authority (*Autorité de Contrôle Prudential et de Résolution– ACPR*).

CRH then carries out or commissions a detailed audit of the loan portfolio to ascertain its overall makeup and to determine precisely the amounts and dates of revenues it may be expected to generate.

7.4. Management of risks resulting from the substitution of loans for defaulting mortgage notes

The revenue flows generated by the loans are to enable CRH to pay interest and principal on bonds related to the defaulting notes. However, the dates and amounts of revenue flows may not exactly match those of payments.

In view of this, CRH may, once the loan portfolio has been fully assessed seek additional refinancing to ensure a precise match between revenues and payments.

CRH may also retire its bond debt by selling the loan portfolio and buying back bonds in the same amount on market terms, then cancelling these bonds.

7.5. Management of interest rate risk

When a borrower defaults, the interest rate risk that may result is the object of particular attention. CRH may use derivative products to cover this risk but to the extent possible must give preference to the purchase or sale of fixed-income securities or loans eligible for its refinancing operations.

Should CRH decide to sell the loans to fund the purchase of bonds as described in 7.4 above, preparations for this will include the adoption of precisely defined measures to limit interest-rate risk. This may involve in particular entrusting a credit institution with an ad hoc mandate.

7.6. Settlement between defaulting borrowers and CRH

The final settlement with a defaulting borrower should release CRH in full from all debts and commitments entered into on behalf of the borrower, with no charge of any kind remaining as a result of the default.

The final settlement is in principle made after the latest maturity date initially set for the borrower's notes.

Payments due from the defaulting borrower include in particular:

- the amount of interest, repayments and tax paid or to be paid by CRH on behalf of the borrower since its default, including interest on the cash advances from other stockholders referred to in section 8.3 below;
- the full amount paid out by CRH (including expense and interest) in connection with the bond repurchases referred to under 7.4 above;
- all legal and other expenses borne by CRH as a result of the default.

8. STOCKHOLDERS' COMMITMENTS

In addition to the obligations resulting from the law, regulations and contractual agreements governing their operations, each stockholder must fulfil the following commitments.

8.1. Capital contributions

In accordance with the Articles of Incorporation and By-laws, each stockholder must pay CRH the sums needed to meet the capital adequacy requirements of French banking regulations.

Each stockholder makes such payments in proportion to the prudential requirement relating to the outstanding mortgage notes refinanced by or endorsed by CRH and for the same period as these notes are valid. The amounts of payments are adjusted to reflect changes in outstanding notes.

In the event of voluntary or court-ordered liquidation of CRH, these contributions are not repaid until all other creditors have been paid in full.

8.2. Ownership

In accordance with the Articles of Incorporation and By-laws, stockholders undertake to sell or buy the number of shares required to ensure that the interest of each is in exactly the same proportion to total equity as its notes are to the prudential requirement in relative to total notes outstanding.

Sales and purchases must be made before the end of the first quarter of each calendar year, at a price equal to the net book value of the shares as calculated on December 31 of the previous year.

8.3. Cash advances from stockholders

In accordance with the By-laws, each stockholder must supply CRH with the amounts in the form of cash advances, required for its operation, subject to a limit of 5% of outstanding loans.

a) The Board of Directors has expressly empowered CRH management to use any means at its disposal to call these cash advances at its own initiative, as soon as the need arises and in the amounts required.

b) In the case of a stockholder default on debt-related payments to CRH, cash advances from other stockholders allow CRH to timely pay all sums owed on behalf of the defaulting stockholder, in particular to bondholders and French tax authorities.

Where necessary, the sums advanced are held until a final settlement is made between the defaulting stockholder and CRH.

c) Advances are due from stockholders in proportion to their refinancing notes outstanding at December 31 of the previous year.

d) The Board of Directors determines, at the appropriate time, the interest to be paid on these advances on the basis of current market conditions.

e) To enable CRH to receive cash advances immediately on request, each stockholder provides it with an ad hoc file, kept up to date at all times. This file sets out the names, addresses and telephone and fax numbers of two employees authorized to deal with requests for cash advances from CRH management.

f) A stockholder failing to make payments at the due date is required, without further process and without notice, to pay compensation to the company. The terms of this compensation are determined by a Regular Stockholders' Meeting.

8.4. Management agreement

Each stockholder accepts, by operation of law, the terms of the management agreement referred to in Article 7.3 above.

8.5. Compliance with Articles of Incorporation and By-laws

Each stockholder is required, by sole virtue of its status, to comply with the company's Articles of Incorporation and By-laws and the resolutions adopted by Regular Stockholders' Meetings.

9. INTERNAL CONTROLS AND INSPECTIONS

In accordance with French banking regulations, CRH has implemented an internal control system under the direct responsibility of senior management.

CRH operations are also reviewed by the audit departments of stockholder institutions.

10. STOCKHOLDER APPROVAL OF INTERNAL RULES AND REGULATIONS

CRH stockholders expressly undertake to comply with these internal rules, as evidenced by their signatures below.

APPENDIX 7

CONDITIONS OF ELIGIBILITY

REMINDER

The sole business of Caisse de Refinancement de l'Habitat is the funding of housing loans extended by banks. CRH provides funding to the banks by acquiring and holding the promissory notes they issue. These notes have the same characteristics as the bonds CRH issues to fund them, and are guaranteed by a specific pledge of the loans made by the banks.

These criteria can be further amended to be fully compliant with the new European regulation.

INTRODUCTORY REMARK

The following provisions comprise the body of laws and regulations applicable to CRH's operations. Some of these rules are also likely to be amended, repealed or replaced in the coming months due to the introduction of the new European regulatory framework:

- Article 13 of Law no. 85-695 of July 11, 1985, along with Article 36 of Law no. 2006-872 of July 13, 2006;

- Articles L. 313-42 through L. 313-49 of the Monetary and Financial Code codifying the provisions of Article 16 of Act no. 69-1263 of December 31, 1969 as amended by Articles 12 and 13 of Act no. 85-695 of July 11, 1985 and by Article 113 of Act no. 99-532 of June 25, 1999, by Article 16 of Decree n°2008-556 of June 13, 2008 and by Article 18 of Decree n° 2010-76 of January 21, 2010;

- Article L. 513-3 paragraph I relative to French Sociétés de Crédit Foncier;

- Article L. 312-3-1 of *code de la consommation* regarding some loans in foreign currency.

- Articles R. 313-20 to R. 313-25 of the Monetary and Financial Code codifying the provisions of Decree no. 2000-664 of July 17, 2000 as amended by Decree no. 2003-144 of February 19, 2003 and by Decree no. 2007-745 of May 9, 2007 and by Decree no. 2014-1315 of November 3, 2014;

- French Banking and Finance Regulatory Committee Regulation no. 99-10 as amended by Regulation no°.2002-02 nd the Decrees of May 7, 2007 and of February 23, 2011 on the valuation of financed assets to be used to determine the portion of o a loan that may be collateralized;

-Regulation (EU) n° 575/2013 of the European parliament and Council of June 26, 2013 hereinafter referred to as CRR;

-Directive 2013/36/EU of the European parliament and Council of June 26, 2013;

- The company By-laws of CRH;

- This document, summarizing all of the general provisions related to the raising of capital, which details and supplements the above rules. In compliance with the By-laws of CRH, these provisions have been approved by the Board of Directors.

CONDITIONS OF ELIGIBILITY OF LOANS

The conditions of eligibility of the loans in which CRH result of the provision of article 129 of European regulation “CRR” of June 26, 2013 regarding covered bonds and the capabilities appropriate for the CRH.

1 - BENEFICIARIES

Beneficiaries must be either natural persons or *société civile immobilière* real estate partnerships whose stockholders are natural persons if the latter do not engage in property development activities.

2 - USE

The loans are intended to be used to finance the construction or acquisition of **Housing** or in the financing of both the acquisition of a buildable property and the cost of the work for providing **Housing**. All work performed to create or transform a habitable area, by extending or renovating it, is considered to be construction.

Thus, all loans intended to be used to finance professional or commercial facilities are excluded. In the case of a mixed-use operation (financing of both housing and professional or commercial facilities), the financing of the housing part may be eligible only that part is broken out in a separate loan, mortgage registration and valuation.

3 - GUARANTEES

The loans financed must be guaranteed:

1) either by a senior mortgage or a PPD (*privilège de prêteur de deniers*) type surety on the asset financed;

2) or by a joint and several guarantee from an eligible protection provider according to the article 129-e of the European regulation “CRR”.

The borrower must ensure that the property securities matches the criteria of the regulation above.

4 - AMOUNT

The initial term of the eligible loan is greater than 1 year.

The outstanding principal balance of the eligible loan must not exceed EUR 1 million.

5 - MATURITY

The term to maturity of the eligible loan must not exceed 25 years.

6 – PORTION OF AN ELIGIBLE LOAN THAT MAY BE FUNDED

The portion of an eligible loan that may be funded may not exceed the lower of the following two amounts:

- the remaining principal balance of the loan;
- 90% of the value of the asset financed or provided as collateral (or 100% in the case of *Prêts à l'Accession Sociale* social housing loans guaranteed by Fonds de Garantie à l'Accession Sociale or any other substitute fund. body. entity or person).

When several loans coexist (especially *prêts d'épargne logement* and zero-interest rate-type regulated housing loans), the portion eligible for CRH financing is calculated by taking the sum of the remaining principal balances of all of the loans.

7 - VALUATION OF THE ASSET FINANCED

All buildings financed by eligible loans are the subject of a prudent evaluation that excludes all speculative aspects. It is carried out by the borrowing bank.

This valuation must be performed by an independent expert, i.e. a person who is not part of the lending decision-making process and who possesses the qualifications, competence and experience necessary to perform such a valuation.

The valuation is performed taking into account the building's long-term characteristics, normal and local market conditions, the current use made of the asset and all other uses that might be made. This mortgage value must be explained plainly and transparently in writing, and may not be greater than the asset's market value.

By dispensation, the valuation may be based on the total cost of the initial operation when this cost is less than EUR 600.000 or when the sum of the remaining principal balances of the loans guaranteed by the asset financed is less than EUR 480.000.

The valuation of the buildings is re-examined as part of the risk measurement system required of borrowing credit institutions by the decree of November 3, 2014 relating to internal control of the bank sector companies, payment services and investment services subject to control by the Prudential Control Authority and Resolution. This examination is performed annually using statistical methods.

The methods used to value buildings and the periodic re-examination of their value must be made available to both the ACPR and CRH who may request their modification.

The borrower has procedures describing their lending policy and the nature of the goods financed and enabling them to ensure that the property taken as collateral is adequately insured against the risk of damage.

8 - SPECIFIC CONDITIONS FOR GUARANTEED LOANS

Total guaranteed loans may not exceed 35% of the total amount pledged by a borrowing institution in favor of CRH.

The loan-to-income ratio has to respect at most 33 % when the loan has been granted. This ratio corresponds to the portion of the borrower's gross income which covers the loan reimbursement including interest.

Both the credit institution and the protection provider shall carry out a creditworthiness assessment of the borrower.

9 - SPECIFIC PROVISIONS

Until such time as it matures, the funding provided must be secured by the pledging of a portfolio of eligible loans in an amount equal to at least 125% of the total amount of funding. When these loans are has fixed rate and at least equal in 150% of the total amount of funding when these loans are for revisable rate.

CRH may, however, require this minimum to be increased in situations where certain rules are not followed, especially rules regarding the congruence of interest rates.

The borrower may not transmit the pledged claims through any means. Consequently it cannot sell them, notably to an FCC debt securitization fund or to a *société de crédit foncier* mortgage debt company.

The borrower is able to dispose freely solely of those claims that are reimbursed due for payment, capitalized, disputed or doubtful. The borrower is then expected to replace them with the same amount of eligible claims.

All claims experiencing delinquent payments are considered to be capitalized or disputed if the delinquent payments result from legal or political obstacles independent of the will of the debtor or of any challenge.

All claims experiencing delinquent payments for a reason other than those mentioned above are considered to be doubtful.

It should be specified that a claim is considered to be experiencing delinquent payments once the delinquency represents two payments or more.

The portfolio of pledged loans must have an average life span equal to the term to maturity of the funding, and an average interest rate that is greater than or equal to that of the funding.

CRH may require controlled institutions to provide any useful opinions issued by their independent auditors.

When invalid claims are discovered, especially those defined in Section 6.2. of the present By-laws, the borrowing institution must pledge an additional portfolio of valid claims in favor of CRH to compensate for the observed shortfall.

Regarding the loans in Swiss francs, the borrower should insure that the beneficiaries of these loans have mainly their income or hold assets in Swiss francs at the loan’s signatory date.

OTHER REMARKS

It may be observed that *prêts d’épargne logement* and similar regulated housing loans are eligible under the same terms and conditions as the other loans.

By law, loans are considered eligible if they are used to finance a real estate asset located within the European Economic Space or in the overseas territories of the French Republic. At present, however, regarding the above regulation, the only operations authorized are those financing real estate assets in Metropolitan France and its overseas departments and territories.

SUPPORTING DOCUMENTS TO BE MAINTAINED BY THE BORROWING INSTITUTIONS

Caisse de Refinancement de l’Habitat verifies the materiality of each claim and its compliance with the criteria established in this document. It audits the following characteristics of each loan:

- purpose and location of the asset financed,
- beneficiary,
- guarantees,
- amount authorized,
- remaining principal balance,
- clauses describing repayment methods,
- date of final maturity and payment dates for interest and principal,
- nominal interest rates and conditions for revision,
- total cost of the operation financed, cost of works,
- valuation of the asset financed,
- portion of loan eligible for funding,
- outstanding payments,
- loan/income ratio for guaranteed loans,
- for Swiss franc loans, presence of incomes or a patrimony in the same currency.

Institutions are thus required to maintain the following supporting documents in order to present them to CRH:

1- GUARANTEES

- executory document, notices of registration and required documents for mortgage loans;
- guarantee document for guaranteed loans;
- loan offer and amendments.

2- VALUATION OF THE ASSET

- sale document, agreement of sale, VEFA-type reservation contract on future construction, notice of donation, notarized certificate, construction contract or any documents useful for establishing the total cost of the operation or the value of the asset financed;
- summary of expenses engaged and sums released;
- supporting documentation for the valuation of the asset financed, when so required by regulations (total value of the operation greater than or equal to EUR 600.000);
- in the event that a loan is acquired, all documents establishing the purpose and the value of the asset financed by the original loan and ensuring that such loan satisfies all conditions of eligibility.

3- CUSTOMER DATA

- current delinquent payment status report for each loan;
- amortization tables of the loans used to finance the operation;
- analysis sheet, detailed financing projections;
- articles of incorporation of the SCI;
- loan to income ratio when the loan is granted;
- proof of income or assets for the loans in Swiss francs.

APPENDIX 7
(Continuation)

GLOSSARY

Collateral: Pledging of a portfolio of eligible claims in favor of CRH in accordance with the provisions of Articles L. 313-42 of the French Monetary and Financial Code to cover the amount lent by CRH to the borrowing credit institution.

Congruence of term: Provision of the CRH's By-laws requiring that the average term of the portfolio of claims pledged in its favor be at all times at least equal to the term to maturity of the mortgage note.

Congruence of interest rates: Provision of the CRH's By-laws requiring that the average interest rate of the portfolio of claims pledged in its favor be, at all times, greater than or equal to the interest rate on the mortgage note.

Eligible claim: Housing loans compliant with the conditions of eligibility established by the provisions of Articles L. 313-42 et seq. of the French Monetary and Financial Code.

Guaranteed bonds (or Regulated European Covered Bonds): Bonds that meet the criteria established by European regulation (EU) no 575/20133 CRR (article 129).

Invalid claim: Loans that are not compliant with the conditions of eligibility cited above.

Mortgage market: A market created in 1966 that, in accordance with the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code, allows credit institutions to fund certain housing loans. CRH was substituted for the mortgage market which is no longer restricted to the funding of residential mortgages (under certain conditions).

Mortgage note: Security (promissory note) issued by a borrowing credit institution representing CRH's claim on the latter. The principal and interest of each note is guaranteed by the pledging of a portfolio of eligible claims. This is essentially a trade bill.

Oversizing: Minimum level of coverage of fundings by the portfolio of claims pledged in favor of CRH. This minimum level is at least equal to 125% (provisions of Decree no. 2000-664 of July 17. 2000).

Portion of an eligible loan that may be funded: may not exceed the lower of the two following amounts: the remaining principal balance of the loan or 90% of the value of the asset financed or provided as collateral (or 100% in the case of *Prêts à l'Accession Sociale* social housing loans guaranteed by Fonds de Garantie à l'Accession Sociale or any other substitute fund. body. entity or person).
This value is estimated in accordance with the provisions of French Banking and Financial Regulatory Committee Regulation no. 99-10.

Subordinated loans: Sums loaned to CRH by its borrowers, pro-rated upon their outstanding loans and accounted for as Stockholders' equity.

STRESS-TEST RESULTS

2014 COMPREHENSIVE ASSESSMENT OUTCOME

			ECB PUBLIC
NAME OF THE ENTITY	FRCRH	C.R.H. - Caisse de Refinancement de l'Habitat	

1 Main Results and Overview

A MAIN INFORMATION ON THE BANK BEFORE THE COMPREHENSIVE ASSESSMENT (end 2013)

			END 2013
A1	Total Assets (based on prudential scope of consolidation)	Mill. EUR	53 133,00
A2	Net (+) Profit/ (-) Loss of 2013 (based on prudential scope of consolidation)	Mill. EUR	1,00
A3	Common Equity Tier 1 Capital according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014	Mill. EUR	314,00
A4	Total risk exposure * according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014	Mill. EUR	5 474,00
A5	Total exposure measure according to Article 429 CRR "Leverage exposure"	Mill. EUR	53 133,00
A6	CET1 ratio according to CRDIV/CRR definition, transitional arrangements as of 1.1.2014 A6=A3/A4	%	5,74%
A7	Tier 1 Ratio (where available) according to CRD3 definition, as of 31.12.2013 as reported by the bank	%	5,74%
A8	Core Tier 1 Ratio (where available) according to EBA definition	%	5,74%
A9	Leverage ratio	%	0,59%
A10	Non-performing exposures ratio	%	0,00%
A11	Coverage ratio for non-performing exposure	%	0,00%
A12	Level 3 instruments on total assets	%	0,00%

B MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA)

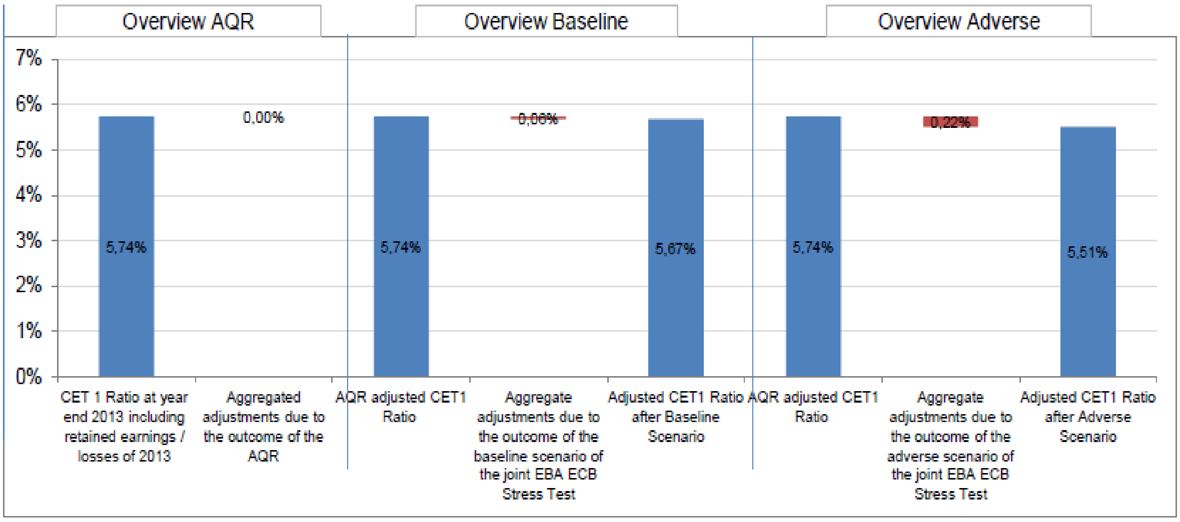
B1	**CET1 Ratio at year end 2013 including retained earnings / losses of 2013 B1 = A6**	%	**5,74%**
B2	Aggregated adjustments due to the outcome of the AQR	Basis Points Change	0
B3	**AQR adjusted CET1 Ratio B3 = B1 + B2**	%	**5,74%**
B4	Aggregate adjustments due to the outcome of the **baseline** scenario of the joint EBA ECB Stress Test to lowest capital level over the 3-year period	Basis Points Change	-6
B5	**Adjusted CET1 Ratio after Baseline Scenario B5 = B3 + B4**	%	**5,67%**
B6	Aggregate adjustments due to the outcome of the **adverse** scenario of the joint EBA ECB Stress Test to lowest capital level over the 3-year period	Basis Points Change	-22
B7	**Adjusted CET1 Ratio after Adverse Scenario B7 = B3 + B6**	%	**5,51%**

Capital Shortfall

		Basis Points [1]	Mill. EUR
B8	to threshold of 8% for AQR adjusted CET1 Ratio	226	123,92
B9	to threshold of 8% in Baseline Scenario	233	129,37
B10	to threshold of 5.5% in Adverse Scenario	0	0,00
B11	**Aggregated Capital Shortfall of the Comprehensive Assessment B11 = max(B8, B9, B10)**	233	129,37

* Total risk exposure figure is pre-AQR. Please note that the corresponding Year End 2013 figure in the EBA Transparency template is post-AQR and therefore may not match exactly.

[1] RWA used corresponds to relevant scenario in worst case year

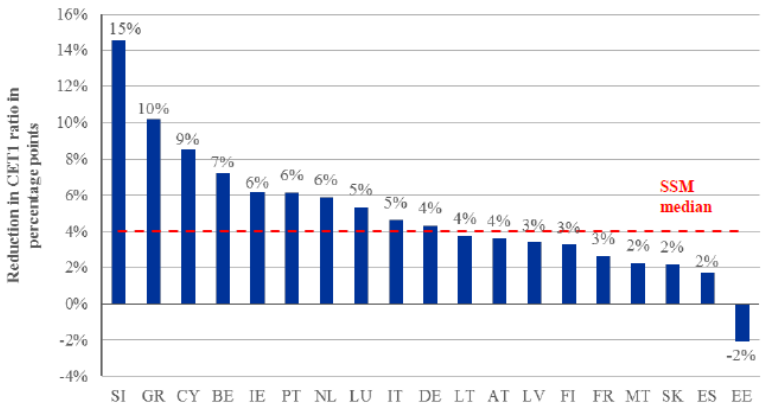


C MAJOR CAPITAL MEASURES IMPACTING TIER 1 ELIGIBLE CAPITAL FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014

	Issuance of CET1 Instruments	*Impact on Common Equity Tier 1 Million EUR*
C1	Raising of capital instruments eligible as CET1 capital	250,00
C2	Repayment of CET1 capital, buybacks	0,00
C3	Conversion to CET1 of hybrid instruments becoming effective between January and September 2014	0,00
	Net issuance of Additional Tier 1 Instruments	*Impact on Additional Tier 1 Million EUR*
C4	with a trigger at or above 5.5% and below 6%	0,00
C5	with a trigger at or above 6% and below 7%	0,00
C6	with a trigger at or above 7%	0,00
	Fines/Litigation costs	*Million EUR*
C7	Incurred fines/litigation costs from January to September 2014 (net of provisions)	0,00

The median bank's CET1 ratio falls by 4% in the adverse scenario

Comprehensive assessment impact on CET1 ratio under the adverse scenario
Median by country of participating bank, %



- Median bank's CET1 ratio declines from 12.4% to 8.3%
- 75% of participant banks experienced 0 to 6 percentage points impact on CET1 under the adverse scenario

APPENDIX 9

SUMMARY PRESENTATION OF CRH

CRH – Caisse de Refinancement de l'Habitat

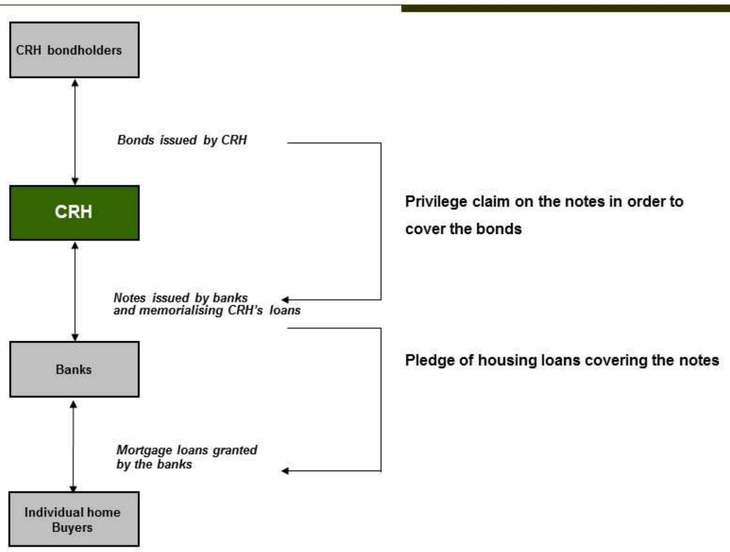
Aaa Moody's / AAA Fitch

CRH was created in 1985 by the French Government with State explicit guarantee as a central agency in order to issue bonds in the specific legal framework of art 13 of law 85-685 of July 1985 for refinancing residential mortgage home loans granted by the French banking system.
Today, instead of State guarantee, the French law grants to CRH's bondholders a very strong privilege on CRH's secured loans to banks.
No other agency of this kind had been set up until the creation of Société de Financement de l'Economie Française (SFEF) in October 2008.

Presentation March 2015

http://www.crh-bonds.com 1

CRH mechanism



2

CRH at glance

- CRH is a Specialized Credit Institution. Its equity belongs to French Banks
- CRH's only function is to fund **French residential home loans** granted by banks by issuing mortgage bonds in the special legal framework of law n° 85-695 of July 1985. CRH doesn't charge any fee or deals.
- CRH' loans to banks have the same characteristics as those of CRH's bonds. CRH' debt is served by French banks and CRH's balance sheet duration is zero
- Refinanced loans remain on the borrowing banks' balance sheet, but are pledged as collateral for covering CRH's loans to banks with a **minimum of 25% over-collateralisation.** In the event of a borrowing bank default, provisions of French law give CRH **the full ownership** of these loans, without any formality, **notwithstanding any provision to the contrary**
- Loans in its cover-pool have to be compliant with *sociétés de crédit foncier's* criteria but have to be also compliant with CRH's additional criteria. CRH implemented **internal rules strengthening the credit quality for CRH's bonds**
- CRH debt is rated **Aaa by Moody's and AAA by Fitch Ratings**
- CRH has a total outstanding debt over EUR 47,6 bn with several highly liquid bonds (as of December 31st, 2014)
- CRH was appointed to control debt's service and collateral's administration of Société de Financement de l'Economie Française (SFEF) from 1st January 2010 to 31 December 2014
- Because of the size of its balance sheet, CRH operates under the supervision of E.C.B. since November 4th 2014

3

Breakdown of CRH's Equity (December 2014)

	%
Crédit Agricole SA - Crédit Lyonnais	37.8
Crédit Mutuel CIC	31.4
Société Générale	14,2
BNP Paribas	9.6
BPCE	6.6
Others	0.4
	100.0

- Every borrower is committed to become a shareholder of CRH with a part in CRH's equity equal linked the borrowings amount
- Furthermore, every borrower is committed to supply back up lines to CRH if CRH calls them and regulatory equity if CRH needs
- These shareholders-borrowers' global market share is roughly 90% of the French Mortgage Market

4

CRH Economic Balance sheet (December 2014)

Assets	€bn	Liabilities	€bn
Promissory notes	47,6	CRH mortgage bonds	47,6
Interests and other assets	0,9	Interests and other liabilities	0,9
Deposits and CD	0,6	CRH equity	0,6
TOTAL	49,1	TOTAL	49,1

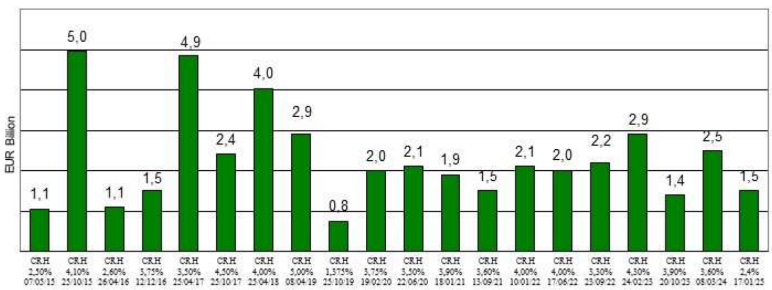
Because of the perfect matching between CRH bonds and promissory notes, CRH's balance sheet duration is zero. CRH's debt service is done by the French Banking System. CRH is an actual "Pass-through"

5

CRH Bonds – Key Points

(December 2014)

Euro CRH's curve – **20 Euro bonds**, from 2015 to 2025, totalling **€ 45,7 bn**



Issue	Amt EUR bn	Status
CRH 2,50% 07/05/15	1,1	Potential reopening
CRH 4,10% 25/10/15	5,0	No further taps
CRH 2,60% 26/04/16	1,1	Potential reopening
CRH 3,75% 12/12/16	1,5	No further taps
CRH 3,50% 25/04/17	4,9	No further taps
CRH 4,50% 25/10/17	2,4	Potential reopening
CRH 4,00% 25/04/18	4,0	Potential reopening
CRH 5,00% 08/04/19	2,9	Potential reopening
CRH 1,375% 25/10/19	0,8	Potential reopening
CRH 3,75% 19/02/20	2,0	Potential reopening
CRH 3,50% 22/06/20	2,1	Potential reopening
CRH 3,90% 18/01/21	1,9	Potential reopening
CRH 3,60% 13/09/21	1,5	Potential reopening
CRH 4,00% 10/01/22	2,1	Potential reopening
CRH 4,00% 17/06/22	2,0	Potential reopening
CRH 3,30% 23/09/22	2,2	Potential reopening
CRH 4,30% 24/02/23	2,9	Potential reopening
CRH 3,90% 20/10/23	1,4	Potential reopening
CRH 3,60% 08/03/24	2,5	Potential reopening
CRH 2,4% 17/01/25	1,5	Potential reopening
TOTAL EUR BONDS	**45,7**	
TOTAL CHF 2015 - 2025 EN EUROS EQUIVALENT	1,9	
TOTAL EUROS EQUIVALENT	**47,6**	

Today:

- **Compliant with "Capital Requirement Directive 2" - 10% Risk weighted by European credit institutions**
- **Eligible for open-market operations of the European Central Bank European investors and European Covered Bond Council complement**
- **Benefit from the exception referred to Article 52.4 of the Directive on UCITS**

6

To sum up

CRH is very different from other credit institutions:

- CRH's only function is to fund French home loans to individuals granted by banks

- CRH's loans and borrowings have exactly same characteristics (rate, duration, currency)

- CRH's debt service, from an economic point of view, is done by French Banking System

- CRH's loans to banks are covered by the pledge of a portfolio compound with home loans to individuals. These loans are kept by borrowing banks in their assets

- In the event of a borrowing bank default, CRH becomes fully owner of that portfolio "notwithstanding any provision to the contrary "and" without any formality" because of provisions of French law.

- CRH doesn't charge any fee on deals

- CRH's equity belongs to borrowing banks (mainly: Crédit Agricole, Crédit Mutuel, Société Générale, BNPP, BPCE)

- Borrowing banks are committed to supply back up lines to CRH if CRH calls them

- Borrowing banks are committed to supply regulatory equity to CRH if CRH needs

- CRH never had losses write-downs or difficulties since its creation even in core phases of crisis

- Paradoxicaly, CRR regulation is impeding CRH' activity

Contact & Disclaimer

Henry RAYMOND
Chief Executive Officer
Tel: +33 1 42 89 49 10
crh@crh-bonds.com

CRH Caisse de Refinancement de l'Habitat
35 rue La Boetie
75008 PARIS

http://www.crh-bonds.com

This document has been prepared by CRH only for use in the roadshow presentation. This document is confidential and is not to be reproduced by any person, nor to be distributed to any person other than its original recipient. CRH doesn't take any responsibility for the use of these materials by any person.

This document does not constitute a prospectus for any bond offering (an "offering") and shall not be considered as an invitation to invest.

Any decision to buy or purchase bond should be only on the basis of the information contained in Prospectus. In particular, investors should pay special attention to any risk factors described in prospectus.

Only the contents of the French Prospectus are binding on CRH.

Some information contained herein and other information or material may include forward-looking statements based on current beliefs and expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about CRH. Those events are uncertain, and their outcome may differ from current expectations, which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forwards-looking statement contained in this document speaks as of the date of this document, without any obligation from CRH to update.

This document is not an offer to purchase securities in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. CRH does not intend to register any portion of any Offering in the United States or to conduct a public Offering of securities in the United States.

CRH's mechanism