

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.

2015 ANNUAL REPORT

- REGISTRATION DOCUMENT -

Incorporating by reference the 2014 and 2013 annual financial statements and the reports of the statutory auditors in relation to the said annual financial statements, as submitted in the reference documents filed on March 26, 2015 and February 24, 2014, respectively, with the French securities regulator (Autorité des marchés financiers). All information included in the said two registration documents, other than that mentioned above, has been, where applicable, replaced and/or updated, by information included in this document.

**Specialised credit institution (*Établissement de crédit spécialisé*)
French corporation (*Société anonyme*) with a share capital of EUR 539,994,737.75
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This registration document was filed with the French securities regulator (*Autorité des marchés financiers*) on March 24th 2016, under number D. 16- 0208, in accordance with Article 212-13 of its general regulations. This document may be used in support of a financial transaction if supplemented by an information notice authorised by the AMF. This document was prepared by the Issuer and is binding on its signatories.

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Pursuant to Article 212-13 of the AMF's general regulations, this document contains 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:

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

REPORT SUBMITTED BY THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF SHAREHOLDERS HELD ON MARCH 8, 2016

Dear Shareholders,

In accordance with provisions of law, we have convened this general meeting in order to review the financial statements for financial year 2015.

OPERATIONS

This financial year was again marked by a lack of issues on the part of the CRH, due to the introduction in 2013 of new European regulations that do not take into account the specific nature of CRH's refinancing operations.

The total amount of the loans granted to banks by CRH since its inception thus remains equal to EUR 90.5 billion at the end of 2015, i.e. the same level as at the end of 2014.

After taking into account the final repayment upon the loans' contractual due dates in a total amount of EUR 6.2 billion and contractual prepayments in the amount of EUR 0.2 billion, the nominal amount outstanding as of December 31, 2015 is equal to EUR 41.2 billion (as compared with EUR 47.6 billion as of December 31, 2014 and EUR 51.7 billion as of December 31, 2013).

Total assets, as of December 31, 2015, amounted to EUR 42.6 billion (as compared with EUR 49.1 billion as of December 31, 2014 and EUR 53.1 billion as of December 31, 2013).

EARNINGS, FINANCIAL POSITION AND DEBT

In accordance with the provisions of the French Commercial Code (Art. L. 225-100), an analysis of the Company's earnings, 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 recognised as assets at their acquisition price. The difference between the acquisition price and the face value of the mortgage notes is spread over time using an actuarial method. Bonds are recognised as liabilities using the same rule.

a) Earnings:

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

As a result, CRH's earnings correspond to the income from shareholders' equity invested on the money market, net of overhead expenses. It may be noted that in 2015 no subordinated loan remained to be remunerated to shareholders.

Financial income amounted to EUR 3.4 million, down from the previous financial year.

In the extraordinarily low interest rate environment resulting from the quantitative easing policy implemented by the European Central Bank (ECB), net income after taxes amounted to EUR 338,599.09 as compared with EUR 544,903.63 as of December 31, 2014.

Such net income was calculated after taking into account and neutralising two new contributions that CRH was required to pay under the new European banking regulations:

- contribution to the cost of the ECB's supervision in the amount of EUR 660,901.10, of which EUR 58,749.54 compared with the amount of EUR 140,000 provisioned for the last two months of 2014.

- contribution to the Single Resolution Fund (SRF) in the amount of EUR 4,319,180.60.

These two new contributions were recharged to the borrowers in accordance with the provisions of the internal rules and regulations and the collateralisation agreements. The impact of the non-deductibility of the contribution to the SRF was taken into account upon such recharge.

Although the average amount of the invested capital increased by 4%, financial income amounted to EUR 3,370,952.54, down 20% because of the 24% decrease of the average interest rate generated by the investments, from 0.79% to 0.60%.

Because, unlike the situation prevailing during the previous year, no subordinated loans were to be remunerated, net banking revenue decreased by 4.7% only, to EUR 3,363,726.51.

Without taking into account the European contributions, overhead expenses amounted to EUR 2,500,547.10, i.e. approximately the same level as in 2014.

It is recommended to the general meeting not to distribute the said earnings.

b) Financial position:

CRH's shareholders' equity, exclusively consisting in Common Equity Tier 1 Capital (CET1), totalled EUR 565 million as of December 31, 2015.

The capital adequacy ratio as of December 31, 2015, calculated in accordance with the provisions of the CRR Regulation, was equal to 11.68% excluding transitional provisions. Such rate was equal to 10.19% as of December 31, 2014.

In the absence of additional capital, the Common Equity Tier 1 Capital (CET1) capital adequacy ratio was thus at the same level, i.e. 11.68%.

CRH had received from the European Central Bank (ECB) a letter dated December 18, 2014 asking it to maintain in the future a Common Equity Tier 1 Capital (CETA) capital adequacy ratio equal to 10%.

Following the Supervisory Review and Evaluation Process (SREP) conducted by the ECB in 2015, the total minimum level of Common Equity Tier 1 Capital (CET1) phased for the CRH is set at 9.75% as of January 1, 2016. This requirement includes the capital

conservation buffer. CRH is not subject to any additional requirement imposed on systematically important financial institutions.

CRH wishes to amend its articles of incorporation and internal rules and regulations in order to adapt to the new regulations and to preserve the possibility – in compliance with banking laws and regulations and subject to the supervisory authorities’ approval – to complete capital decreases that are not the consequence of any losses if its capital adequacy ratio becomes too high in view of the applicable requirements.

The new or amended provisions of the articles of incorporation and internal rules and regulations are principally as follows, as compared with the currently applicable provisions:

As regards the articles of incorporation:

- a) New drafting of the corporate purpose (Article 2), without any substantive change, but in order to reflect the ministerial decree of December 23, 2013 and Article 493-3e of the CRR providing for an exemption as regards large exposures risks.
- b) Possibility to reduce the share capital subject to certain conditions (Article 8).
- c) Provisions concerning share sales and purchases (Article 9).
- d) Possibility of attending meetings through teleconferencing (Article 14).
- e) Slight amendments concerning the terms of appointment of the chairman and chief executive officer (Articles 17 to 19).
- f) Reference to the internal rules and regulations in the articles of incorporation (Article 27).
- g) Where applicable, presence of a Government representative at meetings of the board of directors.

As regards the internal rules and regulations:

- a) Powers of the Risk Committee as regards funding matters (Article 3).
- b) Terms and conditions of grant of refinancing facilities, taking into account where applicable the market shares (Article 4).
- c) Coordination of the provision related to the shareholder support with the corresponding provision of the articles of incorporation (Article 8).
- d) Supervision of CRH’s functioning (Article 9).

Table summarising those currently valid delegations of authority, granted by the general meeting of shareholders to the Board of Directors for the purposes of capital increases, and the utilization made of said delegations during the financial year:

General meeting Resolution	Purpose of the delegation of authority given to the Board of Directors	Amount	Term	Utilisation of the authorisations as of 31/12/2015	Unutilised amount
General meeting of March 11, 2014 4 th resolution	After cancellation of any previous delegation of authority for the purposes of capital increases, to increase the share capital by the issue of ordinary shares	Maximum nominal amount of the authorised capital increase: EUR 300,192,757.75	5 years	EUR 240,187,500.00 in 2014	EUR 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 amortise its debt. As a result, an analysis of its debt is of only limited significance.

OUTLOOK

Because CRH does not earn any spread in relation to its operations, the lack of new refinancing transactions is without direct impact on CRH's earnings and financial structure.

Because of the amount of CRH's total assets resulting specifically from the material amounts of long-term resources that CRH was able to raise and then lend to banks during the financial crisis, with CRH's total assets doubling between December 31, 2006 and December 31, 2012, CRH belongs to the list of significant European institutions placed since November 2014 under the ECB's direct supervision.

The new European rules designed primarily for large banks were aimed at avoiding the re-occurrence of the effects of the 2008 financial crisis. Paradoxically, since January 1, 2014, these rules are obstructing CRH's operations, although CRH never faced any difficulties during this period and contributed to protecting the refinancing of banking operations.

Therefore, a possible resumption of CRH's operations will primarily depend on changes in the applicable regulatory provisions. It is necessary to emphasise that:

1. For economic purposes, CRH's debt is served by the borrowing banks, as CRH does not borrow for itself and does not charge any spread in relation to refinancing operations.
2. CRH decided to retain its status as a European credit institution and not to make an election for the new finance company status reserved for institutions that do not wish to bear all of the new regulatory constraints applicable to European credit institutions.

COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS AND STATUTORY AUDITORS

As required by law, the compensation paid to corporate officers and directors is shown in Note 14 to the financial statements on page 127.

The fees paid to the statutory auditors are shown on page 64 and in Note 12 to the financial statements on page 125.

LIST OF CORPORATE OFFICES

The list of corporate offices or positions held during the financial year by each of the corporate officers and directors is shown in Chapter 9, pages 99 to 103.

SUPPLIERS' PAYMENT TERMS

CRH complies with rules applicable in this area. As of December 31, 2015, trade payables amounted to EUR 40,011.17. Amounts due to creditors are typically settled within one month.

RECOMMENDATIONS MADE BY THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING

Dear Shareholders,

Matters to be reviewed by the ordinary shareholders' meeting:

- We recommend that you approve the financial statements for 2015 as presented to you.

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

- We recommend that the income for financial year 2015 be allocated as indicated below:

. Net income for the year available for allocation	€338,599.09
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To be allocated as follows:

. Legal reserve	€ 17,000.00
the total amount of the legal reserve being thus increased to € 3,253,000.00	
. Balance to the other reserves account	€ 321,599.09

We recall that no dividend was paid during the last three financial years.

Matters to be reviewed by the extraordinary shareholders' meeting:

- We recommend that you approve the amendments to the articles of incorporation and the internal rules and regulations that are made necessary by the new European regulations.

TEXT OF THE RESOLUTIONS

ORDINARY DECISIONS

FIRST RESOLUTION

(Approval of the Company's financial statements for the financial year ended December 31, 2015)

The general meeting, following the presentation of the Board of Directors' management report on the management of the Company during the financial year ended December 31, 2015, and after having heard the statutory auditors' report on the annual financial statements, approves the Company's financial statements as presented for said financial year comprising the income statement, balance sheet and notes to the financial statements, as submitted to it, as well as the transactions recorded in these financial statements and summarised in these reports.

The general 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 statutory auditors' report, which sets out their observations on said Chairman's report and the terms of the report of the statutory auditors appointed as an

independent third party, on the labour, environmental and social information contained in the management report.

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

THIRD RESOLUTION

(Board of Directors’ proposed allocation of the net income for the financial year ended December 31, 2015)

The general meeting approves the allocation of the net income for financial year 2015 as shown in the following table:

. Net income for the financial year available for allocation	€338,599.09
To be allocated as follows:	
. Legal reserve	€17,000.00
the total amount of the legal reserve being thus increased to € 3,253,000.00	
. Balance to the other reserves account	€321,599.09

We recall that no dividend was paid in respect of the last three financial years.

EXTRAORDINARY DECISIONS

FOURTH RESOLUTION

(Amendments to the articles of incorporation)

The general meeting decides to amend as follows the Company’s articles of incorporation:

FORMER DRAFTING	NEW DRAFTING
<p>TITLE I</p> <p>Art. 1. FORM</p> <p>The company is organised in the legal form of a <i>société anonyme</i>. The company shall be governed by applicable legal and statutory provisions and by these articles of incorporation.</p>	<p>TITLE I</p> <p>Art. 1. LEGAL FORM</p> <p>The company is organised in the legal form of a <i>société anonyme</i>. The company shall be governed by applicable legal and statutory provisions and by these articles of incorporation and the internal rules and regulations attached hereto.</p>

FORMER DRAFTING	NEW DRAFTING
<p>Art. 2. PURPOSE</p> <p>The company's purpose is as follows:</p> <ul style="list-style-type: none"> - refinancing, for the sole benefit of the shareholders or institutions that have agreed to become shareholders in accordance with the terms set forth in Articles 6 and 8 below, the promissory notes issued or endorsed by such shareholders or institutions in order to collateralise claims referred to in Article L. 313-42 of the French Monetary and Financial Code, corresponding to housing loans, - issuing, as a consideration therefor, bonds and investment securities whose characteristics are similar to those of the collateralised notes, and - more generally, any and all such transactions, whether pertaining to movable or immovable property, as are related to the above purpose or to any similar or analogous purposes or are likely to further the attainment thereof. <p>The company shall not hold any share interest or pursue any activity not corresponding to its corporate purpose. In particular, the company shall not incur any debt unrelated to the said purpose, save in the case of subordinated debt intended to strengthen its shareholders' equity or in case of default of an issuer of promissory notes.</p>	<p>Art. 2. PURPOSE</p> <p>The company's purpose is as follows:</p> <ul style="list-style-type: none"> - refinancing, for the benefit of the shareholders or credit institutions that have agreed to become shareholders in accordance with the terms set forth in Articles 6 to 9 below, promissory notes issued or endorsed by such shareholders or institutions in order to collateralise claims referred to in Article L. 313-42 of the French Monetary and Financial Code, corresponding to housing loans, - issuing, as a consideration therefor, financial securities whose characteristics are similar to those of the collateralised notes, and - more generally, carrying out any transactions, whether pertaining to movable or immovable property, as are related to the above purpose or to any similar or analogous purposes or are likely to further the attainment thereof. <p>Pursuant to the provisions of Article 13 of Act No. 85-695 of July 11, 1985, the Company provides, under restricted conditions, refinancing facilities in relation to certain home-purchase loans granted to individuals by credit institutions, without charging any spread as regards these transactions.</p> <p>Because the financial securities issued by CRH perfectly match the promissory notes refinanced by it, CRH acts as a pass-through entity serving credit institutions. The company's purpose consists in promoting the housing finance sector, without seeking to achieve any profit, and on a non-competitive basis.</p> <p>The company shall not hold any share interest or pursue any activity not corresponding to its corporate purpose. In particular, the company shall not incur any debt unrelated to the said purpose.</p> <p>However, the company may incur debt having the character of shareholders' equity within the meaning of prudential regulations. Also, in case of default of a borrower institution, the company may, subject to the board of directors' consent, incur any debt necessary in view of the circumstances.</p>
<p>Art. 6. SHARE CAPITAL</p> <p>The share capital is in the amount of FIVE HUNDRED THIRTY-NINE MILLION NINE HUNDRED NINETY-FOUR THOUSAND SEVEN HUNDRED THIRTY-SEVEN EURO and SEVENTY-FIVE CENTS.</p> <p>The share capital is subdivided into THIRTY-FIVE</p>	<p>TITLE II – SHARE CAPITAL – SHARES</p> <p>Art. 6. SHARE CAPITAL</p> <p>The share capital is in the amount of FIVE HUNDRED THIRTY-NINE MILLION NINE HUNDRED NINETY-FOUR THOUSAND SEVEN HUNDRED THIRTY-SEVEN EURO and SEVENTY-FIVE CENTS.</p> <p>The share capital is subdivided into THIRTY-FIVE</p>

FORMER DRAFTING	NEW DRAFTING
<p>MILLION FOUR HUNDRED NINE THOUSAND FOUR HUNDRED NINETY-ONE SHARES OF EUR 15.25 each.</p> <p>The number of shares held by each shareholder shall be proportionate to the capital requirement corresponding to the amount outstanding of its loans refinanced by the company as compared with the capital requirements corresponding to the total amount outstanding of the loans refinanced by the company. In order to calculate the above proportion, the number of director shares shall be deducted from the total number of shares. The number of shares shall be readjusted where applicable each year before the end of the third month of the financial year. Any fractional shares shall be allocated according to the largest remainder method.</p>	<p>MILLION FOUR HUNDRED NINE THOUSAND FOUR HUNDRED NINETY-ONE SHARES OF EUR 15.25 each.</p> <p>The number of shares held by each shareholder shall be proportionate to the capital requirement corresponding to the refinancing facilities granted by the company to the said shareholder.</p>
	<p>Art. 7. SHARE CAPITAL INCREASE</p> <p>The share capital may be increased, by any means and in compliance with any procedures provided for by law, by a decision made by the extraordinary general meeting of shareholders.</p> <p>The extraordinary general meeting may delegate to the board of directors any authority in order to determine the terms of any share capital increase decided by the general meeting and may also delegate to the board of directors the authority to decide on any capital increase.</p>
	<p>Art. 8. SHARE CAPITAL DECREASE</p> <p>When the amount of the company's capital is in excess of regulatory requirements, the board of directors reviews the possibility of redistributing to shareholders any excess capital and decides where applicable the terms of such redistribution.</p> <p>Any share capital decrease may be authorised or decided by the extraordinary general meeting, under the conditions provided for by law and subject to the approval of prudential authorities.</p> <p>The extraordinary general meeting may delegate to the board of directors any authority in order to determine the terms of any share capital decrease decided by the general meeting and may also delegate to the board of directors the authority to decide on any capital decrease.</p>
<p>Art. 7. FORM AND TRANSFER OF THE SHARES – PROMISE OF TRANSFER</p> <p>Shares are imperatively in the registered form. Shares are registered in an account in accordance with the terms and conditions provided by law.</p> <p>Shares are freely transferable and conveyable. Share transfers are made vis-à-vis third parties by way of a transfer order signed by the transferor or its agent.</p>	<p>Art. 9. FORM AND TRANSFER OF THE SHARES – PROMISE OF TRANSFER</p> <p>Shares are imperatively in the registered form. Shares are registered in an account in accordance with the terms and conditions provided by applicable laws and regulations.</p> <p>Shares are freely transferable and conveyable. Share transfers are made vis-à-vis third parties by way of a transfer order signed by the transferor or its agent.</p>

FORMER DRAFTING	NEW DRAFTING
<p>So that each shareholder can hold a number of shares proportionate to the regulatory capital requirements related to the amount outstanding of its loans refinanced by the company, as set forth in Article 6 above, each shareholder agrees to transfer to the shareholder (or to the person which has agreed to become a shareholder) appointed by the company, or agrees to acquire from the shareholder(s) appointed by the company, the number of shares necessary in order to comply with the said proportion.</p> <p>Such transfers and acquisitions shall be completed each year prior to the end of the third month of the financial year.</p> <p>Such transfers and acquisitions shall be made against a price equal to the net book value of the share, calculated on the basis of the latest balance sheet prepared at the end of the financial year preceding such transfers or acquisitions.</p> <p>In order to complete such transfers in the above cases, each shareholder grants any and all powers to the company which shall transfer the shares from the transferor's account to the transferee's account, without any formality.</p>	<p>So that each shareholder can hold a number of shares proportionate to the regulatory capital requirements related to the amount outstanding of the refinancing facilities granted to it by the company, each shareholder agrees to acquire or sell the necessary number of shares from or to the present or future shareholders (or shareholder) designated by the company.</p> <p>If, in order to comply with the said proportion as regards one or more shareholders, one or more share transfers are required, each shareholder shall transfer or acquire, at the company's request, the number of shares required in order to comply with the said proportion. Any fractional shares shall be allocated according to the largest remainder method.</p> <p>When any change in the proportion of shares to be held by each shareholder results from changes in the amount outstanding of the loans refinanced by the company, such acquisitions or transfers shall be completed at least once per year, within thirty days from approval of the company's annual financial statements by the general meeting and whenever the board of directors so decides.</p> <p>When the change results in whole or in part from an increase in the weighting of the amounts outstanding in the calculation of the regulatory capital requirements, in particular in case of deterioration of the financial rating of the promissory notes issued by one or more shareholders or any change in the rules related to the prudential ratios applicable to the company, the acquisitions or transfers are completed within forty-five days from the date of such change.</p> <p>The acquisitions or transfers are completed on the basis of a unit share price equal to the amount resulting from the division:</p> <ul style="list-style-type: none"> - of the net book value of the company determined on the basis of its shareholders' equity (without including the FRBG) shown in the most recent financial statements of the company: (i) either as of December 31, of the preceding year, in the company's registration statement; or (ii) as of June 30, of the preceding year, in the financial statements drawn up by the board of directors and subject to a limited review by the statutory auditors. Such net book value takes into account possible allocations or contributions made between the reference date and the date of the acquisition or transfer. - by the number of shares comprising the share capital as of the reference date referred to in the above paragraph. <p>The total price for each transfer is paid at the latest on the date of registration of the transfer, with the transferee being personally responsible for the</p>

FORMER DRAFTING	NEW DRAFTING
	<p>payment of any such transfer duties as may be due.</p> <p>In the event of any cancellation of shares authorised by the extraordinary general meeting of shareholders in order to reduce the share capital, the board of directors may decide to procure the acquisition of shares of the company by the company itself.</p>
<p>Art. 8. RIGHTS AND OBLIGATIONS ATTACHING TO THE SHARES</p> <p>Each share gives a right to the ownership of corporate assets, to the sharing of profits and to the liquidating dividends, on the basis of a fraction proportionate to the number of existing shares.</p> <p>Whenever it is necessary to own several shares in order to exercise any right, any individual shares or any shares whose number is lower than the required number shall not give any right to their owner vis-à-vis the company, and the shareholders concerned shall, in such event, be responsible for grouping the necessary number of shares.</p> <p>Title to a share entails automatically its owner's acceptance of the company's articles of incorporation and the decisions made by the general meeting.</p>	<p>Art. 10. RIGHTS AND OBLIGATIONS ATTACHING TO THE SHARES</p> <p>For the purposes of determining the ownership of the corporate assets, the sharing of profits and the liquidating dividends, each share shall give an equal right to a fraction corresponding to the proportion of the share capital that it represents.</p> <p>Whenever it is necessary to own several shares in order to exercise any right, any individual shares or any shares whose number is lower than the required number shall not give any right to their owner vis-à-vis the company, and the shareholders concerned shall, in such event, be responsible for grouping the necessary number of shares.</p> <p>Title to a share entails automatically its owner's acceptance of the company's articles of incorporation and the decisions made by the general meeting.</p>
<p>Art. 9. PAYMENT ON THE SHARES</p> <p>Any amounts remaining to be paid in cash in relation to the shares shall be called by the board of directors in accordance with the terms determined by it.</p>	<p>Art. 11. PAYMENT ON THE SHARES</p> <p>Any amounts remaining to be paid in cash in relation to the shares shall be called by the board of directors in accordance with the terms determined by it.</p>
<p>Art. 10. OBLIGATIONS INCUMBENT ON THE SHAREHOLDERS</p> <p>Each shareholder must pay to the company, as advances, any amounts necessary in order to provide the company with the shareholders' equity determined by the ordinary general meeting in compliance with banking regulations.</p> <p>Such advances shall be made by each shareholder on a pro rata basis of the regulatory capital requirements related to the amount outstanding of the mortgage notes that the company has refinanced or endorsed in favour of such shareholder, for terms equivalent to the term of the said notes.</p> <p>Such advances, thus adjusted according to changes in the regulatory capital requirements related to the</p>	<p>Art. 12. OBLIGATIONS INCUMBENT ON THE SHAREHOLDERS</p> <p>Each shareholder must pay to the company any amounts necessary in order to provide the company with the shareholders' equity determined by the ordinary general meeting in compliance with banking regulations. Such contributions correspond:</p> <ul style="list-style-type: none"> - either to the subscription or purchase of shares of the company, as discussed in Articles 6 to 9; or - to the grant of loans to the company or to the acquisition of debt instruments issued by the company and having the character of equity within the meaning of prudential regulations. Such loans and instruments are hereinafter referred to as additional equity. <p>Such contributions are allocated for each shareholder and for each of the above categories, on a pro rata basis of the regulatory capital requirements related to the amount outstanding of the mortgage notes that the company has refinanced or endorsed in favour of such shareholder.</p> <p>When it is decided to call additional equity from the shareholders, subject to the powers expressly reserved</p>

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<p>amounts refinanced or endorsed, as regards each shareholder, shall not be repaid unless and until the other creditors have been reimbursed in full in case of voluntary or court-ordered liquidation of the company.</p> <p>In addition, each shareholder must provide the company, as cash advances, with the amounts necessary for its functioning, within the limits and subject to the conditions determined by the board of directors, within the limit of 5% of total amounts outstanding.</p> <p>Such advances shall be allocated among shareholders on a pro rata basis of the refinanced amounts.</p> <p>Any shareholder failing to pay the required amounts on the scheduled dates shall automatically and without any prior notice, owe the company an indemnity under the terms set forth by the ordinary general meeting.</p>	<p>for general meetings of shareholders and within the limit of the corporate purpose, the board of directors determines the characteristics, amount and terms of such calls.</p> <p>The board of directors may also decide to convert the additional shareholders' equity into capital, whether in whole or in part. Such decision is implemented in accordance with the articles of incorporation, prudential regulations and provisions of law. Where applicable, such decision is implemented after being approved by prudential authorities.</p> <p>In addition, each shareholder must provide the company, as cash advances, with the amounts necessary for its functioning within the limits and subject to the conditions determined by the board of directors, within the limit of 5% of total nominal amounts outstanding.</p> <p>Such advances shall be allocated among shareholders on a pro rata basis of the refinanced amounts.</p> <p>Any shareholder failing to pay the required amounts on the scheduled dates shall, automatically and without any prior notice, owe the company an indemnity under the terms set forth by the ordinary general meeting.</p>
TITLE II – CORPORATE BODIES	TITLE III – ADMINISTRATION AND AUDIT OF THE COMPANY
Art. 11. BOARD OF DIRECTORS	Art. 13. BOARD OF DIRECTORS
<p>The company is administered by a board of directors comprised of no less than three members and no more than twelve members.</p> <p>Each director must hold at least one share during his entire term of office.</p> <p>The directors' term of office is six years. However, the first directors are appointed for three years. Directors may be re-elected at all times.</p> <p>As a departure from the above provisions, the number of directors who are over seventy years of age may not exceed one third of the number of directors comprising the board of directors. The board of directors notes whether the above limit is exceeded during its meeting deciding to give notice of the ordinary general meeting. The board then appoints, from among those of its members who are over seventy years of age, the member(s) who shall remain in office.</p> <p>If any office becomes vacant because of death, crossing of the age limit or resignation of one or more directors, the board of directors may, between two general meetings, appoint directors provisionally.</p>	<p>The company is administered by a board of directors comprised of no less than three members and no more than twelve members.</p> <p>Directors are not required to hold at least one share of the company.</p> <p>The directors' term of office is six years. Directors may be re-elected at all times.</p> <p>As a departure from the above provisions, the number of directors who are over seventy years of age may not exceed one third of the number of directors comprising the board of directors. The board of directors notes whether the above limit is exceeded during the meeting deciding to give notice of the ordinary general meeting. The board then appoints, from among those of its members who are over seventy years of age, the member(s) who shall remain in office.</p> <p>If any office becomes vacant because of death, crossing of the age limit or resignation of one or more directors, the board of directors may, between two general meetings, appoint directors provisionally.</p>

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<p data-bbox="183 188 783 275">Art. 12. NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS – DELIBERATIONS OF THE BOARD OF DIRECTORS</p> <p data-bbox="183 309 783 367">Directors are given notice of the meetings of the board of directors by all means and even orally.</p> <p data-bbox="183 734 783 824">Deliberations are made subject to the quorum and majority requirements mandated by law; in case of equality of votes, the chairman has a casting vote.</p> <p data-bbox="183 857 783 947">Minutes are prepared and copies or excerpts of the deliberations of the board of directors are issued and certified in accordance with provisions of law.</p>	<p data-bbox="805 188 1406 275">Art. 14. NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS – DELIBERATIONS OF THE BOARD OF DIRECTORS</p> <p data-bbox="805 309 1406 427">The board of directors meets whenever the interests of the company so require, upon being convened by its chairman. Directors are given notice of the meetings of the board of directors by all means and even orally.</p> <p data-bbox="805 461 1406 582">If the board of directors has not met for more than two months, at least one third of its members may ask the chairman to give notice of a meeting in relation to a specific agenda.</p> <p data-bbox="805 616 1406 705">The chief executive officer may also ask the chairman to give notice of a meeting of the board of directors in relation to a specific agenda.</p> <p data-bbox="805 739 1406 828">Deliberations are made subject to the quorum and majority requirements mandated by law; in case of equality of votes, the chairman has a casting vote.</p> <p data-bbox="805 862 1406 952">Minutes are prepared and copies or excerpts of the deliberations of the board of directors are issued and certified in accordance with provisions of law.</p> <p data-bbox="805 985 1406 1220">Except when the board of directors meets in order to draw up the annual financial statements, review the annual management report or appoint or remove the chairman or the chief executive officer, or determine their remuneration, directors are also deemed present for the calculation of the quorum and majority when they participate in the meeting by videoconference or telecommunication.</p> <p data-bbox="805 1254 1406 1433">These means must allow for the directors’ identification and must guarantee their actual participation. Such means must transmit at least the voice of the participants and must comply with technical requirements allowing for the continuous and simultaneous transmission of the deliberations.</p> <p data-bbox="805 1467 1406 1579">The minutes must record any technical incident that perturbed the proceedings of the meeting, whether such incident affects a means of telecommunication or videoconference.</p>
<p data-bbox="183 1592 783 1650">Art. 13. POWERS OF THE BOARD OF DIRECTORS</p> <p data-bbox="183 1684 783 1930">The board of directors determines the policies of the company and oversees their implementation. Subject to the powers expressly reserved for shareholder meetings and within the limit of the corporate purpose, the board of directors reviews any matter related to the sound management of the company and adopts deliberations pertaining to the matters concerning the company.</p> <p data-bbox="183 1964 783 2022">The board of directors carries out any such checks and inspections as it deems necessary.</p>	<p data-bbox="805 1592 1406 1650">Art. 15. POWERS OF THE BOARD OF DIRECTORS</p> <p data-bbox="805 1684 1406 1930">The board of directors determines the policies of the company and oversees their implementation. Subject to the powers expressly reserved for shareholder meetings and within the limit of the corporate purpose, the board of directors reviews any matter related to the sound management of the company and adopts deliberations pertaining to the matters concerning the company.</p> <p data-bbox="805 1964 1406 2022">The board of directors carries out any such checks and inspections as it deems necessary.</p>

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<p>The board of directors receives from the chairman or chief executive officer of the company any and all documents and information necessary for the performance of its mandate.</p>	<p>The board of directors receives from the chairman or chief executive officer of the company any and all documents and information necessary for the performance of its mandate.</p>
<p>Art. 14. OBSERVERS</p> <p>The general meeting may appoint one or more observers selected from among those shareholders who are not directors. The general meeting determines their remuneration.</p> <p>The term of office of the observers is six years. Such term of office expires at the end of the ordinary general meeting reviewing the financial statements for the last financial year during the year in which their term of office expires.</p> <p>Observers may be re-elected without any limitation; they may be removed at any time by a decision of the general meeting.</p> <p>In case of death or resignation of one or more observers, the board of directors may co-opt the successor, with such provisional appointment being subject to ratification by the next general meeting.</p> <p>Observers are responsible for the strict enforcement of the articles of incorporation. They attend meetings of the board of directors without any voting right. They review the lists of assets and liabilities and the annual financial statements and submit in this respect their observations to the general meeting whenever they see fit.</p>	<p>Art. 16. OBSERVERS</p> <p>The general meeting may appoint one or more observers selected from among those shareholders who are not directors. The general meeting determines their remuneration.</p> <p>The term of office of the observers is six years. Such term of office expires at the end of the ordinary general meeting reviewing the financial statements for the last financial year during the year in which their term of office expires.</p> <p>Observers may be re-elected without any limitation; they may be removed at any time by a decision of the general meeting.</p> <p>In case of death or resignation of one or more observers, the board of directors may co-opt the successor, with such provisional appointment being subject to ratification by the next general meeting.</p> <p>Observers are responsible for the strict enforcement of the articles of incorporation. They attend meetings of the board of directors without any voting right. They review the lists of assets and liabilities and the annual financial statements and submit in this respect their observations to the general meeting whenever they see fit.</p>
<p>Art. 15. CHAIRMAN OF THE BOARD</p> <p>The board of directors elects a chairman from among those of its members who are natural persons, for a period determined by it, which may not exceed the term of the chairman's office as a director. The chairman organises and leads the work of the board of directors, and reports thereon to the general meeting. The chairman ensures the proper functioning of the bodies of the company and ensures in particular that the directors are in a position to discharge their duties.</p> <p>The remuneration of the chairman is determined freely by the board of directors.</p> <p>The chairman may be re-elected at any time subject to the provisions of the sub-paragraph below.</p> <p>The chairman's term of office must expire at the latest at the end of the ordinary general meeting following the date on which he reaches the age of sixty-eight.</p> <p>However, the board of directors may, during the meeting following the said general meeting, extend such limit in one or more times under the conditions provided for by applicable laws and regulations.</p>	<p>Art. 17. CHAIRMAN OF THE BOARD</p> <p>The board of directors elects a chairman from among those of its members who are natural persons, for a period determined by it, which may not exceed the term of the chairman's office as a director. The chairman organises and leads the work of the board of directors, and reports thereon to the general meeting. The chairman ensures the proper functioning of the bodies of the company and ensures in particular that the directors are in a position to discharge their duties.</p> <p>The remuneration of the chairman is determined freely by the board of directors, upon a recommendation made by the remuneration committee.</p> <p>The chairman may be re-elected at any time subject to the provisions of the sub-paragraph below.</p> <p>The chairman's term of office must expire at the latest at the end of the ordinary general meeting following the date on which he reaches the age of sixty-eight.</p> <p>However, the board of directors may, in one or more times, effect an appointment or renewal beyond the above age limit, under the conditions provided for by applicable laws and regulations.</p>

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<p>If the chairman dies or is temporarily unable to act, the board of directors may appoint a director in order to act as chairman.</p> <p>In case of temporary inability to act, such appointment is made for a limited time and is renewable. In case of death, such appointment is valid until the election of the new chairman.</p> <p>The board of directors also appoints a secretary and determines his term of office. The secretary need not be selected from among the directors; if the secretary is not a director, he shall not have any voting right or advisory capacity within the board.</p> <p>The chairman and the secretary form the bureau of the board of directors.</p>	<p>If the chairman dies or is temporarily unable to act, the board of directors may appoint a director in order to act as chairman.</p> <p>In case of temporary inability to act, such appointment is made for a limited time and is renewable. In case of death, such appointment is valid until the election of the new chairman.</p> <p>The board of directors also appoints a secretary and determines his term of office. The secretary need not be selected from among the directors; if the secretary is not a director, he shall not have any voting right or advisory capacity within the board.</p> <p>The chairman and the secretary form the bureau of the board of directors.</p>
<p>Art. 16. SENIOR MANAGEMENT</p> <p>According to an election made by the board of directors, the senior management of the company is carried out, under the board of directors' responsibility, either by the chairman of the board of directors, or by another natural person appointed by the board of directors and having the title of chief executive officer.</p> <p>Notice of such election is given to the shareholders and third parties in accordance with applicable regulatory provisions.</p> <p>The terms of exercise of the senior management function and the period during which the said terms shall remain applicable are determined for the first time during the first meeting of the board of directors following the adoption of these articles of incorporation.</p> <p>The board of directors may decide that the said decision is made for a limited period.</p> <p>In the event that the board of directors decides that the senior management function is entrusted to the chairman of the board of directors, the provisions of these articles of incorporation pertaining to the chief executive officer shall apply to the chairman of the board of directors who shall in such case have the title of chairman and chief executive officer.</p> <p>Art. 17. CHIEF EXECUTIVE OFFICER</p> <p>The chief executive officer has the broadest powers to act in all circumstances in the name of the company. The chief executive officer exercises the said powers within the limit of the corporate purpose and subject to the powers expressly reserved by law for general meetings and for the board of directors.</p> <p>The chief executive officer represents the company in its relationships with third parties. The company is</p>	<p>Art. 18. SENIOR MANAGEMENT</p> <p>The senior management of the company is carried out by a natural person, other than the chairman of the board of directors, who is appointed by the board of directors and has the title of chief executive officer. The chief executive officer may be a director.</p> <p>The chief executive officer has the broadest powers to act in all circumstances in the name of the company. The chief executive officer exercises the said powers within the limit of the corporate purpose and subject to the powers expressly reserved by law for general meetings and for the board of directors.</p> <p>The chief executive officer represents the company in its relationships with third parties. The company is bound even by those actions of the chief executive officer that do not pertain to the corporate purpose, unless the company proves that the third party concerned knew that the said action exceeded the corporate purpose or could not be unaware of the same in view of the circumstances, provided that the mere publication of the articles of incorporation shall not be deemed to amount to such evidence.</p> <p>The board of directors may limit the powers of the chief executive officer, but such limitation is unenforceable against third parties.</p> <p>The chief executive officer may delegate part of his powers, whether temporarily or permanently, to as many agents as he shall see fit, with or without the power to subdelegate.</p> <p>The chief executive officer's remuneration is determined freely by the board of directors, upon a recommendation of the remuneration committee.</p> <p>The chief executive officer is asked to attend meetings of the board of directors, even if he is not a director.</p>

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<p>bound even by those actions of the chief executive officer that do not pertain to the corporate purpose, unless the company proves that the third party concerned knew that the said action exceeded the corporate purpose or could not be unaware of the same in view of the circumstances, provided that the mere publication of the articles of incorporation shall not be deemed to amount to such evidence.</p> <p>The board of directors may limit the powers of the chief executive officer, but such limitation is unenforceable against third parties.</p> <p>The chief executive officer may delegate part of his powers, whether temporarily or permanently, to as many agents as he shall see fit, with or without the power to subdelegate.</p> <p>The chief executive officer's remuneration is determined freely by the board of directors.</p> <p>The chief executive officer is asked to attend meetings of the board of directors, even if he is not a director.</p> <p>The chief executive officer may be removed at any time by the board. Any removal decided without cause may give rise to the payment of damages, unless the chief executive officer holds the office of chairman of the board of directors.</p> <p>When the chief executive officer is a director, he may not be appointed for a period exceeding his term of office as a director.</p> <p>The chief executive officer's term of office expires at the latest at the end of the general meeting held in order to review the financial statements of the financial year during which the chief executive officer reaches the age of sixty-five. However, the board of directors may, in one or more times, extend such limit under the conditions set forth by applicable laws and regulations.</p>	<p>The chief executive officer may be removed at any time by the board. Any removal decided without cause may give rise to the payment of damages.</p> <p>When the chief executive officer is a director, he may not be appointed for a period exceeding his term of office as a director.</p> <p>The chief executive officer's term of office expires at the latest at the end of the general meeting held in order to review the financial statements of the financial year during which the chief executive officer reaches the age of sixty-five. However, the board of directors may, in one or more times, extend such limit under the conditions set forth by applicable laws and regulations.</p>
<p>Art. 18. DEPUTY CHIEF EXECUTIVE OFFICERS</p>	<p>Art. 19. DEPUTY CHIEF EXECUTIVE OFFICERS</p>
<p>Upon a recommendation made by the chief executive officer, the board of directors may appoint, within the limits set forth by law, one or more natural persons responsible for supporting the chief executive officer, and bearing the title of deputy chief executive officer.</p> <p>In agreement with the chief executive officer, the board of directors determines the scope and term of the powers granted to the deputy chief executive officers. However, the deputy chief executive officers have, vis-à-vis third parties, the same powers as the chief executive officer.</p> <p>When the chief executive officer ceases discharging his duties or is unable to discharge his duties, the deputy chief executive officers remain in office, unless</p>	<p>Upon a recommendation made by the chief executive officer, the board of directors may appoint, within the limits set forth by law, one or more natural persons responsible for supporting the chief executive officer, and bearing the title of deputy chief executive officer.</p> <p>In agreement with the chief executive officer, the board of directors determines the scope and term of the powers granted to the deputy chief executive officers. However, the deputy chief executive officers have, vis-à-vis third parties, the same powers as the chief executive officer.</p> <p>When the chief executive officer ceases discharging his duties or is unable to discharge his duties, the deputy chief executive officers remain in office, unless</p>

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<p>otherwise decided by the board until the appointment of the new chief executive officer.</p> <p>The remuneration of the deputy chief executive officers is determined freely by the board of directors, upon a recommendation from the chief executive officer.</p> <p>Even where the deputy chief executive officers are not members of the board of directors, they are asked to attend meetings of the board of directors.</p> <p>Deputy chief executive officers may be removed at any time by the board of directors upon a recommendation from the chief executive officer. Any removal decided without cause may give rise to the payment of damages.</p> <p>When a deputy chief executive officer is also a director, his term of office as a deputy chief executive officer may not exceed that of his office as a director.</p> <p>The deputy chief executive officers' terms of office expire at the latest at the end of the general meeting held in order to review the financial statements of the financial year during which they reach the age of sixty-five. However, the board of directors may, in one or more times, during its meeting following such general meeting, extend such limit under the conditions set forth by applicable laws and regulations.</p>	<p>otherwise decided by the board until the appointment of the new chief executive officer.</p> <p>The remuneration of the deputy chief executive officers is determined freely by the board of directors, upon a recommendation from the remuneration committee.</p> <p>Even where the deputy chief executive officers are not members of the board of directors, they are asked to attend meetings of the board of directors.</p> <p>Deputy chief executive officers may be removed at any time by the board of directors upon a recommendation from the chief executive officer. Any removal decided without cause may give rise to the payment of damages.</p> <p>When a deputy chief executive officer is also a director, his term of office as a deputy chief executive officer may not exceed that of his office as a director.</p> <p>The deputy chief executive officers' terms of office expire at the latest at the end of the general meeting held in order to review the financial statements of the financial year during which they reach the age of sixty-five. However, the board of directors may, in one or more times, extend such limit under the conditions set forth by applicable laws and regulations.</p>
<p>Art. 19. STATUTORY AUDITORS</p> <p>The company is audited by one or more statutory auditors in accordance with the terms and conditions set forth by law.</p> <p>One or more alternate statutory auditors, who are to replace the standing statutory auditor(s) in case of death, inability to act or refusal to act, are appointed by the ordinary general meeting.</p>	<p>Art. 20. GOVERNMENT'S REPRESENTATIVE</p> <p>The State may appoint a representative in order to attend the meetings of the board of directors.</p> <p>The Government's representative is not a director. The Government's representative ensures that the company complies with its corporate purpose.</p> <p>The Government's representative has no voting right. In case of disagreement with any decision that he deems contrary to the company's corporate purpose, a reference to his position is noted in the minutes of the relevant meeting.</p> <p>Art. 21. STATUTORY AUDITORS</p> <p>The company is audited by one or more statutory auditors in accordance with the terms and conditions set forth by law.</p> <p>One or more alternate statutory auditors, who are to replace the standing statutory auditor(s) in case of death, inability to act or refusal to act, are appointed by the ordinary general meeting.</p>
<p>Art. 20. GENERAL MEETINGS</p> <p>Notice of the general meetings is given in accordance</p>	<p>TITLE IV – SHAREHOLDERS MEETINGS</p> <p>Art. 22. GENERAL MEETINGS</p> <p>Notice of the general meetings is given in accordance</p>

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<p>with provisions of law.</p> <p>Meetings are held at the registered office or at any other place specified in the notice.</p> <p>The right to participate in general meetings is conditional on the registration of the shares in the accounts maintained by the company, at least five days before the date of the general meeting.</p> <p>General meetings are chaired by the chairman of the board of directors or, in his absence, by a director especially appointed to that end by the board. In default, the general meeting itself appoints its chairman.</p> <p>The two members of the general meeting who are present and hold the largest number of votes are appointed as scrutineers, if they accept such appointment.</p> <p>The bureau appoints the secretary, who is not required to be a shareholder.</p> <p>An attendance sheet is maintained in accordance with provisions of law.</p> <p>The copies or excerpts of the minutes of general meetings are duly certified in accordance with provisions of law.</p>	<p>with provisions of law.</p> <p>Meetings are held at the registered office or at any other place specified in the notice.</p> <p>The right to participate in general meetings is conditional on the registration of the shares in the accounts maintained by the company, at least five days before the date of the general meeting.</p> <p>General meetings are chaired by the chairman of the board of directors or, in his absence, by a director especially appointed to that end by the board. In default, the general meeting itself appoints its chairman.</p> <p>The two members of the general meeting who are present and hold the largest number of votes are appointed as scrutineers, if they accept such appointment.</p> <p>The bureau appoints the secretary, who is not required to be a shareholder.</p> <p>An attendance sheet is maintained in accordance with provisions of law.</p> <p>The copies or excerpts of the minutes of general meetings are duly certified in accordance with provisions of law.</p>
<p>Art. 21. ATTENDANCE OF AND REPRESENTATION AT GENERAL MEETINGS</p>	<p>Art. 23. ATTENDANCE OF AND REPRESENTATION AT GENERAL MEETINGS</p>
<p>Any shareholder is entitled to participate in general meetings.</p> <p>Subject to the application of the legal provisions to general meetings assimilated with constitutive general meetings, each member of the general meeting has the following number of votes:</p> <ul style="list-style-type: none"> - any shareholder owning a number of shares ranging between one share and 10% of the number of shares representing the share capital shall have one vote for each fraction of 0.01% of its fraction of the share capital. - any shareholder owning a number of shares ranging between 10% and 20% of the number of shares representing the share capital shall have a number of votes equal to 1,000 plus one vote for each fraction of 0.10% owned by it in excess of 10% of the share capital. - any shareholder owning a number of shares in excess of 20% of the number of shares representing the share capital shall have a number of votes equal to 1,100 plus one vote for each fraction of 1% owned by it in excess of 20% of the share capital. 	<p>Any shareholder is entitled to participate in general meetings.</p> <p>Subject to the application of the legal provisions to general meetings assimilated with constitutive general meetings, each member of the general meeting has the following number of votes:</p> <ul style="list-style-type: none"> - any shareholder owning a number of shares ranging between one share and 10% of the number of shares representing the share capital shall have one vote for each fraction of 0.01% of its fraction of the share capital. - any shareholder owning a number of shares ranging between 10% and 20% of the number of shares representing the share capital shall have a number of votes equal to 1,000 plus one vote for each fraction of 0.10% owned by it in excess of 10% of the share capital. - any shareholder owning a number of shares in excess of 20% of the number of shares representing the share capital shall have a number of votes equal to 1,100 plus one vote for each fraction of 1% owned by it in excess of 20% of the share capital.

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<p>- where applicable, the number of votes so determined shall be rounded up to the immediately higher whole number.</p> <p>Any shareholder may be represented at general meetings by another shareholder.</p> <p>Those natural persons representing legal persons which are shareholders shall participate in the general meetings, whether or not they are personally shareholders.</p>	<p>- where applicable, the number of votes so determined shall be rounded up to the immediately higher whole number.</p> <p>Any shareholder may be represented at general meetings by another shareholder.</p> <p>Those natural persons who are permanent representatives of legal persons on the board of directors shall participate in general meetings, whether or not they are personally shareholders.</p>
<p>Art. 22. POWERS OF GENERAL MEETINGS</p> <p>Ordinary and extraordinary general meetings deciding in accordance with the applicable quorum and majority rules exercise the powers devolved to them by provisions of law.</p>	<p>Art. 24. POWERS OF GENERAL MEETINGS</p> <p>Ordinary and extraordinary general meetings deciding in accordance with the applicable quorum and majority rules exercise the powers devolved to them by provisions of law.</p>
<p>TITLE III – FINANCIAL YEAR – PROFITS</p> <p>Art. 23. FINANCIAL YEAR</p> <p>The financial year commences on January 1, and ends on December 31.</p> <p>As an exception, the first financial year shall commence on the company’s incorporation date and shall end on December 31, 1985.</p>	<p>TITLE V – FINANCIAL YEAR – PROFITS</p> <p>Art. 25. FINANCIAL YEAR</p> <p>The financial year commences on January 1, and ends on December 31.</p> <p>As an exception, the first financial year of the company commenced on 23 September 1985 and ended on December 31, 1985.</p>
<p>Art. 24. PROFITS AND LOSSES – DIVIDEND PAYMENTS</p> <p>Earnings available for distribution, as defined by law, are earmarked by the general meeting which decides to post them to one or more reserve accounts, of which it determines the allocation or use, to carry them over or to distribute them. In case of distribution, the general meeting may grant the right to make an election between the payment of a dividend in cash or in shares under the conditions set forth by law.</p> <p>In addition, the general meeting may decide to distribute amounts deducted from available reserves, by specifying expressly the reserve items from which the deductions are made.</p> <p>However, dividends are deducted on a priority basis from the net income available for distribution of the financial year.</p> <p>Save in case of a capital decrease, no amount may be distributed to shareholders when the shareholders’ equity is or would become, following such decrease, lower than the amount of the share capital plus any reserves that may not be distributed pursuant to provisions of law.</p> <p>Losses, if any, are carried over in order to be applied against profits of subsequent years until they are fully covered.</p>	<p>Art. 26. PROFITS AND LOSSES – DIVIDEND PAYMENTS</p> <p>Earnings available for distribution, as defined by law, are earmarked by the general meeting which decides to post them to one or more reserve accounts, of which it determines the allocation or use, to carry them over or to distribute them. In case of distribution, the general meeting may grant the right to make an election between the payment of a dividend in cash or in shares under the conditions set forth by law.</p> <p>In addition, the general meeting may decide to distribute amounts deducted from available reserves, by specifying expressly the reserve items from which the deductions are made.</p> <p>However, dividends are deducted on a priority basis from the net income available for distribution of the financial year.</p> <p>Save in case of a capital decrease, no amount may be distributed to shareholders when the shareholders’ equity is or would become, following such decrease, lower than the amount of the minimum share capital mandated by legal or regulatory provisions.</p> <p>Losses, if any, are carried over in order to be applied against profits of subsequent years until they are fully covered.</p>

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	<p>TITLE VI – INTERNAL RULES AND REGULATIONS</p> <p>Art. 27. INTERNAL RULES AND REGULATIONS</p> <p>Internal rules and regulations, approved by the board of directors, set forth the provisions governing the operations of the company and certain commitments of its shareholders. The internal rules and regulations supplement and clarify the articles of incorporation. The internal rules and regulations are signed by the shareholders and any institutions that are to become shareholders.</p>
<p>TITLE IV - DISSOLUTION - LIQUIDATION</p> <p>Art. 25.</p> <p>At the end of the term of the company or upon its dissolution, the general meeting determines the liquidation mode and appoints one or more liquidators whose powers it determines and who discharge their duties in accordance with provisions of law.</p>	<p>TITLE VII - DISSOLUTION - LIQUIDATION</p> <p>Art. 28. LIQUIDATION OF THE COMPANY</p> <p>At the end of the term of the company or upon its dissolution, the general meeting determines the liquidation mode and appoints one or more liquidators whose powers it determines and who discharge their duties in accordance with provisions of law.</p>

FIFTH RESOLUTION

(Amendment to the internal rules and regulations)

The general meeting decides to amend as follows the company's internal rules and regulations:

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<p>These internal rules and regulations supplement and explain the articles of incorporation and clarify the provisions governing the operations of CRH and certain commitments assumed by the shareholders. These internal rules and regulations apply to any present or future collateralisation and are deemed an amendment to any earlier agreements.</p> <p><i>These internal rules and regulations may where applicable be amended if necessary in order to be brought into conformance with any new European regulations.</i></p> <ol style="list-style-type: none"> 1. OPERATIONS OF CRH 2. APPROVAL OF BORROWERS 3. RISK COMMITTEE 4. BOND ISSUES 5. COLLATERALISATION 6. COLLATERALISATION GUARANTEE 7. BORROWER'S DEFAULT 8. COMMITMENTS ASSUMED BY SHAREHOLDERS 9. SUPERVISION OF THE CRH'S FUNCTIONING 10. EXPRESS APPROVAL OF THE INTERNAL RULES AND REGULATIONS BY THE SHAREHOLDERS 	<p>These internal rules and regulations supplement and explain the articles of incorporation and clarify the provisions governing the operations of CRH and certain commitments assumed by the shareholders. These internal rules and regulations apply to any present or future collateralisation and are deemed an amendment to any earlier agreements.</p> <p><i>These internal rules and regulations may be amended in order to be adapted to changes in prudential regulations.</i></p> <ol style="list-style-type: none"> 1. OPERATIONS OF CRH 2. APPROVAL OF BORROWERS 3. RISK COMMITTEE'S POWERS IN RELATION TO REFINANCING 4. BOND ISSUES 5. COLLATERALISATION 6. COLLATERALISATION GUARANTEE 7. BORROWER'S DEFAULT 8. COMMITMENTS ASSUMED BY SHAREHOLDERS 9. SUPERVISION OF THE CRH'S FUNCTIONING 10. EXPRESS APPROVAL OF THE INTERNAL RULES AND REGULATIONS BY THE SHAREHOLDERS

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<p>1. OPERATIONS OF CRH</p> <p>1.1 In accordance with its articles of incorporation, CRH's operations consist solely in the refinancing of the home-purchase loans granted by those credit institutions that are its shareholders or by institutions that agree to become its shareholders.</p> <p>1.2 CRH issues bonds (or other investment securities hereinafter referred to as "bonds") having characteristics identical to the characteristics of the loans granted for the purposes of the said refinancing. CRH thus acts as a pass-through entity acting on behalf of its shareholders.</p> <p>1.3 The commitments incurred by borrower credit institutions with CRH and the commitments assumed by CRH upon the issuance of loans on the financial market are therefore fully matched.</p> <p>1.4 CRH's refinancing operations are governed by the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code.</p> <p>1.5 In accordance with its articles of incorporation, CRH agrees not to hold any interest or to engage in any operation not corresponding to its corporate purpose. CRH agrees in particular not to incur any debt not corresponding to the said corporate purpose, save in the case of subordinated debt aimed at strengthening its shareholders' equity or in case of default of an issuer of promissory notes.</p>	<p>1. OPERATIONS OF CRH</p> <p>1.1 In accordance with its articles of incorporation, CRH's operations consist solely in the refinancing of the home-purchase loans granted by those credit institutions that are its shareholders and by any institution that has agreed to become its shareholder and is approved by it.</p> <p>1.2 CRH issues financial securities (hereinafter referred to as "bonds") having characteristics identical to the characteristics of the notes collateralised for the purposes of the said refinancing. CRH thus acts as a pass-through entity.</p> <p>1.3 The commitments incurred by borrower credit institutions with CRH and the commitment assumed by CRH upon the issuance of loans on the financial market are therefore fully matched.</p> <p>1.4 CRH's refinancing operations are governed by the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code.</p>
<p>2. BORROWERS' APPROVAL</p> <p>2.2 After seeking where applicable the risk committee's opinion, CRH's board of directors decides to grant the approval and determines the conditions, if any, subject to which it grants its approval, as well as the financial terms associated with the refinancing facilities.</p> <p>In accordance with banking regulations, the maximum amount of the risk related to a borrower may at any time be re-examined by the board of directors.</p>	<p>2. BORROWERS' APPROVAL</p> <p>2.2 After obtaining the opinion of the risk committee, CRH's board of directors decides to approve the borrower and determines the financial terms of the refinancing facilities.</p> <p>In accordance with banking regulations, the maximum amount of the risk related to a borrower may at any time be re-examined by the board of directors.</p>
<p>3. RISK COMMITTEE</p> <p>3.1 The board of directors or senior management may create a risk committee. The board of directors appoints the members of the risk committee from among the shareholders or the shareholders' representatives and determines the committee's operating rules.</p> <p>3.2 The risk committee acts in an advisory</p>	<p>3. RISK COMMITTEE'S POWERS IN RELATION TO REFINANCING</p> <p>The risk committee issues opinions concerning in</p>

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<p>capacity. At the board of directors' or senior management's request, the risk committee issues opinions concerning in particular the terms applicable to:</p> <ul style="list-style-type: none"> - the borrowers' approval and refinancing, - the eligibility of the receivables, - the guarantee of the promissory notes, - the hedging of CRH's direct and indirect risks. 	<p>particular the terms applicable to:</p> <ul style="list-style-type: none"> - the borrowers' approval and refinancing, - the eligibility of the receivables, - the guarantee of the promissory notes, - the hedging of CRH's direct and indirect risks related to the refinancing facilities, - the determination of the respective market shares of each of the approved institutions, serving where applicable for the grant of the refinancing facilities.
<p>4. BOND ISSUES</p> <p>4.2 CRH may operate on French and foreign financial markets through the issuance of notes, bonds, marketable debt securities or investment securities of any nature.</p> <p>CRH may entrust one or more credit institutions with the placement of the loans issued by it or may personally carry out such placement. CRH determines the placement's characteristics according to the market's situation.</p> <p>4.3 Immediately upon receipt of the proceeds of the loan, CRH pays to each borrower the full amount of its fraction, after deducting the equity endowment to be borne by it and any expenses and fees related to the transaction. Such equity endowment consists in subordinated loans granted by the borrower to CRH. Such loans are repaid by CRH in accordance with the terms set forth in paragraph 8.1. of these internal rules and regulations.</p>	<p>4. BOND ISSUES</p> <p>4.2 CRH may operate on French and foreign financial markets by issuing bonds.</p> <p>CRH may entrust one or more credit institutions with the placement of the loans issued by it or may personally carry out such placement. CRH determines the placement's characteristics according to the market's situation.</p> <p>4.3 The amount raised by CRH in connection with any loan is allocated among the borrower institutions as follows:</p> <ul style="list-style-type: none"> a) If the amount actually raised by CRH is equal to the total amount of the refinancing requests expressed and accepted by CRH, then such requests shall be fully served. b) If the amount actually raised by CRH is lower than the total amount of the refinancing requests expressed and accepted, then a theoretical allocation of the amount actually raised by CRH is calculated for each institution on a pro rata basis of the market shares of the institutions concerned. <p>Any applications covering amounts lower than or equal to the amount of the theoretical allocation of the institutions shall be fully served.</p> <p>Unallocated amounts shall be used for those institutions that have not been served in full within the limit of their application, on a pro rata basis of their market share on the French home-purchase loan market.</p> <p>Such market shares are determined by the chief executive officer after seeking the opinion of the risk committee and consulting each institution concerned on the basis of the latest figures sent by the institutions to ACPR and to CRH. Such determination is made after the general meeting of shareholders deciding on the annual financial statements of CRH. Such determination may be revised at any time in case of approval of a new</p>

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	institution.
	<p>4.4 Immediately upon receipt of the proceeds of the loan, CRH pays to each borrower its ratable fraction, after deducting the expenses and fees related to the transaction and the amount of any requisite additional shareholders' equity referred to in Article 12 of the articles of incorporation.</p>
<p>5. COLLATERALISATION</p> <p>5.1 Issuance of mortgage notes</p> <p>In accordance with the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code and the collateralisation agreement, borrowers are required to issue in favour of CRH mortgage notes representing their participation in the borrowing. Such notes shall be prepared in accordance with the provisions of the French Commercial Code and applicable standards in accordance with a template defined by CRH. Borrowers irrevocably agree to pay any interest, fees, incidental amounts and all present and future tax expenses related to such collateralisation on a pro rata basis of their participation and agree to comply with the commitments stated on the recto and verso of such notes.</p> <p>The said notes shall be acquired by CRH upon disbursement of the funds.</p> <p>The notes bear interest at the same rates and dates as the relevant loan's bonds and are repayable under the same terms.</p>	<p>5. COLLATERALISATION</p> <p>5.1 Issuance of mortgage notes</p> <p>In accordance with the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code and the collateralisation agreement, borrowers are required to issue in favour of CRH mortgage notes representing their participation in the borrowing. Such notes shall be prepared in accordance with the provisions of the French Commercial Code and applicable standards in accordance with a template defined by CRH. Borrowers irrevocably agree to pay any interest, fees, incidental amounts and all present and future tax expenses related to such collateralisation on a pro rata basis of their participation and agree to comply with the commitments stated on the recto and verso of such notes.</p> <p>The said notes are acquired by CRH upon disbursement of the funds.</p> <p>The notes are denominated in the same currency and bear interest at the same rates and dates as the relevant loan's bonds and are repayable under the same terms.</p>
<p>5.3 Procedure for perfecting the safety of the repayment maturities.</p> <p>Also, in connection with a procedure aimed at perfecting the safety of the repayment maturities of the bonds already issued to date or to be issued, the borrowers expressly accept the provisions below:</p> <p>Five business days prior to the repayment maturity of any bond loan issued by CRH, each borrower is required to grant CRH an advance in an amount equal to that of the principal of the note to be repaid, plus the amount of the note related to the associated interest.</p> <p>The corresponding funds are invested on the money market until the repayment maturity through reverse repurchase agreements covering Treasury notes.</p> <p>Such advance is repaid on the maturity date, where applicable by way of set-off with the amounts due by the borrower in respect of the repayment of the principal of the note to be repaid, plus the amount of the note related to the associated interest.</p>	<p>5.3 Procedure for perfecting the safety of the repayment maturities.</p> <p>Also, in connection with a procedure aimed at perfecting the safety of the repayment maturities of the bond loans already issued to date or to be issued, the borrowers expressly accept the provisions below:</p> <p>Five business days prior to the repayment date of any bond loan issued by CRH, each borrower is required to grant CRH an advance in an amount equal to that of the principal of the note to be repaid, plus the amount of the note related to the associated interest.</p> <p>The corresponding funds are invested on the money market until the repayment maturity through reverse repurchase agreements covering Treasury notes. The said funds may also be deposited with the Central Bank.</p> <p>Such advance is repaid on the maturity date, where applicable by way of set-off with the amounts due by the borrower in respect of the repayment of the principal of the note to be repaid, plus the amount of the note related to the associated interest.</p>

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<p>The proceeds from the investment of such advance on the money market are then paid to the borrowers.</p>	<p>The proceeds from the investment of such advance on the money market are then paid to the borrowers. Where applicable any negative interest is borne by the borrowers.</p> <p>In case of foreign currency transactions, such advance may be called in euro.</p>
<p>5.4 Collateralisation by an endorsing agent</p> <p>One or more borrowers may, under an agency agreement, ask an institution duly approved by CRH, to subscribe in their name and on their behalf, a single mortgage note representing loans that they intend to collateralise.</p> <p>The agent endorses the note representing the capital and the notes representing the interest that it subscribes on behalf of its principals. The agent agrees to replace the said principals in case of default and assumes in such event all commitments made by them. In addition, the agent communicates to CRH a copy of the agency agreement executed by it.</p> <p>Each principal agrees to comply with the commitments related to the collateralisation procedure on a pro rata basis of its share in the subscribed note. The principals may agree that they are jointly and severally liable for compliance with all of the said commitments.</p> <p>The agent is not required to hold the receivables. However, the agent guarantees that the inspections planned by CRH may be carried out at its premises if CRH so requests.</p> <p>The agent is also responsible for obtaining from its principals any and all documents enabling it to seek from notaries and courts, if necessary, the issuance of the enforcement copies corresponding to the receivables. The agency agreement that was executed with the agent must provide for the option to transfer such right to CRH.</p> <p>Also, such agency agreement must specify that the principal has been informed of these internal rules and regulations, accepts the terms thereof and agrees to comply with the same.</p> <p>The agent signs these internal rules and regulations on its own behalf and in its capacity as the principals' representative.</p>	<p>5.4 Collateralisation by an endorsing agent</p> <p>One or more borrowers may, under an agency agreement, ask an institution duly approved by CRH, to subscribe in their name and on their behalf, a single mortgage note representing loans that they intend to collateralise.</p> <p>The agent endorses the note representing the capital and the notes representing the interest that it subscribes on behalf of its principals. The agent agrees to replace the said principals in case of default and assumes in such event all commitments made by them. In addition, the agent communicates to CRH a copy of the agency agreement executed by it.</p> <p>Each principal agrees to comply with the commitments related to the collateralisation procedure on a pro rata basis of its share in the subscribed note. The principals may agree that they are jointly and severally liable for compliance with all of the said commitments.</p> <p>The agent is not required to hold the receivables. However, the agent guarantees that the inspections planned by CRH may be carried out at its premises if CRH so requests.</p> <p>The agent is also responsible for obtaining from its principals any and all documents enabling it to seek from notaries and courts, if necessary, the issuance of the enforcement copies corresponding to the receivables. The agency agreement that was executed with the agent must provide for the option to transfer such right to CRH.</p> <p>Also, such agency agreement must specify that the principal has been informed of these internal rules and regulations, accepts the terms thereof and agrees to comply with the same.</p> <p>The agent signs these internal rules and regulations in its capacity as the agent and also in its own name.</p>
<p>6. COLLATERALISATION GUARANTEE</p>	<p>6. COLLATERALISATION GUARANTEE</p>
<p>6.1 Pledge of a securities portfolio</p> <p>The service of the interest and the repayment of the mortgage notes must be guaranteed, at the latest upon the issuance of the notes, by a pledge of receivables in accordance with the provisions of Articles L. 313-42</p>	<p>6.1 Pledge of a securities portfolio</p> <p>The service of the interest and the repayment of the mortgage notes must be guaranteed, at the latest upon the issuance of the notes, by a pledge of receivables in accordance with the provisions of Articles L. 313-42</p>

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<p>to L. 313-49 of the French Monetary and Financial Code (the “availability”).</p> <p>The creation of the pledge results from the preparation by the borrower, for each note, of a nominative list of receivables according to a template prepared by CRH, in conformance with the aforementioned provisions.</p> <p>The characteristics of the receivables so made available and where applicable any specific terms governing the guarantee of the collateralised loans are determined by the board of directors of CRH in compliance with applicable provisions and are detailed in a document entitled “loans’ eligibility criteria for the operations of CRH”. Any subsequent changes to the said document are accepted in advance by the borrowers.</p> <p>The receivables portfolio so made available must at any time have an average life equal to the residual duration of the guaranteed capital note and an average interest rate that is no less than the rate applicable to the said note. Its amount must at all times be equal to at least 125% of the nominal amount of the guaranteed note. However, in cases where certain rules are not complied with, and in particular any rate or term consistency rules, CRH may ask that such minimum amount be increased.</p> <p>The borrower agrees to be personally responsible for the timely payment of any amounts due by debtors in relation to the said receivables.</p> <p>It is expressly agreed that any amount to be made available to CRH by the borrower shall be earmarked for the guarantee of any note subscribed or to be subsequently subscribed by the borrower in favour of CRH.</p>	<p>to L. 313-49 of the French Monetary and Financial Code (the “availability”).</p> <p>The creation of the pledge results from the preparation by the borrower, for each note, of a nominative list of receivables according to a template prepared by CRH, in conformance with the aforementioned provisions.</p> <p>The characteristics of the receivables so made available and where applicable any specific terms governing the guarantee of the collateralised loans are determined by the board of directors of CRH in compliance with applicable provisions and are detailed in a document entitled “loans’ eligibility criteria for the operations of CRH”. Any subsequent changes to the said document are accepted in advance by the borrowers.</p> <p>The receivables portfolio so made available must at any time have an average life equal to the residual duration of the guaranteed capital note and an average interest rate that is no less than the rate applicable to the said note. Its amount must at all times be equal to at least 125% of the nominal amount of the guaranteed note. However, in cases where certain rules are not complied with, and in particular any rate or term consistency rules, CRH may ask that such minimum amount be increased.</p> <p>The borrower agrees to be personally responsible for the timely payment of any amounts due by debtors in relation to the said receivables.</p> <p>It is expressly agreed that any amount to be made available to CRH by the borrower shall be earmarked for the guarantee of any note subscribed or to be subsequently subscribed by the borrower in favour of CRH.</p>
<p>6.2 Constraints related to the pledge</p> <p>In accordance with the provisions of the aforementioned law, the borrower may not transfer, in any form whatsoever, in particular through any transfer of title or by way of any guarantee, the receivables so made available. In particular, the borrower may not assign the receivables to a securitisation fund or to a real estate lending company.</p> <p>The borrower recovers the right to dispose freely of the pledged receivables solely where the same are repaid, payable, non-performing, disputed or doubtful. The borrower is then required to replace such receivables by eligible receivables in the same amount.</p> <p>Is deemed non-performing or disputed, any receivable in respect of which any amount is overdue, if such arrears arise because of legal or political obstacles beyond the debtor’s control, or because of any</p>	<p>6.2 Constraints related to the pledge</p> <p>In accordance with the provisions of the aforementioned law, the borrower may not transfer, in any form whatsoever, in particular through any transfer of title or by way of any guarantee, the receivables so made available. In particular, the borrower may not assign the receivables to a French or foreign securitisation fund.</p> <p>The borrower recovers the right to dispose freely of the pledged receivables solely where the same are repaid, payable, non-performing, disputed or doubtful. The borrower is then required to replace such receivables by eligible receivables in the same amount.</p> <p>Is deemed non-performing or disputed, any receivable in respect of which any amount is overdue, if such arrears arise because of legal or political obstacles beyond the debtor’s control, or because of any</p>

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<p>challenge.</p> <p>Is deemed doubtful, any receivable in respect of which any amount is overdue for any reason not referred to above.</p> <p>The borrower agrees to withdraw from the receivables made available any and all receivables invalidated upon any inspection and more generally to exclude any receivable not meeting the criteria of eligibility for CRH's operations.</p> <p>The borrower retains a list of the receivables so made available and sends each month a copy thereof to CRH.</p>	<p>challenge.</p> <p>Is deemed doubtful, any receivable in respect of which any amount is overdue for any reason not referred to above.</p> <p>The borrower agrees to withdraw from the receivables made available any and all receivables invalidated upon any inspection and more generally to exclude any receivable not meeting the criteria of eligibility for CRH's operations.</p> <p>The borrower retains a list of the receivables so made available and sends each month a copy thereof to CRH.</p>
<p>6.3 Inspections carried out at borrowers' premises</p> <p>CRH inspects the receivables pledged in order to guarantee the notes, at the premises of borrower institutions or institutions liable to borrow.</p> <p>CRH inspects in particular the following:</p> <ul style="list-style-type: none"> - physical existence of the receivables, - full title of the borrower institution to the receivables, - in accordance with provisions of law, lack of any commitment, in particular in connection with any pledges or transfers. <p>To that end, CRH may seek from the inspected institutions the issuance of any necessary certificates from their statutory auditors.</p> <p>When invalid receivables are identified, and in particular receivables referred to in paragraph 6.2. of these internal rules and regulations, the borrower institution must pledge in favour of CRH an additional portfolio of valid receivables in order to compensate for the identified insufficiency.</p>	<p>6.3 Inspections carried out at borrowers' premises</p> <p>CRH inspects the receivables pledged in order to guarantee the notes, at the premises of borrower institutions or institutions liable to borrow.</p> <p>CRH inspects in particular the following:</p> <ul style="list-style-type: none"> - physical existence of the receivables, - full title of the borrower institution to the receivables, - in accordance with provisions of law, lack of any commitment, in particular in connection with any pledges or transfers, - conformance with the eligibility criteria. <p>To that end, CRH may seek from the inspected institutions the issuance of any necessary certificates from their statutory auditors.</p> <p>When invalid receivables are identified, and in particular receivables referred to in paragraph 6.2. of these internal rules and regulations, the borrower institution must pledge in favour of CRH an additional portfolio of valid receivables in order to compensate for the identified insufficiency.</p>
<p>7. BORROWER'S DEFAULT</p> <p>7.3 Transfer of title</p> <p>Immediately upon noting any default, and after calling the cash advances and referring the matter to the risk committee, CRH reviews in particular the following:</p> <p>a) the advisability and, where applicable, the terms of the transfer to CRH of title to the pledged receivables pursuant to the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code, after the borrower has been given notice of the default,</p> <p>b) the advisability of entrusting the defaulting institution with the management of the receivables</p>	<p>7. BORROWER'S DEFAULT</p> <p>7.3 Transfer of title</p> <p>Immediately upon noting any default, and after calling the cash advances and referring the matter to the risk committee, CRH reviews in particular the following:</p> <p>a) the advisability and, where applicable, the terms of the transfer to CRH of title to the pledged receivables pursuant to the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code, after the borrower has been given notice of the default,</p> <p>b) the advisability of entrusting the defaulting institution with the management of the receivables</p>

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<p>portfolio in accordance with the agreement attached as a schedule hereto, where applicable under the responsibility of the receiver appointed by the Prudential Supervision and Resolution Authority.</p> <p>CRH then carries out or procures a detailed audit of the said portfolio in order to check its overall characteristics and specifically to determine the amounts and dates of the flows to be anticipated.</p>	<p>portfolio in accordance with the agreement attached as a schedule hereto and under terms approved by Prudential Authorities.</p> <p>CRH then carries out or procures a detailed audit of the said portfolio in order to check its overall characteristics and specifically to determine the amounts and dates of the flows to be anticipated.</p>
<p>8. COMMITMENTS ASSUMED BY SHAREHOLDERS</p> <p>8.1 Capital endowment</p> <p>In accordance with the articles of incorporation, each shareholder is required to pay to CRH the amounts necessary to endow it with the capital resources required by banking regulations.</p> <p>Such payments are made by each shareholder on a pro rata basis of the capital requirement related to the amount outstanding of mortgage notes refinanced or guaranteed by CRH and for durations equivalent to the duration of the said notes.</p> <p>After being thus adjusted to reflect changes in amounts outstanding, such payments are not reimbursed unless and until all of the other creditors have been fully repaid in connection with any voluntary or court-ordered liquidation of CRH.</p> <p>8.2 Allocation of the share capital</p> <p>In accordance with the articles of incorporation, each shareholder agrees to transfer or acquire the requisite number of shares so as to ensure total proportionality between the allocation of the capital and the allocation of the regulatory capital requirements related to the amounts outstanding.</p> <p>Such transfers and acquisitions shall be completed prior to the end of the first quarter of each calendar year against a price equal to the net book value of the share calculated as of December 31, of the preceding financial year.</p>	<p>8. COMMITMENTS ASSUMED BY SHAREHOLDERS</p> <p>8.1 Capital endowment</p> <p>Each shareholder is required to pay to CRH the amounts necessary to endow it with the capital resources required by banking regulations in accordance with the terms set forth in the articles of incorporation.</p> <p>8.2 Allocation of the share capital</p> <p>Each shareholder agrees to transfer or acquire the requisite number of shares so as to ensure total proportionality between the allocation of the capital and the allocation of the regulatory capital requirements related to the amounts outstanding, in accordance with the terms set forth by the articles of incorporation.</p>
<p>8.3 Cash advances</p> <p>In accordance with the articles of incorporation, each CRH shareholder is required to provide CRH, as a cash advance, with the funds necessary to its functioning, within the limit of 5% of the total amount outstanding of the refinanced sums.</p> <p>a) By virtue of an express delegation granted by the board of directors, CRH's senior management calls such cash advances on its own initiative and by any means, whenever necessary, in a sufficient amount.</p> <p>b) In the event of a shareholder default in relation to</p>	<p>8.3 Cash advances</p> <p>In accordance with the articles of incorporation, each CRH shareholder is required to provide CRH, as a cash advance, with the funds necessary to its functioning, within the limit of 5% of the total amount outstanding of the refinanced sums.</p> <p>a) By virtue of an express delegation granted by the board of directors, CRH's senior management calls such cash advances on its own initiative and by any means, whenever necessary, in a sufficient amount.</p> <p>b) In the event of a shareholder default in relation to</p>

FORMER DRAFTING	NEW DRAFTING
<p>the service of its debt vis-à-vis CRH, the cash advances made by the other shareholders must allow for the timely payment by CRH of all amounts due on its behalf, in particular to bondholders and to the Treasury.</p> <p>If necessary, such advances are maintained until settlement of the accounts between such defaulting shareholder and CRH.</p> <p>c) Advances are apportioned among shareholders on a pro rata basis of their amounts refinanced as of December 31, of the preceding financial year.</p> <p>d) The board of directors determines, in due time, the remuneration of the advances in view of circumstances and market conditions.</p> <p>e) So that CRH may receive such advances on first demand, each shareholder sends to CRH a specific and constantly updated data sheet indicating the names, addresses, telephone and fax numbers of two employees authorised to receive from CRH's senior management calls for the payment of cash advances.</p> <p>f) Any shareholder failing to pay the necessary amounts on the scheduled dates owes the company automatically and without any prior notice an indemnity determined by the ordinary general meeting.</p>	<p>the service of its debt vis-à-vis CRH, the cash advances made by the other shareholders must allow for the timely payment by CRH of all amounts due on its behalf, in particular to bondholders and to the Treasury.</p> <p>If necessary, such advances are maintained until settlement of the accounts between such defaulting shareholder and CRH.</p> <p>c) Advances are apportioned among shareholders on a pro rata basis of their amounts refinanced in nominal value as of December 31, of the preceding financial year or as of any later date determined by the board of directors.</p> <p>d) The board of directors determines, in due time, the remuneration of the advances in view of circumstances and market conditions.</p> <p>e) So that CRH may receive such advances on first demand, each shareholder sends to CRH a specific and constantly updated data sheet indicating the names, street and email addresses, telephone and fax numbers of no less than two employees authorised to receive from CRH's senior management calls for the payment of cash advances.</p> <p>f) Any shareholder failing to pay the necessary amounts on the scheduled dates owes the company automatically and without any prior notice an indemnity determined by the ordinary general meeting.</p>
<p>9. SUPERVISION OF CRH's FUNCTIONING</p> <p>In accordance with banking regulations, an internal control structure is set up within CRH under the responsibility of senior management.</p> <p>Also, the functioning of CRH is audited by the inspection units of the various shareholder institutions.</p>	<p>9. SUPERVISION OF CRH's FUNCTIONING</p> <p>In accordance with banking regulations, an internal control structure is set up within CRH under the responsibility of senior management.</p> <p>Also, the functioning of CRH is audited by the inspection units of the various shareholder institutions or, upon a decision made by the board of directors, by an audit firm registered on the list of statutory auditors.</p>

JOINT DECISION

SIXTH RESOLUTION

(Formalities and powers of attorney)

The general meeting grants any and all powers of attorney to the bearer of any copy or excerpt of these minutes in order to complete any and all statutory and regulatory formalities.

(These resolutions were adopted unanimously by the shareholders present or represented during the General Meeting of Shareholders March 8, 2016).

CAISSE DE REFINANCEMENT DE L'HABITAT

Five-year financial summary

	2011	2012	2013	2014	2015
Share capital at year end:					
. Share capital (in EUR)	299 702 043.25	299 702 043.25	299 807 237.75	539 994 737.75	539 994 737.75
. Number of ordinary shares in issue	19 652 593	19 652 593	19 659 491	35 409 491	35 409 491
. Number of non-voting preferred shares in issue	0	0	0	0	0
. Maximum number of shares to be issued through conversion of bonds or exercise of subscription rights	0	0	0	0	0
Business and earnings (in EUR thousands):					
. Total revenues (not including VAT)	1 785 817	2 085 466	2 108 053	1 927 447	1 788 039
. . Income before tax, employee profit-sharing, depreciation, amortisation and provisions	1 672	2 931	1 130	1 047	3 067
. Corporate income tax	570	981	449	326	2 824
. Employee profit-sharing benefits due in respect of the financial year	0	0	0	0	0
. Income after tax, employee profit-sharing, depreciation, amortisation and provisions	979	1 764	632	545	339
. Distributed dividend	983	1 769	0	0	0
Earnings per share (in EUR):					
. Income after tax and employee profit-sharing, but before depreciation, amortisation and provisions	0.06	0.10	0.03	0.02	0.01
. Income after tax, employee profit-sharing, depreciation, amortisation and provisions	0.05	0.09	0.03	0.02	0.01
. Net dividend per share	0.05	0.09	0.00	0.00	0.00
Staff:					
. Average number of employees during the financial year (1)	10	10	10	9.4	9.75
. Payroll expenses of the financial year (in EUR thousands)	768	798	816	817	797
. Benefits (social security, welfare funds, etc.) (in EUR thousands)	361	376	389	391	390

(1) Including compensated corporate officers.

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

Dear Shareholders,

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 during its meeting held on February 2, 2016.

This report concerns information related to Board membership, conditions for preparing and organising the work of the Board of Directors, internal control and risk management procedures within the Company, corporate governance, and the terms of shareholder participation at Company Shareholders’ Meetings in respect of financial year 2015.

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 defined by the ministerial decree of November 3, 2014.

In accordance with the said regulatory provisions, a report on internal control, compliance, and risk measurement and monitoring must be submitted to the board of directors at least once a year.

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 specialisation and the transparency and security of its operations. Its organisational 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.

Also, in 2009, the board of directors decided to set up an audit committee. Furthermore, in October 2015, the board of directors decided to reactivate the risk committee and to create an appointments committee.

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 shareholders, as specified in Article 9 of the internal rules and regulations.

The new drafting of Article 9 of the internal rules also makes it possible to entrust such task to an audit firm selected from the list of statutory auditors.

Finally, CRH is placed under the direct supervision of the European Central Bank (ECB) and has therefore been subject during the financial year to various audit and assessment procedures.

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

The Company's Senior 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 applicable regulations.

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

The Company's senior 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

As a preliminary remark, it is recalled that, in addition to senior management's control functions, the provisions of Article L. 313-49 of the French Monetary and Financial Code provide for a specific legal control of CRH's operations by the banking authority.

In accordance with applicable 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 said description is exhaustive.

Identification of operational risks is regularly sought by Senior Management, and the business continuity plan must, in principle, ensure the sustainability 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.

Also, in 2013, CRH strengthened the safety of its IT system by changing the relevant service provider.

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 direct supervision of the ECB and 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' portfolios 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 their coverage level, using controls conducted on a sample basis and the examination of monthly electronic statements of duplicate lists of pledged receivables.

A significant risk that was addressed by CRH with relevant authorities more than five years ago is that regulatory changes designed for major deposit and investment banks 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* and CRH has not granted any loans since June 2013. Nevertheless, its internal rules and regulations stipulate the following:

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

- Limits on loans granted by CRH are set by senior 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 basic structure of the CRH mechanism is such that the profitability of credit transactions is, by its nature, always zero, because CRH borrows on behalf of French credit institutions and provides them with the resources raised without charging any margin.

CRH has typically a limited exposure to market risks. This issue is addressed in sections 3.1.2 to 3.1.5. of this registration document.

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

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 CRBF Regulation No. 97-02.

These procedures are liable to be revised owing to the implementation of the new European Capital Requirements Regulation which has numerous repercussions on CRH's operations.

* The regulatory risk is addressed in paragraph 3.1.7.2.

2. MEMBERSHIP AND CONDITIONS FOR PREPARING AND ORGANISING THE WORK OF THE BOARD OF DIRECTORS (see provisions of Title III of the Company's articles of incorporation)

The CRH shares are not publicly rated, and in accordance with the articles of incorporation are allocated annually among borrowers on pro rata basis of the loans outstanding.

The Board represents the shareholders and therefore comprises most of the main players on the French residential mortgage market.

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

- Mr. Olivier HASSLER	Chairman
- Mr. Henry RAYMOND	Director and Chief Executive Officer
- Banque Fédérative du Crédit Mutuel represented by Mr. Jean-François TAURAND	Director
- BNP Paribas represented by Ms. Valérie BRUNERIE	Director
- BPCE represented by Mr. Roland CHARBONNEL	Director
- Caisse Centrale du Crédit Mutuel represented by Ms. Sophie OLIVIER	Director
- Crédit Agricole SA represented by Ms. Nadine FEDON	Director
- Crédit Lyonnais represented by Mr. Christian LARRICQ-FOURCADE	Director
- GE Money Bank (1) represented by Mr. François KLIBER	Director, resigned on 7 December 2015
- Société Générale represented by Mr. Vincent ROBILLARD	Director

These directors are appointed for a term of six years (see pages 99 and 100).

2.2. CONDITIONS FOR PREPARING AND ORGANISING 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 strategic issues.

There do not exist any internal rules and regulations specific to the operations of the Board.

(1) By a letter dated 7 December 2015, GE Money Bank resigned from its corporate office as a director concurrently with the full repayment of the refinancing facilities granted to it by CRH.

2.3. WORK OF THE BOARD OF DIRECTORS

The Board of Directors met six times in 2015. 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 2015, 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 compensation of the Chairman and of the Chief Executive Officer;

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

- reviewing the findings of the SREP evaluation carried out by relevant authorities and the subsequent request made by the European Central Bank, i.e. to maintain a level of CET1 capital equal to 9.75%;

- reviewing the ICAAP and ILAAP documents;

- reviewing the recovery plan;

- examining the outcome of audits by the audit and inspection department of portfolios of receivables pledged to CRH.

2.4. COMPENSATION COMMITTEE (see Section 9.1.5. of this document, page 101)

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 shares of CRH. The Compensation Committee's role consists in making recommendations to the Board concerning the compensation of the Chairman and the compensation of the Chief Executive Officer. This committee meets once a year.

2.5. RISK COMMITTEE

The Risk Committee was reactivated by the Board of Directors during its meeting of July 10, 2015.

2.6. AUDIT COMMITTEE (see Article 9.1.3. of this document, page 101)

The audit committee, which consists of three members selected from the Company's directors, met on February 2015 12, and July 9, 2015.

During the said meetings, the audit committee principally transacted the following business:

- reviewing CRH's operations, results and financial position as of December 31, 2015 and the financial statements for the half-year ended June 2015 30;

- hearing the reports submitted by CRH's management and statutory auditors;

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

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

- reviewing the financial information;

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

2.7. APPOINTMENTS COMMITTEE

The newly created appointments committee identifies and recommends to the board of directors the possible candidates that it deems adequate in order to hold management duties as well as directorships or any other position entailing the exercise of equivalent supervisory responsibilities, in order to propose their candidature to the general meeting.

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 shares comprising CRH's capital are not listed 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 compensation of the Chairman and of the Chief Executive Officer cannot be contingent on CRH's results due to the special characteristics of CRH's structure. Their compensation consists solely in their salary and is established by the Board of Directors on the recommendation of the compensation committee. The corresponding amount is clearly specified in this document. Neither the Chairman nor the Chief Executive Officer is eligible for either a "golden parachute," or an additional complementary retirement plan, or stock options.

6. The other directors do not receive from CRH any compensation whatsoever and are senior executives of the shareholder institutions.

4. TERMS OF PARTICIPATION OF THE SHAREHOLDERS AT COMBINED SHAREHOLDERS' MEETINGS (Article 23 of the articles of incorporation)

The said terms are summarised in Article 23 of the articles of incorporation (see Appendix 5 to this document).

Olivier HASSLER
Chairman of the Board of Directors

REPORT ON LABOUR, SOCIAL AND ENVIRONMENTAL TRANSPARENCY

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

Despite the limited resources available to it and the specific nature of its business, in an effort to meet the demands of certain investors, CRH had already compiled, in financial year 2011, its first report on Social and Environmental Transparency.

First, we wish to 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.

As CRH's operations are solely of a financial nature, they have only a limited direct impact on the environment. In order to ensure respect for the environment, CRH seeks, to the greatest extent possible, to limit:

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

CRH seeks to comply with applicable rules and has never been fined or been subject to any adverse ruling as regards any labour or environmental matter.

Methodological memorandum 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 financial year 2015 covers all CRH operations.

3. Selection of indicators

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

4. Consolidation and internal control

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

5. External controls

Pursuant to the regulatory requirements imposed by Article 225 of the Grenelle 2 Act and its implementing decree of April 24, 2012, CRH has asked one of its independent auditors to provide, from financial year 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 of Act No. 2010-788 concerning the national 2015 Data commitment for the environment

1° Labour information:

a) Employment:

Total headcount and breakdown of employees per gender and region.	In 2015, the total salaried headcount remained stable and was equal to 8 employees, all being executives under permanent contracts. There were three female employees. The 40-49 and 50-59 age brackets ¹ accounted for 40% and 30% of total headcount, respectively, while the 30-39 and 60+ brackets accounted for 10% and 20%, respectively. All positions are located at the head office in Paris (France).
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Hiring and dismissal	No new staff members were hired under either temporary or permanent contracts, nor were there any redundancies or voluntary departures.
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Compensation	Aggregate gross compensation amounted to € 796,710.77 in financial year 2015, as compared with € 816,613.15 in financial year 2014. The CRH compensation policy and any changes thereto aim at reaching a fair balance between the various individual compensation levels according to merit and responsibilities. The Company does not pay any
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¹Age brackets include the two corporate officers.

**Indicators of Act No. 2010-788
concerning the national 2015 Data
commitment for the environment**

variable compensation.

b) Work organisation:
working time organisation.

The number of hours worked per annum by a full-time employee was 1,603.60 hours, unchanged compared with 2014. All employees work full time with personalised working hours.

Absenteeism.

In 2015, the absenteeism rate¹ increased to 1.51%, compared with 1.29% in 2014. 92% of absences are attributable to sickness.

c) Staff relations:
Organisation of staff dialogue.

Having regard to the limited headcount, there is no organised staff dialogue within the Company.

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.

Having regard to the limited headcount, 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 6 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 the relevant promotion (January or July).

In 2015, no request for a long-service award was made within CRH.

d) Health and safety: health and safety conditions.

As indicated above, the Company is mindful of the welfare of its employees and has taken out additional health coverage as well as collective coverage for death and dependency. The Company uses a multi-employer occupational health service. CRH has prepared a single assessment document

¹The absenteeism rate is defined as the ratio between: (Number of other cases of absence x 7.6) / ((Number of worked days x 7.6 x Number of salaried days)). 1 day = 7.6 hours. The other cases of absence do not correspond to RTT days (working time reduction days) or to paid holidays.

Indicators of Act No. 2010-788 concerning the national commitment for the environment 2015 Data

	for occupational risks.
Agreements signed with trade unions and staff representative bodies on workplace health and safety.	Because of the Company's limited headcount, there is no collective bargaining agreement on workplace health and safety.
Frequency and seriousness of industrial accidents and recognition of occupational illnesses.	In 2015, there were no industrial accidents in the Company. Also, no employee suffered from any occupational illness.
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 fewer 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 2015.
Specific professional training programs for employees.	The Company has not instituted any specific professional training programs for employees.
f) Diversity and equal opportunities:	
Policy implemented and measures taken to: - promote equality between men and women; - encourage the employment and integration of disabled individuals; - fight against discrimination and promote diversity.	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. 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 substantiated response is provided within no more than one month. Having fewer than 20 employees, CRH is not subject to the

Indicators of Act No. 2010-788 concerning the national commitment for the environment 2015 Data

	<p>requirement to employ and integrate persons with disabilities.</p> <p>The Company refrains from all forms of discrimination and promotes diversity whenever it can.</p>
<p>2° Environmental information:</p>	
<p>a) General policy in environmental matters:</p>	
<p>Company's policy for taking into account environmental issues and, where applicable, assessment and certification approaches to environmental matters</p>	<p>In accordance with the arrangements introduced by Article 225 of the Grenelle 2 Act and set out in the ministerial decree of 13 May 2013, CRH had its labour, social and environmental data audited by an independent third-party body in respect of year 2015.</p> <p>In addition, Management encourages its employees to adopt environmentally-aware behaviour within the Company.</p>
<p>Training and informing employees on matters pertaining to environmental protection</p>	<p>For reasons probably attributable to the limited number of employees, employees have readily complied with environmental issues, without the Company's having to implement initiatives to heighten awareness of such matters.</p>
<p>Resources earmarked for the prevention of environmental risks and pollution.</p>	<p>Not relevant in view of the Company's operations.</p>
<p>Amount of provisions and guarantees for risks on environmental matters.</p>	<p>Not relevant in terms of direct impact, given the nature of the Company's business.</p>
<p>b) Pollution and waste management:</p>	
<p>Prevention of waste production - recycling and elimination of waste</p>	<p>As a financial sector company, the main raw material consumed is paper. Two initiatives have been implemented to limit the volume used:</p> <ul style="list-style-type: none"> -widespread use of both sides of the paper, -production of major publications in paperless form. <p>Employees have implemented an ongoing initiative for selective sorting to facilitate the recycling of water bottles, magazines, newspapers and small boxes.</p> <p>Toner cartridges are returned to the supplier.</p> <p>Obsolete office equipment is taken to the waste disposal site.</p>
<p>Preventing, reducing and redressing emissions into the air, water and soil seriously affecting the environment.</p>	<p>Given the nature of its business, the Company does not emit any greenhouse gases other than CO₂ and creates no polluting impact in the water or soil. Its</p>

Indicators of Act No. 2010-788 concerning the national commitment for the environment 2015 Data

	<p>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.</p>
Taking into account noise pollution and, where applicable, any other form of pollution specific to an activity.	Not relevant in terms of direct impact 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.	<p>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 85,000 sheets were used in 2015, i.e. approximately 6% less than the 2014 consumption.</p>
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 soil.	Not relevant in terms of direct impact, given the nature of the Company's business.
d) Contribution to the adaptation and the suppression of global warming:	
Greenhouse gas emissions.	Not relevant in terms of direct impact, given the nature of the Company's business.
Taking into account the impact of climate change.	Not relevant in terms of direct impact, 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.

**Indicators of Act No. 2010-788
concerning the national 2015 Data
commitment for the environment**

3° Social information:

a) Territorial, economic and social impact of the business.	Not relevant in terms of direct impact, given the nature of the Company's business.
b) Relationships with stakeholders.	The Company's articles of incorporation provide for dilution of the voting rights attached to the shares in order to preserve its independence vis-à-vis shareholders. Furthermore, there are no conflicts of interest with other stakeholders. The Company was not involved in any sponsorship activities in 2015.
c) Sub-contracting and suppliers and social and environmental responsibility in relations with such parties.	Reliance on sub-contracting is restricted to a few printing, envelope-filling, 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; - measures promoting the health and safety of consumers.	No corruption incident was ever identified within the Company. The Company is keen to protect its reputation from any trading of favours by its employees when auditing its guarantees at borrowing institutions, and 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 STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

For the financial year closed on December 31st 2015

To the Shareholders,

In pursuance of the engagement entrusted to us by your General Meeting, we hereby submit to you our report for the financial year closed on December 31, 2015 concerning:

- the audit of the annual financial statements of Caisse de Refinancement de l'Habitat SA as attached to this report;
- the basis for our opinion;
- the specific verifications and information mandated by law.

These annual financial statements have been drawn up by the Board of Directors. Our role consists in expressing an opinion on the said financial statements on the basis of our audit.

1 OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We have 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 annual 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 annual 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 the information that we have gathered provides a sufficient and appropriate basis for the opinion expressed below.

In our opinion, the annual financial statements present a true and fair view of the Company's financial position and its assets and liabilities at the end of the last financial year and of the results of its operations at the end of the said financial year.

2 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 annual financial statements as a whole and therefore contributed to the opinion expressed in the first part of this report.

3 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 annual financial statements of the information provided in the management report of the Board of Directors and in the documents issued to the shareholders with respect to the Company's financial position and annual 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 assumed in their favour, we have verified that it is consistent with the financial statements or the data used to prepare the 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, February 22nd 2016

The Statutory Auditors

KPMG SA
Represented by
Ms. Marie-Christine JOLYS

AUDITEURS & CONSEILS ASSOCIÉS SA
Represented by
Mr. Laurent CAZEBONNE

SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

Shareholders' Meeting convened in order to approve the financial statements for the financial year closed on December 31st 2015

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby submit to you our report on regulated agreements and commitments.

Our role consists in informing 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 apprised 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 merits 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 mandated by Article R. 225-31 of the French Commercial Code related to the performance, during the year under review, of the agreements and commitments already approved by the general meeting.

We have performed the due diligence procedures that we deemed necessary to comply with the professional standards of the French National Institute of Statutory 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 to the general meeting

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

2 Agreements and commitments already approved by the general meeting

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 general meetings in previous financial years and which remained in force during the year under review.

- **Corporate officer liability insurance contract**

During its meeting held on December 4, 2007, the Board of Directors authorised the execution of a corporate officer liability insurance contract. The said 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.

Under the said policy, Caisse de Refinancement de l'Habitat paid the amount of € 4,948.60 including VAT in respect of the annual net premium due for financial year 2015.

Paris La Défense and Paris, February 22nd 2016

The Statutory Auditors

KPMG SA
Represented by
Ms. Marie-Christine JOLYS

AUDITEURS & CONSEILS ASSOCIÉS SA
Represented by
Mr. Laurent CAZEBONNE

**REPORT OF THE STATUTORY AUDITORS
PREPARED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH
COMMERCIAL CODE ON THE REPORT SUBMITTED BY THE CHAIRMAN OF
THE BOARD OF DIRECTORS OF CAISSE DE REFINANCEMENT DE L'HABITAT**

Financial year closed on December 31st 2015

To the Shareholders,

In our capacity as statutory auditors of Caisse de Refinancement de l'Habitat and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby submit our report on the report prepared by the Chairman of your Company for the financial year closed on December 31, 2015, in accordance with the requirements of Article L. 225-37 of the French Commercial Code.

The Chairman is responsible for preparing and submitting a report for the Board of Directors' approval on the internal control and risk management procedures in place within the Company, supplying the additional information required by Article L. 225-37 of the French Commercial Code concerning in particular the Company's corporate governance procedures.

Our responsibility consists in:

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

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

1. Information related to the internal control and risk management procedures pertaining to the preparation and processing of financial and accounting 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 related 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:

- familiarising ourselves with the internal control and risk management procedures related 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;
- familiarising ourselves with the work supporting the preparation of such information and the existing documentation;

- determining whether any major deficiencies in the internal control procedures related 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.

On the basis of our work, we have no comments to make on the information concerning the Company's internal control and risk management procedures related 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. Additional information

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

Paris La Défense and Paris, February 22nd 2016

The Statutory Auditors

KPMG SA
Represented by
Ms. Marie-Christine JOLYS

AUDITEURS & CONSEILS ASSOCIÉS SA
Represented by
Mr. Laurent CAZEBONNE

**REPORT OF THE STATUTORY AUDITOR,
APPOINTED AS INDEPENDENT THIRD-PARTY BODY, ON THE LABOUR,
ENVIRONMENTAL AND SOCIAL INFORMATION CONTAINED
IN THE MANAGEMENT REPORT**

To the Shareholders,

In our capacity as statutory auditor (designated as independent third-party expert and accredited by COFRAC) of Caisse de Refinancement de l'Habitat, under number 3-1100, we hereby submit our report on the labour, environmental and social information for the financial year closed on December 31, 2015, as disclosed in the management report (hereinafter the "CSR Information") in pursuance of the requirements of Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

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.

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.

Statutory auditor's responsibility

On the basis of our work, our role consists in:

- certifying that the required CSR Information is included in the management report or, in the negative, 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);

- expressing a limited assurance as to whether the CSR information, as a whole, has been provided fairly, in all material respects, in accordance with the Guidelines (substantiated opinion on the fairness of the CSR Information).

Our work has been carried out by a team of two employees between October 2015 and February 2016, for a period of approximately one week.

We have conducted the work described below in accordance with professional standards applicable in France, and with the ministerial decree of May 13, 2013 setting forth the terms under which independent third-party bodies shall perform their engagement.

1. Certificate related to the presence of the CSR Information

Nature and scope of the works

We have examined, based on interviews with the heads of the departments concerned, the presentation of guidelines for sustainable development based on the labour and environmental consequences of the Company's activities and its social commitments and, where appropriate, activities or programs arising therefrom. We have 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 have verified that an appropriate explanation was given in accordance with paragraph 3 of Article R. 225-105 of the French Commercial Code.

Conclusion

On the basis of the aforementioned work, we hereby certify that the required CSR Information has been provided in the management report.

2. Substantiated opinion on the fairness of the CSR Information

Nature and scope of the work

We conducted two 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 related to the preparation of CSR Information.

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

As regards the CSR Information that we considered to be the most important¹:

¹ Labour information: headcount at end of the period, female headcount, breakdown of workforce per age bracket, number of recruitments, dismissals and voluntary departures, amount of compensation, annual number of hours worked, absenteeism rate, percentage of payroll spent on training. Environmental information: paper consumption.

- we consulted the documentary sources and conducted interviews in order to validate qualitative information (organisation, policies, initiatives), we applied analytical procedures to the quantitative information, verified the relevant calculations, on the basis of sampling techniques, and ascertained 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 85% of the quantitative environmental information.

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

Finally, we have 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, February 22nd 2016

AUDITEURS & CONSEILS ASSOCIÉS SA
Represented by

Sandrine Gimat
Partner
CSR Inspector

Laurent Cazebonne
Partner

CHAPTER 1

PERSONS RESPONSIBLE

1.1. PERSON RESPONSIBLE FOR INFORMATION CONTAINED IN THE REGISTRATION DOCUMENT

Mr. Henry RAYMOND, Director - Chief Executive Officer of CRH.

1.2. STATEMENT ISSUED BY 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 legal effect.

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, income and financial position of the Company, as well as a description of the main risks and uncertainties that it faces.

I have obtained a post-audit report from the statutory 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 24th, 2016

Henry RAYMOND
Director – Chief Executive Officer

CHAPTER 2

STATUTORY AUDITORS

2.1. STATUTORY AUDITORS

2.1.1. Standing statutory auditors

1) AUDITEURS & CONSEILS ASSOCIÉS SA

NEXIA International

Member of the Paris Regional Institute of Statutory Auditors

Address: 31 rue Henri Rochefort 75017 PARIS
Represented by: Mr. 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.
Duration of the current term of office: This six-year term shall expire in 2021 following the ordinary general meeting called to approve the financial statements for the financial year closed on December 31, 2020.

2) KPMG SA

Member of the Versailles Regional Institute of Statutory Auditors

Address: Tour Eqho - 2 avenue Gambetta
92066 PARIS LA DEFENSE CEDEX

Represented by: Ms. 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.
Duration of the current term of office: This six-year term shall expire in 2021 following the ordinary general meeting called to approve the financial statements for the financial year closed on December 31, 2020.

2.1.2. Alternate statutory auditors

1) PIMPANEAU & ASSOCIÉS SA

Alternate statutory auditor for AUDITEURS & CONSEILS ASSOCIÉS SA

Member of the Paris Regional Institute of Statutory Auditors

Address: 31 rue Henri Rochefort 75017 PARIS

Represented by: Mr. Olivier JURAMIE

Dates of appointment: Appointed on March 17, 2015.

Duration of the current term of office: This six-year term shall expire in 2021 following the ordinary general meeting called to approve the financial statements for the financial year closed on December 31, 2020.

2) KPMG AUDIT FS I

Alternate statutory auditor for KPMG SA

Member of the Versailles Regional Institute of Statutory Auditors

Address: Tour Eqho - 2 avenue Gambetta
92066 PARIS LA DEFENSE CEDEX

Date of appointment: Appointed on 17 March 2015

Represented by: Ms. Isabelle GOALEC

Duration of the current term of office: This six-year term shall expire in 2021 following the ordinary general meeting called to approve the financial statements for the financial year closed on December 31, 2020.

2.1.3. Fees paid to the statutory auditors and members of their organisations in respect of the financial years closed on December 31, 2015 and December 31, 2014

In € thousands

	Auditeurs & Conseils Associés				KPMG Audit – a department of KPMG SA			
	Amount *		%		Amount *		%	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Audit								
- Statutory audit, certification, review of individual and consolidated financial statements	31	30	80	88	29	30	70	75
- Certification of the report on labour, social and environmental transparency	8	0	20	0	0	8	0	20
- Audit-related services	0	4	0	12	13	2	30	5
Other services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	39	34	100	100	42	40	100	100

* Amounts include all taxes, charges and out-of-pocket expenses.

2.2. NOT-REAPPOINTED STATUTORY AUDITORS

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. RISK FACTORS ASSOCIATED WITH THE ISSUER:

As CRH's sole purpose consists in refinancing home-purchase loans granted by credit institutions, to the best knowledge of the issuer, 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 fulfil 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, shareholders' 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 relate solely to home-purchase loans in France.

In the event of default of an institution, 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 one of the recognised valuation bodies in order to carry out an external credit assessment of the mortgage notes. As of December 31, 2015, the nominal value of the notes so rated totalled more than 90% of the amounts outstanding, with all ratings corresponding to credit quality step 1.

a) Breakdown of commitments

In € thousands

Credit risk exposure	31/12/14		31/12/15	
	Balance sheet	Doubtful rate	Balance sheet	Doubtful rate
Mortgage notes	48 514 374	0%	42 042 325	0%
Negotiable debt instruments	60 123	0%	104 077	0%
Demand deposits, term deposits	506 312	0%	457 848	0%
Other receivables (recharges, etc.)	0	0%	1 631	0%
Total exposure to credit institutions	49 080 809	0%	42 605 881	0%
Exposure to the central bank	1	0%	1	0%
Exposure to the public sector	42	0%	405	0%
Other exposure	60	0%	1 906	0%
Total exposure to the credit risk	49 080 912	0%	42 608 193	0%
Equity holdings, other long-term securities, fixed assets, prepayments and accrued income	167		141	
Total assets	49 081 079		42 608 334	

CRH did not assume any off-balance sheet commitment.

In € thousands

Geographic breakdown of exposures	31/12/14		31/12/15	
	Balance sheet	In %	Balance sheet	In %
France	49 080 912	100	42 608 193	100

A breakdown of outstanding loans between the main borrowing institutions is provided in Article 5.2.2 of Chapter 5, page 87.

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 119.

b) Transaction selection process

Each borrower must be subject to prior approval by the Board of Directors. Such authorisation may, where applicable, 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, shareholding 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% of total amount outstanding.

- 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 shareholders' 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's 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 Senior 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 by a 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 € 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 SCFs (*Sociétés de Crédit Foncier*: French mortgage loan companies complying with specific regulations), unless more stringent provisions have been defined by CRH. Thus, for each loan, restrictions have been introduced concerning the loan's residual maturity, which must be less than 25 years, and its unit amount, which may 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, then the amount of the pledged loans portfolio must be increased accordingly.

In € billion

Year	Mortgage notes (balance sheet value)	Amount of cover pool		Over-dimensioning rate	
		Gross	Net *	Gross	Net *
2014	47.8	68.6	63.0	44%	32%
2015	41.4	59.3	54.8	43%	32%

* Estimated amount of cover pool excluding ineligible notes.

d) Use of credit derivatives

CRH does not use any credit derivatives.

e) Investment of shareholders' equity

CRH's shareholders' 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):

In € thousands

Breakdown per type of investment	31/12/14		31/12/15	
	Balance sheet	%	Balance sheet	%
Demand deposits	57 652	10,20	8 217	1,46
Term deposits	447 722	79,19	448 681	80,00
Negotiable debt instruments	60 000	10,61	104 000	18,54
TOTAL	565 374	100,00	560 898	100,00

Breakdown per counterparty	31/12/14				31/12/15			
	Number	Highest	Lowest	Average	Number	Highest	Lowest	Average
Credit institutions	5	25.13%	2.05%	24.04%	5	25.50%	2.07%	24.06%

Breakdown per external rating as of December 31, 2015

In %

Standard & Poor's					Moody's						Fitch Ratings					
CT	LT	CT	LT	NA	CT	LT	CT	LT	CT	LT	NA	CT	LT	CT	LT	NA
A-1	A+	A-1	A		P-1	Aa3	P-1	A1	P-1	A2		F1	A+	F1	A	
23.03		74.90		2.07		25.08		23.03		49.82	2.07		48.12		49.81	2.07

In € thousands

Initial term of the investments excluding demand deposits and accrued interest	31/12/14	31/12/15
Three months or less	7 069	7 370
Three to six months	13 811	17 811
Six months to one year	41 842	5 000
One to two years	10 000	0
Two to three years	345 000	405 000
Over three years	90 000	117 500
TOTAL	507 722	552 681

Fixed rate/variable rate breakdown	31/12/14	31/12/15
Fixed rate	16%	10%
Variable rate*	84%	90%
TOTAL	100%	100%

* EONIA or 3-month EURIBOR only

Average annual yield	2014: 0.79%	2015: 0.60%
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MARKET RISK

3.1.2. Interest rate risk

In accordance with CRH's articles of association and internal rules and regulations, CRH's 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 it to a large extent from any residual interest rate risk.

CRH has no market activities, and its articles of incorporation forbid it to carry out any activity that is not strictly in line with its sole corporate purpose.

CRH's income corresponds to a technical balance between proceeds from the investment of stockholders' equity on the money market and general and administrative expenses. Any decrease in money market rates leads directly to a decrease in income and vice versa.

In € thousands

As of 31/12/15	Impact on pre-tax income
Impact of a 1% increase in interest rates	+3 491
Impact of a 1% decrease in interest rates	-1 369

However, the conditions under which CRH currently operates do not expose it to any interest rate risk as regards its refinancing activities.

In € thousands

Residual maturity at 31/12/15	Included in assets: mortgage notes (a)		Included in liabilities: bonds (b)		Net exposure before hedging (c) = (a) – (b)	
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
One year or less	2 758 368	0	2 758 368	0	0	0
One to two years	7 327 086	0	7 327 086	0	0	0
Two to five years	11 947 843	0	11 947 843	0	0	0
Over five years	19 046 247	0	19 046 247	0	0	0
TOTAL	41 079 544	0	41 079 544	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 that it grants, loans in CHF.

In € thousands

As of 31/12/15	Included in assets: mortgage notes (a)	Included in liabilities: bonds (b)	Foreign currency commitments (c)	Net position before hedging (d) = (a) – (b) +/- (c)
EUR	39 324 913	39 324 913	0	0
CHF	1 754 631	1 754 631	0	0
TOTAL	41 079 544	41 079 544	0	0

Financial year 2015	Impact on pre-tax income	
	10% increase	10% decrease
CHF	0	0

3.1.4. Equity risk

CRH's articles of incorporation 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 any 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 articles of incorporation, 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, then the other shareholder banks would be asked to lend the missing amounts to CRH. Shareholders are, in any event, required to contribute to CRH the equity mandated under applicable banking regulations.

The table providing a breakdown of mortgage notes and bonds by residual maturity, included in Chapter 11, Note 4 to the 2015 financial statements on page 119, illustrates this perfect matching.

CRH, in its capacity as a credit institution, is subject to the LCR reporting requirements vis-à-vis the European Central Bank

In this regard, the provisions of Article 425-1 of Regulation (EU) No. 575/2013 of June 26, 2013 exempt CRH from the obligation to comply with 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-denominated mortgage notes are received on the interest due date of the euro-denominated 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 collateralised resale agreements of French government securities pending maturity,

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

During the first half of 2015, CRH had to take steps in order to adjust to the level of the negative short-term interest rates following the launch of the quantitative easing (QE) program implemented by the European Central Bank:

- the funds corresponding to the interest maturities of the CHF-denominated mortgage notes are provisionally received on the maturity date of the interest due on the bonds in the same currency and with the same maturity and interest rate;

- the liquidity that was theretofore readily available had to be invested.

It is also 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. General legal risks

CRH operates in such a manner that it is not exposed to intellectual property risks 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 Act (*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, which mainly concern deposit or investment banks, are therefore poorly suited to the specific nature of CRH. In particular, major risk provisions are not appropriate in view of the specific features of the French home financing market, which mainly comprises five or six banking groups. Since then, CRH has 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 issued bonds retain their European covered bond status.

In view of the size of its balance sheet, CRH was included on the list of significant credit institutions under the direct supervision of the ECB since the month of 2014 November.

OPERATING RISKS

3.1.8. Operating risks

Since its inception in 1985, CRH never suffered any events giving rise to operating risks and has never therefore recognised any operating losses. Its highly specialised 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 fully focus on monitoring the timely receipt of amounts due from borrowers.

INTERNAL CONTROL

3.2. INTERNAL CONTROL: (please refer to page 34, for the report of the Chairman of the Board of Directors on internal control and corporate governance)

In accordance with the provisions of the ministerial decree of November 3, 2014 related to the internal control of enterprises belonging to the banking sector, the internal control system set up within CRH regularly gives rise to the preparation of the report submitted to the board of directors.

Internal control is also the responsibility of the risk committee and the audit committee. Indeed, the risk committee is responsible for supporting the board of directors in order to help it ascertain the quality of internal control, while the audit committee must verify the reliability of the financial information supplied to shareholders.

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

- it is first necessary to highlight the transparency of CRH's transactions, which give rise to the preparation of a prospectus and which are summarised in this registration document;
- CRH's transactions are strictly limited to its corporate purpose;
- such transactions are codified in its internal rules and regulations, which are signed by shareholders and published in the registration document;
- CRH has no foreign operations or subsidiary;
- because it has a small number of employees, responsibility for monitoring the consistency and effectiveness of the internal control system lies with Senior 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 shareholders or by an audit firm appointed by the audit committee or by the risk committee.

CHAPTER 4

INFORMATION ABOUT THE ISSUER

4.1. HISTORY AND DEVELOPMENT OF THE COMPANY - LEGISLATION

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. Registration with the Commerce and Companies Registry

CRH is registered with the Paris Commerce and Companies Registry under number 333 614 980 - A.P.E. Code: 6492Z.

4.1.3. Incorporation date – Term

The Company was formed for a term of 99 years commencing on October 8, 1985.

4.1.4. Registered office – Legal form – Governing law – Other provisions of the articles of incorporation – General information concerning the Company's share capital

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 specialised credit institution. Upon its formation, CRH was licensed to operate as a specialised 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 elected 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's operations were authorised under Article 13 of Act No. 85-695 of July 11, 1985 in a letter dated September 17, 1985 from the French Ministry of the Economy, Finance and Budget.

CRH's articles of incorporation are in compliance with the provisions of the New Economic Regulations Act (*loi NRE*) on the separation of the offices of Chairman and Chief Executive Officer. As such option was no longer used, the Board of Directors then decided, during its meeting of March 13, 2007, to appoint Mr. Henry RAYMOND as Chairman and Chief Executive Officer.

However, the ACPR, in a letter dated September 10, 2013, requested that these offices be actually 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 Chief Executive Officer. In light of the nature of the Company and the thorough 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.

In order to comply with the new European banking regulations related to the separation of the office of Chairman from the office of Chief Executive Officer, the Board of Directors of CRH confirmed, during its meeting of March 17, 2015, the separation of the said offices and appointed Mr. Olivier HASSLER as Chairman of the Board of Directors. The Board of Directors also renewed the office of Mr. Henry RAYMOND as Chief Executive Officer, and Mr. Henry RAYMOND thus became Director and Chief Executive Officer of CRH.

Also, during the said meeting, the Board of Directors confirmed the position of Mr. Alain CHÉNEAU as actual manager in charge, along with Mr. Henry RAYMOND.

4.1.4.3. Legislation and regulations

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

- Article 13 of Act No. 85-695 of July 11, 1985, as supplemented by Article 36 of Act 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 Act No. 69-1263 of December 31, 1969, as amended by Articles 12 and 13 of Act No. 85-695 of July 11, 1985, by Article 113 of Act No. 99-532 of June 25, 1999 and by Article 16 of Ordinance 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 complying 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 ministerial decree of February 17, 2014 amending the ministerial 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 collateralised (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 Act 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 complying with specific regulations). In calculating CRH's capital adequacy ratio, such assets should be weighted with a coefficient equal to 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 that it refinances, as opposed to the issuers of the promissory notes that CRH 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 the specific nature of its operations be reflected in the 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 various European institutions.

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

When reviewing 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) and was complied with as a result of the capital increase completed in June 2014 (see 4.1.4.5 below). Such requirement was confirmed by European banking authorities during the first quarter of 2015.

Following the Supervisory Review and Evaluation Process (SREP) conducted by the ECB in 2015, the total minimum CET1 capital phased for CRH is set at 9.75% from January 1, 2016. This requirement includes the capital conservation buffer. CRH is not subject to any additional requirement imposed on systemically important financial institutions, and its current situation does not give rise to any restriction or limitation affecting the payment of dividends, coupons, or any variable remuneration.

French authorities also decided in 2014 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 relevant European banking authorities in their efforts to obtain convergence.

In this respect, it is necessary to note that the above treatment does not seem to be challenged by European authorities in the letter received from the European Central Bank on November 20, 2015 following the SREP.

In order to limit its regulatory capital requirement, CRH has asked for these notes to be rated. Thus, more than 90% of the notes outstanding are rated, and only the notes issued by two institutions were not rated as of December 31, 2015.

All of the notes that CRH asked to be rated received a rating corresponding to credit quality step May 1 or 2, 2014. 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 Regulation. The ACPR was also asked to confirm the application of the provisions of the CRR Regulation (Article 496-3), making it possible to maintain at 10% the weighting for the other notes for 2014. CRH received the relevant confirmations on May 22, 2014.

All of the notes in respect of which a rating request had been made are thus weighted at 10%, pursuant to Article 129 of the CRR Regulation.

As regards the treatment of the notes in the calculation of the large exposures risks base:

- the notes issued before December 31, 2013 are excluded from the large exposures 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, unless the benefit of the temporary exemption until 2029, provided for in Article 493-3 (e) of the CRR Regulation, is granted to CRH.

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 those credit institutions which hold them and should not be weighted at 10% as is the case for preferred securities issued by an SCF (French mortgage loan company complying with specific regulations).

Subsequently, Article 36 of Act No. 2006-872 of July 13, 2006 awarded preferential status to bearers of CRH bonds. In accordance with the provisions of Article 13 of Act 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 the provisions 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 Act of July 13, 2006, with the preferential status legally established as a right in the absence of the grant 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 is the case 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 Regulation, all legal covered bonds meeting the requirements of Article 129 CRR are treated equally, provided that 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 UCITS

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 articles of incorporation

A) Corporate purpose

CRH's corporate purpose consists in:

- refinancing promissory notes signed or endorsed by the shareholders or credit institutions committed to becoming shareholders according to the procedures set forth in Articles 6 to 9 below in order to collateralise the receivables described in Article L. 313-42 of the French Monetary and Financial Code and representing home-purchase loans;

- issuing financial securities with characteristics comparable to the collateralised notes in consideration for the mortgage notes acquired;

- in general, entering into real estate and other transactions related to the purpose described above or any similar or related purpose, or any transactions likely to further such purpose.

Pursuant to Article 13 of Act No. 85-695 of July 11, 1985, CRH refinances, under restrictive conditions, certain home-purchase loans granted to individuals by credit institutions without charging any margin in respect of the said transactions.

Because of the total matching between the financial securities issued by CRH and the mortgage notes refinanced by it, CRH acts as a pass-through entity serving credit institutions. The company's purpose consists in promoting the housing finance sector, without seeking to achieve any profit and on a non-competitive basis.

The company refrains from holding any share interest and pursuing any activity not corresponding to its corporate purpose. In particular, the company refrains from incurring any debt unrelated to the said purpose.

However, the company may incur debt having the character of shareholders' equity within the meaning of prudential regulations. Also, in case of default of a borrower institution, the company may, subject to the board of directors' consent, incur any debt necessary in view of the circumstances.

B) Financial year

The financial year commences on January 1, and ends on December 31.

C) Distribution of the net income provided by the articles of incorporation

See Article 26 of the articles of incorporation in Appendix 5.

D) Notice of general meetings

See Article 22 of the articles of incorporation in Appendix 5.

E) Attendance and representation at general meetings

See Article 23 of the articles of incorporation in Appendix 5.

4.1.4.5. General information concerning the Company's share capital

A) Subscribed share capital

The combined general meeting of shareholders convened on March 11, 2014 delegated to the Board of Directors the powers necessary in order to increase the share capital in one or

more times from € 299,807,237.75 to a maximum amount of € 599,999,995.50 during the next five years.

During its meeting of April 29, 2014, the Board of Directors, after discussing the matter, decided to effect a first capital increase against cash contributions in a maximum amount of € 240,187,500 to be paid up partly by way of set-off with the subordinated loans granted to CRH by the shareholders; and partly in cash.

On June 17, 2014, the Board of Directors noted the completion of the said capital increase.

Given the number of shares actually subscribed, i.e. 15,750,000 new shares, the subscribed share capital amounts to € 539,994,737.75, subdivided into 35,409,494 shares, with a par value of € 15.25 each.

None of these shares has been pledged.

CRH's shares are not listed on any stock exchange.

B) Authorised share capital not subscribed

As of December 31, 2015, the authorised share capital not subscribed amounted to € 60,005,257.75.

C) Convertible bonds and other instruments giving access to the capital

There are no convertible bonds or composite securities that could give their holders access to CRH's share capital, whether immediately or over time.

D) Changes in capital structure

Please refer to the five-year financial summary on page 34.

E) Distribution of the share capital (Excerpts from Article 6 of the articles of incorporation - see Appendix 5)

The number of shares to be held by each shareholder must be proportionate to the regulatory capital requirement related to the refinancing facilities granted by CRH to the said shareholder.

F) Dividend policy

The CRH shares are allocated among shareholders in accordance with the rules defined in the above paragraph. Accordingly, there are no considerations related to the dividend policy.

Dividends paid to each shareholder are summarised in the five-year financial summary on page 34.

The dividend limitation period is five years.

4.1.5. Recent events 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, 2015.

4.2. BOND ISSUES

4.2.1. Issuance policy

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

Since its inception, 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.

The largest European loan backed by home-purchase loans granted to individuals is now a CRH loan.

No issue was made in 2015. CRH repaid bonds in the amount of € 6,206 million upon contractual maturities and cancelled € 231 million in bonds that had been delivered to it in connection with the prepayment of mortgage notes. The amount outstanding of the CRH bonds was thus reduced in the amount of € 6,437 million.

CRH annual issuance amounts are summarised below:

Year	Number of issues in the year	Nominal amounts (€ million)	
1985 (Q4)	2	551.87	25 Government-guaranteed issues totalling EUR 5,774.77 million
1986	6	1 506.20	
1987	8	1 783.65	
1988	9	1 933.05	
1988	1	152.45	
1989	6	1 184.53	212 issues without Government guarantees totalling EUR 84,722.09 million
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	
2015	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 totalling 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 CRH's inception, repayments have totalled € 49,300.04 million, bringing the total outstanding nominal amount to € 41,196.82 million.

4.2.2. Bond issues completed during the financial year

As indicated in 4.2.1. above, no bond issues were carried out in 2015.

4.2.3. CRH bond maturities as of December 31, 2015

Bond	Redemption date	ISIN Code	Number of securities	Nominal unit value	Outstanding (in millions)	Currency
CRH 1.75% March 2016	29/03/2016	CH0125062254	55 000	5 000	275	CHF
CRH 2.60% April 2016	26/04/2016	FR0010962670	1 060 000 000	1	1 060	EUR
CRH 3.75% December 2016	12/12/2016	FR0010697292	14 900	100 000	1 490	EUR
CRH 3.50% April 2017	25/04/2017	FR0010261495	4 860 000 000	1	4 860	EUR
CRH 1.125% September 2017	21/09/2017	CH0184777255	40 000	5 000	200	CHF
CRH 4.50% October 2017	25/10/2017	FR0010591578	2 326 000 000	1	2 326	EUR
CRH 4.00% April 2018	25/04/2018	FR0010345181	4 040 000 000	1	4 040	EUR
CRH 1.625% March 2019	05/03/2019	CH0148606079	55 000	5 000	275	CHF
CRH 5.00% April 2019	08/04/2019	FR0010744904	2 823 000 000	1	2 823	EUR
CRH 1.375% October 2019	25/10/2019	FR0011443985	750 000	1 000	750	EUR
CRH 3.75% February 2020	19/02/2020	FR0010857672	2 000 000 000	1	2 000	EUR
CRH 3.50% June 2020	22/06/2020	FR0010910240	2 100 000 000	1	2 100	EUR
CRH 3.90% January 2021	18/01/2021	FR0010989889	1 900 000 000	1	1 900	EUR
CRH 2.50% March 2021	29/03/2021	CH0125062262	105 000	5 000	525	CHF
CRH 3.60% September 2021	13/09/2021	FR0011108976	1 500 000 000	1	1 500	EUR
CRH 4.00% January 2022	10/01/2022	FR0011057306	2 100 000 000	1	2 100	EUR
CRH 1.875% May 2022	23/05/2022	CH0184777271	35 000	5 000	175	CHF
CRH 4.00% June 2022	17/06/2022	FR0011178946	2 000 000 000	1	2 000	EUR
CRH 3.30% September 2022	23/09/2022	FR0010945451	2 200 000 000	1	2 200	EUR
CRH 4.30% February 2023	24/02/2023	FR0011011188	2 900 000 000	1	2 900	EUR
CRH 1.375% March 2023	15/03/2023	CH0204477290	40 000	5 000	200	CHF
CRH 3.90% October 2023	20/10/2023	FR0011133008	1 400 000 000	1	1 400	EUR
CRH 2.375% March 2024	05/03/2024	CH0148606137	70 000	5 000	350	CHF
CRH 3.60% March 2024	08/03/2024	FR0011213453	2 500 000 000	1	2 500	EUR
CRH 2.40% January 2025	17/01/2025	FR0011388339	1 500 000 000	1	1 500	EUR
CRH 1.75% June 2025	26/06/2025	CH0212937244	30 000	5 000	150	CHF
Total					39 449	EUR
					2 150	CHF

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

The CRH 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.

The CRH bonds are granted the benefit of the exemption set out in Article 52.4 of the 1985 UCITS Directive.

Such bonds are regarded as "guaranteed" covered bonds within the meaning of European regulations, and, as such, a 10% risk weighting is assigned under the standardised approach for the calculation of the capital adequacy ratio of the European banking institutions that hold them and that satisfy the requirements of Article 129 of the CRR Regulation.

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

4.2.4. Trading volumes

As the amounts of stock exchange trading transactions are not available, trading volume statistics provided by Euroclear France are given below. Such data include only Euroclear France members' transactions and therefore exclude Euroclear Bank and Clearstream transactions. They correspond to trades, repos and other transfers.

In € million

Bond	Initial listing date	ISIN Code	Par value of trades in 2013	Par value of trades in 2014	Par value of trades in 2015
CRH 2.60% April 2016	17/11/2010	FR0010962670	519.4	390.0	266.5
CRH 3.75% December 2016	12/12/2008	FR0010697292	2 614.1	2 153.9	4 013.0
CRH 3.50% April 2017	21/12/2005	FR0010261495	1 729.7	1 351.6	2 254.0
CRH 4.50% October 2017	10/03/2008	FR0010591578	777.4	828.3	629.7
CRH 4.00% April 2018	25/04/2006	FR0010345181	1 089.2	272.0	1 287.5
CRH 5.00% April 2019	08/04/2009	FR0010744904	1 031.7	589.9	357.9
CRH 1.375% October 2019	20/03/2013	FR0011443985	358.6	101.0	54.8
CRH 3.75% February 2020	19/02/2010	FR0010857672	820.3	230.3	295.1
CRH 3.50% June 2020	22/06/2010	FR0010910240	332.5	329.3	571.8
CRH 3.90% January 2021	18/01/2011	FR0010989889	855.5	766.6	178.8
CRH 3.60% September 2021	13/09/2011	FR0011108976	351.5	377.0	364.1
CRH 4.00% January 2022	08/06/2011	FR0011057306	594.3	213.3	322.4
CRH 4.00% June 2022	17/01/2012	FR0011178946	893.6	1 484.9	1 287.2
CRH 3.30% September 2022	23/09/2010	FR0010945451	1 330.6	460.3	333.9
CRH 4.30% February 2023	24/02/2011	FR0011011188	825.2	646.4	416.7
CRH 3.90% October 2023	20/10/2011	FR0011133008	285.2	230.6	321.1
CRH 3.60% March 2024	08/03/2012	FR0011213453	1 398.9	560.5	924.8
CRH 2.40% January 2025	17/01/2013	FR0011388339	1 875.7	173.9	352.3
TOTAL			17 683.40	11 159.8	14 231.6

Even though it has become difficult at present to identify within these amounts the amounts pertaining solely to stock market transactions and while aggregate amounts are not always comparable from one year to the next, these data show that the CRH 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 to the CRH risk management system.

CHAPTER 5

BUSINESS OVERVIEW

5.1. PRINCIPAL ACTIVITIES

5.1.1. Company formation – Description of its business operations

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 issued by CRH have not been guaranteed by the French government as provided for by the 1985 Act. However, CRH's sole purpose still consists in refinancing home-purchase loans granted by shareholder 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.

CRH thus plays a particular role in financing housing in France, by tapping into stable, non-monetary resources at a lower cost.

Act No. 99-532 of June 25, 1999 establishing SCFs (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 SCFs. Act No. 99-532 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 changed its corporate name to CRH – Caisse de Refinancement de l'Habitat.

The structure of its guarantees, the significance of refinancing needs expressed by its shareholders and the systematic bonds assimilation policy adopted by CRH have allowed it to become an important issuer on the European financial market, with a total amount issued since its founding (equal to the amount of its loans) of € 90.4 billion, corresponding to 237 transactions. The French Government used CRH as a model when establishing Société de Financement de l'Economie Française (SFEF) on October 17, 2008, to give banking institutions easier access to financial markets.

5.1.1.3. Operating conditions

A) CRH's operations involve specific guarantees

Appendix 9 (page 193) of this report summarises the various levels of security integrated into CRH's refinancing operations.

The refinancing loans granted by CRH are fully matched by its bond issues, because CRH lends all the capital raised on the financial markets to its shareholders 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.

The above legal provisions set forth 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. Since January 1, 1988, the French Banking Authority is charged with monitoring the legal and regulatory compliance of refinancing operations (ministerial decree of the French Minister for the Economy, Finance and Budget of December 15, 1987, subsequently replaced by Article L. 313-49 of the French Monetary and Financial Code).

2. Under currently applicable provisions, 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 to deliver them to CRH by way of repayment.

5.1.2. New operations

CRH's activities are limited by its articles of incorporation 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 Société de Financement de l'Economie Française (SFEF) in conjunction with the Banque de France and service providers already involved in these activities. (*See Banque de France press release dated December 18, 2009 and the ministerial decrees dated December 22, 2009 and December 18,*

2012 of the French Minister of the Economy and Finance approving Mr. Henry RAYMOND as Chief Executive Officer of SFEF.)

5.1.3. Principal markets

CRH's sole activity consists in refinancing home-purchase loans extended by banks in France.

To that end, CRH issues mortgage bonds under Article 13 of Act No. 85-695 of July 11, 1985, with covered bond status as defined in Article 129 of the CRR Regulation. CRH bonds are traded on NYSE Euronext Paris under *Obligations foncières et titres assimilables* (real estate securities and assimilated securities).

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. Change in the amount of extended loans

The table below summarises total lending by CRH over the past three years.

Financial year	2013	2014	2015
Amount of extended loans	2.5	0	0

In € billion

5.2.2. Change in outstanding trends

The table below shows changes in the nominal value of total CRH outstanding loans since December 31, 2013.

Borrowing credit institutions	As of 31/12/2013	As of 31/12/2014	As of 31/12/2015	As of 31/12/2015 (in%)
Crédit Agricole SA	14 504	13 081	11 289	27.4
Banque Fédérative du Crédit Mutuel	11 529	10 869	9 421	22.9
Société Générale	6 677	6 677	6 677	16.2
Crédit Lyonnais	5 028	4 778	4 228	10.3
BNP Paribas	4 959	4 184	2 801	6.8
BPCE	3 408	3 022	2 801	6.8
Caisse Centrale du Crédit Mutuel	3 198	2 803	2 533	6.1
Crédit Mutuel Arkéa	1 560	1 364	1 001	2.4
Crédit du Nord	645	645	445	1.1
GE Money Bank	211	211	0	0
Other borrowers	10	0	0	0
TOTAL	51 729	47 634	41 196	100

In € million

As a general rule, changes in these levels reflect 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.

5.2.3. Outstanding amounts eligible for CRH refinancing

As a consequence of legislative amendments enacted in 1999, mortgage market statistics are no longer published.

As a result, CRH has asked its shareholder 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 summarises these outstanding amounts:

	As of September 30, 2015		
	Total outstanding loans for all credit institutions in € billion(1)	Outstanding loans of CRH shareholder credit institutions in € billion(2) % of total	
Housing loans	1 186.0	812.6	69
Home purchase loans	954.2	742.2	78

(1) Source: Banque de France, Bulletin No. 202 – Q4 2015 and Webstat statistics.

(2) Source: CRH estimates based on SURFI returns communicated by shareholders – shareholder publications.

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

5.2.4. Refinancing of home-purchase loans extended by monetary financial institutions (other than Banque de France)

The table below shows a few aggregated data:

		As of September 30, 2015	
		In € billion	
Application of funds by Monetary Financial Institutions		Sources of funds of Monetary Financial Institutions	
Home-purchase loans to households	954.2	Regulated sources <i>(not including Livret A and Livret Bleu savings accounts)</i>	610.4
		Covered bonds <i>- of which CRH 46.6</i>	216.6
Other applications	7,221.4	Other sources <i>- of which capital and reserves 518.2</i> <i>- of which non-regulated deposits 995.5</i>	7,348.6
Total applications	8 175,6	Total resources	8,175.6

Source:

This document is prepared on the basis of figures published by the Banque de France (Q4 2015 Bulletin, No. 202 Webstat database) and by covered bond issuers on their website.

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

However, it is necessary to note the following:

- banks' regulated sources of funds contribute to a large extent to the financing of their 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 securitisation funds and residential mortgage-backed securities (RMBS), whereas CRH refinances only home-purchase loans granted in France.

5.3. DEVELOPMENT OF OUTSTANDING HOUSING LOANS IN FRANCE

Total housing loan production for the first nine months of 2015 totalled € 102.5 billion, i.e. a clear increase by more than 30% over the same period in 2014, on the back of an upswing in the redemption of external loans.

Home-purchase loans outstanding rose by 3.5% between September 2014 and September 2015, at a clip virtually similar to that observed in preceding years (2.7% in 2014 and 3.9% in 2013).

Prices of existing housing units continued to decrease (-1.7%) in 2015, a trend already observed in prior years in similar proportions.

The level of interest rates on home-purchase loans remains very low, and thus supports the demand for new loans and furthers the renegotiation of existing loans.

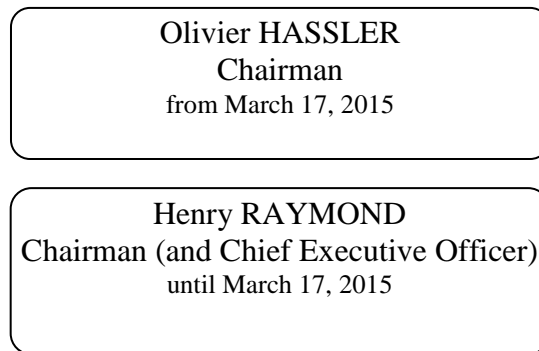
The relaxation of the buy-to-let incentives has caused a sharp increase in net sales on the new housing market.

CHAPTER 6

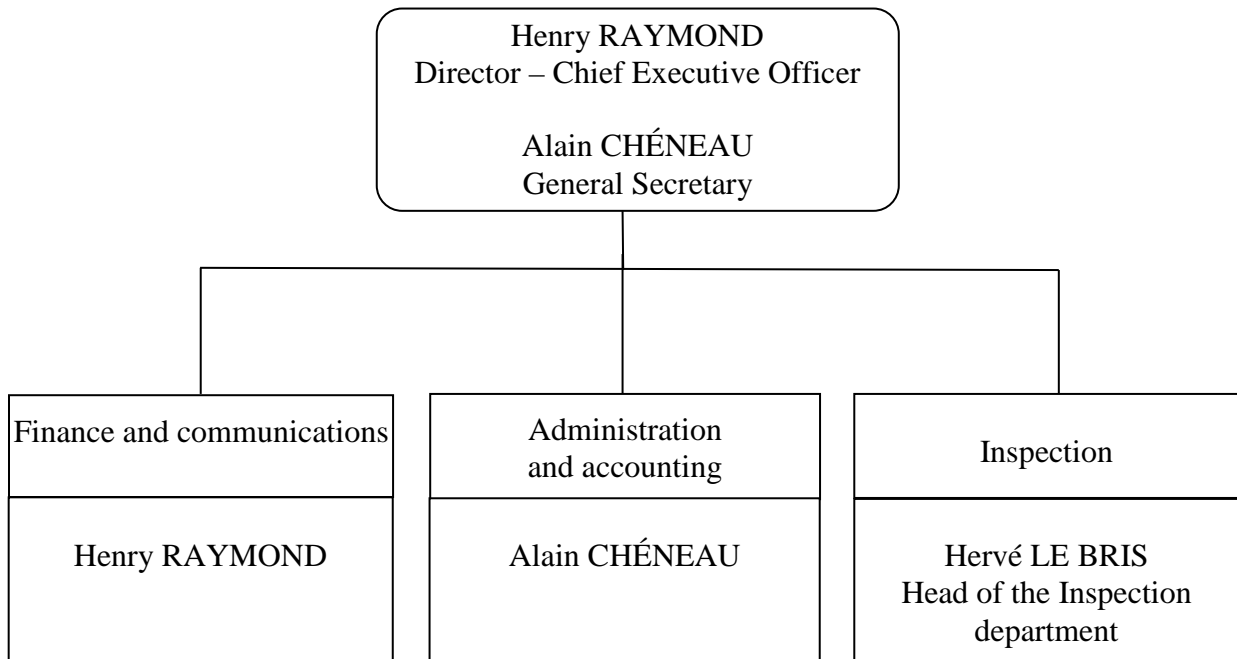
ORGANISATIONAL STRUCTURE

6.1. ORGANISATION OF THE COMPANY

Board of Directors*



Executives



CRH has no subsidiary and does not form part of any group.

* See the composition of the Board of Directors on page 99.

6.2. (NOT APPLICABLE)

CHAPTER 7

TREND INFORMATION

7.1. MAIN TRENDS THAT AFFECTED THE COMPANY'S BUSINESS OPERATIONS DURING FINANCIAL YEAR 2015

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 financial year 2015 due to the implementation of the new regulations, which are hindering CRH's operations.

7.2. MISCELLANEOUS TRENDS AND EVENTS LIKELY TO AFFECT THE COMPANY'S BUSINESS OPERATIONS DURING FINANCIAL YEAR 2016

As indicated 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 forward-looking data.

8.1. (NOT APPLICABLE)

8.2. (NOT APPLICABLE)

8.3. (NOT APPLICABLE)

CHAPTER 9

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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

9.1.0. Honorary Chairmen

- Mr. Georges PLESCOFF (†)
- Mr. Claude PIERRE-BROSSOLETTE

9.1.1. Board of Directors

- **Mr. Olivier HASSLER** Chairman
Appointed on March 17, 2015 for one year (from March 17, 2015)
First appointed as Director on March 17, 2015 for 6 years. renewed for one year as of March 8, 2016
- **Mr. Henry RAYMOND** Chairman
Appointed on Mars 13, 2007 (until March 17, 2015)
First appointed as Director on Mars 13, 2007
for 6 years, office renewed for 6 years on February 28, 2013.
- **Banque Fédérative du Crédit Mutuel** Director
Represented by Mr. Jean-François TAURAND
Head of Assets/Liabilities Management
6 avenue de Provence – 75009 PARIS
First appointed by co-option of Compagnie Financière de CIC and the EU by the Board of Directors during its meeting of October 17, 1995, confirmed on February 27, 1996 as regards CIC.
Appointment confirmed on March 4, 2008 for 5 years, i.e. the remainder of the term of the resigning CIC representative, appointment renewed for 6 years on February 28, 2013.
- **BNP Paribas** Director
Represented by Ms. Valérie BRUNERIE
Head of Medium and Long-term Financing and Securitisation
3 rue d'Antin – 75002 PARIS
First appointed on October 21, 1985 by Banque Nationale de Paris
Appointment renewed for 6 years on Mars 17, 2015.
- **BPCE** Director
Represented by Mr. Roland CHARBONNEL
Issues and Reporting Director
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 Mars 17, 2015.

- Caisse Centrale du Crédit Mutuel** Director
 Represented by Ms. 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 Mars 17, 2015..
- Crédit Agricole SA** Director
 Represented by Ms. 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 six years on Mars 17,
 2015.
- Crédit Lyonnais** Director
 Represented by Mr. Christian LARRICQ-FOURCADE
 Head of Assets/Liabilities Management
 10 avenue de Paris – 94800 VILLEJUIF
 First appointed on April 19, 1988,
 appointment renewed for six years on Mars 17, 2015.
- GE Money Bank** Director
 Represented by Mr. 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 six years on February 28, 2013
 resigned on December 7, 2015.
- Société Générale** Director
 Represented by Mr. Vincent ROBILLARD
 Head of Group Funding
 17 cours Valmy – 92972 PARIS LA DÉFENSE CEDEX
 First appointed on October 21, 1985,
 appointment renewed for six years on Mars 17, 2015.

9.1.2. Executives

- Mr. Henry RAYMOND
Renewed for one year on March 8, 2016 as Chief Executive Officer electing address for service at the Company's registered office. Director and Chief Executive Officer
- Mr. Alain CHÉNEAU
electing address for service at the Company's registered office. General Secretary

9.1.3. Audit Committee

- Mr. Christian LARRICQ-FOURCADE Chairman
Crédit Lyonnais
- Mr. Jean-François TAURAND
Banque Fédérative du Crédit Mutuel
- Mr. François KLIBER
until December 7, 2015
GE Money Bank

9.1.4. Risk Committee

- Mr. Christian LARRICQ-FOURCADE Chairman
Crédit Lyonnais
- Mr. Jean-François TAURAND
Banque Fédérative du Crédit Mutuel
- Mr. François KLIBER
until December 7, 2015
GE Money Bank

9.1.5. Compensation Committee

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

9.1.6. Appointments Committee

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

9.1.7. Other positions held by corporate officers in 2015

- Mr. Olivier HASSLER
- No other corporate office
- Mr. Henry RAYMOND
- Chief Executive Officer of Société de Financement de l'Économie Française until March 11, 2015.

- Mr. Jean-François TAURAND - No other corporate office.
- Ms. Valérie BRUNERIE - Director of Société de Financement de l'Économie Française
 - 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
- Mr. Roland CHARBONNEL - Director of Société de Financement de l'Économie Française
 - 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
- Ms. Sophie OLIVIER - No other corporate office.
- Ms. Nadine FEDON - Director of Société de Financement de l'Économie Française
 - 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)
- Mr. Christian LARRICQ-FOURCADE - No other corporate office.
- Mr. François KLIBER - Chief Executive Officer of GE Money Bank
 - Manager of ALCOR and C^{ie}
 - Co-manager of GE SCF

Mr. Vincent ROBILLARD

- Director of Société de Financement de l'Économie Française
- Director and Chief Executive Officer of Société Générale SCF
- Director and 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 AT THE LEVEL OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Article 21 of the CRH articles of incorporation provides for dilution of the voting rights attached to the shares 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.

However, Henry RAYMOND, Valérie BRUNERIE, Roland CHARBONNEL, Nadine FEDON and Vincent ROBILLARD held in 2015 the positions described above at the Société de Financement de l'Économie Française (SFEF).

It is necessary to note that the office of Mr. Henry RAYMOND as Chief Executive Officer of Société de Financement de l'Économie Française expired at the end of the general meeting of shareholders of the said company held on March 11, 2015.

It is also necessary to note that the agreement providing for the supply of services by CRH to Société de Financement de l'Économie Française expired on December 31, 2014 and was not renewed.

CHAPTER 10

MAJOR SHAREHOLDERS

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

The share capital is reallocated each year before March 31, so as to ensure that each shareholder holds a percentage equal to its percentage of the total loans refinanced by CRH (see Article 6 of the articles of association in Appendix 5). Such allocation is made based on the amounts at December 31, of the previous financial year.

The table below lists the principal shareholders as of December 31, 2015 and changes in ownership structure over the past three years.

Shareholder groups	As of December 31, 2013				As of December 31, 2014				As of December 31, 2015			
	Number of shares	%	Number of voting rights (1)	%	Number of shares	%	Number of voting rights (1)	%	Number of shares	%	Number of voting rights (1)	%
Crédit Mutuel	6 422 311	32.67	2 076	29.78	11 129 936	31.48	2 020	29.19	13 111 906	37.02	2 636	36.34
Crédit Agricole	7 378 069	37.53	2 116	30.35	13 372 618	37.76	2 086	30.15	12 211 611	34.49	2 033	28.03
Société Générale	2 680 678	13.64	1 161	16.66	5 034 264	14.15	1 153	16.66	5 023 631	14.19	1 153	15.89
BNP Paribas	1 899 300	9.66	966	13.86	3 386 746	9.59	956	13.82	2 852 339	8.06	806	11.11
BPCE	1 179 718	6.00	600	8.61	2 338 701	6.61	661	9.55	2 063 686	5.83	583	8.04
Other shareholders	99 415	0.50	52	0.74	147 226	0.41	43	0.63	146 318	0.41	43	0.59
Total	19 659 491	100.00	6 971	100.00	35 409 491	100.00	6 919	100.00	35 409 491	100.00	7 254	100.00

(1) For the calculation of the voting rights, please refer to Article 23 of the articles of incorporation in Appendix 5.

10.2. SHAREHOLDER AGREEMENTS

CRH is not aware of the existence of any shareholder agreement.

CHAPTER 11

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

11.1. HISTORICAL FINANCIAL INFORMATION

11.1.1. Accounting standards

As regards the implementation of International Financial Reporting Standards (IFRS), CRH queried, through its statutory auditors, the French National Association of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes – CNCC*) as to whether CRH would be subject to these standards. The response given on May 17, 2004 by CNCC was submitted to the AMF by CRH and reads as follows:

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

The extension of this requirement to the annual 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, relevant French authorities have not introduced any option or special requirement for companies raising capital through public offerings and not publishing any consolidated financial statements.

The provisions of Ordinance No. 2004-1382 of December 20, 2004 on the adaptation of French legislation to EU provisions in the area of accounting regulations do not include the possibility under EU regulations of authorising 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 financial year 2015.

The provisions adopted by the French Accounting Standards Authority (*Autorité des Normes Comptables - ANC*) and whose application was mandatory in 2015 did not have a material impact on the financial statements.

11.1.2. Financial statements submitted for approval to the combined general meeting of March 8, 2016

BALANCE SHEET

In € thousands

ASSETS	Note	31/12/15	31/12/14	31/12/13
CASH, CENTRAL BANKS		1	1	1
LOANS AND ADVANCES TO CREDIT INSTITUTIONS		457 848	506 312	444 728
- Demand deposits		8 218	57 652	59 550
- Term deposits	4	448 681	447 722	384 040
- Accrued interest		949	938	1 138
BONDS AND OTHER FIXED INCOME SECURITIES		42 146 403	48 574 497	52 688 644
- Investment securities	3-4	41 079 544	47 491 960	51 574 034
- Short-term investments	4	104 000	60 000	60 000
- Accrued interest		962 859	1 022 537	1 054 610
EQUITY HOLDINGS AND OTHER LONG-TERM SECURITIES		8	4	4
INTANGIBLE FIXED ASSETS		1	8	5
TANGIBLE FIXED ASSETS		27	37	42
- Office furniture		1	1	1
- Fittings		18	20	23
- Miscellaneous equipment		7	8	2
- Office equipment		1	8	16
OTHER ASSETS	5	3 942	103	127
PREPAYMENTS AND ACCRUED INCOME		105	117	150
TOTAL		42 608 335	49 081 079	53 133 701

BALANCE SHEET

		Before distribution	In € thousands	
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31/12/15	31/12/14	31/12/13
DEBT SECURITIES		42 042 326	48 514 374	52 628 334
- Bonds	3-4	41 079 544	47 491 960	51 574 034
- Accrued interest		962 782	1 022 414	1 054 300
OTHER LIABILITIES	5	138	168	250
PREPAYMENTS AND ACCRUED INCOME		294	301	324
PROVISIONS	6	253	374	218
SUBORDINATED DEBT		0	877	189 931
- Subordinated loans		0	0	187 861
- Accrued interest		0	877	2 070
FUND FOR GENERAL BANKING RISKS (FRBG)	7	2 812	2 812	2 812
SHAREHOLDERS' EQUITY EXCLUDING (FRBG)	7	562 512	562 173	311 832
- Subscribed share capital		539 995	539 995	299 807
- Share premium		17 820	17 820	8 213
- Statutory reserve		3 236	3 208	3 176
- Other reserves		1 122	605	0
- Retained earnings		0	0	4
- Net income for the year		339	545	632
TOTAL		42 608 335	49 081 079	53 133 701

BALANCE SHEET

For information (Document not included in the annual financial statements):

LIABILITIES AND SHAREHOLDERS' EQUITY	After distribution		In € thousands
	31/12/15	31/12/14	31/12/13
DEBT SECURITIES	42 042 326	48 514 374	52 628 334
- Bonds	41 079 544	47 491 960	51 574 034
- Accrued interest	962 782	1 022 414	1 054 300
OTHER LIABILITIES	138	168	250
PREPAYMENTS AND ACCRUED INCOME	294	301	324
PROVISIONS	253	374	218
SUBORDINATED DEBT	0	877	189 931
- Subordinated loans	0	0	187 861
- Accrued interest	0	877	2 070
FUND FOR GENERAL BANKING RISKS (FRBG)	2 812	2 812	2 812
SHAREHOLDERS' EQUITY EXCLUDING (FRBG)	562 512	562 173	311 832
- Subscribed share capital	539 995	539 995	299 807
- Share premium	17 820	17 820	8 213
- Statutory reserve	3 253	3 236	3 208
- Other reserves	1 122	1 122	604
- Retained earnings	322	0	0
TOTAL	42 608 335	49 081 079	53 133 701

OFF-BALANCE SHEET COMMITMENTS

I € thousands

COMMITMENTS RECEIVED	Note	31/12/15	31/12/14	31/12/13
FINANCING COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS	9	2 059 841	2 381 691	2 586 441
GUARANTEES RECEIVED FROM CREDIT INSTITUTIONS	10	59 348 485	68 594 152	73 908 827

INCOME STATEMENT

In € thousands

	Note	31/12/15	31/12/14	31/12/13
+ Interest and assimilated income	10	1 738 017	1 925 818	2 095 493
- on transactions with credit institutions				
. demand deposits		-4	59	52
. term accounts and loans		3 242	3 863	3 866
. securities received under collateralised rev. repos		0	0	20
- on bonds and other fixed-income securities				
. short-term investments		383	408	1 726
. investment securities		1 734 396	1 921 488	2 089 829
- Interest and assimilated expenses	10	-1 734 882	-1 922 822	-2 103 184
- on transactions with credit institutions				
. subordinated loans		0	-877	-2 070
. advances granted under § 5,3 of CRH's internal rules		0	0	-20
- on bonds and other fixed-income securities				
. accrued interest		-1 734 396	-1 921 488	-2 089 829
. issuance and management fees		-486	-457	-11 265
+/- Translation differences	10	0	0	0
- Commissions paid	10	-3	-4	-4
+/- other income and expenses from banking operations	10	232	538	11 425
NET BANKING INCOME	10	3 364	3 530	3 730
- General operating expenses	11	-7 316	-2 637	-2 643
- Payroll expenses		-1 348	-1 348	-1 358
- Other administrative expenses				
. taxes other than income tax		-5 279	-543	-546
. external services		-689	-746	-739
- Depreciation, amortisation and provision expenses related to intangible and tangible fixed assets	11	-25	-22	-21
+ Other operating income		7 140	0	15
GROSS OPERATING INCOME		3 163	871	1 081
+/- Cost of risk		0	0	0
OPERATING INCOME		3 163	871	1 081
+/- Gains or losses on fixed assets		0	0	0
NET INCOME FROM ORDINARY OPERATIONS		3 163	871	1 081
+/- Non-recurring items		0	0	0
- Income tax	13	-2 824	-326	-449
+/- Expenses/reversals related to the FRBG and regulated provisions		0	0	0
NET INCOME		339	545	632

STATEMENT OF NET CASH FLOW			
in € thousands	As of 31/12/15	As of 31/12/14	As of 31/12/13
Cash flow from operating activities			
Net income before taxes	3 163	871	1 081
Non-cash items:			
Net depreciation and amortisation expenses	25	22	20
Net charge to other provisions	-121	156	28
Other non-cash items	-838	-797	1 161
Total non-cash items included in net income and other adjustments	-934	-619	1 209
Changes in transactions with credit institutions:			
Increase in term deposits	-192 186	-238 489	-477 649
Term deposits having reached maturity	147 226	174 807	450 000
Changes in non-financial assets and liabilities:			
Other assets	-3 436	67	44
Other liabilities	-29	-82	-150
Taxes paid	-3 228	-368	-517
Net change in assets and liabilities from operating activities	-51 653	-64 065	-28 272
Net cash flow used in operating activities (A)	-49 424	-63 813	-25 982
Cash flow from investing activities			
Acquisitions of tangible fixed assets	-2	-10	-14
Acquisitions of intangible and financial fixed assets	-10	-10	-5
Net cash flow used in investing activities (B)	-12	-20	-19
Cash flow from financing activities			
Capital increase in cash	0	62 042	0
Proceeds from bond issues	0	0	2 522 568
Bond repayments	-6 206 012	-4 095 000	-4 705 000
Acquisition of investment securities (mortgage notes)	0	0	-2 522 568
Investment securities having reached maturity	6 206 012	4 095 000	4 705 000
Proceeds from subordinated bond issues	0	0	27 884
Repayment of subordinated debt	0	-107	-6 331
Dividends paid	0	0	-1 660
Net cash from financing activities (C)	0	61 935	19 893
Impact of changes in exchange rates (D)	0	0	0
Net cash flow (A + B + C + D)	-49 436	-1 898	-6 108
Net cash and cash equivalents at the beginning of the period	57 654	59 552	65 660
Net cash and cash equivalents at the end of the period	8 218	57 654	59 552
NET CHANGE IN CASH POSITION	-49 436	-1 898	-6 108

APPENDIX

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 provisions of Regulation No. 2014-07 of the French Accounting Standards Authority (*Autorité des Normes Comptables*– ANC) related to the financial statements of enterprises of the banking sector.

NOTE 2 – Accounting principles and valuation methods

A – Foreign exchange transactions

CRH's foreign exchange transactions are recognised in accordance with Regulation No. 2017-07 referred to above. Therefore, as an exception to the provisions of Article L. 123-22, paragraph 1 of the French Commercial Code, the accounting documents related 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 recognised in a symmetrical manner in respect of the differences recognised on the bonds.

B – Issued bonds

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 amortised using the actuarial method.

Actuarial amortisation is non-straight-line amortisation 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 amortisation is equal to the difference between the cash flow of the period, calculated on the basis of the nominal rate, and the actuarial cash flow computed by applying the effective interest rate to the actuarial amortised price obtained at the end of the previous computation period.

As regards bonds issued in CHF, on each closing date:

- the bonds' issue prices, adjusted for actuarial amortisation 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 recognised in the income statement.

- amounts due (interest, repayment) are recognised at the rate prevailing on each of these settlements. A technical currency gain or loss is then recognised 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 costs pertaining to the management of outstanding bonds (financial services, securities services, annual listing fee paid to NYSE Euronext).

Regardless of their nature, all such expenses are recharged to 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 admitted to trading 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.

The securities portfolio held by CRH is mainly comprised of fixed-income securities: the mortgage notes subscribed by the shareholders. CRH may incidentally hold negotiable debt instruments corresponding to the investment of cash for periods generally not exceeding two years.

Mortgage notes are recorded as investment securities. Indeed under as Regulation No. 2014-07 referred to above, they are intended to be held to maturity and are financed through matching and earmarked 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 amortised using the actuarial method under exactly the same terms and conditions as for the bonds.

As regards mortgage notes in CHF, on each closing date:

- the notes' acquisition price, adjusted for actuarial amortisation, is valued on the basis of the CHF's historical exchange rate as of the date of the acquisition

- accrued interest receivables on such notes is valued on the basis of the CHF spot rate and recognised in the income statement

- amounts due (interest, repayment) are recognised on the basis of the exchange rate prevailing on the day of each of the payments. A technical foreign currency gain or loss is then recognised 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, as a consideration for such disposals, 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 recognised in respect of credit risk.

CRH has not purchased any loans or advances. In the same way, CRH has not recognised any provisions in respect of credit risk.

E – Fund for general banking risks

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 FRBG 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 FRBG 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 recognised 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 recognised on the balance sheet at their historical acquisition cost. Depreciation and amortisation schedules are calculated on the basis of the rates approved by the tax authorities.

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

Tangible fixed assets are depreciated on a straight-line or declining-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 declining balance for tax purposes
- IT equipment	3 years	declining balance for tax purposes

H – Other assets and liabilities

Other assets may consist of payments on account of tax, deductible VAT, security deposits, 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 shareholders, bonds

and other fixed-income securities issued by the institution, amortised and not yet repaid, and coupons in respect of securities issued by the institution and which are due but still remain to be paid.

I – Retirement benefits

The benefits to which CRH employees are entitled upon retirement are paid by the French social security system, with a complementary portion paid by third-party bodies managing the distribution of contributions made.

The employer's share of such contributions is expensed 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 recalculated.

NOTES TO THE BALANCE SHEET

NOTE 3 - Mortgage notes and bond issues

Mortgage notes are the instruments representing the securities issued by CRH, corresponding to the loans that 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.

In € thousands

	As of 31/12/15		As of 31/12/14		As of 31/12/13	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
SECURITIES TRANSACTIONS						
- Bonds and other fixed-income securities						
. mortgage notes (*)	41 079 544		47 491 960		51 574 034	
. accrued interest not yet due on mortgage notes	962 782		1 022 414		1 054 300	
- Debt securities						
. bonds (*)		41 079 544		47 491 960		51 574 034
. accrued interest not yet due on bonds		962 782		1 022 414		1 054 300
TOTAL	42 042 326	42 042 326	48 514 374	48 514 374	52 628 334	52 628 334

(*) including amounts in nominal value

In € thousands

	As of 31/12/15		As of 31/12/14		As of 31/12/13	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
SECURITIES TRANSACTIONS						
- Bonds and other fixed-income securities						
. mortgage notes	39 449 000		45 700 000		49 795 000	
- Debt securities						
. bonds		39 449 000		45 700 000		49 795 000
TOTAL	39 449 000	39 449 000	45 700 000	45 700 000	49 795 000	49 795 000

In CHF thousands

	As of 31/12/15		As of 31/12/14		As of 31/12/13	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
SECURITIES TRANSACTIONS						
- Bonds and other fixed-income securities						
. mortgage notes	2 150 000		2 400 000		2 400 000	
- Debt securities						
. bonds		2 150 000		2 400 000		2 400 000
TOTAL	2 150 000	2 150 000	2 400 000	2 400 000	2 400 000	2 400 000

Note: Mortgage notes are not listed securities.

NOTE 4 – Breakdown of receivables and debt by residual maturity

In € thousands

RECEIVABLES	As of 31/12/15	As of 31/12/14	As of 31/12/13
Credit institutions: term deposits			
- less than 3 months	47 370	7 069	40 229
- 3 months to 1 year	248 811	75 653	13 811
- 1 to 5 years	152 500	365 000	330 000
TOTAL	448 681	447 722	384 040
Negotiable debt instruments			
- less than 3 months	0	30 000	60 000
- 3 months to 1 year	14 000	0	0
- 1 to 5 years	90 000	30 000	0
TOTAL	104 000	60 000	60 000
Mortgage notes			
- less than 3 months	212 241	0	0
- 3 months to 1 year	2 546 126	6 215 573	4 105 499
- 1 to 5 years	19 274 929	18 141 727	20 393 481
- more than 5 years	19 046 248	23 134 660	27 075 054
TOTAL	41 079 544	47 491 960	51 574 034

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

In € thousands

DEBT	As of 31/12/15	As of 31/12/14	As of 31/12/13
Bonds			
- less than 3 months	212 241	0	0
- 3 months to 1 year	2 546 126	6 215 573	4 105 499
- 1 to 5 years	19 274 929	18 141 727	20 393 481
- more than 5 years	19 046 248	23 134 660	27 075 054
TOTAL	41 079 544	47 491 960	51 574 034

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

In € thousands

ASSETS	As of 31/12/15	As of 31/12/14	As of 31/12/13
Miscellaneous debtors	3 942	103	127
Government –income tax	404	42	68
Government – CVAE	1	0	0
Expenses recharged to borrowers	1 631	0	0
Guarantee deposits with the French Deposit Guarantee Fund	16	20	20
Guarantee deposit with the Single Resolution Fund	1 851	0	0
Other guarantee deposits and miscellaneous	39	39	39
Other	0	2	0
Other prepayments	105	117	150
TOTAL	4 047	220	277

In € thousands

LIABILITIES	As of 31/12/15	As of 31/12/14	As of 31/12/13
Miscellaneous creditors	138	168	250
Government – VAT to be refunded	0	10	9
Social security and payroll taxes	95	142	147
Trade payables	40	10	87
Miscellaneous creditors	3	6	7
Accrued expenses	294	301	324
Personnel and related expenses	193	174	175
Other	101	127	149
TOTAL	432	469	574

NOTE 6 - Provisions

In € thousands

	Balance as of 31/12/13	+Expenses - Reversals	Balance as of 31/12/14	+Expenses - Reversals	Balance as of 31/12/15
Provision for retirement benefits (Note 18)	218	16	234	19	253
Provision for ECB supervision fee since November 4, 2014	0	140	140	-140	0
TOTAL	218	156	374	-121	253

NOTE 7 – Common Equity Tier I capital instruments

In € thousands

	Balance as of 31/12/13	+Increase - Decrease	Balance as of 31/12/14	+ Increase - Decrease	Balance as of 31/12/15
Subscribed share capital	299 807	240 188	539 995	0	539 995
Share premium	8 213	9 607	17 820	0	17 820
Statutory reserve	3 176	32	3 208	28	3 236
Other reserves	0	605	605	517	1 122
Retained earnings	4	-4	0	0	0
Fund for general banking risks	2 812	0	2 812	0	2 812
TOTAL	314 012	250 428	564 440	545	564 985

The Common Equity Tier 1 capital was strengthened during June 2014 by the issue of 15,750,000 new shares with a nominal value of € 1525 plus an issue premium of € 0.61, subscribed by the shareholders by means of offsetting €187,753,309.44 against the outstanding subordinated loans and a cash payment totalling € 2,041,690.56.

The changes in the other components of stockholders' equity resulted from the appropriation of the 2013 and 2014 net income.

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

NOTES TO THE OFF-BALANCE SHEET ITEMS

NOTE 8 – Financing commitments received from credit institutions

Pursuant to the articles of incorporation, credit institution shareholders are obligated 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 Shareholders' Meeting of February 27, 1996.

As of December 31, 2015, such received commitments totalled € 2,059,840,869.03.

NOTE 9 – 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.

As of December 31, 2015, the estimated amount of the portfolio of receivables pledged to CRH amounted to € 59,348,484,661.36.

NOTES TO THE INCOME STATEMENT

NOTE 10 – 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 expenses from lending activities and borrowing activities in order to observe their equivalence

In € thousands

	As of 31/12/15		As of 31/12/14		As of 31/12/13	
	Expenses	Income	Expenses	Income	Expenses	Income
Interest						
Bonds issued	1 734 396		1 921 488		2 089 829	
Mortgage notes		1 734 396		1 921 488		2 089 829
Translation differences*						
Bonds issued	49 536		1 012		1 120	
Mortgage notes		49 536		1 012		1 120
Issuance and management fees						
Bonds issued	486		457		11 265	
Mortgage notes		486		457		11 265
TOTAL	1 784 418	1 784 418	1 922 957	1 922 957	2 102 214	2 102 214

* Translation differences correspond to a technical balance between currency gains and losses recognised on the contractual due dates of transactions in CHF.

These flows have no impact on CRH's net income.

B – Other income and expenses pertaining to banking operations

For financial year 2015, other income from banking operations included interest earned on shareholders' 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 0.60% on average capital invested during 2015 (0.79% in 2014 and 1.13% in 2013).

In € thousands

	As of 31/12/15	As of 31/12/14	As of 31/12/13
Interest on cash management transactions	2 988	3 847	3 918
Proceeds of negotiable debt instruments	383	408	1 726
Interest on securities received under collateralised reserve repos	-40	-75	20
Interest from the investment of the advances paid under § 5.3 of CRH's internal rules and regulations	-210	0	0
Other income	0	160	160
A - Total other income from banking operations	3 121	4 340	5 824
Interest on subordinated loans	0	877	2 070
Interest on advances under § 5.3 of CRH's internal rules and regulations	-250	-75	20
Other interest and expenses	6	7	3
Fees on securities transactions	1	1	1
B - Total other expenses from banking operations	-243	810	2 094
NET BANKING INCOME	3 364	3 530	3 730

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. The relevant services were terminated on December 31, 2014.

NOTE 11 – Other general operating income and expenses

A – Operating expenses recharged to borrowers

The AMF fees due in respect of bond issues are recharged to borrowers.

Under the new European regulatory provisions, CRH has been obliged to pay two new contributions in 2015:

- the ECB's supervision contribution,
- the contribution to the FRU.

In order to enable CRH to meet these new expenses which very materially increase its operating expenses, while the profitability of its investments is impaired by the very low level of interest rates received on the money market, these contributions have been recharged to borrowers by neutralising the impact of the non-deductibility from corporate income tax of the contribution to the FRU, in accordance with the provisions of the internal rules and regulations and the collateralisation agreements.

In € thousands

	As of 31/12/15		As of 31/12/14		As of 31/12/13	
	Expenses	Income	Expenses	Income	Expenses	Income
Taxes other than income tax (excerpt)						
AMF fees	0		0		15	
ECB contribution	661		0		0	
FRU contribution	4 319		0		0	
Other operating income		7 140		0		15

B – Other operating expenses

Not including the contribution to the ECB’s supervisory fees and the contribution to the FRU, CRH’s total administrative expenses, after depreciation and amortisation, amounted to € 2.4 million in the year ended December 31, 2015 (€2.7 million in the year ended December 31, 2014 and € 2.7 million in the year ended December 31, 2013).

Total administrative expenses represented 0.0051% of average outstanding loans to shareholders in the year ended December 31, 2015 (0.0052% in the year ended December 31, 2014 and 0.0048% in the year ended December 31, 2013). The main components are shown in the table below:

	In € thousands		
	As of 31/12/15	As of 31/12/14	As of 31/12/13
Wages and salaries	812	820	821
Retirement expenses (1)	112	109	116
Other social security charges	299	293	296
Payroll taxes and similar expenses	125	126	125
Total payroll expenses	1 348	1 348	1 358
Taxes other than income tax (excerpt)	299	543	546
Rental and leasing	238	231	233
Other external services and miscellaneous administrative expenses	451	515	506
Total other administrative expenses	689	746	739
Amortisation of intangible fixed assets	13	7	8
Amortisation of tangible fixed assets	12	15	13
Total amortisation and depreciation expenses	25	22	21

(1) Including a provision for retirement benefits of € 19,000 as of December 31, 2015.

(2) Including, as of December 31, 2014, an amount of € 140,000 corresponding to the estimated amount of the ECB fee for prudential supervision for the months of November and December 2014.

NOTE 12 – Fees paid to the statutory auditors

The total amount of the fees paid to the statutory auditors as recognised as of December 31, 2015 is equal to € 80,134.76 and is broken down as follows:

	In euros	
	Auditeurs & Conseils Associés	KPMG
2015 statutory audit fees	30 000.00	30 000.00
2015 CSR certification fees	7 800.00	0
Balance of 2014 statutory audit fees	700.88	-546.12
Balance of 2014 CSR certification fees	0	-420.00
Other services related to the statutory audit of the financial statements	0	12 600.00
Total	38 500.88	41 633.88

NOTE 13 – Income tax

The tax due on the 2015 interim profits amounts to € 2,499,429. While such tax is levied solely on income from ordinary operations, its amount is very heavily impacted by the adding back of the amount of the FRU contribution (€ 4,319,180.60) which is non-deductible and the corresponding recharge (Note 11 A). To this amount, it is necessary to add the social levy (€57,302) and the extraordinary 10.7% levy amounting to € 267,439.

ADDITIONAL INFORMATION

NOTE 14 – Executive compensation

Total gross compensation paid to the Chairman of the Board of Directors and to the Chief Executive Officer for the financial year closed on December 31, 2015 amounted to € 268,249.93, of which €18,749.97 for the Chairman of the Board of Directors and € 249,499.96 for the Chief Executive Officer. Other corporate officers received no compensation from the Company.

Corporate officers received no other benefits from the Company.

NOTE 15 – 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 financial year 2015.

NOTE 16 - Staff

CRH had, on average, eight employees in 2015.

NOTE 17 - Provision for lump-sum retirement benefits

Provisions set aside to cover lump-sum retirement benefits as required by French law amounted to EUR 253,000 and covered the full amount of CRH's liability as assessed as of December 31, 2015.

CRH does not have any other retirement commitments.

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 11.68% as of December 31, 2014. In the absence of additional capital, the Common Equity Tier 1 (CET 1) capital adequacy ratio was thus equal to 11.68%.

in €

Own funds disclosure Implementing regulation (EU) No. 1423/2013			Reference to the relevant Article of regulation (EU) No. 575/2013
Common Equity Tier I capital (CET1): instruments and reserves			
1	Capital instruments and related share premium accounts	557 815 272	26(1), 27, 28, 29
	of which: ordinary shares	557 815 272	ABE list, 26 (3)
	of which: type-2 instruments	0	ABE list, 26 (3)
	of which: type-3 instruments	0	ABE list, 26 (3)
2	Retained earnings	4 357 801	26(1)(c)
3	Accumulated other comprehensive income (and other reserves)	0	26 (1)
3a	Fund for general banking risks	2 812 000	26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	0	486 (2)
5	Minority interests (amount allowed in consolidated CET1)	0	84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	564 985 073	Total of lines 1 to 5a.
Common Equity Tier 1 capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	0	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-500	36 (1) (b), 37
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges	0	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts	0	36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)	0	32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)	0	36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	36 (1) (f), 42
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross-holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	36 (1) (g), 44

18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) à (3), 79
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	36 (1) (k)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15% threshold (negative amount)	0	48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities;	0	36 (1) (i), 48 (1) (b)
25	of which: deferred tax assets arising from temporary differences	0	36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)	0	36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0	36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0	36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-500	Total of lines 17 to 20a, 21, 22 and 25a to 27
29	Common Equity Tier 1 (CET1) capital	564 984 573	Line 6 less line 28
Additional Tier 1 (AT1) capital: instruments		0	
Tier 2 (T2) capital: instruments and provisions		0	
Total capital (TC = CET1 + AT1 + T2)		564 984 573	
Total weighted assets		4 837 918 104	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.68%	92 (2) (a)
62	Tier 1 (as a percentage of risk exposure amount)	11.68%	92 (2) (b)
63	Total capital (as a percentage of risk exposure amount)	11.68%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	10.00%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.00%	
67	of which: systemic risk buffer requirement	0.00%	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00%	

68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11.68%	CRD 128
Amounts below thresholds for deduction (before weighting)		0	
Cap applicable for the integration of the credit risk adjustments into the T2 according to the standard approach		60 473 976	62 (c)
Equity instruments subject to gradual exclusion (applicable between 1 January 2014 and 1 January 2022 only)		0	

Leverage ratio

European regulations introduce among prudential indicators a leverage ratio, calculated as the amount of CET1 capital divided by the amount of the institution's total risk exposure. The collection of data according to the regulatory format started in 2014, and institutions are required to disclose their leverage ratio since January 1, 2015. Also, a report prepared by the European Commission shall be made public before the end of 2016 and may in particular propose the introduction of a mandatory threshold for this ratio starting from January 1, 2018, with where applicable different levels according to the business models concerned.

As an item of information only, CRH's leverage ratio was equal to 1.33% as of December 31, 2015 in the target Basle III vision.

Summary comparison of accounting assets and exposure measurement for the purposes of the leverage ratio

		in €
1	Total consolidated assets as per published financial statements	42 608 334 780
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes, but outside the scope of regulatory consolidation	0
3	Adjustments for fiduciary assets recognised on the balance sheet, pursuant to the operating accounting framework, but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	0
5	Adjustments for securities financing transactions (in repos and similar secured lending)	0
6	Adjustments for off-balance sheet items (conversion to credit-equivalent amounts of off-balance sheet exposures)	0
7	Other adjustments	-500
8	Leverage ratio exposure	42 608 334 280

Common disclosure template

On-balance sheet exposure		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	42 608 334 780
2	(Assets deducted for the purposes of calculating the Basle III base equity)	-500
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	42 608 334 280
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (i.e. net of eligible cash variation margin)	0
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	0

6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted CCP leg of client-cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	0
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Exposure for SFT assets	0
15	Agent transaction exposures	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0
Other off-balance sheet exposure		
17	Off-balance sheet exposure at gross notional amount	0
18	(Adjustments for conversion to credit equivalent amounts)	0
19	Off-balance sheet items (sum of lines 17 and 18)	0
Capital and total exposure		
20	Tier 1 capital	564 984 574
21	Total exposure (sum of lines 3, 11, 16 and 19)	42 608 334 280
Leverage ratio		
22	Basle III leverage ratio	1.33%

Exposure breakdown

Total on-balance sheet exposure (other than derivative instruments, SFTs and excluded exposures), of which:	42 608 334 780
Trading portfolio	0
Investment portfolio, of which:	42 608 334 780
Secured bonds	42 042 325 381
Exposures deemed sovereign exposures	405 712
Exposure to regional governments, multilateral development banks, international organisations and public-sector entities NOT deemed sovereign issuers	0
Institutions	563 556 161
Exposures secured by charges on immovable property	0
Exposure to retail customers	0
Enterprises	0
Defaulting exposures	0
Other exposures (e.g. shareholders' equity and assets not corresponding to credit obligations)	2 047 526

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, 2015 (Decree of December 19, 2014 related to the disclosure of information concerning encumbered assets)

Template A – Assets

In € 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	42 042 325		566 009	
030	Equity instruments	0	0	8	8
040	Debt securities	42 042 325	42 396 092	104 077	104 077
120	Other assets	0		461 924	

*Based on the EUR/CHF exchange rate at December 31, 2015 for assets denominated in CHF

Template B – Collateral received

		In € 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	59 348 485
150	Equity instruments	0	0
160	Debt securities	0	0
230	Other collateral received	0	59 348 485
240	Own debt securities issued, other than own covered bonds or ABS	0	0

Template C – Encumbered assets/collateral received and associated liabilities

		In € 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	42 042 325	59 348 485

D – Information on the importance of charges on assets

1- Summary of CRH's functioning mode

CRH operates within the specific framework of Act 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 that CRH grants to the banks and the bonds that 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 facilities 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 the said bank, notwithstanding any provisions to the contrary.

Finally, pursuant to the provisions of Article 13 of the Act 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 issued bonds.

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, 2015 their carrying amount was EUR 42,042 million and their nominal amount was EUR 42,396 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 which are CRH's only creditors with the possible exception of the government, its staff, the social security bodies and CRH's suppliers, to which 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 over collateralisation of the pledged portfolio (subject of the collateral received for a total of EUR 59,348 million at December 31, 2015) which becomes the property of CRH.

Moreover, the shareholder banks are required, if necessary, to provide CRH with lines of credit or regulatory capital (Article 10 of the articles of incorporation 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 Act 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 shareholders' equity and the income thereon, i.e. €562 million as of December 31, 2015.

11.2. CONSOLIDATED FINANCIAL STATEMENTS

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

11.3. AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

The general report of the statutory auditors on the financial statements for the year ended December 31, 2015 is included in the Reports section on page 51 of this registration document.

The general report of the statutory auditors on the financial statements for the year ended December 31, 2014 is included in the Reports section on page 33 of the 2013 registration document.

The general report of the statutory auditors on the financial statements for the year ended December 31, 2013 is included in the Reports section on page 35 of the 2012 registration document.

11.4. AGE OF LATEST FINANCIAL INFORMATION

The financial statements dated December 31, 2015 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 after the December 31, 2015 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 that 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, 2015.

CHAPTER 12

MATERIAL 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 comply with its commitments to its bondholders.

CHAPTER 13

THIRD-PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

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

13.1. (NOT APPLICABLE)

13.2. (NOT APPLICABLE)

CHAPTER 14

DOCUMENTS AVAILABLE TO THE PUBLIC

All prospectuses and registration documents (which contain the Company's articles of incorporation) may be consulted on the CRH 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 post 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 form at the Company's registered office.

ARTICLE 13 OF ACT NO. 85-695
of July 11, 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*).

**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.

FRENCH MONETARY AND FINANCIAL CODE

LEGISLATIVE PART

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

Paragraph 3

Refinancing of mortgages and other secured loans

Article L. 313-42

The provisions of the present paragraph apply to the promissory notes issued by credit institutions or *société 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.

Article 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.

Article 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.

Article 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.

Article 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.

Article 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.

Article 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 June 29, 1999 pursuant to the provisions of the present paragraph.

Article 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.

Article 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.

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° 2013-687 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

**Modified by decree 2007-745 of May 9, 2007
The 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.

**EXCERPT FROM FRENCH BANKING
AND FINANCIAL REGULATORY COMMITTEE**

**REGULATION N^o. 99-10
RELATIVE TO FRENCH *SOCIETES DE CREDIT FONCIER***

as amended by Regulation n^o. 2001-02 of June 26, 2001
and Regulation n^o. 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 May 7, 2007).

CRH - CAISSE DE REFINANCEMENT DE L'HABITAT

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

**TITLE I LEGAL FORM – PURPOSE – COMPANY NAME
REGISTERED OFFICE – PERIOD OF DURATION**

Article 1 - LEGAL FORM

The company is organised in the legal form of a société anonyme. The company shall be governed by applicable legal and statutory provisions and by these articles of incorporation and the internal rules and regulations attached hereto.

Article 2 - PURPOSE

The company's purpose is as follows:

- refinancing, for the benefit of the shareholders or credit institutions that have agreed to become shareholders in accordance with the terms set forth in Articles 6 to 9 below, promissory notes issued or endorsed by such shareholders or institutions in order to collateralise claims referred to in Article L. 313-42 of the French Monetary and Financial Code, corresponding to housing loans,
- issuing, as a consideration therefor, financial securities whose characteristics are similar to those of the collateralised notes, and
- more generally, carrying out any transactions, whether pertaining to movable or immovable property, as are related to the above purpose or to any similar or analogous purposes or are likely to further the attainment thereof.

Pursuant to the provisions of Article 13 of Act No. 85-695 of July 11, 1985, the Company provides, under restricted conditions, refinancing facilities in relation to certain home-purchase loans granted to individuals by credit institutions, without charging any spread as regards these transactions.

Because the financial securities issued by CRH perfectly match the promissory notes refinanced by it, CRH acts as a pass-through entity serving credit institutions. The company's purpose consists in promoting the housing finance sector, without seeking to achieve any profit, and on a non-competitive basis.

The company shall not hold any share interest or pursue any activity not corresponding to its corporate purpose. In particular, the company shall not incur any debt unrelated to the said purpose.

However, the company may incur debt having the character of shareholders' equity within the meaning of prudential regulations. Also, in case of default of a borrower institution, the company may, subject to the board of directors' consent, incur any debt necessary in view of the circumstances.

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.

TITLE II – SHARE CAPITAL - SHARES

Article 6 - SHARE CAPITAL

The share capital is in the amount of FIVE HUNDRED THIRTY-NINE MILLION NINE HUNDRED NINETY-FOUR THOUSAND SEVEN HUNDRED THIRTY-SEVEN EUROS and SEVENTY-FIVE CENTS.

The share capital is subdivided into THIRTY-FIVE MILLION FOUR HUNDRED NINE THOUSAND FOUR HUNDRED NINETY-ONE SHARES OF EUR 15.25 each.

The number of shares held by each shareholder shall be proportionate to the capital requirement corresponding to the refinancing facilities granted by the company to the said shareholder.

Article 7 - SHARE CAPITAL INCREASE

The share capital may be increased, by any means and in compliance with any procedures provided for by law, by a decision made by the extraordinary general meeting of shareholders.

The extraordinary general meeting may delegate to the board of directors any authority in order to determine the terms of any share capital increase decided by the general meeting and may also delegate to the board of directors the authority to decide on any capital increase.

Article 8 - SHARE CAPITAL DECREASE

When the amount of the company's capital is in excess of regulatory requirements, the board of directors reviews the possibility of redistributing to shareholders any excess capital and decides where applicable the terms of such redistribution.

Any share capital decrease may be authorised or decided by the extraordinary general meeting, under the conditions provided for by law and subject to the approval of prudential authorities.

The extraordinary general meeting may delegate to the board of directors any authority in order to determine the terms of any share capital decrease decided by the general meeting and may also delegate to the board of directors the authority to decide on any capital decrease.

Article 9 - FORM AND TRANSFER OF THE SHARES – PROMISE OF TRANSFER

Shares are imperatively in the registered form. Shares are registered in an account in accordance with the terms and conditions provided by applicable laws and regulations.

Shares are freely transferable and conveyable. Share transfers are made vis-à-vis third parties by way of a transfer order signed by the transferor or its agent.

So that each shareholder can hold a number of shares proportionate to the regulatory capital requirements related to the amount outstanding of the refinancing facilities granted to it by the company, each shareholder agrees to acquire or sell the necessary number of shares from or to the present or future shareholders (or shareholder) designated by the company.

If, in order to comply with the said proportion as regards one or more shareholders, one or more share transfers are required, each shareholder shall transfer or acquire, at the company's request, the number of shares required in order to comply with the said proportion. Any fractional shares shall be allocated according to the largest remainder method.

When any change in the proportion of shares to be held by each shareholder results from changes in the amount outstanding of the loans refinanced by the company, such acquisitions or transfers shall be completed at least once per year, within thirty days from approval of the company's annual financial statements by the general meeting and whenever the board of directors so decides.

When the change results in whole or in part from an increase in the weighting of the amounts outstanding in the calculation of the regulatory capital requirements, in particular in case of deterioration of the financial rating of the promissory notes issued by one or more shareholders or any change in the rules related to the prudential ratios applicable to the company, the acquisitions or transfers are completed within forty-five days from the date of such change.

The acquisitions or transfers are completed on the basis of a unit share price equal to the amount resulting from the division:

- of the net book value of the company determined on the basis of its shareholders' equity (without including the FRBG) shown in the most recent financial statements of the company: (i) either as of December 31, of the preceding year, in the company's registration statement; or (ii) as of June 30, of the preceding year, in the financial statements drawn up by the board of directors and subject to a limited review by the statutory auditors. Such net book value takes into account possible allocations or contributions made between the reference date and the date of the acquisition or transfer.

- by the number of shares comprising the share capital as of the reference date referred to in the above paragraph.

The total price for each transfer is paid at the latest on the date of registration of the transfer, with the transferee being personally responsible for the payment of any such transfer duties as may be due.

In the event of any cancellation of shares authorised by the extraordinary general meeting of shareholders in order to reduce the share capital, the board of directors may decide to procure the acquisition of shares of the company by the company itself.

Article 10 - RIGHTS AND OBLIGATIONS ATTACHING TO THE SHARES

For the purposes of determining the ownership of the corporate assets, the sharing of profits and the liquidating dividends, each share shall give an equal right to a fraction corresponding to the proportion of the share capital that it represents.

Whenever it is necessary to own several shares in order to exercise any right, any individual shares or any shares whose number is lower than the required number shall not give any right to their owner vis-à-vis the company, and the shareholders concerned shall, in such event, be responsible for grouping the necessary number of shares.

Title to a share entails automatically its owner's acceptance of the company's articles of incorporation and the decisions made by the general meeting.

Article 11 - PAYMENT ON THE SHARES

Any amounts remaining to be paid in cash in relation to the shares shall be called by the board of directors in accordance with the terms determined by it.

Article 12 - OBLIGATIONS INCUMBENT ON THE SHAREHOLDERS

Each shareholder must pay to the company any amounts necessary in order to provide the company with the shareholders' equity determined by the ordinary general meeting in compliance with banking regulations. Such contributions correspond:

- either to the subscription or purchase of shares of the company, as discussed in Articles 6 to 9; or

- to the grant of loans to the company or to the acquisition of debt instruments issued by the company and having the character of equity within the meaning of prudential regulations. Such loans and instruments are hereinafter referred to as additional equity.

Such contributions are allocated for each shareholder and for each of the above categories, on a pro rata basis of the regulatory capital requirements related to the amount outstanding of the mortgage notes that the company has refinanced or endorsed in favour of such shareholder.

When it is decided to call additional equity from the shareholders, subject to the powers expressly reserved for general meetings of shareholders and within the limit of the corporate purpose, the board of directors determines the characteristics, amount and terms of such calls.

The board of directors may also decide to convert the additional shareholders' equity into capital, whether in whole or in part. Such decision is implemented in accordance with the articles of incorporation, prudential regulations and provisions of law. Where applicable, such decision is implemented after being approved by prudential authorities.

In addition, each shareholder must provide the company, as cash advances, with the amounts necessary for its functioning within the limits and subject to the conditions determined by the board of directors, within the limit of 5% of total nominal amounts outstanding.

Such advances shall be allocated among shareholders on a pro rata basis of the refinanced amounts.

Any shareholder failing to pay the required amounts on the scheduled dates shall, automatically and without any prior notice, owe the company an indemnity under the terms set forth by the ordinary general meeting.

TITLE III – ADMINISTRATION AND AUDIT OF THE COMPANY

Article 13 - BOARD OF DIRECTORS

The company is administered by a board of directors comprised of no less than three members and no more than twelve members.

Directors are not required to hold at least one share of the company.

The directors' term of office is six years. Directors may be re-elected at all times.

As a departure from the above provisions, the number of directors who are over seventy years of age may not exceed one third of the number of directors comprising the board of directors. The board of directors notes whether the above limit is exceeded during the meeting deciding to give notice of the ordinary general meeting. The board then appoints, from among those of its members who are over seventy years of age, the member(s) who shall remain in office.

If any office becomes vacant because of death, crossing of the age limit or resignation of one or more directors, the board of directors may, between two general meetings, appoint directors provisionally.

Article 14 - NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS – DELIBERATIONS OF THE BOARD OF DIRECTORS

The board of directors meets whenever the interests of the company so require, upon being convened by its chairman. Directors are given notice of the meetings of the board of directors by all means and even orally.

If the board of directors has not met for more than two months, at least one third of its members may ask the chairman to give notice of a meeting in relation to a specific agenda.

The chief executive officer may also ask the chairman to give notice of a meeting of the board of directors in relation to a specific agenda.

Deliberations are made subject to the quorum and majority requirements mandated by law; in case of equality of votes, the chairman has a casting vote.

Minutes are prepared and copies or excerpts of the deliberations of the board of directors are issued and certified in accordance with provisions of law.

Except when the board of directors meets in order to draw up the annual financial statements, review the annual management report or appoint or remove the chairman or the chief executive officer, or determine their remuneration, directors are also deemed present for the calculation of the quorum and majority when they participate in the meeting by videoconference or telecommunication.

These means must allow for the directors' identification and must guarantee their actual participation. Such means must transmit at least the voice of the participants and must comply with technical requirements allowing for the continuous and simultaneous transmission of the deliberations.

The minutes must record any technical incident that perturbed the proceedings of the meeting, whether such incident affects a means of telecommunication or videoconference.

Article 15 - POWERS OF THE BOARD OF DIRECTORS

The board of directors determines the policies of the company and oversees their implementation. Subject to the powers expressly reserved for shareholder meetings and within the limit of the corporate purpose, the board of directors reviews any matter related to the sound management of the company and adopts deliberations pertaining to the matters concerning the company.

The board of directors carries out any such checks and inspections as it deems necessary.

The board of directors receives from the chairman or chief executive officer of the company any and all documents and information necessary for the performance of its mandate.

Article 16 - OBSERVERS

The general meeting may appoint one or more observers selected from among those shareholders who are not directors. The general meeting determines their remuneration.

The term of office of the observers is six years. Such term of office expires at the end of the ordinary general meeting reviewing the financial statements for the last financial year during the year in which their term of office expires.

Observers may be re-elected without any limitation; they may be removed at any time by a decision of the general meeting.

In case of death or resignation of one or more observers, the board of directors may co-opt the successor, with such provisional appointment being subject to ratification by the next general meeting.

Observers are responsible for the strict enforcement of the articles of incorporation. They attend meetings of the board of directors without any voting right. They review the lists of assets and liabilities and the annual financial statements and submit in this respect their observations to the general meeting whenever they see fit.

Article 17 - CHAIRMAN OF THE BOARD

The board of directors elects a chairman from among those of its members who are natural persons, for a period determined by it, which may not exceed the term of the chairman's office as a director. The chairman organises and leads the work of the board of directors, and reports thereon to the general meeting. The chairman ensures the proper functioning of the bodies of the company and ensures in particular that the directors are in a position to discharge their duties.

The remuneration of the chairman is determined freely by the board of directors, upon a recommendation made by the remuneration committee.

The chairman may be re-elected at any time subject to the provisions of the sub-paragraph below.

The chairman's term of office must expire at the latest at the end of the ordinary general meeting following the date on which he reaches the age of sixty-eight. However, the board of directors may, in one or more times, effect an appointment or renewal beyond the above age limit, under the conditions provided for by applicable laws and regulations.

If the chairman dies or is temporarily unable to act, the board of directors may appoint a director in order to act as chairman.

In case of temporary inability to act, such appointment is made for a limited time and is renewable. In case of death, such appointment is valid until the election of the new chairman.

The board of directors also appoints a secretary and determines his term of office. The secretary need not be selected from among the directors; if the secretary is not a director, he shall not have any voting right or advisory capacity within the board.

The chairman and the secretary form the bureau of the board of directors.

Article 18 – SENIOR MANAGEMENT

The senior management of the company is carried out by a natural person, other than the chairman of the board of directors, who is appointed by the board of directors and has the title of chief executive officer. The chief executive officer may be a director.

The chief executive officer has the broadest powers to act in all circumstances in the name of the company. The chief executive officer exercises the said powers within the limit of the corporate purpose and subject to the powers expressly reserved by law for general meetings and for the board of directors.

The chief executive officer represents the company in its relationships with third parties. The company is bound even by those actions of the chief executive officer that do not pertain to the corporate purpose, unless the company proves that the third party concerned knew that the said action exceeded the corporate purpose or could not be unaware of the same in view of the circumstances, provided that the mere publication of the articles of incorporation shall not be deemed to amount to such evidence.

The board of directors may limit the powers of the chief executive officer, but such limitation is unenforceable against third parties.

The chief executive officer may delegate part of his powers, whether temporarily or permanently, to as many agents as he shall see fit, with or without the power to subdelegate.

The chief executive officer's remuneration is determined freely by the board of directors, upon a recommendation of the remuneration committee.

The chief executive officer is asked to attend meetings of the board of directors, even if he is not a director.

The chief executive officer may be removed at any time by the board. Any removal decided without cause may give rise to the payment of damages.

When the chief executive officer is a director, he may not be appointed for a period exceeding his term of office as a director.

The chief executive officer's term of office expires at the latest at the end of the general meeting held in order to review the financial statements of the financial year during which the chief executive officer reaches the age of sixty-five. However, the board of directors may, in one or more times, extend such limit under the conditions set forth by applicable laws and regulations.

Article 19 - DEPUTY CHIEF EXECUTIVE OFFICERS

Upon a recommendation made by the chief executive officer, the board of directors may appoint, within the limits set forth by law, one or more natural persons responsible for supporting the chief executive officer, and bearing the title of deputy chief executive officer.

In agreement with the chief executive officer, the board of directors determines the scope and term of the powers granted to the deputy chief executive officers. However, the deputy chief executive officers have, vis-à-vis third parties, the same powers as the chief executive officer.

When the chief executive officer ceases discharging his duties or is unable to discharge his duties, the deputy chief executive officers remain in office, unless otherwise decided by the board until the appointment of the new chief executive officer.

The remuneration of the deputy chief executive officers is determined freely by the board of directors, upon a recommendation from the remuneration committee.

Even where the deputy chief executive officers are not members of the board of directors, they are asked to attend meetings of the board of directors.

Deputy chief executive officers may be removed at any time by the board of directors upon a recommendation from the chief executive officer. Any removal decided without cause may give rise to the payment of damages.

When a deputy chief executive officer is also a director, his term of office as a deputy chief executive officer may not exceed that of his office as a director.

The deputy chief executive officers' terms of office expire at the latest at the end of the general meeting held in order to review the financial statements of the financial year during which they reach the age of sixty-five. However, the board of directors may, in one or more times, extend such limit under the conditions set forth by applicable laws and regulations.

Article 20 - GOVERNMENT'S REPRESENTATIVE

The State may appoint a representative in order to attend the meetings of the board of directors.

The Government's representative is not a director. The Government's representative ensures that the company complies with its corporate purpose.

The Government's representative has no voting right. In case of disagreement with any decision that he deems contrary to the company's corporate purpose, a reference to his position is noted in the minutes of the relevant meeting.

Article 21 – STATUTORY AUDITORS

The company is audited by one or more statutory auditors in accordance with the terms and conditions set forth by law.

One or more alternate statutory auditors, who are to replace the standing statutory auditor(s) in case of death, inability to act or refusal to act, are appointed by the ordinary general meeting.

TITLE IV- SHAREHOLDER MEETINGS

Article 22 - GENERAL MEETINGS

Notice of the general meetings is given in accordance with provisions of law.

Meetings are held at the registered office or at any other place specified in the notice.

The right to participate in general meetings is conditional on the registration of the shares in the accounts maintained by the company, at least five days before the date of the general meeting.

General meetings are chaired by the chairman of the board of directors or, in his absence, by a director especially appointed to that end by the board. In default, the general meeting itself appoints its chairman.

The two members of the general meeting who are present and hold the largest number of votes are appointed as scrutineers, if they accept such appointment.

The bureau appoints the secretary, who is not required to be a shareholder.

An attendance sheet is maintained in accordance with provisions of law.

The copies or excerpts of the minutes of general meetings are duly certified in accordance with provisions of law.

Article 23 - ATTENDANCE OF AND REPRESENTATION AT GENERAL MEETINGS

Any shareholder is entitled to participate in general meetings.

Subject to the application of the legal provisions to general meetings assimilated with constitutive general meetings, each member of the general meeting has the following number of votes:

- any shareholder owning a number of shares ranging between one share and 10% of the number of shares representing the share capital shall have one vote for each fraction of 0.01% of its fraction of the share capital.

- any shareholder owning a number of shares ranging between 10% and 20% of the number of shares representing the share capital shall have a number of votes equal to 1,000 plus one vote for each fraction of 0.10% owned by it in excess of 10% of the share capital.

- any shareholder owning a number of shares in excess of 20% of the number of shares representing the share capital shall have a number of votes equal to 1,100 plus one vote for each fraction of 1% owned by it in excess of 20% of the share capital.

- where applicable, the number of votes so determined shall be rounded up to the immediately higher whole number.

Any shareholder may be represented at general meetings by another shareholder.

Those natural persons who are permanent representatives of legal persons on the board of directors shall participate in general meetings, whether or not they are personally shareholders.

Article 24 - POWERS OF GENERAL MEETINGS

Ordinary and extraordinary general meetings deciding in accordance with the applicable quorum and majority rules exercise the powers devolved to them by provisions of law.

TITLE V - FINANCIAL YEAR – PROFITS

Article 25 - FINANCIAL YEAR

The financial year commences on January 1, and ends on 31 December 31.

As an exception, the first financial year of the company commenced on September 23, 1985 and ended on December 31, 1985.

Article 26 - PROFITS AND LOSSES – DIVIDEND PAYMENTS

Earnings available for distribution, as defined by law, are earmarked by the general meeting which decides to post them to one or more reserve accounts, of which it determines the allocation or use, to carry them over or to distribute them. In case of distribution, the general meeting may grant the right to make an election between the payment of a dividend in cash or in shares under the conditions set forth by law.

In addition, the general meeting may decide to distribute amounts deducted from available reserves, by specifying expressly the reserve items from which the deductions are made.

However, dividends are deducted on a priority basis from the net income available for distribution of the financial year.

Save in case of a capital decrease, no amount may be distributed to shareholders when the shareholders' equity is or would become, following such decrease, lower than the amount of the minimum share capital mandated by legal or regulatory provisions.

Losses, if any, are carried over in order to be applied against profits of subsequent years until they are fully covered.

TITLE VI – INTERNAL RULES AND REGULATIONS

Article 27 - INTERNAL RULES AND REGULATIONS

Internal rules and regulations, approved by the board of directors, set forth the provisions governing the operations of the company and certain commitments of its shareholders. The internal rules and regulations supplement and clarify the articles of incorporation. The internal rules and regulations are signed by the shareholders and any institutions that are to become shareholders.

TITLE VII – DISSOLUTION - LIQUIDATION

Article 28 - LIQUIDATION OF THE COMPANY

At the end of the term of the company or upon its dissolution, the general meeting determines the liquidation mode and appoints one or more liquidators whose powers it determines and who discharge their duties in accordance with provisions of law.

CRH - CAISSE DE REFINANCEMENT DE L'HABITAT**INTERNAL RULES AND REGULATIONS**

These internal rules and regulations supplement and explain the articles of incorporation and clarify the provisions governing the operations of CRH and certain commitments assumed by the shareholders. These internal rules and regulations apply to any present or future collateralisation and are deemed an amendment to any earlier agreements.

These internal rules and regulations may be amended in order to be adapted to changes in prudential regulations

- 1. OPERATIONS OF CRH**
- 2. APPROVAL OF BORROWERS**
- 3. RISK COMMITTEE'S POWERS IN RELATION TO REFINANCING**
- 4. BOND ISSUES**
- 5. COLLATERALISATION**
- 6. COLLATERALISATION GUARANTEE**
- 7. BORROWER'S DEFAULT**
- 8. COMMITMENTS ASSUMED BY SHAREHOLDERS**
- 9. SUPERVISION OF THE CRH'S FUNCTIONING**
- 10. EXPRESS APPROVAL OF THE INTERNAL RULES AND REGULATIONS BY THE SHAREHOLDERS**

1. OPERATIONS OF CRH

1.1 In accordance with its articles of incorporation, CRH's operations consist solely in the refinancing of the home-purchase loans granted by those credit institutions that are its shareholders and by any institution that has agreed to become its shareholder and is approved by it.

1.2. CRH issues financial securities (hereinafter referred to as "bonds") having characteristics identical to the characteristics of the notes collateralised for the purposes of the said refinancing. CRH thus acts as a pass-through entity.

1.3. The commitments incurred by borrower credit institutions with CRH and the commitment assumed by CRH upon the issuance of loans on the financial market are therefore fully matched.

1.4. CRH's refinancing operations are governed by the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code.

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 obtaining the opinion of the risk committee, CRH's board of directors decides to approve the borrower and determines the financial terms of the refinancing facilities.

In accordance with banking regulations, the maximum amount of the risk related to a borrower may at any time be re-examined by the board of directors.

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'S POWERS IN RELATION TO REFINANCING

The risk committee issues opinions concerning in particular the terms applicable to:

- the borrowers' approval and refinancing,
- the eligibility of the receivables,
- the guarantee of the promissory notes,
- the hedging of CRH's direct and indirect risks related to the refinancing facilities,
- the determination of the respective market shares of each of the approved institutions, serving where applicable for the grant of the refinancing facilities.

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 operate on French and foreign financial markets by issuing bonds.

CRH may entrust one or more credit institutions with the placement of the loans issued by it or may personally carry out such placement. CRH determines the placement's characteristics according to the market's situation.

4.3. The amount raised by CRH in connection with any loan is allocated among the borrower institutions as follows:

a) If the amount actually raised by CRH is equal to the total amount of the refinancing requests expressed and accepted by CRH, then such requests shall be fully served.

b) If the amount actually raised by CRH is lower than the total amount of the refinancing requests expressed and accepted, then a theoretical allocation of the amount actually raised by CRH is calculated for each institution on a pro rata basis of the market shares of the institutions concerned.

Any applications covering amounts lower than or equal to the amount of the theoretical allocation of the institutions shall be fully served.

Unallocated amounts shall be used for those institutions that have not been served in full within the limit of their application, on a pro rata basis of their market share on the French home-purchase loan market.

Such market shares are determined by the chief executive officer after seeking the opinion of the risk committee and consulting each institution concerned on the basis of the latest figures sent by the institutions to ACPR and to CRH. Such determination is made after the general meeting of shareholders deciding on the annual financial statements of CRH. Such determination may be revised at any time in case of approval of a new institution.

4.4 Immediately upon receipt of the proceeds of the loan, CRH pays to each borrower its ratable fraction, after deducting the expenses and fees related to the transaction and the amount of any requisite additional shareholders' equity referred to in Article 12 of the articles of incorporation.

5. COLLATERALISATION

5.1 Issuance of mortgage notes

In accordance with the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code and the collateralisation agreement, borrowers are required to issue in favour of CRH mortgage notes representing their participation in the borrowing. Such notes shall be prepared in accordance with the provisions of the French Commercial Code and applicable standards in accordance with a template defined by CRH. Borrowers irrevocably agree to pay any interest, fees, incidental amounts and all present and future tax expenses related to such collateralisation on a pro rata basis of their participation and agree to comply with the commitments stated on the recto and verso of such notes.

The said notes are acquired by CRH upon disbursement of the funds.

The notes are denominated in the same currency and bear interest at the same rates and dates as the relevant loan's bonds and are repayable under the same terms.

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 for perfecting the safety of the repayment maturities.

Also, in connection with a procedure aimed at perfecting the safety of the repayment maturities of the bond loans already issued to date or to be issued, the borrowers expressly accept the provisions below:

Five business days prior to the repayment date of any bond loan issued by CRH, each borrower is required to grant CRH an advance in an amount equal to that of the principal of the note to be repaid, plus the amount of the note related to the associated interest.

The corresponding funds are invested on the money market until the repayment maturity through reverse repurchase agreements covering Treasury notes. The said funds may also be deposited with the Central Bank.

Such advance is repaid on the maturity date, where applicable by way of set-off with the amounts due by the borrower in respect of the repayment of the principal of the note to be repaid, plus the amount of the note related to the associated interest.

The proceeds from the investment of such advance on the money market are then paid to the borrowers. Where applicable any negative interest is borne by the borrowers.

In case of foreign currency transactions, such advance may be called in euro.

5.4. Collateralisation by an endorsing agent

One or more borrowers may, under an agency agreement, ask an institution duly approved by CRH, to subscribe in their name and on their behalf, a single mortgage note representing loans that they intend to collateralise.

The agent endorses the note representing the capital and the notes representing the interest that it subscribes on behalf of its principals. The agent agrees to replace the said principals in case of default and assumes in such event all commitments made by them. In addition, the agent communicates to CRH a copy of the agency agreement executed by it.

Each principal agrees to comply with the commitments related to the collateralisation procedure on a pro rata basis of its share in the subscribed note. The principals may agree that they are jointly and severally liable for compliance with all of the said commitments.

The agent is not required to hold the receivables. However, the agent guarantees that the inspections planned by CRH may be carried out at its premises if CRH so requests.

The agent is also responsible for obtaining from its principals any and all documents enabling it to seek from notaries and courts, if necessary, the issuance of the enforcement copies corresponding to the receivables. The agency agreement that was executed with the agent must provide for the option to transfer such right to CRH.

Also, such agency agreement must specify that the principal has been informed of these internal rules and regulations, accepts the terms thereof and agrees to comply with the same.

The agent signs these internal rules and regulations in its capacity as the agent and also in its own name.

6. COLLATERALISATION GUARANTEE

6.1 Pledge of a securities portfolio

The service of the interest and the repayment of the mortgage notes must be guaranteed, at the latest upon the issuance of the notes, by a pledge of receivables in accordance with the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code (the “availability”).

The creation of the pledge results from the preparation by the borrower, for each note, of a nominative list of receivables according to a template prepared by CRH, in conformance with the aforementioned provisions.

The characteristics of the receivables so made available and where applicable any specific terms governing the guarantee of the collateralised loans are determined by the board of directors of CRH in compliance with applicable provisions and are detailed in a document entitled “loans’ eligibility criteria for the operations of CRH”. Any subsequent changes to the

said document are accepted in advance by the borrowers.

The receivables portfolio so made available must at any time have an average life equal to the residual duration of the guaranteed capital note and an average interest rate that is no less than the rate applicable to the said note. Its amount must at all times be equal to at least 125% of the nominal amount of the guaranteed note. However, in cases where certain rules are not complied with, and in particular any rate or term consistency rules, CRH may ask that such minimum amount be increased.

The borrower agrees to be personally responsible for the timely payment of any amounts due by debtors in relation to the said receivables.

It is expressly agreed that any amount to be made available to CRH by the borrower shall be earmarked for the guarantee of any note subscribed or to be subsequently subscribed by the borrower in favour of CRH.

6.2. Constraints related to the pledge

In accordance with the provisions of the aforementioned law, the borrower may not transfer, in any form whatsoever, in particular through any transfer of title or by way of any guarantee, the receivables so made available. In particular, the borrower may not assign the receivables to a French or foreign securitisation fund.

The borrower recovers the right to dispose freely of the pledged receivables solely where the same are repaid, payable, non-performing, disputed or doubtful. The borrower is then required to replace such receivables by eligible receivables in the same amount.

Is deemed non-performing or disputed, any receivable in respect of which any amount is overdue, if such arrears arise because of legal or political obstacles beyond the debtor's control, or because of any challenge.

Is deemed doubtful, any receivable in respect of which any amount is overdue for any reason not referred to above.

The borrower agrees to withdraw from the receivables made available any and all receivables invalidated upon any inspection and more generally to exclude any receivable not meeting the criteria of eligibility for CRH's operations.

The borrower retains a list of the receivables so made available and sends each month a copy thereof to CRH.

6.3 Inspections carried out at borrowers' premises

CRH inspects the receivables pledged in order to guarantee the notes, at the premises of borrower institutions or institutions liable to borrow.

CRH inspects in particular the following:

- physical existence of the receivables,
- full title of the borrower institution to the receivables,
- in accordance with provisions of law, lack of any commitment, in particular in connection with any pledges or transfers,

- conformance with the eligibility criteria.

To that end, CRH may seek from the inspected institutions the issuance of any necessary certificates from their statutory auditors.

When invalid receivables are identified, and in particular receivables referred to in paragraph 6.2. of these internal rules and regulations, the borrower institution must pledge in favour of CRH an additional portfolio of valid receivables in order to compensate for the identified insufficiency.

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 are 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 title

Immediately upon noting any default, and after calling the cash advances and referring the matter to the risk committee, CRH reviews in particular the following:

a) the advisability and, where applicable, the terms of the transfer to CRH of title to the pledged receivables pursuant to the provisions of Articles L. 313-42 to L. 313-49 of the French Monetary and Financial Code, after the borrower has been given notice of the default,

b) the advisability of entrusting the defaulting institution with the management of the receivables portfolio in accordance with the agreement attached as a schedule hereto and under terms approved by Prudential Authorities.

CRH then carries out or procures a detailed audit of the said portfolio in order to check its overall characteristics and specifically to determine the amounts and dates of the flows to be anticipated.

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. COMMITMENTS ASSUMED BY SHAREHOLDERS

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 endowment

Each shareholder is required to pay to CRH the amounts necessary to endow it with the capital resources required by banking regulations in accordance with the terms set forth in the articles of incorporation.

8.2. Allocation of the share capital

Each shareholder agrees to transfer or acquire the requisite number of shares so as to ensure total proportionality between the allocation of the capital and the allocation of the regulatory capital requirements related to the amounts outstanding, in accordance with the terms set forth by the articles of incorporation.

8.3. Cash advances

In accordance with the articles of incorporation, each CRH shareholder is required to provide CRH, as a cash advance, with the funds necessary to its functioning, within the limit of 5% of the total amount outstanding of the refinanced sums.

- a) By virtue of an express delegation granted by the board of directors, CRH's senior management calls such cash advances on its own initiative and by any means, whenever necessary, in a sufficient amount.

- b) In the event of a shareholder default in relation to the service of its debt vis-à-vis CRH, the cash advances made by the other shareholders must allow for the timely payment by CRH of all amounts due on its behalf, in particular to bondholders and to the Treasury.

If necessary, such advances are maintained until settlement of the accounts between such defaulting shareholder and CRH.

c) Advances are apportioned among shareholders on a pro rata basis of their amounts refinanced in nominal value as of December 31, of the preceding financial year or as of any later date determined by the board of directors.

d) The board of directors determines, in due time, the remuneration of the advances in view of circumstances and market conditions.

e) So that CRH may receive such advances on first demand, each shareholder sends to CRH a specific and constantly updated data sheet indicating the names, street and email addresses, telephone and fax numbers of no less than two employees authorised to receive from CRH's senior management calls for the payment of cash advances.

f) Any shareholder failing to pay the necessary amounts on the scheduled dates owes the company automatically and without any prior notice an indemnity determined by the ordinary general 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. SUPERVISION OF CRH'S FUNCTIONING

In accordance with banking regulations, an internal control structure is set up within CRH under the responsibility of senior management.

Also, the functioning of CRH is audited by the inspection units of the various shareholder institutions or, upon a decision made by the board of directors, by an audit firm registered on the list of statutory auditors.

10. STOCKHOLDER APPROVAL OF INTERNAL RULES AND REGULATIONS

CRH stockholders expressly undertake to comply with these internal rules, as evidenced by their signatures below.

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 and 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 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 Article 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.

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 575/2013 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.

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.

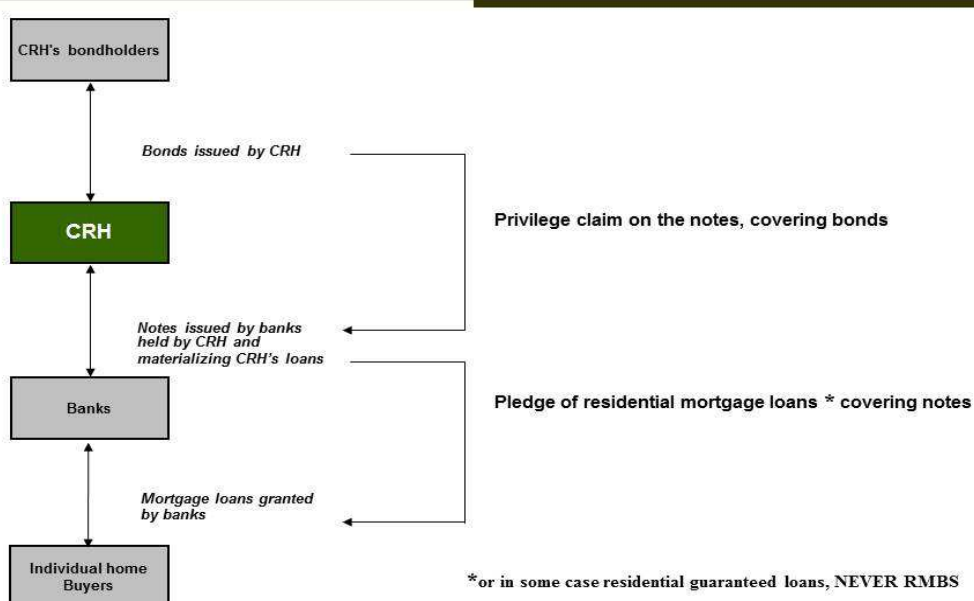
Presentation February 2016

<http://www.crh-bonds.com>

1



CRH mechanism



*or in some case residential guaranteed loans, NEVER RMBS

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 41,2 * bn with several highly liquid bonds (as of December 31st, 2015)
- 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

* in nominal value

3



Breakdown of CRH's Equity (December 2015)

	%
Crédit Mutuel CIC	37,0
Crédit Agricole SA - Crédit Lyonnais	34,5
Société Générale	14,2
BNP Paribas	8,1
BPCE	5,8
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 2015)

Assets	€bn	Liabilities	€bn
Promissory notes	41,2	CRH mortgage bonds	41,2
Interests and other assets	0,8	Interests and other liabilities	0,8
Deposits and CD	0,6	CRH equity	0,6
TOTAL	42,6	TOTAL	42,6

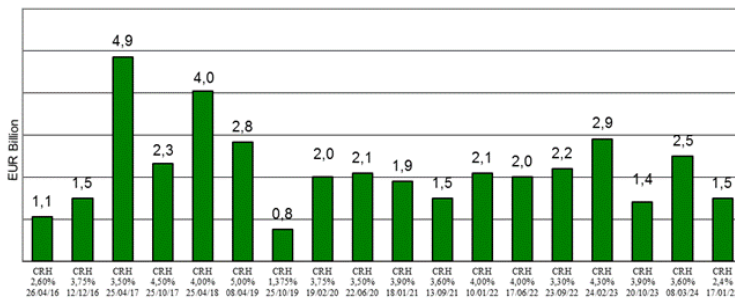
Because of the perfect matching between CRH bonds and promissory notes, CRH's balance sheet duration is zero. CRH's debt service is done by the French Banking System. CRH is an actual "Pass-through"

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CRH Bonds – Key Points (December 2015)

Euro CRH's curve – 18 Euro bonds, from 2016 to 2025, totalling € 39,4 bn



Issue	Amt EUR bn	Status
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	2,3	Potential reopening
CRH 4,00% 25/04/18	4,0	Potential reopening
CRH 5,00% 08/04/19	2,8	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	39,4	
TOTAL CHF 2016-2025	1,7 (1)	
EN EUROS EQUIVALENT		
TOTAL EUROS EQUIVALENT		

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

(1) In nominal value

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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
- Paradoxically, CRR regulation is impeding CRH' activity

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CRH's Mechanism

