

RatingsDirect®

Research Update:

Waarborgfonds Sociale Woningbouw Rating Lowered To 'AA+' Following Similar Action On The Netherlands; Outlook Stable

Primary Credit Analyst:

Liesl Saldanha, London (44) 20-7176-3571; liesl.saldanha@standardandpoors.com

Secondary Contact:

Hugo C Foxwood, London (44) 20-7176-3781; hugo.foxwood@standardandpoors.com

Table Of Contents

Overview

Rating Action

Rationale

Outlook

Related Criteria And Research

Ratings List

Research Update:

Waarborgfonds Sociale Woningbouw Rating Lowered To 'AA+' Following Similar Action On The Netherlands; Outlook Stable

Overview

- On Nov. 29, 2013, Standard & Poor's lowered its unsolicited long-term sovereign credit rating on the State of The Netherlands to 'AA+' from 'AAA'.
- The long-term credit ratings on Waarborgfonds Sociale Woningbouw (WSW) are equalized with those on The Netherlands, reflecting our opinion that there is an "almost certain" likelihood that WSW would receive timely and sufficient extraordinary support from the Dutch government.
- Consequently, we are lowering our long-term issuer credit rating on WSW to 'AA+' from 'AAA'.
- The outlook is stable, reflecting that on The Netherlands.

Rating Action

On Nov. 29, 2013, Standard & Poor's Ratings Services lowered its long-term issuer credit rating on Waarborgfonds Sociale Woningbouw (WSW) to 'AA+' from 'AAA'. The outlook is stable.

Rationale

The downgrade reflects a similar action on the State of The Netherlands on Nov. 29, 2013. In accordance with our criteria for government-related entities (GREs), we believe that there is an "almost certain" likelihood that WSW would receive timely and sufficient extraordinary support from the Dutch government in the event of financial distress. As a result, we equalize the long-term rating on WSW with that on the State of The Netherlands.

Our opinion of the "almost certain" likelihood of support reflects our view that WSW has:

- A "critical" role for the Dutch government, providing an indirect but key public service by keeping funding costs of housing associations at a minimum. We believe that this role could not be readily undertaken by another private entity; and
- An "integral" link with the Dutch government, which has a policy of supporting the social housing sector and an agreement with WSW to provide interest-free loans when required. In our view, WSW has a special public status as its role ultimately helps to keep social housing funding costs low. The government also has indirect oversight over WSW, which is

required to submit its strategy and budgets to the government annually. We expect this to continue in the long term.

Outlook

The stable outlook reflects that on The Netherlands. In our view, the risks from the country's low growth and the related fiscal outturn are balanced against its strong export performance, a net creditor position, and high GDP per capita.

The sovereign credit rating on The Netherlands remains the upper limit for the rating on WSW. Therefore, if we raised the rating on the Netherlands, we would likely also raise the rating on WSW, as long as we continued to believe that the entity plays a "critical" role and has an "integral" link with the Dutch government.

Alternatively, we could lower the rating if we changed our assessment of the likelihood of timely and sufficient extraordinary government support for WSW in times of stress. This could happen if we observed a change in the current legal agreements around the provision of minimum funding requirements, or if we considered it less likely that the government would offer interest-free loans to WSW on a timely basis. We do not consider this likely at this time, however.

Related Criteria And Research

Related Criteria

- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Long-Term Ratings On The State of The Netherlands Lowered To 'AA+' On Weak Growth Prospects; Outlook Stable, Nov. 29, 2013

Ratings List

Downgraded; CreditWatch/Outlook Action

	To	From
Waarborgfonds Sociale Woningbouw Issuer Credit Rating	AA+/Stable/--	AAA/Negative/--

Additional Contact:

International Public Finance Ratings Europe; PublicFinanceEurope@standardandpoors.com

Complete ratings information is available to subscribers of RatingsDirect at

www.globalcreditportal.com and at spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

Copyright © 2013 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.