

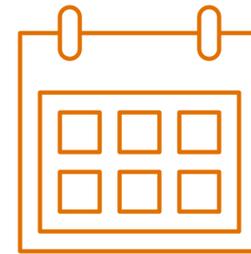


Annual Report 2015

Waarborgfonds Sociale Woningbouw



Executive
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Executive summary

As part of our mission and strategy, adopted in 2012 and reaffirmed in the summer of 2015, we developed a new risk framework for our core business in 2013. The aim of this framework is to identify and manage the risks inherent to the guarantee system. In 2014, we devised or, as the case may be, adjusted the guidelines and assessment models and brought our operating processes into line with them. Last year, 2015, was the first year in which we operated fully in accordance with the new risk framework. In line with the new framework, we honoured the undertaking we made good on our promise to our participants by allocating a new maximum guarantee to each housing corporation by mid-July.

Studies by Deloitte and Standard & Poors' confirm that our risk framework and working methods are good predictors of the risk of a claim being brought within the predefined risk appetite of the guarantee system.

One of the findings of last year's customer satisfaction survey was that we are making good progress in terms of improving the standard of our customer service.

We strengthened our internal risk management and control system (which we use to manage the risks posed to WSW as an organisation), inter alia by setting up a Risk Committee that has been given the task of monitoring the risk management and control system and making any necessary improvements.

We turned in strong performance in 2015, as was borne out by a number of external parties. The value of the guarantee system was confirmed both in a report produced by Maatman & Van Welie (on our instructions) and in a study performed by Deloitte at the request of the Ministry of Internal Affairs and Kingdom Relations. Other studies, by Deloitte and Standard & Poors', confirmed that our risk framework and working methods are good predictors of the risk of a claim being brought within the predefined risk appetite of the guarantee system.



The 2015 Housing Act came into effect last year, in part in response to the final report of the parliamentary committee of inquiry into the conduct of housing associations. The government's letter on WSW (published on 1 June 2015) and the subsequent amendment of the constitution and the agreements on supervision and reporting, together with the government's letter on the supervision of WSW (published on 30 October 2015), have ushered in changes for both WSW and the housing industry as a whole.

Going as it does right to the heart of our participants' business model, the 2015 Housing Act also affects the guarantee system. We kept a close eye on the impact of the new Act in 2015 and will be reviewing the situation in 2016, to see whether we need to adjust any aspects of our risk framework to the new law.

The rental policy proposed by the Minister for Housing and the Central Government Sector in July 2015 will affect the opportunities for guaranteeing loans raised by housing corporations. Virtually all our participants will not be able to generate the level of rental income they had predicted they would earn in the projections previously submitted to us, which means that their cash flows will be lower than projected. There is therefore a risk of their financial position deteriorating in the long run.

These factors prompted us to examine our own position, to see whether any changes needed to be made. Our conclusion was that both our mission and our strategic objectives remain fully relevant, but that we will be operating in future in accordance

Going as it does right to the heart of our participants' business model, the 2015 Housing Act also affects the guarantee system.

with slightly different rules of play, i.e. our amended constitution and agreements on supervision and reporting. At the same time, we did need to make one or two adjustments to our risk guidelines and the Regulations for Participants. We also reviewed our arrangements with Aedes (the federation of Dutch housing associations), to bring them into line with the new rules of play.

2015 was also a year in which we sought to strike a better balance in our relationship with individual participants, by offering greater accountability on specific issues, by making it easier for participants to object to our decisions, and by being more transparent about the recommendations made by the Participants' Council.

Finally, 2015 was the year in which the Minister for Housing and the Central Government Sector authorised us to restructure the sector on his behalf. This meant that we had to take various organisational measures in order to perform this new role, and that we now have an additional role to play alongside that of supplying guarantees: that of restructuring the housing corporations.

Financial statements

(including explanatory notes)

Balance sheet as at 31 December 2015 *(after appropriation of the balance of income and expenditure)*

Assets	Note	31 December 2015	31 December 2014
<i>Fixed assets</i>		€	€
Tangible fixed assets	4		
Land, buildings and refurbishments		521,623	621,092
Computer systems		751,272	550,327
Office equipment		88,127	147,070
		1,361,022	1,318,489
<i>Current assets</i>			
Receivables	5		
Guarantee fees receivable		4,089,302	3,923,605
Other receivables and accruals		8,004,574	10,568,023
		12,093,876	14,491,628
Securities	6	532,217,270	522,944,432
Cash	7	20,650,604	33,114,760
		566,322,772	571,869,309



Balance sheet as at 31 December 2015 *(after appropriation of the balance of income and expenditure)*

Liabilities	Note	31 December 2015		31 December 2014	
		€	€	€	€
Capital	8				
General reserve		7,500,000		7,500,000	
Reserve for valuation differences		7,249,771		28,969,844	
Contingency reserve		524,333,812		494,067,159	
			539,083,583		530,537,003
Provisions	9				
Deferred tax provision			2,386,340		9,329,858
Current liabilities	10				
Suppliers and trade creditors		666,397		646,014	
Tax and social security contributions	11	23,489,854		29,886,609	
Pension contributions	12	12,597		10,568	
Other payables and accruals	13	684,001		1,459,257	
			24,852,849		32,002,448
			566,322,772		571,869,309



Statement of income and expenditure for 2015

	Note	2015		2014	
		€	€	€	€
Guarantee fees	15	16,002,094		15,177,859	
Restructuring costs	15	200,598		-	
<i>Total operating income</i>			<i>16,202,692</i>		<i>15,177,859</i>
Staff costs	16	5,886,599		7,392,546	
Social security contributions	17	486,376		504,954	
Pensions	18	746,752		781,312	
Depreciation of tangible fixed assets	19	418,783		424,711	
Other operating expenditure	20	4,776,831		5,015,760	
<i>Total operating expenditure</i>			<i>12,315,341</i>		<i>14,119,283</i>
Operating result			3,887,351		1,058,576
Gains and losses on investments	21		(11,582,681)		28,034,878
Interest income	22		15,955,395		17,309,555
Other interest income and charges	23		299,041		(2,476,023)
Result from ordinary activities before tax			8,559,106		43,926,986
Tax	24		(12,526)		(16,343,396)
Balance of income and expenditure			8,546,580		27,583,590



Cash flow statement

Cash flow from operating activities	Note	2015		2014	
		€	€	€	€
Balance of income and expenditure		8,546,580		27,583,590	
Adjustments for:					
Depreciation of tangible fixed assets	4	418,783		424,711	
Unrealised gains and losses on investments	6	28,960,091		(30,071,243)	
Realised gains and losses on investments	6	(17,377,410)		2,036,365	
Movements in provisions		(6,943,518)		-	
Movements in working capital:					
Movements in receivables		2,397,752		312,346	
Movements in current liabilities		(7,149,599)		18,631,604	
<i>Cash flow from operating activities</i>			<i>8,852,679</i>		<i>18,917,373</i>
Cash flow from investment activities					
Investments in tangible fixed assets	4	(461,316)		(193,488)	
Purchases of securities	6	(308,045,730)		(37,805,781)	
Sales of securities and redemptions	6	287,190,211		46,700,000	
<i>Cash flow from investment activities</i>			<i>(21,316,835)</i>		<i>8,700,731</i>
Movements in cash			(12,464,156)		27,618,104
Closing cash balance	7	20,650,604		33,114,760	
Opening cash balance	7	33,114,760		5,496,656	
Movements in cash			(12,464,156)		27,618,104



Notes on the balance sheet and statement of income and expenditure

1 General notes

1.1 Activities

The activities of Stichting Waarborgfonds Sociale Woningbouw ('WSW'), which has its seat in Hilversum, consist primarily in providing guarantees to lenders granting loans to housing associations in order to fund social housing projects and other properties with a social function. WSW is a not-for-profit foundation under Dutch law, with an independent management structure.

1.2 Address

WSW's offices are situated at Marathon 6, 1213 PK Hilversum.

1.3 Related parties

The members of the Executive Board, other key managers and their close relatives are treated as related parties.

Material transactions with related parties not conducted on normal market terms are disclosed, including details of the nature and size of the transaction and any other information that may be needed to provide a proper view.

1.4 Notes on the cash flow statement

We have prepared the cash flow statement using the indirect method. The movements in the cash flow statement comprise cash items.

Income and expenditure relating to interest, dividends received and tax on profits are included in the cash flow from operating activities. Transactions that do not involve any inflow or outflow of cash, including finance leases, are not included in the cash flow statement. The repayment components of lease instalments paid under the finance lease contract are stated as 'expenditure on financing activities'. Interest components of lease instalments are included with 'expenditure on operating activities'.



1.5 Estimates

In order to apply the principles and rules for compiling financial statements, WSW's Executive Board is required to express an opinion on various matters and to make estimates that may be essential for the figures quoted in the financial statements. Where required in order to provide the view referred to in Article 362 (1) of Book 2 of the Dutch Civil Code, information on the nature of these opinions and estimates, including the underlying assumptions, is disclosed in the notes on the item in question.

2 Valuation principles

2.1 General

WSW has prepared the financial statements in accordance with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands issued by the Dutch Accounting Standards Board. The financial statements are in euros.

Assets and liabilities are generally shown at the cost of purchase or manufacture or at market value. Unless specifically stated otherwise, items are shown at the cost of purchase. References to the relevant notes are included in the balance sheet, the statement of income and expenditure and the cash flow statement.

2.2 Comparison with the previous year

The valuation principles and the policies for determining the result are the same as those applied in the previous financial year.

2.3 Tangible fixed assets

Tangible fixed assets are shown at the cost of purchase or manufacture, less straight-line depreciation based on the asset's expected useful life.

We conduct regular reviews to ascertain whether there has been any exceptional impairment in the value of tangible fixed assets. If the book value of a tangible fixed asset is consistently higher than its realisable value, the book value is immediately reduced to the market value.

Expenses incurred for the production of identifiable and unique software products are capitalised only if they are considered likely to generate economic benefits and the costs can be reliably determined. Expense items relating to software maintenance or research are recognised in the statement of income and expenditure.

2.4 Receivables

Receivables are shown at fair value on initial recognition. After initial recognition, trade receivables are shown at amortised cost. If the receipt of a receivable is postponed because an extended payment term has been agreed, the fair value is determined on the basis of the present value of the amount forecast to be received, with interest income being calculated using the effective interest method and taken to the statement of income and expenditure. Provisions for bad and doubtful debts are deducted from the carrying amount.



2.5 Securities

The securities included under current assets are part of the investment portfolio and are stated at fair value, based on the quoted market prices at the balance sheet date. Gains and losses (both realised and unrealised) are taken directly to the statement of income and expenditure as gains and losses on investments. Interest income is accounted for in the period to which it relates.

2.6 Cash

Cash comprises cash at bank and in hand, plus call deposits with maturities of less than one year. Bank overdrafts are included with bank debts in current liabilities. Cash items are shown at face value.

2.7 Capital

The general reserve included in Capital is designed to cover unforeseen organisational expenses.

The contingency reserve included in Capital is formed by appropriations from the result. The reserve is intended to cover possible future claims from third parties under the guarantee terms of the loans guaranteed by us.

The reserve for valuation differences included in Capital is formed for unrealised differences in the valuation of securities on the reporting date. Movements in unrealised valuation differences are taken to this reserve through the statement of income and expenditure.

2.8 Deferred tax provision

Deferred tax differences are stated as the temporary difference between the value of assets and liabilities as calculated in these financial statements for tax and filing purposes. The amount of deferred tax is based on the tax rates prevailing at the end of the financial year. Deferred tax is stated at face value.

2.9 Current liabilities

Current liabilities are stated at fair value on initial recognition. After initial recognition, liabilities are shown at amortised cost.

2.10 Leases

2.10.1 Operating leases

We may enter into lease contracts in which the bulk of the risks and rewards of ownership are not borne by us. These contracts are shown as operating leases. Commitments relating to operating leases are taken to the statement of income and expenditure on a straight-line basis over the life of the contract, less any amounts received from the lessor.

2.10.2 Finance leases

We lease some of our office equipment, and bear the bulk of the risks and rewards of ownership. These assets are shown in the balance sheet at the start of the lease contract either at their fair value or at the present value of the minimum lease instalments, whichever is lower. Lease instalments payable are divided, on an annuity basis, into a repayment component and an interest component.



3 Principles for the determination of the result

3.1 General

The result is determined as the difference between revenues from guarantee activities and costs and other expenses incurred during the year. Income is attributed to the year in which it is realised. The result also takes account of unrealised movements in the value of listed securities.

3.2 Recognition of income

3.2.1 Provision of services

Revenue from the provision of services is recognised in proportion to the guarantees provided, based on the services provided as at the balance sheet date in relation to the total volume of services provided.

3.2.2 Income from guarantee fees

We charge a guarantee fee of €69 for each €1 million of the current value of outstanding loans. This fee is invoiced on a quarterly basis in relation to loans contracted after 30 June 2007.

In the case of guarantee contracts signed before 1 July 2007, participants were required to pay a one-off discount when they signed the contract. In the past, the entire discount revenue was recognised as income on the payment date.

3.2.3 Restructuring costs

The costs we incur in carrying out the restructuring operation are charged to the Ministry of the Interior and Kingdom Relations. The restructuring costs are made up of a proportion of our operating expenses, which is attributed in accordance with the staff resources deployed on the restructuring operation, plus the cost of legal and advisory services provided in relation to the operation.

3.3 Staff remuneration

3.3.1 Periodic remuneration

Wages, salaries and social security charges, based on the terms of employment, are charged to the statement of income and expenditure insofar as they are payable to employees.

3.3.2 Pensions

All pension schemes are accounted for in accordance with the projected benefit obligation approach. Pension contributions for the year under review are shown as an expense. Movements in the pension provision are also accounted for in the statement of income and expenditure. The amount stated as a pension provision is shown as the best estimate of the amounts that are not yet fully funded and which are needed to meet the relevant benefit obligations at the balance sheet date.



3.4 Depreciation of tangible fixed assets

Depreciation of tangible fixed assets starts from the point at which they are first used and is based on the estimated future useful life of the asset in question. If the estimated future useful life changes, the depreciation charge is adjusted accordingly. Book profits and losses on the sale of tangible fixed assets are included in Other income.

3.5 Costs

Costs are charged in accordance with the historical cost convention and are attributed to the year to which they relate. This applies to all expense items less any charges passed on to third parties.

3.6 Gains and losses on investments and interest income from investments

Gains and losses on securities are recognised directly in the statement of income and expenditure. Interest income and expenses are recognised on a proportionate basis, using the effective interest rate. Interest charges are based on the reported transaction costs of the loans received, which are included in the calculation of the effective interest rate.

3.7 Other interest income and charges

Interest charged on overdue tax and tax interest charged on corporation tax assessments are included under Other interest income and charges.

3.8 Tax

Corporation tax is calculated on the result before tax as shown in the statement of income and expenditure, taking account of deferred taxation, tax losses carried forward from prior years and tax-exempt profit items, and after adding-back expenses disallowed for tax purposes.



4 Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Land, buildings and refurbishments	Computer systems	Office equipment	Total
	€	€	€	€
Balance on 1 January 2015				
Cost of purchase	1,039,233	3,601,103	439,363	5,079,699
Cumulative impairment and depreciation	(418,141)	(3,050,776)	(292,293)	(3,761,210)
<i>Book value</i>	621,092	550,327	147,070	1,318,489
Movements in 2015				
Investments	4,819	429,911	26,586	461,316
Depreciation of tangible fixed assets	(104,288)	(228,966)	(85,529)	(418,783)
<i>Balance</i>	(99,469)	200,945	(58,943)	42,533
Balance on 31 December 2015				
Cost of purchase	1,044,052	4,031,014	465,949	5,541,015
Cumulative impairment and depreciation	(522,429)	(3,279,742)	(377,822)	(4,179,993)
<i>Book value</i>	521,623	751,272	88,127	1,361,022
Depreciation percentages	10%	20-33.33%	20%	

The figure for Land, buildings and refurbishments is the result of alterations made to our premises at Marathon 6, Hilversum. The figure for Computer systems is largely made up of investments in hardware and the related software. The figure for Office equipment consists mainly of office furniture and the like. We invested in a new data warehouse and new risk calculators in 2015. The development costs have been capitalised.



5 Receivables

All receivables have a remaining maturity of less than one year. Given their short-term nature, the fair value of receivables approximates the book value. We did not feel it was necessary to make a provision for bad and doubtful debts.

5.1 Guarantee fees receivable

	31 December 2015	31 December 2014
	€	€
Guarantee fees	4,089,302	3,923,605
	4,089,302	3,923,605

The full balance of guarantee fees receivable has a maturity of less than 30 days.

5.2 Other receivables and accrued income

	31 December 2015	31 December 2014
	€	€
Accrued interest income	7,741,542	10,276,799
Miscellaneous	263,032	291,224
	8,004,574	10,568,023

Accrued interest income relates to the interest earned on the investment portfolio.

6 Securities

Movements in securities may be broken down as follows:

	2015	2014
	€	€
Opening balance	522,944,432	503,803,773
Movement in unrealised valuation differences in the reporting period	(28,960,091)	30,071,243
Realised valuation differences in the reporting period	17,377,410	(2,036,365)
Bonds, medium-term notes and private loans purchased	308,045,730	37,805,781
Movements due to drawing for redemption and sales of securities	(287,190,211)	(46,700,000)
Closing balance	532,217,270	522,944,432

The cost of listed securities was €552,550,909 (2014: €484,317,980) as at 31 December 2015. A profit of €4,372,714 was earned on the investment portfolio in 2015, made up of the balance of a net (unrealised) capital loss and interest income.

WSW is the legal owner of the securities, which are managed by an external asset manager, viz. Theodoor Gilissen Bankiers N.V. The securities are held by an external custodian, viz. KBL European Private Bankers. All securities are available to us on demand. The investment portfolio forms part of our risk capital and can be used in the event of a guarantee claim. We invest exclusively in readily marketable securities so that they can be liquidated at very short notice. We have also agreed a credit



facility with the custodian, guaranteeing that we will always have access to cash at very short notice if the portfolio cannot be liquidated immediately.

In accordance with our investment policy, we invest exclusively in euro bonds. The maximum holding per issuer is 10%, except for the sovereign debt of eurozone countries. Fixed-income securities with an A rating may not constitute more than 10% of the portfolio. If this percentage is exceeded as the result of a downgrade, the portfolio is rebalanced so that the limit is no longer exceeded. The benchmark was adjusted in 2015. The new benchmark consists of the following subindices, weighted by market value:

- Barclays Capital Euro Aggregate AAA index (minimum issue value: 2 billion euros; maximum duration: 15 years);
- Barclays Capital Euro Aggregate AA index (minimum issue value: 2 billion euros; maximum duration: 15 years).

Composition of the securities portfolio as at 31 December 2015

Composition by rating based on quoted market value of the investments, including accrued interest:

Rating	Market value (x €1,000)	Share (%)
AAA	258,120	47.80
AA	281,839	52.20
A	-	-

If three ratings are available, the middle of the three is used for determining the rating. If two ratings are available, the lower of the two is used. If only one rating is available, this is the rating used. If a security rating is not available but an issuer rating is, the latter rating is taken.

Composition by maturity:

Maturity (years)	Share (%)	Benchmark (%) ¹	Divergence from benchmark (%)
0-3 years	25.32	26.30	-0.98
3-5 years	23.48	24.47	-0.99
5-7 years	20.70	17.61	3.08
7-10 years	19.18	21.32	-2.14
10 years or more	11.32	10.29	1.03

7 Cash

	31-12-2015	31-12-2014
	€	€
ING BANK N.V.	16,238,839	3,269,805
N.V. Bank Nederlandse Gemeenten	4,252,874	3,071,563
Cash in hand	1,293	1,284
KBL Bank	157,598	26,772,108
	20,650,604	33,114,760

¹ The benchmark used for measuring the asset manager's performance consists of the Barclays Capital Euro Aggregate AAA and AA indices.



The cash is entirely at our disposal. The holding at KBL Bank consists of funds released from the security portfolio that had not yet been reinvested on the balance sheet date.

The money held in our current account with ING is intended to enable us to pay, in 2016, the corporation tax due for the years up to and including 2014 (for which the relevant assessments had not yet been made on the balance sheet date).

8 Capital

	General reserve	Reserve for valuation differences	Contingency reserve	Total
	€	€	€	€
Balance on 1 January 2014	7,500,000	8,555,209	496,228,062	512,283,271
<i>Adjustment</i>				
Movement in deferred tax provision	-	(9,656,608)	326,750	(9,329,858)
<i>Movements</i>				
Appropriation of balance of income and expenditure	-	30,071,243	(2,487,653)	27,583,590
Balance on 31 December 2014	7,500,000	28,969,844	494,067,159	530,537,003
<i>Movements in 2015</i>				
Appropriation of balance of income and expenditure	-	(21,720,073)	30,266,653	8,546,580
Balance on 31 December 2015	7,500,000	7,249,771	524,333,812	539,083,583

The reserve for valuation differences is made up of the appropriated balance of income and expenditure in respect of the unrealised gains and losses on securities. The value of the reserve for valuation differences is set in accordance with internal guidelines; the reserve is one of the 'Other reserves'.

When capital gains on investments are realised, the amounts in question are added to the contingency reserve. The contingency reserve is also made up of the appropriated balance of income and expenditure, is one of the 'Other reserves' and is intended to cover claims under the guarantee.



9 Deferred tax provision

	2015	2014
	€	€
Balance on 1 January	9,329,858	0
Movement in deferred tax provision	(6,943,518)	9,329,858
Balance on 31 December	2,386,340	9,329,858

A deferred tax provision (of €2,386,340 on 31 December 2015) has been formed to account for temporary taxable differences between values as calculated for filing and tax purposes. The adjustment of a deferred tax liability for the previous years resulted in a deferred tax provision of €9,329,858 on 31 December 2014.

The deferred tax provision relates to the following valuation differences between the financial statements and the valuation principles applied by the tax authorities:

	2015	2014
	€	€
Securities	2,416,590	9,656,608
Tangible fixed assets: computer systems	(30,250)	(42,500)
Interest on underpaid corporation tax	-	(284,250)
	2,386,340	9,329,858

10 Current liabilities

All current liabilities have a remaining maturity of less than one year. Due to their short-term nature, the fair value approximates the book value.

11 Tax and social security contributions

	31 12 2015	31 12 2014
	€	€
Corporation tax	23,432,698	29,864,247
Value added tax	51,620	13,848
Payroll taxes	5,536	8,514
	23,489,854	29,886,609

In 2015, we received and paid a corporation tax assessment for 2008 and 2013. Corporation tax assessments for 2009, 2010, 2011, 2012 and 2014 had not yet been prepared and paid on the balance sheet date. A provision of €13,051,462 has been made to cover our corporation tax liability for previous years, and a provision of €9,077,044 has been made to cover our corporation tax liability for 2015. We have also made a provision of €1,304,192 to cover interest charged on overdue corporation tax in respect of the pending assessments.



12 Pension contributions

We have a pension administration contract with SPW, the industry-wide pension fund for housing associations. The SPW pension scheme is an average-pay scheme. The pension scheme is subject to conditional indexation. Depending on the pension fund's financial position, SPW's Board of Trustees decides on the size of any percentage increase each year. SPW's financial position did not permit any increase to be made in 2015.

We are required to form a provision if, under the pension administration agreement, there is a liability on the balance sheet date and if the adoption of a package of measures (as is needed to restore the funding ratio on the balance sheet date) is likely to lead to an outflow of resources, the size of which can be reliably estimated. SPW had a funding ratio of 109% at year-end 2015, as compared with a requisite funding ratio of approximately 125% in 2015, which means that the fund has a reserve shortfall. SPW presented a recovery plan to the supervisory authority at the end of June 2015, demonstrating its ability to remedy this shortfall within the relevant time limit. We were not under any obligation to form a provision in this connection at the end of the year under review.

13 Other payables and accruals

	31 December 2015	31 December 2014
	€	€
Accrued paid leave entitlements	114,471	123,144
Redundancy payments	100,694	521,724
Expenses payable	468,836	814,389
	684,001	1,459,257

The 'Expenses payable' item includes €91,895 (2014: €89,653) in management fees in respect of the investment portfolio. The item also includes amounts payable to staff in respect of commuting costs, totalling €76,180 (2014: €84,847).

14 Off-balance sheet assets and liabilities

14.1 (Long-term) rental commitments

An annual rent of €0.4 million is payable in respect of the office premises. Of the total amount shown, €0.8 million is payable after more than one year. The rental contract expires on 1 December 2017.



14.2 Operating leases

Operating lease liabilities relating to the vehicle fleet totalled €460,069 on 31 December 2015. These liabilities were made up as follows:

Amounts payable:	€
Within 1 year	187,476
Within 1-5 years	272,593
After more than five years	-

As at year-end, there were operating lease liabilities totalling €157,455 for various computer and other systems. These were made up as follows:

Amounts payable:	€
Within 1 year	40,533
Within 1-5 years	116,922
After more than five years	-

Amounts recognised in the statement of income and expenditure during the year were as follows:

2015	€
Lease instalments for vehicles	247,552
Lease instalments for equipment (including computer hardware)	63,287

Where the disclosed lease instalments include payments relating to other components of the lease contract, the figure for the lease instalments includes these other components.

14.3 Post balance sheet events

The following event (which has a bearing on the actual situation on 31 December 2015) occurred after the balance sheet date.

Third-party action

In 2014, Stichting Vestia (a not-for-profit foundation under Dutch law) brought legal action against a former director and a number of former members of Vestia's Supervisory Board. On 14 January 2015, the court in The Hague ruled that the former director and a number of former members of the Supervisory Board were entitled to add WSW (and a number of other parties) as third parties in the legal action brought by Vestia against the above parties. The court did not seek to ascertain whether these parties could actually be held liable in practice.

It emerged early in 2016 that Vestia had reached an out-of-court settlement with its former director and a number of former members of its Supervisory Board. We believe that there is little actual risk of the former director and the former members of Vestia's Supervisory Board passing on part of the liability to WSW.

14.4 Claims under guarantees

Under the guarantee clauses in loan contracts, we guarantee to service participants' loans that are covered by our guarantee, thus giving an assurance to those lending to participants that the obligations under a guaranteed loan agreement will be met both in full and in good time.



The total value of the loans guaranteed by us as at year-end 2015 was €83.8 billion (2014: € 85.1 billion).

Our security structure enables us to guarantee the servicing of these loans. It is made up of three elements: our risk capital, the participants' committed capital and the backstop agreements made with the government and local authorities.

Our risk capital amounted to €516 million on 31 December 2015. It is this risk capital that is called on in the first instance to meet guarantee claims. As and when we become aware of guarantee claims being made in excess of the risk capital or if there is a reasonable expectation of such claims being made, calls are made on the participants' committed capital (31 December 2015: €3.2 billion). If guarantee claims, whether already submitted or impending, are likely to result in the risk capital falling below 0.25% of the total guaranteed volume (year-end 2015: €210 million) after the committed capital has been called upon, use is then made of the backstop arrangements with the government and the local authorities.

Where there is a possibility of a claim being made, we follow a protocol under which, in accordance with the terms of the backstop agreements, the local authorities and the government together grant us interest-free loans by no later than the 15th day of the second calendar month following the month in which we receive a claim under the guarantee, thus enabling us to meet our guarantee obligations at all times. As at year-end 2015, two participants were formally identified as 'housing associations undergoing restructuring', viz. Vestia and WSG. They are

receiving restructuring support in line with decisions taken by the Central Fund for Social Housing, thus enabling us to guarantee their loans.

As in preceding years, no guarantee claims were made against us in 2015, nor were we notified of any possible future claims at the end of the year. The risk profile improved during the year under review compared with the previous year.

14.5 Guarantee facilities

We issue guarantees for new loans and for the refinancing of existing guaranteed loans. We have no legal obligation to issue guarantees to our participants.

15 Operating income

15.1 Guarantee fees

	2015	2014
	€	€
Income from guarantee fees	16,002,094	15,177,859

We charge a guarantee fee of €69 for each €1 million of the current value of outstanding loans. This fee is invoiced on a quarterly basis in relation to loans contracted after 30 June 2007.

We used a different fee structure during the period before 30 June 2007. Under this structure, either a fee was charged on new guaranteed loans, to be paid as a lump sum on the date when the



loan itself was made, or, in the case of loans in respect of which we assumed the role of guarantor in lieu of a local authority, a fee was charged from the 21st year of the life of the loan.

The repayment of loans under the old fee structure has led to a decline in the volume of guaranteed loans without this lowering the level of income earned from guarantee fees. Where loans subject to the old fee structure are rolled over, this has no effect on the total volume of guaranteed loans, but results in an increase in the level of income from guarantee fees. As a result, the amount of income earned from guarantee fees has risen in recent years, even though the total volume of guaranteed loans has declined.

15.2 Doorbelaste saneringskosten

	2015	2014
	€	€
Restructuring costs	200,598	-

The costs we incur in carrying out restructuring activities are charged to the Ministry of the Interior and Kingdom Relations. These restructuring costs are charged to the Restructuring Fund.

16 Staff costs

	2015	2014
	€	€
Gross wages and salaries	3,823,046	4,666,114
Temporary staff employed via third parties	1,201,005	1,885,144
Other staff costs	862,548	841,288
	5,886,599	7,392,546

In 2014, 'Gross wages and salaries' included a figure of €718,808 representing the cost of terminating employment contracts in connection with the reorganisation instigated in previous years. In 2015, the cost of terminating employment contracts was €100,694.

17 Social security contributions

	2015	2014
	€	€
Social security contributions	486,376	504,955

18 Pensions

	2015	2014
	€	€
Pension costs	746,752	781,312



19 Depreciation of tangible fixed assets

	2015	2014
	€	€
Land, buildings and refurbishments	104,288	103,764
Computer systems	228,966	241,033
Office equipment	85,529	79,914
	418,783	424,711

20 Other operating expenditure

	2015	2014
	€	€
Cost of premises	511,151	579,362
General overheads	4,125,837	4,329,517
Cost of supervisory and advisory bodies	139,843	106,881
	4,776,831	5,015,760

20.1 Cost of premises

	2015	2014
	€	€
Rent	309,859	287,517
Cleaning	43,374	42,194
Gas, water and electricity	91,439	122,837
Insurance	12,180	11,141
Other costs relating to premises	54,299	115,673
	511,151	579,362

20.2 General overheads

	2015	2014
	€	€
IT costs	1,155,581	920,204
Auditors and advisers	570,925	974,105
Project costs	1,320,015	1,377,494
Investments costs	472,849	439,718
Information and documentation costs	64,255	78,478
Rating agency costs	116,719	109,360
Costs of obtaining information from participants	294,698	291,479
Other general expenses	130,795	138,679
	4,125,837	4,329,517



The 'Auditors and advisers' item for 2015 includes a figure of €246,087 for legal and tax advice, as well as the cost of the annual audit (2014: €537,697).

20.2.1 Audit fees

Audit fees relate to 'Auditors and advisers' in 20.2. The following audit fees were charged to the balance of income and expenditure in the year under review:

	2015	2014
	€	€
Audit of the financial statements	129,050	126,215
	129,050	126,215

The above fees relate to the work performed for the Fund by independent audit firms and independent external auditors as referred to in Article 1.1 of the Audit Firms (Supervision) Act and the fees charged by the network to which the audit firm belongs.

21 Gains and losses on investments

	2015	2014
	€	€
Realised capital gains and losses on investments	17,377,410	(2,036,365)
Unrealised capital gains and losses on investments	(28,960,091)	30,071,243
	(11,582,681)	28,034,878

22 Interest income

	2015	2014
	€	€
Interest income from current accounts	-	2,833
Interest income from investment portfolio	15,955,395	17,306,722
	15,955,395	17,309,555

23 Other interest income and charges

	2015	2014
	€	€
Interest charged on overdue and unpaid tax	299,041	(2,476,023)

Various forms of interest are charged on future corporation tax liabilities, i.e. interest on underpaid, overdue and unpaid tax.

In March 2015, the court found against us in our appeal proceedings against the corporation tax assessment for 2008. In 2013 and 2014, the interest due on the deferred corporation tax returns for the years from 2008 to 2014 was charged to the statements of income and expenditure. In 2015, we agreed on an tax ruling with the tax authorities under which the latter agreed to forgo the interest due on the tax assessments for the years from 2008 to 2011. This resulted in an income in the 2015 financial statements of 1.137.000 in the 2015 financial year.



24 Corporation tax

The corporation tax burden for 2015 may be broken down as follows:

	2015		2014	
	€	€	€	€
Result from ordinary activities before tax		8,559,106		43,926,986
<i>Differences between commercial and fiscal financial statements 2015</i>				
Securities	28,960,071	(30,071,223)		
Depreciation of tangible fixed assets, computer systems	(49,000)	(142,000)		
Interest due on corporation tax	(1,137,000)	691,000		
Other permanent differences	15,000	9,000		
		27,789,071		(29,513,223)
Taxable result		36,348,177		14,413,763
<i>The amount of corporation tax due on the above figure is:</i>				
20% of €200,000	40,000		40,000	
25% of the remainder of the taxable result	9,037,044		3,553,441	
		9,077,044		3,593,441
Adjustments to corporation tax for previous years	(2,121,000)		12,749,955	
Movement in deferred tax provision	(6,943,518)		0	
Corporation tax burden in year under review		12,526		16,343,396
<i>Effective tax burden</i>		<i>0.15%</i>		<i>37.21%</i>

An adjustment of €2,121,000 was made in 2015 to the figure for corporation tax for previous years. This is the net result of a positive adjustment of €2,322,438 to the corporation tax assessment for 2011, and a negative adjustment of €201,438 to the corporation tax assessments for 2010 and 2014.

The movement in the deferred tax provision results from the movement in the temporary differences between the commercial and fiscal financial statement.

25 Average number of staff

The average size of our staff complement (measured in full-time equivalents, FTEs) in 2015 was 57.1 (2014: 55.4). We do not employ any staff outside the Netherlands.

	31 December 2015	Average no. in 2015	Average no. in 2014
Management	2	2	2
Management Support and Strategic Organisational Development	18	15.1	13.7
Risk Management	9	8.3	10.3
Account Management and Special Accounts Management	16	17.5	14.2
Planning and Analysis	-	-	3
Operations & Control (incl. Information Management)	16	14.2	12.2
Total number of staff (in FTEs)	61	57.1	55.4

The Planning and Analysis department was subsumed into the Risk Management department in 2015.



26 Executive Board remuneration

The total amount of remuneration paid to the Executive Board in 2015, comprising gross salaries including holiday allowances, was €385,032 (2014: €350,282).

Pension costs for the Executive Board amounted to €68,331 in 2015 (2014: €92,734). Since 1 January 2015, pension accrual has been capped at a pensionable salary of €100,000. The Executive Board's remuneration has been adjusted to offset part of the pension entitlement lost as a result of this cap.

The fees payable to the members of the Supervisory Board, including VAT, amounted to €97,900 in 2015 (2014: €73,934). The remuneration of Supervisory Board members was raised in 2015, subject to the limits imposed by the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. The tax-free expense allowance has been scrapped.

Disclosures under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act

The Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act entered into force on 1 January 2013.

The statement of remuneration components required under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act is as follows:

Remuneration of senior officials

Executive Board

	B.J.C.J. van Hoesel-Snel	E. Wilders
Post(s)	<i>Member of the Executive Board</i>	<i>Member of the Executive Board</i>
Period of employment in 2015	1 January-31 December	1 January-31 December
Workload (in FTEs)	1	1
<i>Remuneration (in €)</i>		
Pay	196,239	188,792
Future payments	25,914	25,528
Total remuneration	222,153	214,320

Following the entry into force of the Act on the reduction of the maximum limit set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act on 1 January 2015, the amount of remuneration paid to both members of the Executive Board is now higher than the maximum limit of €178,000 set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. Both members of the Executive Board are covered by the transitional rules.

The cost of the leased car supplied to members of the Executive Board, less the personal contribution deducted, is included in the figure for 'Pay' (2015: €13,897; 2014: €14,327). In previous years, we presented the resultant additional tax liability as part of the taxable expense allowance. This change in presentation does not affect the total amount of remuneration.



Supervisory Board

	E.H. Swaab	Prof. J.H. Garretsen	M.W. Lubbi	J.G.I.M. Reijrink	J.E.M. Tijhuis
Post(s)	<i>Chair</i>	<i>Member</i>	<i>Member</i>	<i>Member</i>	<i>Member</i>
Period of employment in 2015	1 January-31 December	1 January-31 December	1 January-31 December	1 January-31 December	1 January-31 December
<i>Remuneration (in €)</i>					
Pay	26,700	17,800	17,800	17,800	17,800
Total remuneration	26,700	17,800	17,800	17,800	17,800

The maximum remuneration payable to members of the Supervisory Board under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act is 15% of the maximum amount for 2015 insofar as the chair is concerned, and 10% of the maximum amount for 2015 insofar as the other Supervisory Board members are concerned. The remuneration of these senior officials does not exceed the maximum limit set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

Other reporting requirements under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act

Apart from the senior officials listed above, no other officials received a remuneration in 2015 that was in excess of the relevant maximum limit set in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act or whose remuneration was previously subject to, or should previously have been subject to, disclosure under the Executives' Pay

Financed from Public Funds (Disclosure) Act or the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. No severance payments were made in 2015 to other officials that should have been disclosed under the terms of the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act or which in previous years were or should have been disclosed under the Executives' Pay Financed from Public Funds (Disclosure) Act or the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.



Signed by the Executive Board and the Supervisory Board

Hilversum, 21 April 2016

Stichting Waarborgfonds Sociale Woningbouw (Social Housing Guarantee Fund)

Executive Board

Ms B.J.C.J van Hoesel-Snel

Executive Board

Mr E. Wilders

Supervisory Board

Ms E.H. Swaab, chair

Supervisory Board

Professor J.H. Garretsen, member

Ms M.W. Lubbi, member

Mr J.G.I.M. Reijrink, member

Ms J.E.M. Tjihuis, member



Other information, including auditors' report

Provisions of the constitution concerning appropriation of the balance of income and expenditure

The constitution does not contain any rules governing the appropriation of the Fund's balance of income and expenditure. Pursuant to Article 23 of the constitution, any surplus remaining after the Fund's liquidation must be used in its entirety in the interests of housing.

Proposed appropriation of the balance of income and expenditure

In accordance with the appropriation of the balance of income and expenditure in previous years, the positive balance of €8,546,580 has been accounted for as follows in the financial statements:

	€
Contingency reserve	30,266,653
Reserve for valuation differences	(21,720,073)
Balance of income and expenditure after tax	8,546,580