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WSW 2021 Annual Report and Financial Statements

Contents

Key figures at 31 December 2021

1. Report of the Executive Board.....	4
6. Report of the Supervisory Board	10
7. Company financial statements	15
8. Consolidated financial statements	41

Key figures at 31 December 2021

- 276 participant housing associations (98% of all associations).
- Guaranteed loans of €83.0 billion (2020: €81.3 billion).
- The market value of collateral when let was €318.4 billion, reference date 2020 (€295.9 billion reference date 31 December 2019).
- Loan servicing payments with a nominal value of €129 billion and a market value of €117 billion (2020: €128 billion and €130 billion respectively).
- Risk capital of €531.8 million (2020: €509.9 million).
- €49.9 million of the committed capital was called to maintain the risk capital.
- Maximum annual committed capital call of €272 million. Total participants' committed capital of €2.0 billion.
- Moody's and Standard & Poor's rate WSW at AAA with a stable outlook.

1. Report of the Executive Board

Foreword

We are living in a time of turbulence and change that is impacting society and affecting people's day-to-day lives. The social and economic effects on WSW and our participants will become apparent in 2022. Completion of the strategic programme means that WSW will be able to give this due attention. In addition to our regular work such as dealing with guarantee issues, setting guarantee ceilings and assessing risks at association and portfolio level, we worked on many different projects including implementing the strategic programme, WSW's new office and the structural solution for Vestia. We took steps to improve our data and information infrastructure and strengthen our risk management and we enhanced the internal organisation. There is more information elsewhere in this report of the Executive Board. The report does not address the performance of the mandated resolution role. The resolution fund prepares its own annual report and financial statements.

1.1. Report of the Executive Board

The key developments of 2021 are addressed below.

Strategic programme: strengthening the guarantee system

In 2021, WSW received final approval from the backstop providers (municipalities and the State) for the strategic programme and implemented its content and agreements. This led during the year to an implemented package of agreements, supported by all stakeholders (the participants, the State, municipalities, Aedes (the federation of Dutch housing associations) and the Authority for Housing Associations), resulting in a robust, future-proof guarantee system. Consequently, the Regulations for Participants, the policy rules and the new standard loan documentation came into force and where necessary our participants signed the new powers of attorney and arranged the committed capital loans and a number of guidelines were updated. Internally, WSW also implemented the strategic programme with the objective of embedding all agreements in its internal operations and operating processes. WSW has also strengthened the control of the Participants' Council through an amended constitution and new regulations for it. The first elections of members of the Participants' Council took place in 2021.

Parallel to the implementation of the strategic programme, new backstop agreements with the State and with municipalities and the Association of Netherlands Municipalities (VNG) were drawn up and came into force. The new backstop agreement was a complete revision and also improved in a number of significant aspects, such as guaranteeable goals, repayment of interest-free loans and arrangements on refinancing. In addition, it brought a new allocation key for the backstop position specifically for municipalities. The new backstop agreement applies to all new loans from 1 August 2021. An amendment process for the existing backstop will be rolled out in 2022 so that some significant changes, such as the above aspects of the new backstop agreements, will also apply to the existing backstop agreements from before 1 August 2021.

Risk capital adequacy

In 2021, we implemented a new capital policy to strengthen the guarantee system in the context of the strategic programme. The new system incorporates various buffers and safety nets:

- The participating associations have their own capital buffers and cash flows.
- Consequently, our risk capital is the first buffer for absorbing guarantee claims. The minimum

risk capital is 0.65% of the total outstanding guaranteed loans at 31 December of the most recent financial year.

- The second buffer is capital committed by the housing associations. Since 2021 this has comprised two elements. The committed capital representing 2.6% of the outstanding guaranteed loans is secured on the committed capital loan, a loan committed to by the bank. In addition, WSW can call up to 0.33% of the committed capital each year. In 2021, WSW called committed capital from the associations for the first time (€49.9 million (0.0624%)) to supplement its risk capital to the previously stated minimum of 0.65%.
- Finally, we have agreed with our backstop providers that, if our risk capital falls below the guarantee level of 0.25% of the total nominal outstanding loans, we can draw interest-free loans from municipalities and the State.

We assess the risks in our participating associations individually and in the guarantee structure as a whole. Each year we test the adequacy of our risk capital to cover projected and unexpected losses in line with policy rule I, with the aim of maintaining a robust guarantee system in the interests of our participants and backstop providers and, therefore, social housing. We assess whether the available risk capital is adequate compared with the risk capital requirement.

- The available risk capital is the sum of our risk capital, the capital committed by the participants and the annual committed capital. It is adequate if the available risk capital is equal to or greater than the risk capital requirement. WSW is 'in recovery' if the annual committed capital in years 2 to 11 is adequate to meet the required risk capital.
- We calculate the risk capital requirement using the capital ratio formula for banks (Basel). This method quantifies the value of projected and unexpected future losses and estimates the value of losses likely to be incurred by housing associations that have already made a claim for a guarantee.

The 2021 adequacy test showed that the risk capital requirement was €2.2 billion and the available risk capital was €2.6 billion. WSW concluded that the risk capital was adequate.

Guarantee claim

The effects of the amended Housing Act on the guarantee system became clear during 2018. We received two claims on our risk capital, from Woningstichting Geertruidenberg (WSG) and Stichting Humanitas Huisvesting (SHH), following the rejection by Minister of the Interior and Kingdom Relations of applications for resolution support from WSG (partial) and SHH (in full).

Regional associations took over all WSG's assets and part of its guaranteed loans from 1 January 2019. Other guaranteed loans were repaid from the full or partial resolution grant received. Another association in Rotterdam took over SHH's assets and part of its guaranteed loans from 1 July 2019.

WSW is meeting the normal interest and repayment obligations on WSG's and SHH's remaining loans covered by guarantees issued by WSW insofar as WSG and SHH are unable to do this themselves. Consequently, we formed a provision for these guarantee claims in the company financial statements in 2017.

Both WSG and SHH are contesting the decisions to refuse a full resolution grant. The court rejected WSG's appeal in a ruling on 3 July 2020. The court rejected SHH's appeal in a ruling on 2 July 2020. WSG and SHH are appealing against these rulings at the Administrative Jurisdiction Division of the Council of State.

WSW is also appealing against the decisions to refuse resolution grants. WSW's claim was declared

inadmissible in both cases by a court ruling on 9 April 2020. WSW has lodged an appeal against this ruling with the Administrative Jurisdiction Division of the Council of State.

The Division heard the appeals by WSG, SHH and WSW on 20 September 2021 but has yet to issue its ruling.

Vestia

The resolution period for Vestia came to an end after ten years with a decree issued in November 2021. Agreement was reached between Vestia and the housing associations for an exchange of loans and a break up of Vestia. The exchange of loans was settled in 2021, after which it was decided that Vestia was no longer an association in resolution. The agreement is that Vestia will break up its own organisation before 1 January 2023. Vestia will be broken up into three local associations with operations in Rotterdam, The Hague and Delft-Zoetermeer. This long-term solution means that Vestia's interest expense will be reduced by means of a contribution by the housing association sector. This will also reduce the capital requirement in the guarantee system.

Continuity of WSW

Thanks to the agreements with our backstop providers and participants, a guarantee claim does not affect the continuity of WSW. In the event of a claim, we have sufficient cash and capital to meet our obligations under the guarantee. Our work focuses primarily on preventing claims and ensuring that the risk capital and the capital committed by the participants is sufficiently robust.

Coronavirus (Covid-19) did not lead to uncertainty about the continuity of WSW in 2021.

Events in Ukraine in early 2022 are not expected to have direct consequences for WSW's results or financial position or the continuity of its operations and have not directly affected the 2021 financial statements. Those events are among the external factors that may affect interest rates and so WSW's interest rate risk. Interest rate risk mainly affects WSW's operations through the invested capital and no particular situation can be identified for WSW. It is not expected that these events will create uncertainty for the continuity of WSW in the future.

Rating

In early July 2021 credit rating agency Standard & Poor's (S&P) once again classified the WSW guarantee as creditworthy and so confirmed WSW's AAA rating with a stable outlook. Moody's also confirmed this in its Credit Opinion report. These ratings followed the annual meeting with the two agencies to discuss developments at WSW and in the housing association sector. The agencies confirmed that the backstop of the Dutch State and the municipalities and the recently established improvements in the guarantee system were decisive for the final opinion. They were also positive about the limited effect of the coronavirus pandemic on the Dutch social rental sector and the general improvement in the creditworthiness of the housing associations. Keeping the highest credit rating is very significant for the performance of our key duties.

Supervision of WSW

Since 1 July 2016, WSW has been supervised by the Authority for Housing Associations. The supervision report for 2020 was issued in June 2021. The Authority judged compliance with policy rule I as uncertain since it assessed WSW's capital adequacy to be uncertain. As in 2019, the uncertainties were caused mainly the validation findings for the recovery model used and management of WSW's

risk capital. According to the Authority, WSW had largely addressed these findings as far as possible in the Strategic Programme.

The Authority also examined compliance with the two other policy rules and operations. According to the Authority, the second policy rule on guaranteeing loans was adequately complied with but it was uncertain about the process of assessing and managing powers of attorney. Compliance with policy rule III on information provision remained uncertain in 2020 because the processes to ensure compliance with it were still not being adequately managed by WSW in 2020. According to the Authority, WSW had made improvements in the information structure in 2020 but they had not been developed further and documented in the work processes. Finally, the Authority concluded that WSW's conduct of its operations was adequately sound and controlled and that improvements had been made in several areas during 2020 compared with 2019.

By implementing the strategic programme, in 2021 WSW acquired new policy rules and has moved further on sound and controlled operations by implementing improvements.

Coalition agreement on housing

A coalition agreement was concluded in December 2021. The government is tackling the housing crisis with additional funds for house building and infrastructure, managed by a Minister for Housing and Spatial Planning, and the abolition of the Landlord Charge. New construction must rise to 100,000 homes per year. This may have consequences for the sector and WSW in the future.

1.2. Joint assessment framework

Since 1 January 2019, the Authority and WSW have been using the joint WSW/Authority framework to assess the risks at associations.

During 2021, WSW and the Authority worked to update the joint assessment framework in two stages. The financial framework (established in 2020) was integrated into the joint assessment framework and the quantitative indicators were updated in the first half of 2021. The new version of the framework was published in the middle of the year. The regular update of the frameworks and its elements was worked on during the second half of 2021. The updated version of the joint assessment framework will be published in the first quarter of 2022.

1.3. The WSW organisation

Modern performance management and remuneration policy

In 2020, WSW drew up a new policy to support employees' professional development and personal growth: modern performance management. This policy replaces an earlier system in which employees were appraised on the quality and quantity of performance.

WSW wants to use modern performance management to create a culture focusing on employees' ownership, professional conduct, continuous development and growth. WSW wants employees to take their development into their own hands. The policy was implemented in 2021 by a voluntary training course for employees. The majority of the employees took part. The training was rated very favourably in an evaluation by all employees led by management and HRM (Human Resources Management).

WSW Compas, modern career counselling

As one of the implementation instruments, a start was made in 2021 on developing modern career counselling. This policy is a combination of training and career policy. Key to this is that the employee is in charge of professional and personal development.

Management development

Members of the MT and management discussed coaching leadership, the importance of feedback and the position of the role of team leader and manager at two meetings. By further deepening coaching leadership, leaders can better support employees in their development and growth (modern performance management).

Office accommodation

WSW's lease on Marathon 6, Hilversum, ended on 31 December 2021 requiring reflection on renewal of the lease or something different. This reflection became a vision of how WSW wanted to work in the future. An office as a clubhouse where employees meet, share knowhow and work. But also a clubhouse where guests feel welcome and can meet WSW's employees. We found a new site about 100 metres from Marathon that is open, spacious and light: Olympia 1G. We introduced hybrid working from day 1. In 2021, we started a programme that involved employees in what this means for them. This programme will definitely run until the end of 2022.

Covid-19

WSW has strictly obeyed the government's regulations on the pandemic from the start. Most employees and the Executive Board have worked largely from home since March 2020 and there are clear arrangements for visiting and working in the office. All the prescribed measures are in place at the office. Several online activities were arranged to maintain personal contact and there were opportunities to meet outside during the year.

1.4. Employees

Number of employees and FTEs at year-end

Department	FTEs 2021	FTEs 2020	Employees 2021	Employees 2020
Accounts	19.2	18.7	20	19
Operations & Control	5.0	6.7	5	7
Executive Board (incl. Management Support)	11.7	11.5	12	12
HRM/Facilities	4.9	5.7	6	7
Information management	6.9	5.9	7	7
Risk management	19.9	18.7	20	18
Total	67.6	67.2	70	70

The back office has moved from Operations & Control to Accounts.

Absenteeism

The rate of absenteeism due to illness rose in 2021 (4.7%) compared with 2020 (3.8%). Absenteeism

was concentrated in long-term (2.9%) and very long-term (1.1%) illness, including maternity leave and long-term absenteeism for two employees. Reporting frequency was low at 0.63% but slightly higher than in 2020 (2020: 0.53%).

1.5. Information management

In 2020, WSW started using the WSW Information Management (WIM) system which incorporates WSW's basic processes including guaranteeing loans, setting guarantee ceilings and assessing risks. In 2021, the final basic development work for the loan guarantee process was implemented in WIM and so all primary processes are now fully established in WIM. WIM was also expanded with updated backstop records. With the full introduction of WIM, the obsolete computer systems are being dismantled.

As well as further improvements in authorisation management, functionality in SharePoint is being expanded. Recommendations from the internal and external General IT Control audit and other audits (information management audit and security tests) have been accepted and adopted. And in addition a start has been made on the implementation of a framework for the general management of IT services which will be followed through in 2022.

Considerable work was done on the infrastructure in connection with the move to the new office, covering both dismantling the old infrastructure at Marathon and the complete new set up of a high-quality network at Olympia 1G. This will be handed over in full in early 2022.

1.6. Finance

There was a profit after tax of €56.6 million in 2021 (2020: €19.9 million loss) caused largely by a call of €49.9 of committed capital in 2021 and re-evaluation of the provision for guarantee obligations formed to settle the debts of WSG and SHH. As a result of an interest rate rise, €23.5 million was released from the provision for guarantee obligations to the result in 2021 (2020: addition of €29.6 million). In contrast, and also as a result of this interest rate rise, WSW incurred €19.6 million of capital losses on its investments in 2021 of which €14.2 million was unrealised and €5.4 million was realised. There were no events which require the formation of a new provision.

The operating profit for 2021 was €55.2 million (2020: €3.2 million). Ignoring the call of committed capital, the operating profit would have been €5.3 million. This year's operating profit was higher than last year, mainly because there were fewer temporary staff employed via third parties working on the strategic programme and information systems projects in 2021.

There was a negative result on the investment portfolio of €11.2 million in 2021 (2020: €9.6 million positive), consisting of interest income and net realised and unrealised capital losses. The profit after corporation tax was €56.6 million and this has been incorporated in the financial statements as a withdrawal of €0.2 million from the legal reserve (for amortisation of software) and an addition of €56.8 million to the other reserve.

It is expected that the operating profit in 2022 will be in line with that for 2021. Some capital expenditure

can be expected further to the move to our new premises. Consequently, the depreciation charge will be higher in 2022 because of depreciating the capital expenditure on office accommodation in 2021. No other significant investment in systems is expected. The number of people employed by WSW will not change and so employee benefits will be similar to 2021. Other expenses in 2022 will also be in line with 2021 as will income from guarantee fees. The amount of the call on committed capital in 2022 will be decided later. An area for attention is movements in the market value of the investments. If the current rise in market interest rates continues, this will lead to higher financial expenses in 2022 because of realised and unrealised capital losses.

Consolidation of WSG and SHH

We entered into agreements with WSG and SHH for the legal separations on 1 January and 1 July 2019 respectively. WSG and SHH each has an independent Executive Board and an independent Supervisory Board. The agreements state that their budgets are subject to approval by WSW. WSW also has control over financial obligations entered into by the two associations that affect the guarantees. It was concluded that, according to the accounting standards, the financial statements of the associations and WSW have to be consolidated since WSW has influence over policy. This has applied since the date of the separation and consequently we have had to prepare both company and consolidated financial statements which incorporate the financial information of WSW, WSG and SHH.

6. Report of the Supervisory Board

6.1. Introduction

This report explains how the Supervisory Board fulfilled its supervisory and advisory role in the past year. In performing its duties, the Supervisory Board acts in the interests of WSW as laid down in the constitution WSW's object is to enable institutions licensed pursuant to the Housing Act to borrow at the lowest possible cost to perform their public housing activities, taking account of the financial interests of the participants, the State and municipalities. The Supervisory Board supervises the policies pursued by the Executive Board and the general state of affairs at WSW. In addition, the Supervisory Board advises the Executive Board on request or on its own initiative and acts as the employer of the Executive Board.

6.2. Structure and operating procedure

The Supervisory Board has at least five members. The composition of the Supervisory Board is intended to ensure diversity in terms of gender, knowledge, background, age, personality and experience in dealing with WSW's stakeholders. The Supervisory Board wishes to achieve a balanced composition and a good spread of expertise and networks.

Membership of the Supervisory Board 2021

Mr H.M. Meijdam (chair) (1961)	Since 1 February 2018; term of office ends on 1 February 2026
Ms G. van Vollenhoven-Eikelenboom (1970)	Since 1 February 2018; term of office ends on 1 February 2026
Mr J.G. Pot (1949)	Since 25 September 2018; term of office ends on 25 September 2022
Prof. D. Brounen (1976)	Since 25 June 2019, term of office ends on 25 June 2023
Mr M.A.E. Calon (1959)	Since 9 November 2020, term of office ends on 9 November 2024

The powers of the Supervisory Board are laid down in the constitution. Its operating methods are described in its rules of procedure. The Supervisory Board has two committees: an audit committee and a remuneration committee, each with its own rules of procedure. The committees advise the Supervisory Board on topics within their remit and prepare the ground for its decisions. This does not affect the Board's responsibility for its own decisions.

Audit committee

The audit committee comprises Mr Pot (chair) and Mr Brounen (member). The audit committee met four times in 2021. Among the topics discussed were the 2020 Report of the Executive Board and financial statements, the external auditor's reports, the findings of the internal auditor, external asset management and risk management at WSW. The external auditor was present during the discussion of various relevant topics.

Remuneration committee

Ms van Vollenhoven (chair) and Mr Meijdam (member) form the remuneration committee. The remuneration committee met on several occasions in 2021. The business discussed included the assessment, remuneration and reappointment of the members of the Executive Board and evaluation of the range of duties and management capacity. When necessary, the committee discussed topics in a broader setting with the full Supervisory Board, after which the Board took a decision during a plenary meeting.

Conflicts of interest

The constitution and the Supervisory Board's rules of procedure include guidelines on how to act in the event of actual or potential conflicts of interest. These did not arise in 2021.

6.3. Activities

The Supervisory Board notes that, despite coronavirus, WSW operated normally in 2021 on the optimum financing of the participants, with many employees working from home. WSW has continued to guarantee loans so that participants were able to access financing on favourable terms.

WSW continued to work in 2021 on implementing the strategic programme to make the guarantee system more robust and future-proof. WSW built on its relationships with the participants and other stakeholders while at the same time improving its operations and organisation. The Supervisory Board has taken note of the efforts and results of the Executive Board and staff in terms of achieving objectives, refining the organisational structure and managing internal and external risks.

The Supervisory Board held six meetings in 2021. There was also a meeting on the theme of the elections to the Dutch House of Representatives. The chairmen of the Supervisory Board and the Executive Board also held regular meetings. In addition to these meetings, the Supervisory Board, or individual members, also had regular consultations with the Executive Board. All meetings were attended by every member. Ms van den Berg attended meetings as a guest from November 2021 as part of the training for regulators and supervisory directors.

The Board was updated, primarily by the Executive Board, on current developments during the course of the year, to enable it to discharge its duties as well as possible. During and outside meetings there were in addition contacts on a range of subjects with employees and managers in the organisation. The Supervisory Board also liaised with the works council and WSW's regulator, the Authority for Housing Associations. In order to understand the arguments underlying the opinions expressed to the Executive Board by the participants' council, a member of the Supervisory Board regularly attends meetings of the participants' council as an observer. The Board also liaises with Aedes. Individual Board members report to the Board on the outcome of all meetings, so that the Board as a whole has all relevant information.

During the year under review, the Supervisory Board discussed the implementation of the strategic programme for further strengthening the guarantee system. In this context, the Supervisory Board approved the decisions of the Executive Board on loan documentation, policy rules, the Regulations for Participants, the regulations for the Participants' Council and capital policy. It also approved the new

backstop agreements with the State and municipalities. The Supervisory Board also resolved on an amendment to the constitution. The Supervisory Board also approved decisions of the Executive Board on the 2020 Annual Report and financial statements, the 2022 annual plan and budget, the new special account management policy, the policy rules on restructuring and the internal auditor's annual plan. The reappointment of members of the Executive Board was also agreed. Other topics discussed at Supervisory Board meetings included WSW's risk management, the WSW organisation, evaluation of the duties and capacities of the Executive Board, supervision of WSW, the Board's vision of the future, the capital adequacy assessment, the investment results, the status of housing associations subject to special management, Vestia and the progress reports on the annual plan. In addition, future themes were addressed.

The external auditor attended audit committee meetings and Supervisory Board meetings held to discuss the Annual Report, the financial statements and the management letter. During these meetings, the Board received a commentary on the auditor's report and the recommendations for improvements and other points raised by the auditor. The Board also adopted the audit plan.

The Supervisory Board used a questionnaire to discuss its own operation during a self-assessment meeting.

The staff and Executive Board were called upon to work with tremendous energy and dedication in 2021. The Supervisory Board would like to express its appreciation for their commitment and assistance in helping WSW achieve its goals and ambitions. The Board looks back on a year in which WSW, by guaranteeing over €83 billion of loans, supported housing associations in their key duties: building and managing social housing. The Supervisory Board looks forward to continuing the co-operation with all stakeholders in the guarantee system to safeguard WSW's contribution in the future.

6.4. Remuneration

WSW is subject to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). Information on remuneration is given in the financial statements.

6.5. List of main and ancillary positions held by the members of the Supervisory Board

Mr H.M. Meijdam, chair

Ancillary positions

Chair of Waterrecreatie Nederland

Partner in Nieuwbeeld B.V.

Member of the Advisory Council of Supervision Platform 31

Chair of Koninklijke NVRD

Owner-manager of Bureau Meijdam & Overmars B.V., Bureau voor Markt & Overheid

Chair of the Supervisory Board of Woningnet N.V.

Chair of Stichting KOMO/KIK

Non-executive director of Puurt wat Zuurt B.V.

Ms G. van Vollenhoven-Eikelenboom, member

Ancillary positions

Alternate expert member of the Enterprise Division of the Amsterdam Court of Appeal
Member of the Supervisory Board of ASR Nederland N.V., ASR Basis Ziektelkostenverzekering N.V., ASR Aanvullende Ziektelkostenverzekeringen N.V. and ASR WLZ uitvoerder BV
Member of the Supervisory Board of bunq BV
Member of the Supervisory Board of MUFG Bank Europe NV and MUFG Securities Europe N.V.
Member of the Board of Supervision of Stichting Pensioenfonds voor het Beroepsvervoer over de Weg
Associate Partner of RiskQuest BV
Member of the Insurance and Reinsurance Stakeholdergroup EIOPA
Member of the Advisory Council for the Risk Management for Financial Institutions course at the Vrije Universiteit Amsterdam
Member of the Audit Committee of the Ministry of Foreign Affairs

Mr J.G. Pot, member

Main position

Partner & Chief Financial Officer, Grey Matter Matters

Ancillary positions

Member of the Audit Committee of the Public Prosecution Service
Member of the Audit Committee of the House of Representatives of the Dutch Parliament
Member of the Audit Committee of the Ministry of Foreign Affairs
Member of the Advisory Board and lecturer at the National Academy for Finance and Economics

Prof. D. Brounen, member

Main position

Professor of Real Estate Economics, Tilburg University and TIAS School for Business and Society

Ancillary positions

Chair of the Central Board of Experts of VastgoedCert
Member of the Advisory Board Alternative Funds PGGM
Freelance adviser to various governmental authorities and property organisations

Mr M.A.E. Calon, member

Main position

Farmer

Ancillary positions

Member of the Advisory Board of Arriva
Member of the Advisory Board of Staatsbosbeheer
Chair of the Supervisory Board of Univé Noord-Nederland

7. Company financial statements

Balance sheet at 31 December 2021

(after appropriation of the result)

Assets		31 December 2021		31 December 2020	
		Note	€	€	€
Fixed assets					
Intangible fixed assets	4.1				
Software		1,488,671	1,697,160		
			1,488,671		1,697,160
Tangible fixed assets					
	4.2				
Refurbishments		1,763,349	7,405		
Computer systems		416,168	167,110		
Office equipment		252,301	57,834		
			2,431,818		232,349
Financial fixed assets					
Securities	5.1	491,324,146	515,251,021		
Deferred tax	5.2	2,287,286	-		
			493,611,432		515,251,021
Current assets					
Receivables					
Guarantee fees receivable	6.1	4,837,403	4,629,397		
Corporation tax receivable	6.2	343,979	3,871,963		
Prepayments and accrued income	6.3	4,824,530	5,491,005		
Other receivables	6.4	71,306	5,595		
			10,077,218		13,997,960
Cash	7.		37,940,166		1,296,282
			545,549,305		532,474,772

Capital and liabilities		31 December 2021		31 December 2020	
	Note	€	€	€	€
Capital					
Legal reserve	8.1	1,488,671		1,697,160	
Other reserve	8.2	286,969,109		<u>229,902,095</u>	
			288,457,780		231,599,255
Provisions					
Provision for deferred tax	9.1	-		1,269,681	
Provision for guarantee obligations	9.2	<u>255,091,615</u>		<u>298,020,310</u>	
			255,091,615		299,289,991
Current liabilities					
	10.				
Suppliers and trade creditors		995,047		677,003	
Other tax and social security contributions	11.	240,708		223,555	
Accruals and deferred income	12.	494,837		392,267	
Other payables	13.	<u>269,318</u>		<u>292,701</u>	
			<u>1,999,910</u>		<u>1,585,526</u>
			545,549,305		532,474,772

Statement of income and expenditure for 2021

	Note	2021		2020	
		€	€	€	€
Guarantee fees	15.1	18,985,044		18,169,223	
Income from calling committed capital	15.2	49,856,461		-	
Resolution fees	15.3	87,538		93,876	
Other income	15.4	<u>4,610</u>		=	
Total operating income			68,933,653		18,263,099
Salaries	16.	7,116,184		6,737,700	
Other employee benefits	17.	1,472,759		3,025,717	
Depreciation and amortisation	18.	613,521		773,495	
Other operating expenses	19.	<u>4,699,534</u>		<u>4,164,352</u>	
Total operating expenses			(13,901,998)		(14,701,264)
Movement in the provision for guarantee obligations	20.		<u>355,732</u>		<u>(337,029)</u>
Operating profit			55,387,387		3,207,596
Realised and unrealised gains and losses on investments	21.		(19,601,015)		(400,226)
Financial income and expenses	22.		31,918,118		(19,547,581)
Result before tax			67,704,490		(16,731,606)
Corporation tax	23.		<u>(10,845,965)</u>		<u>(3,156,996)</u>
Result after tax			<u>56,858,525</u>		<u>(19,888,602)</u>

Cash flow statement for 2021

Cash flow from operating activities

	Note	<u>2021</u> €	<u>2020</u> €
Result after tax		(56,858,525)	(19,888,602)
Adjustments for:			
Amortisation	4.	487,606	581,092
Depreciation		125,915	192,404
Realised and unrealised gains and losses on investments	21.	19,601,015	400,226
Movement in provisions	9.	(27,528,783)	30,893,090
Withdrawals from provisions	9.1	(18,956,880)	(23,004,549)
Corporation tax paid	6.	(14,814,762)	(4,165,930)
Movements in working capital:			
Movements in receivables		18,735,502	3,736,449
Movements in current liabilities		414,384	(790,191)
Cash flow from operating activities		34,922,522	(12,046,117)

Cash flow from investment activities

Additions to tangible and intangible fixed assets	4.	(2,604,501)	(941,119)
Disposals of tangible fixed assets	4.	-	-
Purchases of securities	5.	(78,247,552)	(75,971,713)
Sales of securities and redemptions	5.	82,573,415	86,045,323
Cash flow from investment activities		1,721,362	9,132,491

Movements in cash

Closing cash balance	7.	37,940,166	1,296,282
Opening cash balance	7.	1,296,282	4,209,908
Movements in cash		(36,643,884)	(2,913,626)

Accounting policies for measurement and determining the result in the company financial statements

1. General notes

1.1. Activities

The activities of Stichting Waarborgfonds Sociale Woningbouw (WSW), with its registered offices in Hilversum, consist primarily of guaranteeing loans to housing associations to fund projects for social housing and other properties with a social function. WSW is a not-for-profit foundation under Dutch law with an independent management structure, recorded in the Trade Register under number 41180946. WSW is subject to the supervision of the Authority for Housing Associations.

In 2018 WSW was for the first time faced with guarantee claims, from Stichting Humanitas Huisvesting (SHH) and Woningstichting Geertruidenberg (WSG). Arrangements were subsequently made on payment of interest and repayments under the guarantee and maintaining these associations. The arrangements set out in implementation agreements with WSG and SHH mean that WSW has influence over their policy and, according to the accounting standards, has to consolidate them from the date of the separation in 2019. Tripartite agreements have also been entered into with financial institutions for selected resolved residual loans. WSG and SHH have transferred their social housing activities to other housing associations and their only remaining activity is to continue in existence to settle the residual loans. WSG and SHH have not transferred the residual loans to WSW and so the obligations under the guarantee have, as in earlier years, been recognised in the provision for guarantee obligations. Payments for interest and repayment obligations by WSG and SHH direct to the investors still have to be regarded as payments under the guarantee and not under the loan as such. See note 9.1 Provision for guarantee obligations for further information.

1.2. Address

Until 31 December 2021, Stichting Waarborgfonds Sociale Woningbouw's offices were situated at Marathon 6, 1213 PK Hilversum. Since 1 January 2022, Stichting Waarborgfonds Sociale Woningbouw's offices have been situated at Olympia 1G, 1213 NS Hilversum.

1.3. Related parties

The members of the Executive Board and other key managers of WSW, WSG and SHH and their close relatives are regarded 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 necessary to provide a fair view. There were no transactions with related parties during the reporting period that were not conducted on normal market terms.

1.4. Policies for the cash flow statement

WSW prepares the cash flow statement using the indirect method.

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 are not included in the cash flow statement.

1.5. Estimates and assumptions

When applying the accounting policies and rules for preparing the financial statements, the Executive Board has to form an opinion on various matters and make estimates that may be essential for the amounts presented in the financial statements. The Executive Board makes these estimates and assumptions based on the prevailing circumstances and information available when the financial statements are prepared. Estimates based on events after the reporting period (or the non-occurrence of expected events) may be

subject to future market movements and circumstances that are beyond WSW's control. Changes in estimates are recorded prospectively in the financial statements. Where required in order to provide the view required by Section 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. The principal estimates relate to the provision for guarantee obligations, deferred tax receivables and liabilities and taxes. The principal elements in the estimates on the provision for guarantee obligations relate to the length of appeal proceedings and the cost of maintaining WSG and SHH.

2. Accounting policies for measuring assets and liabilities

2.1. General

WSW prepares its financial statements in accordance with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code and Dutch Accounting Standards issued by the Dutch Accounting Standards Board. The financial statements have been prepared on a going-concern basis and are stated in euros. The euro is WSW's functional and presentation currency.

References to the relevant notes are included in the balance sheet, the statement of income and expenditure and the cash flow statement.

2.2. Netting

Assets and loan capital items are only netted in the financial statements if and insofar as:

- a sound legal instrument is available for simultaneously settling the asset and loan capital item; and
- there is a definite intention to settle the balance or both items simultaneously.

2.3. Financial instruments

Financial instruments are receivables, securities and liabilities. All financial assets bought and sold in accordance with standard market conventions are recognised at the transaction date, i.e. the date on which WSW enters into the binding agreement. See the relevant balance sheet item for information on the policies on financial instruments.

2.3.1 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If a reliable fair value cannot be attributed directly to the financial instruments, the fair value is approximated by deriving it from the fair value of its components or a similar instrument or with the assistance of generally accepted valuation models and measurement techniques. This is done using recent similar arm's length transactions, the DCF method (present value of cash flows) and/or option valuation models, reflecting specific circumstances.

2.3.2 Hedge accounting

WSW does not use hedge accounting.

2.4. Intangible fixed assets

An intangible fixed asset is capitalised if:

- WSW is likely to profit from the future economic benefits inherent in the asset; and
- the cost of the asset can be estimated reliably.

Expenses incurred for an intangible fixed asset that do not satisfy the conditions for capitalisation (for example, expenditure on research, publishing rights and customer databases) are recognised directly in the statement of income and expenditure. Intangible fixed assets are valued at cost less accumulated amortisation and accumulated impairment, if applicable.

Intangible fixed assets are systematically amortised on the basis of their estimated useful life, with a maximum of five years. The useful life and method of amortisation are reviewed at the end of each financial year. A legal reserve is maintained for the assets' carrying amount.

2.5. Tangible fixed assets

Tangible fixed assets are recognised at cost less accumulated depreciation based on the asset's expected useful life and accumulated impairment, if applicable.

On each reporting date, WSW assesses whether there are any indications of impairment. If so, an impairment test is performed. If the carrying amount of a tangible fixed asset is permanently higher than its realisable value, the carrying amount is immediately reduced to the realisable value. Assets no longer in use are stated at the lower of carrying amount and net realisable value.

2.6. Financial fixed assets

2.6.1 Related legal entities

After the implementation agreements took effect, WSW acquired effective influence over policy at WSG and SHH. As there has been influence over policy under the accounting regulations since 2019, WSG and SHH are being consolidated and consolidated financial statements are being prepared from the 2019 reporting period. The provision for guarantee obligations in WSW's financial statements incorporates the rights and obligations arising from the agreements, using the accounting policies for measurement set out there.

2.6.2. Securities

The securities included in financial fixed assets form part of the investment portfolio and are initially recognised at fair value. They are subsequently measured at fair value without deduction of any transaction costs on disposal. Realised and unrealised gains and losses are taken directly to the statement of income and expenditure as capital gains or losses on investments. Interest income is recognised in the period to which it relates.

Transaction costs attributable to securities subsequently measured at fair value fair value through profit or loss are recognised directly through the statement of income and expenditure.

2.6.3. Deferred tax assets

See note 3.7 ('Tax') for information on the measurement and recognition of deferred tax assets.

2.7. Receivables

Receivables are initially recognised at fair value plus transaction costs and subsequently at amortised cost net of any provision for doubtful debts. Other receivables and prepayments and accrued income relate to amounts paid in advance and are recognised at nominal value.

2.8. Cash

Cash comprises cash at bank and in hand plus call deposits with maturities of less than one year. Bank overdrafts are included with amounts owed to credit institutions in current liabilities. Cash items are stated at nominal value.

2.9. Capital

Capital comprises a legal reserve and the Other reserve. The legal reserve is formed to cover the capitalised cost of developed software. The Other reserve is formed by appropriations from the result and is intended to cover possible future claims from third parties under the terms of loan guarantees issued by WSW.

2.10. Provisions

Provisions are formed for legal or constructive obligations on the reporting date which are the result of a past event, which will probably require an outflow of resources, and whose amount can be reliably estimated. The amount of the provision is determined from the best estimate of the expenditure required to settle the obligation and losses at the reporting date. Unless stated otherwise, provisions are measured at present value using a discount rate of the pre-tax European swap interest rate at 31 December 2021 (2020: European swap rate at 31 December 2020) that reflects current market interest rates.

Provision for guarantee obligations

WSW has recognised a provision for guarantee obligations to cover the actual claims under the guarantee, taking account of the amount, settlement date and ongoing legal proceedings.

Guarantee claims can be made in the following default situations:

- a guarantee claim based on a loan agreement;
- bankruptcy or application for suspension of payments by the association or a third party;
- a sufficiently poor financial situation that account has to be taken of a guarantee claim.

2.11. Provision for deferred tax liabilities

See note 3.7 ('Tax') for information on the measurement and recognition of deferred tax liabilities.

2.12. Current liabilities

Current liabilities are recognised at fair value on initial recognition and subsequently at amortised cost using the effective interest method.

2.13. Derecognition of financial assets and liabilities

A financial instrument is derecognised if a transaction leads to the transfer to a third party of all, or substantially all, the rights to the economic benefits and all, or virtually all, the risks pertaining to the position.

2.14. Leases

WSW may have leases which do not transfer substantially all the risks and rewards incidental to ownership. These leases are recognised as operating leases and the lease payments are recognised through the statement of income and expenditure on a straight-line basis over the lease term.

3. Accounting policies for determining the result

3.1. Income

Total operating income is revenue from the provision of services net of discounts and taxes charged on turnover.

3.2. Recognition of income

3.2.1. Provision of services

If the result of a transaction for the provision of a service can be reliably estimated and receipt of revenue is probable, the revenue from the provision of that service is recognised in proportion to the degree to which the service has been provided. The degree to which the service has been provided is based on the cost of providing the service at the reporting date compared with the total estimated cost of the service to be provided.

3.2.2. Income from guarantee fees

WSW charges a quarterly guarantee fee on the current value of outstanding loans contracted after 30 June 2007. This fee, which participants pay when they raise a guaranteed loan, covers the operating expenses and includes a credit risk surcharge. These guarantee fees are calculated using a system of differentiated premiums aligned with the risk assessment model. Participants are grouped into four different fee categories according to their risk profile as determined on 31 December of the previous year and these apply for the whole of the calendar year.

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 Income from calling committed capital

Pursuant to article 18 of the Regulations for Participants ('Regulations'), WSW may, up to and including the

final day of the calendar year, invoke the obligation of its participants to pay all or part of the capital commitment. This committed capital call is based on the amended arrangements between WSW and the participants under the strategic programme. These arrangements have applied since 1 July 2021. One of them is that WSW's risk capital must be at least 0.65% of the guaranteed outstanding loans at 31 December of the previous calendar year. The risk capital is supplemented to the minimum level from the annual capital commitment.

3.2.4 Resolution costs

The costs WSW incurs for resolution operations are recharged annually to the Ministry of the Interior and Kingdom Relations. The resolution costs are a proportion of WSW's operating expenses, allocated in accordance with the staff resources deployed on resolution, plus the cost of legal and advisory services provided in relation to resolution.

3.3. Expenses

Expenses are determined subject to the measurement policies set out above and are recognised in the reporting period to which they apply. Foreseeable liabilities and potential losses originating before the end of the reporting period are recognised if they become known before the financial statements are prepared and if the conditions for forming provisions are satisfied.

3.4. Employee benefits

3.4.1. Periodic remuneration

Wages, salaries and social security charges, based on the employment terms and conditions, are recognised in the statement of income and expenditure insofar as they are payable.

3.4.2. Pensions

All WSW staff are members of a defined-benefit pension scheme. Each year, qualifying members of staff accrue pension entitlements on their salary for that year (an average salary scheme). WSW's pension scheme is administered by Stichting Pensioenfonds voor de Woningcorporaties (SPW). The pension liabilities arising from this are measured using the liability to the pension administrator approach, under which the premiums payable to the pension administrator are recognised as a charge in the statement of income and expenditure. Premiums payable or prepaid at the reporting date are recognised as accruals or prepayments respectively.

A pension receivable from surpluses at the pension administrator is recognised if WSW has control of the surplus, it is probable that WSW will receive economic benefits in the future and that they can be reliably estimated.

The pension entitlements are indexed annually, if and to the extent that the pension fund's funding ratio (its assets divided by its financial liabilities) permits. SPW submitted a recovery plan to the regulator in March 2020 which showed that it could extinguish the deficit on its reserves within the set period. WSW has no obligation to make supplementary contributions in the event of a deficit at SPW other than the effect of higher future premiums.

Dutch pension schemes are subject to the provisions of the Pensions Act (*Pensioenwet*) and WSW pays mandatory, contractual or voluntary basic premiums to pension funds and insurance companies.

3.5. Amortisation and depreciation

Depreciation and amortisation of tangible and intangible fixed assets starts on the date they are first used and is based on the estimated future useful life of the asset. If there is a change in the estimated future useful life, the depreciation charge is adjusted accordingly. Book profits and losses on the sale of tangible and intangible fixed assets are recognised as other income.

3.6. Realised and unrealised gains and losses on investments

Gains and losses on investments are based on market prices and are recognised directly in the statement

of income and expenditure. Interest income is recognised on a proportionate basis, based on the effective interest rate.

3.7. Tax

3.7.1. Current taxes

Tax on profits is calculated on the result before tax as shown in the statement of income and expenditure based on the prevailing tax rate, taking account of tax-exempt items and deductible or restricted costs.

3.7.2. Deferred taxation

Deferred tax is recognised for temporary differences between values for commercial and tax purposes. Deferred tax assets and liabilities are stated at nominal value based on the prevailing tax rate. They are netted if there is an enforceable right to offset current tax assets against current tax liabilities.

Notes to the company balance sheet

4. Fixed assets

4.1 Intangible fixed assets

Movements in intangible fixed assets:

	Software 2021	Software 2020
	€	€
Balance at 1 January		
Purchase price	3,993,108	3,113,661
Accumulated amortisation and impairment	<u>(2,295,948)</u>	<u>(1,714,856)</u>
Carrying amount	<u>1,697,160</u>	<u>1,398,805</u>
Movements during the reporting period		
Additions/assets under development	279,117	879,447
Retirements	(581,376)	-
Accumulated amortisation on retirements	581,376	-
Amortisation of intangible fixed assets	<u>(487,606)</u>	<u>(581,092)</u>
Balance	(208,489)	298,355
Balance at 31 December		
Purchase price	3,690,849	3,993,108
Accumulated amortisation and impairment	<u>(2,202,178)</u>	<u>(2,295,948)</u>
Carrying amount	<u>1,488,671</u>	<u>1,697,160</u>
Amortisation rates	<u>20%</u>	<u>20%</u>

Intangible fixed assets consist of software used on WSW's computer systems. Intangible fixed assets were retired in 2021 further to the move to new premises and this led to additional amortisation of €6,882.

4.2 Tangible fixed assets

Movements in tangible fixed assets:

	Refurbishments	Computer systems	Office equipment	Total
	€	€	€	€
Balance at 1 January 2021				
Purchase price	1,044,053	410,009	569,933	2,023,995
Accumulated depreciation and impairment	<u>(1,036,648)</u>	<u>(242,899)</u>	<u>(512,099)</u>	<u>(1,791,646)</u>
Carrying amount	<u>7,405</u>	<u>167,110</u>	<u>57,834</u>	<u>232,349</u>

	Refurbishments	Computer systems	Office equipment	Total
	€	€	€	€
Movements during the reporting period				
Additions	-	330,288	231,747	562,035
Assets under development	1,763,349	-	-	1,763,349
Depreciation	(7,405)	(81,230)	(37,280)	(125,915)
Retirements	(1,044,053)	(10,200)	(508,205)	(1,562,458)
Accumulated depreciation on retirements	<u>1,044,053</u>	<u>10,200</u>	<u>508,205</u>	<u>1,562,458</u>
Balance	(1,755,944)	(249,058)	(194,467)	(2,199,469)
Balance at 31 December 2021				
Purchase price	1,763,349	730,097	293,475	2,786,921
Accumulated depreciation and impairment	<u>-</u>	<u>(313,929)</u>	<u>(41,174)</u>	<u>(355,103)</u>
Carrying amount	<u>1,763,349</u>	<u>416,168</u>	<u>252,301</u>	<u>2,431,818</u>
Depreciation rates	<u>10%</u>	<u>20%</u>	<u>20%</u>	

On 1 January 2022, WSW moved to Olympia 1G, Hilversum. Capital expenditure on refurbishing the new premises is reported as assets under development. Depreciation will start in 2022, once the premises are taken into use. Computer systems consist largely of hardware. Office equipment consists mainly of office furniture and other equipment.

Tangible fixed assets were retired in 2021 further to the move to new premises and this led to additional amortisation of €30,433.

Movements in tangible fixed assets in 2020:

	Refurbishments	Computer systems	Office equipment	Total
	€	€	€	€
Balance at 1 January 2020				
Purchase price	1,044,053	359,606	558,664	1,962,322
Accumulated depreciation and impairment	<u>(940,055)</u>	<u>(168,824)</u>	<u>(490,362)</u>	<u>(1,599,242)</u>
Carrying amount	<u>103,998</u>	<u>190,782</u>	<u>68,302</u>	<u>363,081</u>
Movements during the reporting period				
Additions	-	50,404	11,269	61,673
Depreciation	(96,593)	(74,074)	(21,737)	(192,404)
Balance	(96,593)	(23,670)	(10,468)	(130,731)
Balance at 31 December 2020				
Purchase price	1,044,053	410,009	569,933	2,023,995
Accumulated depreciation and impairment	<u>(1,036,648)</u>	<u>(242,899)</u>	<u>(512,099)</u>	<u>(1,791,646)</u>
Carrying amount	<u>7,405</u>	<u>167,110</u>	<u>57,834</u>	<u>232,349</u>
Depreciation rates	<u>10%</u>	<u>20%</u>	<u>20%</u>	

5. Financial fixed assets

5.1. Securities

Movements in securities:

	2021	2020
	€	€
Balance at 1 January	515,251,023	525,724,858
Unrealised price gains and losses in the reporting period	(14,227,871)	3,974,528
Purchases of securities	78,247,552	75,971,713
Sales and redemptions of securities	<u>(87,946,559)</u>	<u>(90,420,076)</u>
Balance at 31 December	<u>491,324,145</u>	<u>515,251,023</u>

The purchase price of listed securities at 31 December 2021 was €500,473,292 (2020: €510,172,301).

There was a negative result on the investment portfolio in 2020 of €11,247,569, consisting of net realised and unrealised capital gains and losses on investments and interest income (2020: €9,614,621 positive). Sales and redemptions of securities generated a loss of €5,373,144 (2020 €4,374,754 loss) since lower values were achieved on securities with long maturities because of current higher interest rates.

The investment policy is to maintain nominal value, aiming as far as possible to at least offset inflation. WSW is the legal and beneficial owner of the securities, which are managed by InsingerGilissen Bankiers. The custodian of the securities is Quintet Private Bank (Europe) S.A. All securities are available to WSW on demand. The investment portfolio forms part of the risk capital and can be used in the event of a guarantee claim. WSW has a credit facility with the custodian, ensuring access to cash at very short notice if the portfolio cannot be immediately liquidated.

The external asset manager manages the investment portfolio in accordance with a passive investment mandate relative to a market-weighted benchmark. In accordance with its investment policy, WSW invests exclusively in euro-denominated bonds. The maximum holding per issuer is 10%, except for the sovereign debt of euro area 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 securities portfolio at 31 December 2021:

Composition by rating based on fair value of the investments (excluding accrued interest):

(X €1000)				
	Fair value	% distribution	Fair value	% distribution
Rating	2021	2021	2020	2020
AAA	272,765	55.52	297,560	57.75
AA	218,559	44.48	217,691	42.25
Total	491,324	100.00	515,251	100.00

Portfolio performance is assessed by the extent to which the investment objective is met. If the benchmark return is insufficient to meet the investment objective or where this is necessitated by global developments, the benchmark is reviewed. The investment portfolio incurred a loss (including interest income) of 2.22% in 2021 (2020: 1.78% gain). Consequently the investment portfolio did not meet the investment objective of maintaining capital. Inflation in 2021 was 2.7% (2020: 0.98%). The return on the investment portfolio in 2021 was not enough to offset inflation in the Netherlands. The benchmark performance during the same period was 2.16% negative (2020: 1.82% positive). WSW will review the investment policy in 2022.

The duration of the portfolio as a measure of interest-rate sensitivity at 31 December 2021 was 5.62 years (2020: 5.54 years). As an indication of interest-rate sensitivity: the market value of the investments at 31 December 2021 would change by some €27.6 million if the interest rates fluctuate by 1 percentage point (2020: €28.5 million).

The table below shows the portfolio's composition by maturity in 2021 and 2020. There was no significant change in the composition by maturity relative to 2020.

Composition by maturity of the investments in 2021:

Maturity (years)	% distribution	% distribution	Difference between 2021 and 2020 (percentage points)
	2021	2020	
0-3 years	23.86	24.74	(0.87)
3-5 years	22.41	20.32	2.09
5-7 years	18.98	21.10	(2.13)
7-10 years	21.37	20.14	1.23
10 or more	13.37	13.70	(0.32)

5.2. Deferred tax

A provision for deferred tax is recognised for temporary differences between values for commercial and tax purposes.

	<u>2021</u>	<u>2020</u>
	€	€
Balance at 1 January	(1,269,681)	(276,048)
Movements in provision for deferred tax	<u>3,556,967</u>	<u>(993,632)</u>
Balance at 31 December	2,287,287	(1,269,681)

The provision for deferred tax was formed to account for differences between the value of the securities in the financial statements and the valuation principles applied by the tax authorities. At 31 December 2021, the market value of the securities fell to below acquisition price and this created a tax asset compared with 2020. Consequently, the deferred tax liability at 31 December 2020 became a deferred tax asset at 31 December 2021.

6. Receivables

All receivables have a remaining maturity of less than one year. Given their short-term nature, the fair value of receivables approximates the carrying amount.

6.1 Guarantee fees receivable

	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
	€	€
Guarantee fees	<u>4,837,403</u>	<u>4,629,397</u>
	<u>4,837,403</u>	<u>4,629,397</u>

All guarantee fees receivable were the guarantee fees for the fourth quarter of 2021 and have a maturity of less than 30 days. No provision for doubtful debts is deemed necessary.

6.2. Corporation tax receivable

Corporation tax	<u>343,979</u>	<u>3,871,963</u>
	<u>343,979</u>	<u>3,871,963</u>

Corporation tax receivable relates to advance payments of corporation tax for 2021. The current tax charge for 2021 is €14,470,783. All corporation taxes in respect of years before 2021 have been paid. Corporation taxes up to and including 2020 have been finalised.

6.3. Prepayments and accrued income

Accrued interest	4,485,916	5,112,374
Prepaid other costs	<u>338,614</u>	<u>378,631</u>
	<u>4,824,530</u>	<u>5,491,005</u>

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

6.4. Other receivables

SBR-wonen	58,673	-
Other receivables	<u>12,633</u>	<u>5,595</u>
	<u>71,306</u>	<u>5,595</u>

SBR-wonen is responsible for implementing the 'covenant on improving information disclosure among housing associations'. WSW is a party to the agreement along with Aedes (the federation of Dutch housing associations), the Ministry of the Interior and Kingdom Relations and the Authority for Housing Associations. The amount receivable from SBR-wonen consisted of the difference between the operating expenses of SBR-wonen's supply chain team and the advances received from WSW.

7. Cash

Bank	<u>37,940,166</u>	<u>1,296,282</u>
	<u>37,940,166</u>	<u>1,296,282</u>

As a result of the funds received from the committed capital call, the balance of cash at 31 December 2021 was €37.9 million. WSW will review its investment policy in 2022. Surplus liquidity will be invested in accordance with this policy.

The cash is at the free disposal of WSW. WSW has a bank facility of up to €423.5 million under which cash amounting to 95% of the market value of the investment portfolio is made immediately available in the event of a claim. WSW has not drawn on this facility in 2021 or previous years.

8. Capital

Capital consists of the legal reserve and the Other reserve. The company capital differs from the consolidated capital. See note 30.5.2 for information on the consolidated capital.

8.1. Legal reserve

	€
Balance at 1 January 2021	1,697,160
Supplement from the result	<u>(208,489)</u>
Balance at 31 December 2021	1,488,671

The legal reserve covers the capitalised cost of software developed and is adjusted in line with the proposed appropriation of the result.

8.2. Other reserve

	€
Balance at 1 January 2021	229,902,095
Appropriation of result	<u>57,067,014</u>
Balance at 31 December 2021	286,969,109

The Other reserve is formed by appropriations from the balance of income and expenditure and is intended to cover future claims under the guarantee.

8.3. Proposal for appropriation of the result

It is proposed to appropriate the balance of income and expenditure by drawing €0.2 million from the legal reserve and adding €57.1 million to the Other reserve. This proposal has been incorporated in the financial statements.

9 Provisions

	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
	€	€
Provision for guarantee obligations	255,091,615	298,020,310
Provision for deferred tax	-	1,269,681
	<u>255,091,615</u>	<u>299,289,991</u>

9.1 Provision for guarantee obligations

Obligations from the role as guarantor

The effects of the amended Housing Act on the guarantee system became clear during 2018. We received two claims on our risk capital, from Woningstichting Geertruidenberg (WSG) and Stichting Humanitas Huisvesting (SHH), following the rejection by Minister of the Interior and Kingdom Relations of applications for resolution support from WSG (partial) and SHH (full).

The financial statements include a provision for these obligations resulting from WSW's role as a guarantor.

WSW is meeting the normal interest and repayment obligations on WSG's and SHH's remaining loans covered by guarantees issued by WSW insofar as WSG and SHH are unable to do this themselves. At 31 December 2021, the total nominal value of these liabilities was €405.6 million, being €140.3 million for SHH and €265.3 million for WSG. The provision is based on the best estimate of the amounts required to settle the guarantee obligations at the reporting date. These comprise the loan servicing payments (redemptions and interest) on the loan portfolios of WSG and SHH and legal fees for the next year less the expected outcome of the administrative-law proceedings against the Ministry of the Interior and Kingdom Relations.

Measurement of provision for guarantee obligations

The provision is measured at the present value of the expected cash flows. WSW uses the European swap rate at 31 December 2021 for this (2020: European swap rate at 31 December 2020). €23.6 million was released from the provision for guarantee obligations in 2021 as a result of discounting in view of the increase in interest rates (2020: addition of €29.6 million). The other release of €0.4 million in 2021 was a result of the release from the forecast legal fees in 2021 of €100,000 per entity in the coming year.

In 2021, €19.0 million (2020: €23.0 million) was withdrawn for contractual payments of interest and redemptions and legal fees.

	2021 €			2020 €		
	WSG	SHH	Total	WSG	SHH	Total
Balance at 1 Jan	153,284,586	144,735,724	298,020,310	159,111,268	132,014,134	291,125,402
Discounting	(11,264,838)	(12,351,245)	(23,616,083)	13,960,534	15,601,894	29,562,428
Addition/release	(77,624)	(278,108)	(355,732)	189,151	147,878	337,029
Withdrawal	(16,002,285)	(2,954,595)	(18,956,880)	(19,976,367)	(3,028,182)	(23,004,549)
Balance at 31 Dec	125,939,839	129,151,776	255,091,615	153,284,586	144,735,724	298,020,310

Appeals

The ongoing appeal proceedings against the State with respect to the level of the resolution grant are taken into account when determining the expected cash flows for loan servicing payments for the provision. WSG and SHH are each objecting to the decisions to reject the resolution grant. The provision only recognises the part of the claim that addresses the percentage of 'non-vital activities in the general economic interest'.

WSW believes it has received too little resolution grant as the State has applied too low a percentage (55%) for 'non-vital activities in the general economic interest' compared with the actual 'non-vital activities in the general economic interest' (76%). WSW has objected to this and lodged an appeal against the State.

WSW expects a conclusion to the administrative-law proceedings within a year. If WSW's appeal fails, a further provision of €118.9 million (2020: €129.2 million), based on market values, will be required. See note 14.6 Appeal proceedings against the State for the status of the ongoing proceedings not recognised on the balance sheet.

Interest and redemptions

The interest and redemptions (present value) that WSW will pay under the guarantee claims in the next few years are:

	WSG	SHH	Total
< 1 year	18,918,005	3,047,239	21,965,244
1-5 years	18,188,085	21,317,488	39,505,573
> 5 year	88,833,749	104,787,049	193,620,798
Total	125,939,839	129,151,776	255,091,615

Interest-rate sensitivity of loan servicing

The change in the duration of the interest payments and redemptions is a measure of the change in interest-rate sensitivity. The duration fell in 2021 compared with 2020 and was 15.28 years at 31 December 2021 (2020: 16.03 years). As an indication of interest-rate sensitivity, the market value of these future payments (€378.1 million at 31 December 2021 and €430.2 million at 31 December 2020) would rise by some €64.3 million (2020: €77.0 million) if interest rates fall by 1 percentage point and would fall by €50.0 million (2020: €59.3 million) if interest rates rise by 1 percentage point.

9.2 Provision for deferred tax

A provision for deferred tax was recognised in 2020 for temporary differences between values for commercial and tax purposes. In 2021 the deferred tax liability became a deferred tax asset and consequently a deferred tax asset has been formed as explained in note 5.2.

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 carrying amount.

11. Other tax and social security contributions

	31 Dec. 2021	31 Dec. 2020
	€	€
Value added tax	31,146	36,412
Payroll taxes	<u>209,562</u>	<u>187,143</u>
	240,708	223,555

The current value added tax liability consists mainly of the tax due for services provided to WSW by foreign organisations during the fourth quarter of 2021.

12. Accruals and deferred income

Accrued paid leave entitlements	322,252	249,757
Reserve for individual career budgets	<u>172,585</u>	<u>142,510</u>
	494,837	392,267

13. Other payables

Commuting allowances payable	75,492	80,115
Investment portfolio management fees payable	46,000	48,000
Expenses payable	<u>147,826</u>	<u>164,586</u>
	269,318	292,701

14. Off-balance sheet assets and liabilities

14.1. Financial commitments

Operating leases:

Rent of €0.4 million per year is payable in respect of the office premises, parking spaces and associated supplies and services. €2.0 million of the total amount is payable after more than one year. The rental contract expires on 30 November 2026.

WSW has agreed a bank guarantee for €90,739 with ING Bank N.V. for the term of the lease.

Operating lease liabilities relating to the vehicle fleet totalled €485,631 at year-end as follows:

Amounts payable:	€
Within 1 year	14,533
Between 1 and 5 years	471,098
After 5 years	-

14.2. Claims under guarantees

WSW guarantees to service participants' loans covered by guarantee clauses in loan agreements thus providing assurance to those lending to participants that the obligations under a guaranteed loan agreement will be met promptly and in full. The total value of the loans guaranteed by WSW at year-end 2021 was €83.0 billion (2020: €81.3 billion).

WSW's security structure enables it to guarantee the servicing of these loans. It is made up of three

elements: the risk capital, the participants' committed capital and the backstop agreements made with the government and local authorities.

The primary purpose of the risk capital is to meet guarantee claims. It amounted to €531.8 million at 31 December 2021 (2020: €509.9 million). The committed capital called during the calendar year is included in the risk capital. The risk capital is as follows:

<i>(in € million)</i>	31 Dec. 2021	31 Dec. 2020
Investments at the lower of purchase price and market value	495.8	510.2
Cash	37.9	1.3
Liabilities comprising payables, accruals and deferred income and debt excluding provisions for guarantee obligations	(2.0)	(1.6)
Risk capital	531.8	509.9

WSW will call on the participants' committed capital if a guarantee claim is made such that the risk capital falls below the minimum risk capital. The minimum risk capital is 0.65% of the total guaranteed volume (31 December 2021: €541 million). If guarantee claims, whether already submitted or impending, are likely to result in the risk capital falling below guaranteed residual debt after the committed capital has been called upon, use is then made of the backstop arrangements with the government and local authorities so that WSW can at all times meet its obligations under the guarantee. WSW verifies each year that it has sufficient risk capital and to this end, also assesses whether the housing associations are indeed capable of supplying that proportion of the risk capital that they are obliged to supply on request. A deficit in the risk capital would be supplemented from capital committed by the participants. WSW may, up to and including the final day of the calendar year, invoke the obligation of its participants to meet all or part of the capital commitment. The committed capital called in 2021 was €49.86 million (2020: nil).

14.3. Guarantee facilities

WSW issues guarantees for new loans and the refinancing of existing guaranteed loans. WSW has no legal obligation to issue guarantees to participants.

14.4. Claims

The risk of claims as a result of the passage of time is regarded as negligible.

14.5. Related parties: WSG and SHH

Under the implementation agreements with WSG and SHH, WSW has to meet normal interest and redemption obligations under the guarantee, costs for maintaining WSG and SHH and specific listed residual liabilities. Unknown other costs and liabilities not covered by arrangements in the agreements are not for the account and risk of WSW. WSW is not required to meet other liabilities and has not issued a declaration of joint and several liability pursuant to Section 403(1)(f), Part 9, Book 2 of the Dutch Civil Code for WSG and SHH.

14.6. Appeal proceedings against the State

The proceedings against the resolution decisions by the State initiated by WSW, WSG and SHH in 2018 are still ongoing.

The court heard the appeals by SHH and WSG on 25 May 2020 and ruled on them on 2 and 3 July 2020, declaring both to be unfounded. SHH and WSG appealed against these rulings at the Administrative Jurisdiction Division of the Council of State. Those appeals by SHH and WSG were heard by the Division

on 20 September 2021.

The court ruled on 9 April 2020 that the appeal by WSW was unfounded. The court ruled that WSW was not an admissible party to either case. WSW has appealed against these rulings at the Administrative Jurisdiction Division of the Council of State. That appeal by WSW was heard by the Division on 20 September 2021.

Expectations on the progress and outcome of the appeals proceedings have not changed.

The Division did not issue a ruling and announced a postponement on 17 December 2021.

The proceedings of SHH and WSG and of WSW are separate cases on which WSW has made contractual arrangements with WSG and SHH with respect to the way they conduct these appeals. That WSW was not an admissible party to the appeals is a scenario that had been anticipated and has no impact on the assessment of the proceedings as incorporated in the provision for guarantee obligations.

If the outcome is favourable, the amounts provided for overpaid expenses in the years to 2021 will be recovered. If there is an adverse outcome to the appeals proceedings, an extra provision of €118.9 million (2020: €129.2 million), based on market values, will need to be formed. The provision for guarantee obligations (note 9.1) reflects the expected outcome of the appeals proceedings.

14.7. COVID-19

WSW has strictly obeyed the government's regulations on the pandemic from the start. Based on the structure of the guarantee system, there is assumed to be no uncertainty about WSW's continuity. Furthermore, after examining its operations and taking measures to ensure critical processes, WSW believes that as far as can be seen at the moment there is no uncertainty about its continuity.

We have also paid additional attention to possible and actual effects on our participants and the guarantee system. Once again, no indications were received in 2021 that associations could not continue to meet their financial obligations because of Covid and this is expected to remain so in the near future.

14.8. Events after the reporting date

Ukraine

Events in Ukraine in early 2022 are not expected to have direct consequences for WSW's results or financial position or the continuity of its operations and have not directly affected the 2021 financial statements. Those events are among the external factors that may affect interest rates and so WSW's interest rate risk. Interest rate risk mainly affects WSW's operations through the invested capital and no particular situation can be identified for WSW. It is not expected that these events will create uncertainty for the continuity of WSW in the future.

Notes to the company statement of income and expenditure

15. Income

15.1 Guarantee fees

	<u>2021</u>	<u>2020</u>
	€	€
Guarantee fees	18,985,044	18,169,223

The guarantee fees relate to the guarantee fee and are €69 per €1 million of outstanding loans.

15.2 Income from calling committed capital

	<u>2021</u>	<u>2020</u>
	€	€
Income from committed capital call	49,856,461	-

Pursuant to article 18 of the Regulations for Participants ('Regulations'), WSW is permitted to invoke the obligation of WSW participants to pay all or part of the capital commitment each year. This maximum annual committed capital call is 0.33% of the guaranteed volume of loans at the end of the preceding calendar year. In 2021, the committed capital call was 0.062% of the guaranteed outstanding loans at 31 December 2020 including loans to be paid in during 2021 and for which WSW issued a guarantee in 2020. The committed capital call is explained in note 14.2 Claims under guarantees.

15.3 Resolution fees

Resolution fees	87,538	93,876
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Costs incurred to carry out resolution activities are charged to the resolution fund of the Ministry of the Interior and Kingdom Relations. There were fewer resolution activities in 2021 than in the previous year.

15.4 Other income

Other income	4,610	-
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16. Salaries

Salaries

Gross wages and salaries	5,666,990	5,163,792
Social security charges	662,781	640,032
Pension charges	<u>786,413</u>	<u>933,876</u>
	7,116,184	6,737,700

Salaries increased in 2021 compared with 2020 as a result of regular negotiated pay rises and an increase of 3.2 FTEs in the workforce. The pension charges fell in 2021 following the end of the provisional pension scheme (VPL) on 1 January 2021.

Pension charges

WSW has a pension administration agreement with SPW, the industry-wide pension fund for housing associations. The SPW pension scheme is an average salary scheme.

The pension scheme allows for 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 2021.

WSW is required to form a provision if, under the administration agreement, there is a liability on the reporting date and if the adoption of a package of measures (required to restore the funding ratio on the reporting date) is likely to lead to an outflow of resources, the amount of which can be reliably estimated.

At year-end 2021, SPW had a funding ratio of 118.8% (year-end 2020: 109.3%) compared with a requirement at the end of 2021 and later years of 126.6%, meaning that the fund still has a shortfall in its reserves. SPW is working on a new recovery plan and expects it can resolve the shortfall autonomously so that WSW will not have to make a further contribution. Consequently, there is no need for WSW to form a provision at 31 December 2021.

17. Other employee benefits

	<u>2021</u>	<u>2020</u>
	€	€
Temporary staff employed via third parties	672,172	2,098,987
Other employee benefits	<u>800,587</u>	<u>926,730</u>
	<u>1,472,759</u>	<u>3,025,717</u>

Temporary staff employed via third parties were down on the previous year. Temporary staff were hired for information systems projects and the strategic programme in 2021 and 2020. These were large, high-impact projects that required external expertise. No further external expertise is being used now that these projects have been completed.

Other employee benefits fell compared with the previous year as a result of lower company car and travelling expenses and lower recruitment costs. More was spent on study costs in 2021. Other employee benefits included lease payments for the vehicle fleet of €160,397 (2020: €240,276).

18. Depreciation and amortisation

Software	487,606	581,091
Refurbishments	7,405	96,593
Hardware	81,230	74,075
Office equipment	<u>37,280</u>	<u>21,736</u>
	<u>613,521</u>	<u>773,495</u>

19. Other operating expenses

Cost of premises	500,534	456,912
General overheads	4,053,779	3,552,210
Cost of supervisory and advisory bodies	<u>145,221</u>	<u>163,835</u>
	<u>4,699,534</u>	<u>4,172,957</u>

19.1. Cost of premises

Rent	290,199	214,154
Cleaning	25,966	35,336
Gas, water and electricity	112,681	132,359
Insurance	19,380	32,143

Other costs relating to premises	52,308	42,920
	500,534	456,912

Gas, water and electricity charges were lower in 2021 than in 2020 since final billings for prior-year service charges were accounted for in 2020.

19.2. General overheads

IT	1,573,135	1,643,442
Consultants	1,146,374	774,543
Auditor	199,650	192,390
Investment expenses	421,829	437,646
Information and documentation	147,723	54,282
Rating agencies	141,116	132,313
Costs of retrieving data from participants	327,167	228,484
Other general expenses	96,785	80,505
	4,053,779	3,543,605

Consultants were fees for legal, tax and other consultancy services. These fees were higher than in the previous year because of consultancy fees for the restructuring of Vestia loans.

Investment expenses consisted of fees paid for the external management of WSW's investments. Information and documentation charges were higher in 2021 than in the previous year as a result of meetings on the implementation of the strategic programme.

Costs of retrieving data from participants comprised the contribution to the operating and development costs of SBR-wonen. These costs were lower in 2020 than in 2021 because of a final billing for the request for participants' information in 2019.

19.2.1 Audit fee

	2021	2020
	€	€

Audit fees relate to 'Auditor' in 19.2. The following audit fees (incl. VAT) paid to Ernst & Young Accountants LLP were charged to the result during the reporting period:

Audit of the financial statements	199,650	192,390
Other audit work	-	-
Tax advice	-	-
Other non-audit work	-	-
Total	199,650	192,390

No audit fees from other accountancy firms were charged to the result. The above fees relate exclusively to the work performed for WSW by audit firms and independent external auditors as referred to in Section 1.1 of the Audit Firms Supervision Act. Costs are recognised in the reporting period to which they relate. A deferred item is formed if part of the audit and audit-related work is performed after the end of the reporting period (i.e. in the next reporting period).

20. Movement in the provision for guarantee obligations

Addition/release	(355,732)	337,029
Movement in provision for guarantee obligations	(355,732)	337,029

In 2021 there was a release from the guarantee obligations as explained in note 9.1 Provision for guarantee obligations.

21. Realised and unrealised gains and losses on investments

Realised gains and losses on investments	(5,373,144)	(4,374,754)
Unrealised gains and losses on investments	<u>(14,227,871)</u>	<u>3,974,528</u>
	(19,601,015)	(400,226)

22. Financial income and expenses

	2021	2020
	€	€
Interest on discounting provision for guarantee obligations	23,616,082	(29,562,428)
Interest earned on the investment portfolio	8,353,446	10,014,847
Other interest expense	<u>(51,410)</u>	<u>8,605</u>
Financial income and expenses	<u>31,918,118</u>	<u>(19,556,186)</u>

Since 2020, the interest on discounting the provision for guarantee obligations has been presented separately in financial income and expenses. If a provision is measured at present value, Dutch Accounting Standards no longer permit an increase in the provision as a result of accruing interest to be presented as an addition to the provision in the statement of income and expenditure. For improved comparability, such interest accrual must now be presented as interest expense in the statement of income and expenditure.

The accrued interest for discounting the provision for guarantee obligations is explained in note 9.1 Provision for guarantee obligations.

The other interest expense is negative interest of 0.5% charged on WSW's bank balances in excess of €100,000. In 2020, this negative interest was recognised as general expenses. The comparative figures have been restated accordingly.

23. Corporation tax

Result from ordinary activities before tax	67,704,490	(16,731,605)
<i>Differences between annual figures as calculated for filing and tax purposes</i>		
<i>Temporary differences</i>		
Securities	14,227,871	(3,974,528)
Non-deductible legal fees	(47,432)	(237,030)
<i>Permanent differences</i>		
Movement in the provision for guarantee obligations	(355,732)	337,029
Discounting the provision for guarantee obligations	(23,616,083)	29,562,428
Other permanent differences	23,019	21,472
Taxable result	(9,768,357)	8,977,766
<i>Corporation tax due on the above figure:</i>		

15% on €245,000	36,750	33,000
25% on the remainder of the taxable result	14,434,033	2,194,441
	14,470,783	2,227,441
Prior-year adjustments to corporation tax	(67,851)	(64,079)
Movements in deferred tax	(3,556,967)	993,633
Corporation tax for the reporting period	10,845,964	3,156,996
<i>Effective tax rate</i>	<i>(16.02%)</i>	<i>(18.87%)</i>

The tax position is computed in accordance with current legislation and regulations. Agreement has been reached with the Tax and Customs Administration on the existing provision for guarantee obligations for tax purposes. This is being reduced by payments for claims under guarantee obligations.

The difference between the effective and nominal tax rates is mainly a result of unrealised gains and losses on securities and the addition to the provision for guarantee obligations being ignored for tax purposes.

Movements in deferred tax are the movements in temporary differences between the financial statements for commercial and tax purposes. Unrealised gains and losses on investments are not part of the result for tax purposes. When calculating the taxable result, legal and consultancy fees are not deducted from the provision for guarantee obligations for tax purposes but recognised in the taxable result for the reporting period.

24. Average number of staff

The average workforce (measured in full-time equivalents) in 2021 was 68.0 (2020: 64.8). WSW does not employ any staff outside the Netherlands.

	31 December 2021	Average 2021	Average 2020
Executive Board	2.0	2.0	2.0
Management support	14.6	15.5	14.4
Risk management	19.9	20.1	18.6
Account management	19.2	19.1	17.3
Information management	6.9	6.3	6.0
Operations & Control	5.0	5.0	6.5
Total number of employees (FTE)	67.6	68.0	64.8

25.1 Executive Board remuneration

The total remuneration of the Executive Board of WSW in 2021, comprising gross salaries including holiday allowances and pay in lieu of holiday entitlement, was €417,649 (2020: €401,918). The remuneration of these senior officers does not exceed the current limit in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

Pension costs for the Executive Board amounted to €36,710 in 2021 (2020: €49,037).

The remuneration payable to the members of the Supervisory Board, including VAT, amounted to €118,072 in 2021 (2020: €123,356). The remuneration of Supervisory Board members was raised by 3.98% in 2021 (2019: 3.61%) in line with the current limit in the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. The statement of remuneration components required under the Act is as follows:

Remuneration of senior officials

In €1	R. Röttscheid	R. Röttscheid	L.J. van Kalsbeek	L.J. van Kalsbeek
Position	Executive Board member	Executive Board member	Executive Board member	Executive Board member
Year	2021	2020	2021	2020
Period of employment in the year	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec
Workload (in FTEs)	1,0	1,0	1,0	1,0
Employed	Yes	Yes	Yes	Yes
Remuneration				
Remuneration plus taxable expense allowances	190,526	176,400	190,412	176,480
Future payments	18,357	24,538	18,353	24,499
Total remuneration	208,883	200,938	208,766	200,979
Individual remuneration limit	209,000	201,000	209,000	201,000

No undue amounts were paid.

Supervisory Board

The maximum remuneration payable to members of the Supervisory Board in 2021 under the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act is 15% of the maximum amount for 2021 for the chair, and 10% of the maximum amount for 2021 for the other Supervisory Board members under the Act. The remuneration of these senior officials does not exceed the maximum set in the Act. There was a change in the composition, period of employment and remuneration of the members of the Supervisory Board in 2021 as compared with 2020.

	H.M. Meijdam	G. van Vollenhoven	J.G. Pot	Prof. D. Brounen	M.A.E. Calon
Position(s)	Chair	Member	Member	Member	Member
Period of employment in 2021	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec
Remuneration (in €)					
Remuneration	31,350	20,900	20,900	20,900	20,900
Total remuneration	31,350	20,900	20,900	20,900	20,900
	H.M. Meijdam	G. van Vollenhoven	J.G. Pot	Prof. D. Brounen	M.A.E. Calon
Position(s)	Chair	Member	Member	Member	Member
Period of employment in 2020	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	1 Jan - 31 Dec	9 Nov - 31 Dec
Remuneration (in €)					
Remuneration	30,150	20,100	20,100	20,100	2,911
Total remuneration	30,150	20,100	20,100	20,100	2,911

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

No officials employed under a contract of employment received remuneration in 2021 in excess of the individual maximum.

None of the identified senior managerial officials employed by WSW under a contract of employment are employed as a senior managerial official under a contract of employment at other bodies subject to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

25.2. Date of preparation of the company financial statements

These company financial statements were prepared on 21 April 2022.

8. Consolidated financial statements

26.1 Consolidated balance sheet at 31 December 2021

(after appropriation of the result)

Assets		31 December 2021		31 December 2020	
	Note	€	€	€	€
<i>Fixed assets</i>					
Intangible fixed assets	4.1				
Software		<u>1,488,671</u>		<u>1,697,160</u>	
			1,488,671		1,697,160
Tangible fixed assets	4.2				
Refurbishments		1,763,349		7,405	
Computer systems		416,168		167,110	
Office equipment		<u>252,301</u>		<u>57,834</u>	
			2,431,818		232,349
<i>Financial fixed assets</i>	30.				
Securities	30.2	491,324,146		515,251,021	
Deferred tax	5.2	2,287,286		-	
Other receivables	30.1	<u>700,000</u>		<u>800,000</u>	
			494,311,432		516,051,021
<i>Current assets</i>					
Receivables					
Guarantee fees receivable	6.1	4,837,403		4,629,397	
Corporation tax receivable	6.2	343,979		3,871,963	
Receivable from investees	30.12	-		500,000	
Prepayments and accrued income	30.3	4,832,684		5,755,682	
Other receivables	30.4	<u>182,190</u>		<u>105,595</u>	
			10,196,256		14,862,637
Cash	7.		<u>70,953,009</u>		<u>10,883,806</u>
			<u>579,381,186</u>		<u>543,726,973</u>

Capital and liabilities		31 December 2021		31 December 2020	
		€	€	€	€
	Note				
Consolidated capital	30.5				
Legal reserve		1,488,671		1,697,160	
Other reserve		<u>233,266,323</u>		<u>180,710,524</u>	
			234,754,994		182,407,684
Provisions					
Provision for deferred tax	30.6	-		1,269,681	
Provision for guarantee obligations	30.6.1	-		-	
Other provisions	30.6.2	<u>3,474,204</u>		<u>3,677,368</u>	
			3,474,204		4,947,049
Non-current liabilities					
Amounts owed to credit institutions	30.7		317,404,088		335,617,531
Current liabilities					
Redemption of long-term loans	30.7	21,659,900		19,011,769	
Suppliers and trade creditors		995,047		683,948	
Other tax and social security contributions	11.	267,091		223,555	
Accruals and deferred income	30.8	556,544		542,737	
Other payables	30.9	<u>269,318</u>		<u>292,700</u>	
			<u>23,747,900</u>		<u>20,754,709</u>
			<u>579,381,186</u>		<u>543,726,973</u>

26.2 Consolidated statement of income and expenditure for 2021

		2021	2020
		€	€
	Note		
Guarantee fees	15.1	18,985,044	18,169,223
Income from calling committed capital	15.2	49,856,461	-
Resolution fees	15.3	87,538	93,876
Other income	30.12.1	<u>22,781,284</u>	<u>500,000</u>
Total operating income		91,710,327	18,763,099
Operating expenses			
Salaries	16.	7,116,184	6,737,701
Other employee benefits	30.12.2	1,570,251	3,136,729
Depreciation and amortisation	18.	613,521	773,495
Movement in provisions	30.6.1	(155,732)	238,027
Other operating expenses	30.12.3	<u>4,880,782</u>	<u>4,695,495</u>
Total operating expenses		(14,025,006)	(15,581,447)
Operating profit		77,685,321	3,181,652
Realised and unrealised gains and losses on investments	21.	(19,601,015)	(400,226)
Financial income and expenses	30.12.4	5,108,969	4,753,965
Result before tax		63,193,275	7,535,391
Corporation tax	31.	<u>(10,845,965)</u>	<u>(3,156,996)</u>
Consolidated result after tax		<u>52,347,310</u>	<u>4,378,395</u>

26.3 Consolidated cash flow statement for 2021

Cash flow from operating activities

	<u>2021</u> €	<u>2020</u> €
Result after tax	52,347,310	(4,378,395)
Adjustments for:		
Amortisation	487,606	581,092
Depreciation	125,915	192,404
Realised and unrealised gains and losses on investments	19,601,015	400,226
Movement in provisions	(3,712,699)	238,027
Withdrawals from other provisions	(47,432)	(237,030)
Amortisation of long-term loans	(6,510,330)	(6,250,110)
Corporation tax paid	(14,814,762)	(4,165,930)
Redemptions of financial fixed assets receivable	100,000	100,000
Redemptions of outstanding loans	(9,054,982)	(11,266,660)
Movements in working capital:		
Movements in receivables	19,481,140	4,251,099
Movements in current liabilities excl. current loans	345,060	(795,469)
Movements in property intended for sale	-	1,091,000
<i>Cash flow from operating activities</i>	<i>(58,347,841)</i>	<i>(12,573,956)</i>
Cash flow from investment activities		
Additions to fixed assets	(2,604,501)	(941,119)
Purchases of securities	(78,247,552)	(75,971,713)
Sales of securities and redemptions	82,573,415	86,045,323
Sales of properties intended for sale	-	1,091,000
<i>Cash flow from investment activities</i>	<i>1,721,362</i>	<i>10,223,491</i>
Movements in cash	60,069,203	(2,350,465)
Closing cash balance	70,953,009	10,883,806
Opening cash balance	10,883,806	13,234,271
Movements in cash	60,069,203	(2,350,465)

Accounting policies for measurement and determining the result in the consolidated financial statements

27. General notes

27.1. Activities

The consolidated financial statements of WSW incorporate the company financial statements of WSW and the financial information of Stichting Humanitas Huisvesting (SHH) and Woningstichting Geertruidenberg (WSG). The activities of Stichting Waarborgfonds Sociale Woningbouw (WSW) consist primarily of guaranteeing loans to housing associations to fund projects for social housing and other properties with a social function. WSW is a foundation under Dutch law with an independent management structure and is subject to the supervision of the Dutch Authority for Housing Associations. WSG and SHH are institutions licensed pursuant to the Housing Act. The activities of WSG and SHH consist primarily of settling interest and redemption obligations on their residual loans following the separation and resolution.

See the accounting policies in the company financial statements for accounting policies for measuring assets and liabilities and determining the result and for the cash flow statement that are not stated below.

27.2. Consolidated legal entities

Guarantee claims related to the settlement of WSG and SHH have led to arrangements for the payment of interest and redemptions to financial institutions. These arrangements are set out in implementation agreements dated 3 September 2018 for WSG and 17 January 2019 for SHH and in separate tripartite agreements with WSG and SHH and the financial institutions Bank Nederlandse Gemeenten (BNG) and the Nederlandse Waterschapsbank (NWB). The implementation agreements state that the public housing duties are legally separated, that WSW will pay the normal interest and redemption obligations pursuant to guarantees already issued on those loans and that there are arrangements on certain costs for maintaining WSG and SHH.

Under the implementation agreements, WSW is entitled to approve the budgets for maintaining WSG and SHH and has control over financial obligations entered into by them that affect the guarantees it has issued. Further to these rights and the fact that WSG and SHH have no other activities, accounting standards (RJ 217.202) state that there is influence over policy that leads to a group relationship and a requirement for consolidation from the date of separation.

The tripartite agreements also include arrangements with the investors holding guarantees on the residual loans. These arrangements concern the resolution of certain loans that remained with the entities following the separation and payment of interest and redemption liabilities. Embedded derivatives have been removed from the loans and the interest rates were fixed. The implications of the resolution form part of the separation and so the restructured loans form the basis for the initial consolidation. Under the guarantees, WSW has been paying the normal interest and redemption liabilities on the residual loans since the date of separation to the extent that WSG and SHH are unable to do this themselves.

Stichting Waarborgfonds Sociale Woningbouw (WSW), Hilversum, is the parent of the group and is incorporating the financial information of the following legal entities in its consolidated financial statements, copies of which are available from the trade register of the Chamber of Commerce in Woerden.

Consolidated legal entities:

- Woningstichting Geertruidenberg, Geertruidenberg: consolidated from 1 January 2019;
- Stichting Humanitas Huisvesting, Rotterdam: consolidated from 1 July 2019.

27.3. Opinions, estimates, assumptions and uncertainties

WSW makes estimates and assumptions based on the prevailing circumstances and information available when the financial statements are prepared. Uncertainties relating to these estimates and assumptions may result in material adjustment to the consolidated financial statements in future years. Estimates based on events after the reporting period (or the non-occurrence of expected events) may be subject to future market movements and circumstances that are beyond WSW's control. Changes in estimates are recorded prospectively in the financial statements. Where required in order to provide the view required by Section 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. The principal estimates relate to the other provisions.

28. Accounting policies for measuring assets and liabilities in the consolidated financial statements

28.1. Basis of consolidation

The consolidated financial statements at 31 December 2020 incorporate the financial information of WSW and legal entities where it exercises influence over policy.

Legal entities are fully consolidated from the date on which influence over policy at the legal entity is obtained. On initial recognition, the assets and liabilities of legal entities to be consolidated are measured at fair value. Legal entities are no longer included in the consolidation from the date on which there is no longer influence over policy.

Items in the consolidated financial statements are measured using uniform accounting policies. Individual assets and liabilities of the consolidated legal entities are recognised and measured in accordance with WSW's accounting policies. All inter-group transactions and results with and from the consolidated entities are eliminated.

Differences between the company and consolidated capital and result are disclosed the note on capital in the consolidated financial statements.

Financial information of WSG and SHH is included in the consolidation on the basis of WSW's accounting policies.

28.2. Non-current liabilities

On initial recognition, non-current liabilities are measured at fair value. The fair value on initial recognition is reduced by directly attributable transaction costs since subsequent recognition is not at fair value through profit or loss.

Non-current liabilities are subsequently recognised at amortised cost using the effective interest method. Gains or losses are recognised through the statement of income and expenditure when the obligation is no longer recognised in the balance sheet and through the amortisation process.

The current portion of non-current liabilities (amounts payable within 12 months) is recognised in current liabilities.

28.3. Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If a reliable fair value cannot be attributed directly to the financial instruments, the fair value is approximated by deriving it from the fair value of its components or a similar instrument or with the assistance of generally accepted valuation models and measurement techniques. This is done using recent similar arm's length transactions, the DCF method (present value of cash flows) and/or option valuation models, reflecting specific circumstances.

28.4. Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the accumulated amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

28.5. Hedge accounting

The consolidated entities do not use hedge accounting.

29. Accounting policies for determining the result in the consolidated financial statements

See the accounting policies for determining the result in the company financial statements for the accounting policies for determining the result in the consolidated financial statements.

30. Notes to the consolidated balance sheet and statement of income and expenditure**30.1. Financial fixed assets**

	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
	€	€
Securities	491,324,146	515,251,021
Deferred tax	2,287,286	-
Other receivables	<u>700,000</u>	<u>800,000</u>
	<u>494,311,432</u>	<u>516,051,021</u>

Other receivables are the long-term portion of the receivable from Stichting Humanitas Zorg. A contract recording the legal relationship of parties for €1.0 million was entered into on 14 May 2019. This amount is to be repaid in ten annual instalments of €100,000. The receivable with a term of less than one year has been recognised in other receivables. No interest is payable on the receivable. A second mortgage has been granted on premises at Achillesstraat 290, Rotterdam, recorded in the land register in the municipality of Hillegersberg, section F, number 1584, as security for payment of the debt. The present value of the receivable is €700,150 (nominal value: €700,000).

30.2. Securities

See note 5 to the company financial statements for details of the securities.

30.3. Prepayments and accrued income

	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
	€	€
Accrued interest	4,485,916	5,112,374
Prepaid other costs	346,768	643,308
Interest receivable	-	-
	<u>4,832,684</u>	<u>5,755,682</u>

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

30.4. Other receivables

Stichting Humanitas Zorg	100,000	100,000
Settlement of Couveringepark	-	500,000
Other receivables	<u>82,190</u>	<u>5,595</u>
	<u>182,190</u>	<u>605,595</u>

Stichting Humanitas Zorg

This is the current portion of the receivable from Stichting Humanitas Zorg.

Settlement of Couveringepark

This is proceeds for final settlement of Couveringepark. The alliance between WSG and the developer of Couveringepark has been terminated and the provision of €0.5 million was released in 2020.

Other receivables

See note 6.4 to the company financial statements for details of the other receivables.

30.5. Consolidated capital**Consolidated capital**

Legal reserve	1,488,671	1,697,160
Other reserve	<u>233,266,323</u>	<u>180,710,524</u>
	234,754,994	182,407,684

Movements in consolidated capital:

	Other reserve	Legal reserve	Consolidated capital
Capital at 1 January 2021	180,170,524	1,697,160	182,407,684
Result for the reporting period	<u>52,555,799</u>	<u>(208,489)</u>	<u>52,347,310</u>
Capital at 31 December 2021	233,266,323	1,488,671	234,754,994

30.5.1. Notes on the difference between the company and consolidated results

The difference between the company and consolidated results for 2021 was €4,511,215 as follows:

	€
Result in the company financial statements	56,858,525
Operating expenses and income at WSG and SHH	22,650,313
Adjustment for addition to the company provision for guarantee obligations	(23,816,082)
Adjustment for interest expenses and amortisation of market value	<u>(3,345,446)</u>
Result in the consolidated financial statements	52,347,310

30.5.2. Notes on the difference between the company and consolidated capital

The difference between the consolidated capital in WSW's consolidated financial statements and the capital in the company financial statements is as follows:

	€
Capital in the company financial statements at 31 December 2021	288,457,780
Difference between the company and consolidated prior years capital	(49,191,571)
Difference between the company and consolidated result for the reporting period	<u>(4,511,215)</u>
Capital in the consolidated financial statements at 31 December 2021	234,754,994

30.6. Provisions

	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
	€	€
Provision for deferred tax	-	1,269,681
Other provisions	<u>3,474,204</u>	<u>3,677,368</u>
	3,474,204	4,947,049

30.6.1. Other provisions

The movements in the other provisions were:

Balance at 1 January	3,677,368	3,676,371
Addition on initial consolidation	-	-
Addition/release	(155,732)	238,027
Withdrawal	<u>(47,432)</u>	<u>(237,030)</u>
Balance at 31 December	3,474,204	3,677,368

The other provisions comprised €3.2 million (2020: €3.2 million) for corporation tax on the remaining premium on SHH's loans and a provision for legal fees for WSW for the appeal proceedings against the State of €0.2 million (2020: €0.4 million). The full amount of the other provisions is regarded as long term (more than one year). It is expected that €0 has a term of more than five years.

30.7. Non-current liabilities

Non-current liabilities are amounts owed to credit institutions of €317.4 million (2020: €335.6 million) relating to loans granted by credit institutions to WSG and SHH. WSW is guarantor for these loans. Movements in non-current liabilities were:

	€
Balance at 1 January	335,617,531
Movements:	
Redemptions of loans	(9,054,982)
Amortisation of loans	<u>(6,510,330)</u>
Outstanding loans at maturity date	320,052,219
Movement in repayment obligation in current liabilities:	
Balance at 1 January	19,011,769
Balance at 31 December	<u>21,659,900</u>
Movements	(2,648,131)
Balance at 31 December 2020	317,404,088

On the increase in scope of consolidation in 2019, the loans were initially recognised as market value (fair value) including accrued interest. Differences between the market value and nominal value of the loans are being amortised. Amortisation of the loans is €139.3 million over the full term. €17.7 million has been amortised up to 2021. The amortisation in 2021 was €6.5 million. Amortisation over the remaining term of the loans at year-end 2021 was €121.6 million.

	€
Market value of loans in the opening balance sheets of WSG and SHH	386,086,872
Nominal value on initial consolidation	246,835,466
Recognised amortisation to 2021	<u>17,663,025</u>
Amortisation over the remaining term of the loans	121,588,381

The criteria for setting market value of loans in the opening balance sheets were:

- General:
Market value was computed using the 6-month Euribor swap curve at 31 December 2019.
- Basic interest rate loan:
Market value was determined using the basic interest rate (including spread). The market value is the value from the computation date to the end of the term.
- Fixed interest loans
The interest on the loans has been fixed for the full term from the date of consolidation.
- Redemptions
The loans are repaid at maturity or on a straight-line basis.

The market value at 31 December 2021 was €366.2 million (31 December 2020: €411.6 million), including accrued interest. A yield curve based on the 6-month swap curve was used when measuring the market value at 31 December 2021.

At 31 December 2021, the weighted average interest rate for WSG's loans was 4.73% (2020: 4.72%) and for SHH's loans it was 3.78% (2020: 3.78%).

The nominal residual amount of interest and redemptions in the loan portfolio at 31 December 2021 was €402.3 million (31 December 2020: €421.3 million).

Of which:

maturity < 1 year	18.4 million
maturity >= 1 year and <=5 years	64.5 million
maturity > 5 years	319.4 million

30.8. Accruals and deferred income

Accruals and deferred income were as follows:

	<u>31 Dec. 2021</u>	<u>31 Dec. 2020</u>
	€	€
Accrued paid leave entitlements	322,252	249,757
Reserve for individual career budgets	172,585	142,510
Other accruals and deferred income	<u>61,707</u>	<u>150,470</u>
	556,544	542,737

30.9. Other payables

Other payables were as follows:

Commuting allowances payable	75,492	80,115
------------------------------	--------	--------

Investment portfolio management fees payable	46,000	48,000
Expenses payable	<u>147,826</u>	<u>164,585</u>
	269,318	292,700

30.10. Risks in financial instruments

30.10.1 General

This note provides information to assist in assessing the risks associated with financial instruments in the balance sheet and those not recognised in the balance sheet.

The consolidated entities do not enter into transactions in derivatives, such as currency futures and interest rate swaps, to hedge interest rate risk arising from their operating and financing activities. There is no currency risk. The policy of the consolidated entities is not to undertake speculative trades in financial instruments.

The principal risks in the group's financial instruments are interest rate risk, price risk, credit risk and liquidity risk.

The policy of the consolidated entities to limit these risks is set out below.

30.10.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument fluctuate as a result of movements in market interest rates. The risk run by the consolidated entities from fluctuations in market interest rates is limited since their non-current liabilities are fixed interest. The consolidated entities are maintaining their loans at fixed interest rates agreed at the time of the separation. Future cash flows are thus fixed but the market value may change with future market interest rate changes. Given the yield curve at the end of 2021, a fall of 1 percentage point in interest rates could create an increase in market value of the loans portfolio of some €64.3 million (2020: €77.0 million) and an increase of 1 percentage point in interest rates could create a fall in market value of some €50.0 million (2020: €59.3 million). This fluctuation is greater than the fluctuation in the market value of the investments, which would increase or decrease by about €27.6 million (2020: €28.5 million) on a 1 percentage point movement. On balance, interest sensitivity is €36.7 million for a fall in interest rates of 1 percentage point (2020: €48.5 million) and €22.4 million for an increase in interest rates of 1 percentage point (2020: €30.8 million).

30.10.3 Price risk

The consolidated entities run risks with respect to the value of securities recognised in financial fixed assets (see note 5). The consolidated entities manage the price risk by maintaining a passive investment policy relative to a market-weighted benchmark. In accordance with its investment policy, WSW invests exclusively in euro-denominated bonds. The maximum holding per issuer is 10%, except for the sovereign debt of euro area 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.

30.10.4 Credit risk

WSW ran a limited credit risk on €539.3 million at 31 December 2021 (2020: €530.6 million) in terms of debtors, cash and invested capital. The investment portfolio was €491.3 million (2020: €515.3 million), comprising listed euro-denominated bonds with at least an AAA or AA rating and the maximum holding per issuer is 10%, except for the sovereign debt of euro area countries. Cash of €37.9 million (2020: €1.3 million) is held at ING which has an A+ credit rating. WSW runs a credit risk on receivables on €10.1 million (2020:

€14.0 million). The consolidated entities have drawn up guidelines to limit the size of the credit risk with each financial institution and debtor. In addition the consolidated entities continuously monitor their receivables and apply strict collection procedures.

30.10.5 Liquidity risk

WSW ensures that it can meet its obligations in different ways. WSW prepares regular liquidity budgets. In the event of liquidity shortfall, WSW can obtain cash by selling part of its investment portfolio. WSW has a bank facility of up to €423.5 million (2019: €423.5 million) under which cash amounting to 95% of the market value of the investment portfolio is made immediately available in the event of a claim. Furthermore, WSW can call committed capital from the participants and so have cash available over the longer term.

At 31 December 2021, the non-discounted contractual payment obligations were as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Loans	18,404,958	18,086,185	46,365,203	319,441,293
Trade creditors and other payables	995,047	-	-	-
Total	19,400,005	18,086,185	46,365,203	319,441,293

30.11. Off-balance sheet arrangements and liabilities

30.11.1. Resolution grant

WSW, WSG and SHH have all instituted appeals against the decision of the State to reject all or part of the resolution grants. See note 14.6 to the company financial statements for further information.

30.11.2. Claims and legal proceedings

Existing claims and proceedings involving WSG and SHH include a claim that SHH has lodged against its former board members and supervisory directors. The legal fees that SHH is incurring for this are being reimbursed by Woonbron. Any proceeds from this claim will benefit Woonbron. During these proceedings WSW received a letter on behalf of the former board members and supervisory directors interrupting any limitation period.

WSG has a guarantee liability relating to property that WSG developed long ago. There is a negligible probability of a claim.

30.11.3. Pensions

WSG and SHH no longer have any pension liabilities. All SHH's pension liabilities were transferred to Woonbron. WSG's pension liabilities were established in 2018 on the basis of estimates per individual and the residual liabilities were transferred to the pension fund.

30.11.4 Residual liabilities after the separation of WSG and SHH

Pursuant to the implementation agreements on the separation, nominal interest and redemption liabilities are being paid under guarantees for residual loans, in accordance with servicing the loans from the date of the separation to maturity. Other than payment of the maintenance costs of WSG and SHH, WSW is not making any other payments, guarantees, indemnifications and/or other contributions to WSG and SHH or any third parties. If SHH or WSG earns unexpected financial income, it has to use such amounts as instructed by WSW.

See note 14 to the company financial statements for other off-balance sheet rights and obligations.

30.12. Notes to the consolidated statement of income and expenditure

30.12.1. Other income

	<u>2021</u>	<u>2020</u>
	€	€
Settlement of Couveringepark	-	500,000
Other income	<u>49,590</u>	-
	49,590	500,000

See the notes to other receivables in the consolidated financial statements (30.4) for notes on the other proceeds from the settlement from the buy-out of Couveringepark.

30.12.2. Other employee benefits

Temporary staff employed via third parties	706,958	2,141,480
Other employee benefits	<u>863,293</u>	<u>995,249</u>
	1,570,251	3,136,729

30.12.3. Other operating expenses

Cost of premises	521,306	469,415
General overheads	4,201,509	4,047,401
Cost of supervisory and advisory bodies	<u>157,967</u>	<u>178,679</u>
	4,880,782	4,695,495

30.12.3.1. Cost of premises

Rent	290,199	214,154
Cleaning	25,966	35,336
Gas, water and electricity	112,681	132,359
Insurance	40,152	44,646
Other costs relating to premises	<u>52,308</u>	<u>42,920</u>
	521,306	469,415

30.12.3.2. General overheads

IT	1,582,335	1,726,071
Consultants	1,233,895	1,107,885
Auditor	235,782	259,174
Investment expenses	421,829	437,646
Information and documentation	147,723	54,282
Rating agencies	141,116	132,313
Costs of retrieving data from participants	327,167	228,484
Other general expenses	<u>111,662</u>	<u>101,546</u>
	4,201,509	4,047,401

30.12.4. Financial income and expenses

	<u>2021</u>	<u>2020</u>
	€	€
Interest earned on the investment portfolio	8,353,446	10,014,847
Other interest income	260,541	1,721
Other interest expense	<u>(159,572)</u>	<u>(13,404)</u>
	8,454,415	10,003,164
Interest expense on non-current liabilities	(9,855,776)	(11,499,309)
Amortisation of non-current liabilities	<u>6,510,330</u>	<u>6,250,110</u>
	(3,345,446)	(5,249,199)
Total financial income and expenses	5,108,969	4,753,965

31. Taxes**31.1. Tax position**

WSW and WSG have been fully liable for corporation tax since 1 January 2008 and SHH since 1 January 2012. Details have been set out in advance tax agreements. WSW's tax position has been determined since 1 January 2019 on current legislation and regulations. WSW is not in a fiscal unity with WSG and SHH.

WSG forms a fiscal unity for corporation tax purposes with WSG Holding B.V. and WSG Projectontwikkeling B.V. Its terms mean that WSG and its subsidiaries in the fiscal unity are jointly and severally liable for the tax payable by the combination.

SHH and WSG received a refund of property transfer tax in 2021. It may be that this refund will be included in the corporation tax levied on SHH. This would mean that 25% corporation tax totalling €1.6 million will be payable on the €6.4 million property transfer tax refund.

SHH

There is still no complete certainty on SHH's tax position. SHH is in talks with the Tax and Customs Administration on this.

WSG

There is no risk that WSG has to pay corporation tax. Loss relief was such that this cannot be offset during the period available for recovery.

See note 23 to the company financial statements for information on the corporation tax charge for 2021 in the consolidated financial statements.

32. Date of preparation of the consolidated financial statements

These consolidated financial statements were prepared on 21 April 2022.

Signed by the Executive Board and the Supervisory Board

Hilversum, 21 April 2022

Stichting Waarborgfonds Sociale Woningbouw

Executive Board

Executive Board

Mr R. Röttscheid

Mr L.J. van Kalsbeek

Supervisory Board

Supervisory Board

Mr H.M. Meijdam
chair

Ms G. van Vollenhoven-Eikelenboom
member

Supervisory Board

Supervisory Board

Prof. D Brounen
member

Mr J.G. Pot
member

Supervisory Board

Mr M.A.E. Calon
member

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